RAIFFEISEN

2022

Annual Report
Raiffeisen Group

Annual Financial Statements

Regulatory disclosure

Metrics

Title page:
Aline Köfer, qualified nurse

See the short profile in the magazine covering the financial year to find out what this Raiffeisen client does for the environment every day, and why she prefers sustainable investment products for her pillar 3a retirement savings.

report.raiffeisen.ch/en-portrait

See the Imprint on page 207 for the structure of the reporting. All publications are also available online at:

report.raiffeisen.ch

Raiffeisen in figures

S Strategic target

Income statement

CHF **1.18** billion
Group profit

CHF **2.55** billion
Net result from interest operations

CHF **591.4** million
Net income from commission business and service transactions

24.0%
Proportion of neutral business S

CHF **1.35** billion
Operating result

55.9%
Cost/income ratio S

Balance sheet

CHF **280.6** billion
Balance sheet total

CHF **203.7** billion
Mortgage volume

CHF **204.8** billion
Customer deposits

CHF **20.6** billion
Equity capital

93%
Retention of earnings

Market

3.64 million
Clients S

35.1%
Main banking relationship S

17.6%
Market share in mortgages

14.5%
Market share of customer deposits

Client assets

CHF **242.2** billion
Assets under management

CHF **8.2** billion
Net new money client assets under management

Cooperative

2.00 million
Cooperative members

CHF **140.7** million
Member benefits passed on

CHF **79.0** million
Interest on share certificates[1]

220
Raiffeisen banks

803
Locations

1,638
ATMs

Employees

11,652
Employees

9,901
Full-time positions

29.3%
Women in upper and middle management

CHF **17.9** million
Investments in training and continuing education

23rd place
Employer ranking

Sustainability

94.3%
Proportion of sustainable investment products (volume)

99.8%
Share of sustainable asset management mandates

CHF **225.1** million
Donations, tax and sponsorship

CHF **100.0** million
Outstanding green and sustainability bonds

1 Proposal for the attention of the General Meetings of the Raiffeisen banks

Preface

Thomas A. Müller
Chairman of the Board of Directors
Raiffeisen Switzerland

Heinz Huber
Chairman of the Executive Board
Raiffeisen Switzerland

Dear Readers,
The past year, 2022, has been an eventful one. After two years of the Covid-19 pandemic, which made enormous demands on people, the economy and society as a whole, the Ukraine war is also having a direct impact on our lives: rising energy prices, high inflation worldwide, fears of a recession. In times of uncertainty and crisis, it is all the more important for us as a cooperative to put our values into practice and offer our clients security and stability.

Yet even in challenging times, a company must continue to develop and look to the future. The framework for doing this is our strategy. We aim to enhance our proximity to clients and widen our reach by 2025, especially in the digital sphere. We intend to do this along sustainable lines, just as a cooperative bank should.

The aspiration and duty to operate the business sustainably is deeply rooted in our DNA. Credibility, entrepreneurship, proximity to clients and sustainability are important to us. These values guide our strategy and our work. They help to ensure that our clients see us as a reliable and safe partner. We set ourselves apart as a sustainable cooperative and have been working harder to achieve this in all our business areas, especially in pensions and investments.

We continue to enhance our proximity to clients and widen our reach along sustainable lines.

Sustainable pensions and investments are the future. At a very early stage, Raiffeisen recognised the importance of ecological and social aspects for pensions and investments. Raiffeisen launched the first sustainable funds under the "Futura" label 20 years ago, continuously developing its range of sustainable pension and investment solutions ever since. We have accordingly taken on a pioneering role in Switzerland as a financial centre. Futura solutions are now the backbone of our range of products and services. Around 95% of Raiffeisen's fund volume is invested sustainably. And we are going further: following our fund range, we are also resolutely focusing our asset management mandates on sustainability. We were the first national retail bank to launch an impact asset management mandate that aims at a positive and measurable ecological and social impact in addition to the financial goals.

Raiffeisen wants to make **sustainable asset accumulation** and professional asset management available to a wide group of people. This is part of our identity. That is why we have embedded this firmly in our strategy. And we have achieved this ambition: the entry thresholds for our digital asset management, Rio, are set deliberately low at CHF 5,000 and for the asset management mandates at CHF 50,000. The demand for these products shows us that we are on the right track.

Sustainable togetherness is important to us as a cooperative bank. We now have more than 2 million cooperative members throughout Switzerland. This means that around one in four adults in Switzerland holds at least one share certificate in a Raiffeisen bank. This proximity to our clients carries responsibilities and is an outstanding feature of Raiffeisen. More than 1,300 directors make decisions locally for their bank, together with their executive board. They are familiar with local requirements and needs. Together with the employees of the Raiffeisen banks, they embody the local roots and fellowship with clients and cooperative members. Cooperative banks are also committed to the community. Raiffeisen is one of the biggest sponsors of cultural and sporting events and activities at a regional and local level. Last year, Raiffeisen gave a total amount of CHF 225 million to society in the form of donations, sponsorship and taxes.

Together, the 220 Raiffeisen banks generated a very good result. The Raiffeisen Group closed the year 2022 with a Group profit of CHF 1.18 billion. Raiffeisen broadened its earnings base further through an increase in the proportion of neutral business in operating income. In particular, the significant inflow of new money into investment and pension fund accounts last year demonstrated that our clients have confidence in Raiffeisen.

93% of net profit is retained. This makes Raiffeisen a safe, stable and financially strong banking group.

The very good result enables us to further strengthen our capital base. We retain over 90% of our profit. This means that we can keep most of the net profit generated within the cooperative and invest it in the future of the banking group. This makes Raiffeisen a very safe, stable and financially strong bank. A bank that puts its values into practice and aligns the decisions that it makes today with the well-being of future generations.

We hope you enjoy reading this report,

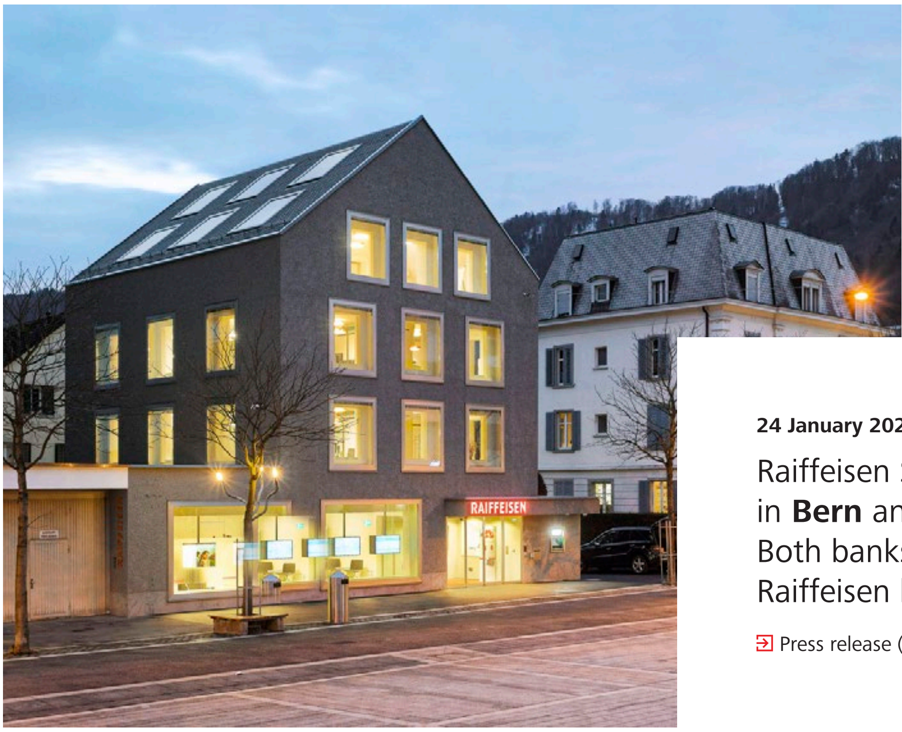
Thomas A. Müller
Chairman of the Board of Directors
Raiffeisen Switzerland

Heinz Huber
Chairman of the Executive Board of
Raiffeisen Switzerland

Management report

The Raiffeisen Group recorded an excellent result in the past financial year. Raiffeisen again extended its strong position in the client business thanks to the successful work of the 220 Raiffeisen banks. It has also continued to align its product range with sustainability. Raiffeisen was the first national retail bank to introduce an asset management mandate that pursues a positive and measurable ecological and social impact in addition to financial goals. Progress has been made in implementing the "Raiffeisen 2025" Group strategy. Raiffeisen achieved key milestones in the year under review. And since December, Raiffeisen now has 2 million members.

Important events



24 January 2022

Raiffeisen Switzerland makes its branches in **Bern** and **Thalwil** independent.
Both banks now operate as independent Raiffeisen banks.

Press release (in German)

15 February 2022

The **sustainability rating agency ISS ESG** awarded Raiffeisen **"Prime" status** for its sustainability performance. In the financial sector, Raiffeisen ranks among the top 10% of its peer group (public and regional banks).

Press release (in German)

Corporate ESG Performance
Prime
RATED BY ISS ESG

24 February 2022

Raiffeisen Switzerland fills the vacant positions on the Executive Board. **Uwe Krakau** becomes Chief Operating Officer, **Niklaus Mannhart** Chief Information Officer and **Roland Altwegg** takes over as the Head of Products & Investment Services.

Press release (in German)

26 April 2022

Ethos conducts a dialogue with selected Swiss and international companies on environmental, social and governance issues on behalf of Raiffeisen Switzerland. **Active investor dialogue** is a key element of the "Futura" approach to sustainability in Raiffeisen's pension and investment business.

Press release (in German)

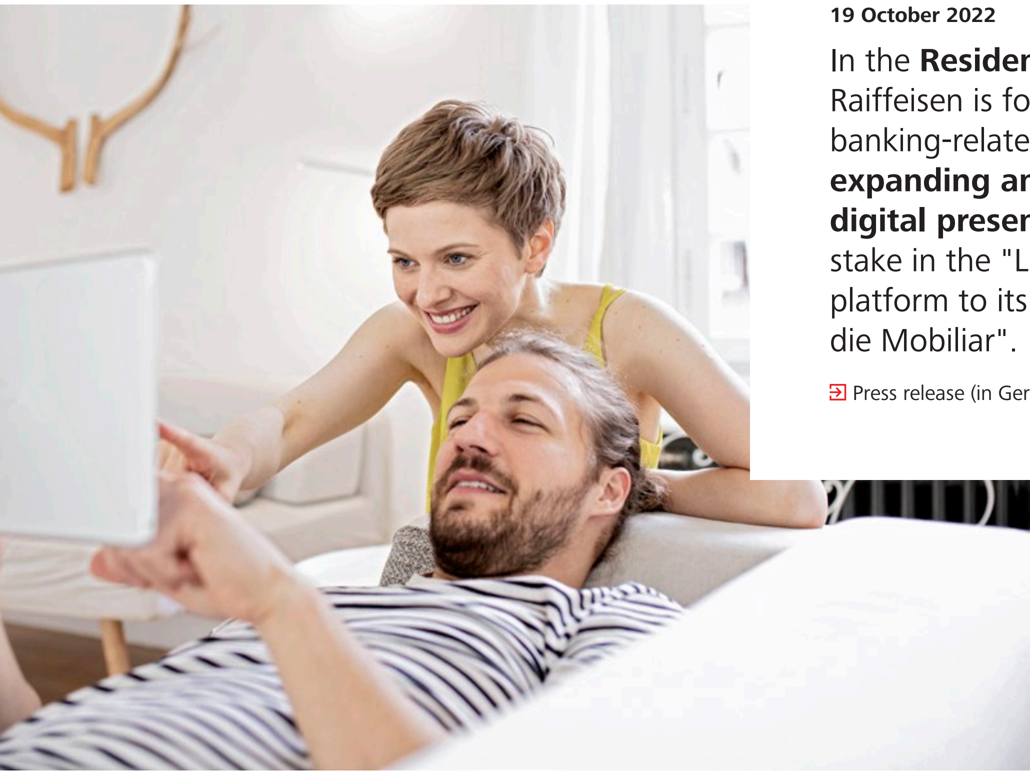
18 June 2022

The **General Meeting** of Raiffeisen Switzerland approves the 2021 annual financial statements and confirms all the members of the Board of Directors in their office.

Press release (in German)

20 June 2022

The **Raiffeisen banks St. Gallen** and **Winterthur** now operate as **independent banks**. This means that four of the previous total of six branches of Raiffeisen Switzerland have become independent. The Zurich and Basel branches will follow suit at the beginning of 2023.



19 October 2022

In the **Residential business area,** Raiffeisen is focusing on banking and banking-related services, while also **expanding and strengthening its own digital presence.** Raiffeisen has sold its stake in the "Liiva" home ownership platform to its cooperation partner " die Mobiliar".

Press release (in German)

4 November 2022

Six months after their launch, the **index-tracked Raiffeisen funds** already exceeded the **CHF 100 million** volume mark. In these funds, Raiffeisen combines the efficiency of an index fund with the systematic consideration of sustainability criteria.

22 November 2022

Raiffeisen's "Futura Impact" makes it the first national retail bank to offer an **asset management mandate** which, besides financial goals, explicitly aims for a positive and measurable environmental and social impact.

Press release (in German)

12 December 2022

Milestone reached: the Raiffeisen Group has **2 million cooperative members**. This means that the number of members has doubled in the past 20 years.

Press release (in German)

Business model – how we create added value

The figures listed refer to the 2022 financial year.

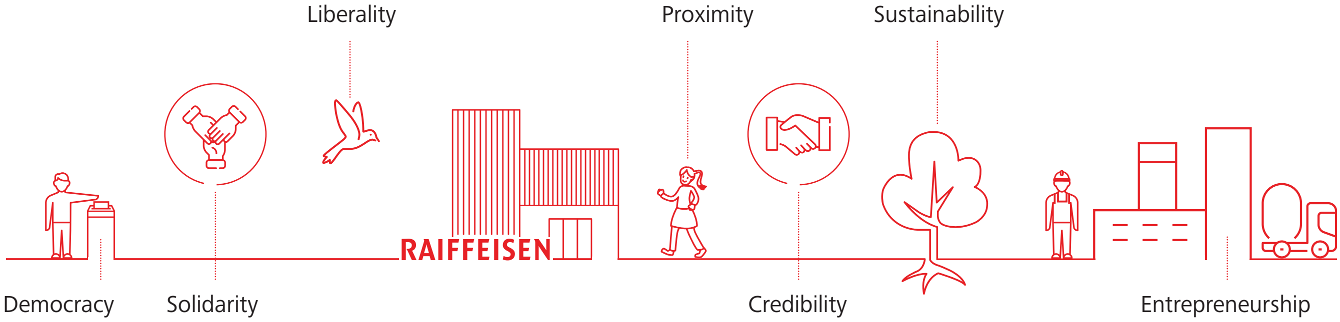
Key figures

2.00 million	**3.64** million	**11,652**	**220**	CHF **20.6** billion
Cooperative members	**Clients**	**Employees**	**Raiffeisen banks**	**Equity capital**

Values

Cooperative values

Entrepreneurial values



Strategic approaches

1	Client needs	Raiffeisen consistently aligns its services with its clients' needs and gains new clients as a result.
2	New technologies	Raiffeisen uses new technologies and data to improve the customer experience.
3	Provider of solutions	Raiffeisen continues to develop its business model to become a provider of solutions and is increasing income from the commission business.
4	Processes	Raiffeisen is increasing its efficiency through standardised and digital processes, creating more time to give advice.
5	Learning organisation	Raiffeisen is developing into a learning organisation and establishing itself as an attractive employer.
6	Sustainable cooperative	Raiffeisen sets itself apart as a sustainable cooperative – for clients and staff.

Result

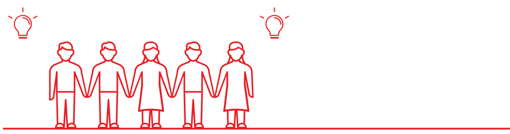
CHF **3,529** million	CHF **2,550** million	CHF **591** million	CHF **1.18** billion	**55.9%**
Operating income	**Net result from interest operations**	**Result from commission business and service transactions**	**Group profit**	**Cost/income ratio**

Client relationships

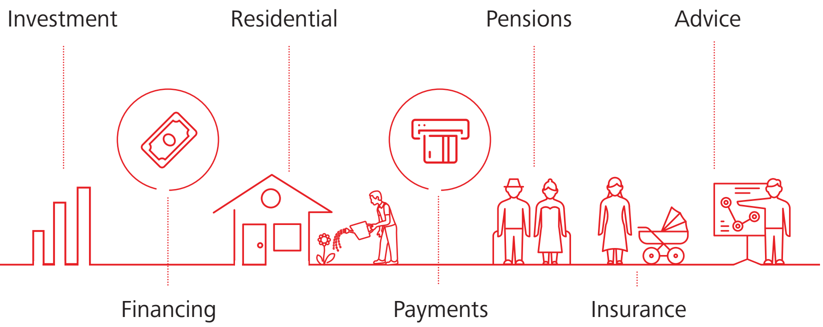
803	**1,638**	**1.76** million	**230,000**	**2.22** million
Locations	ATMs	E-banking agreements	Mortgage consultations	Client Service Centre contacts

Vision

"Raiffeisen – the innovative cooperative bank that connects people"



Areas of business and expertise



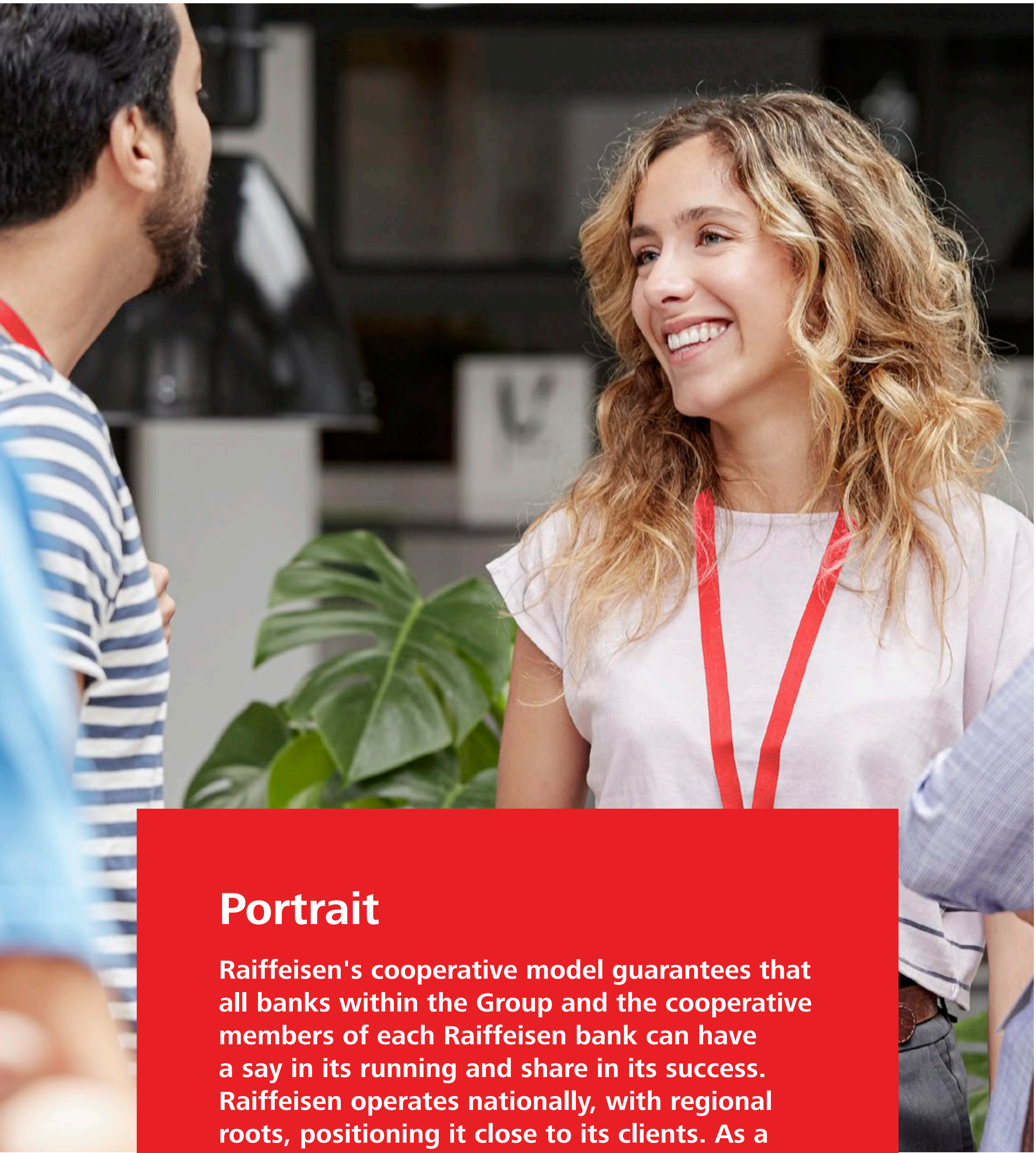
Strategic objectives that have been achieved

			2021	2022	2025 objective
1	Number of clients	million	3.61	**3.64**	3.80
2	Percentage of retail clients who use Raiffeisen as their main bank	%	33.8	**35.1**	36.0
3	Neutral business as a percentage of operating income	%	23.0	**24.0**	30.0
4	Cost/income ratio	%	56.0	**55.9**	58.0
5	Position in the Universum employer rankings	Rank	35	**23**	25
6	Number of cooperative members	million	1.96	**2.00**	2.09

Social added value

CHF **140.7** million	CHF **225.1** million	CHF **79** million	CHF **0.286** million	CHF **37** million
Member benefits passed on	Donations, tax and sponsorship	Interest on share certificates[1]	Net value creation per personnel unit	Donations collected through lokalhelden.ch

1 Proposal for the attention of the General Meetings of the Raiffeisen banks.



Portrait

Raiffeisen's cooperative model guarantees that all banks within the Group and the cooperative members of each Raiffeisen bank can have a say in its running and share in its success. Raiffeisen operates nationally, with regional roots, positioning it close to its clients. As a cooperative bank, Raiffeisen connects people and creates added value – for clients, members, employees, the environment and society.

Cooperative by conviction

The first Raiffeisen bank in Switzerland was founded in Bichelsee (canton of Thurgau) in 1899 at the initiative of Pastor Johann Traber, and it commenced operations in 1900. The founding principle was: "Helping people to help themselves". All members should be able to use the services of their bank and are entitled to a say in how it is run; at the same time, they also share responsibility for the cooperative's activities and how it fares.

Strong local roots

The Raiffeisen Group now consists of 220 Raiffeisen banks with a cooperative structure. Each of them operates within their defined geographical area. The money stays in the region to the benefit of the local economy. Raiffeisen banks also demonstrate social commitment. Raiffeisen supports local associations, social institutions and cultural events in a way no other banking group does. Raiffeisen banks are also major taxpayers in their respective municipalities. In the year under review, Raiffeisen granted more than CHF 225 million to local communities and associations – partly through local sponsorship and donations, partly through taxes.

The money stays in the region to the benefit of the local economy.

Raiffeisen also performs an important task as an employer with more than 11,000 employees. It sees meaningful activity, responsibility and initiative as the key elements of a socially responsible corporate policy.

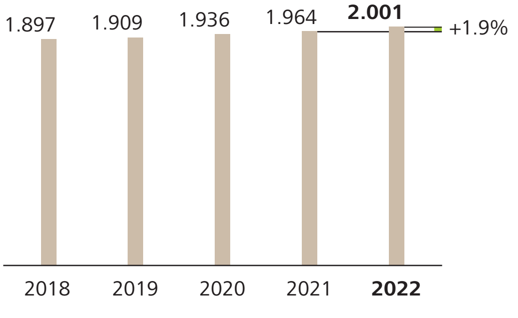
Attractive member benefits

Anyone who owns a share certificate will become a co-owner of their regional Raiffeisen bank. The cooperative members have voting rights and elect the executive bodies. They help decide on the further development of their Raiffeisen bank and benefit from its success. Members can also secure additional benefits. The share certificates earn an attractive interest rate. The museum pass, which grants free entry to over 500 museums in Switzerland, was again the most popular member benefit in the year under review, with around 1 million admissions. Raiffeisen members ordered more than 170,000 discounted tickets for concerts, festivals and events in 2022. In total, cooperative members enjoyed benefits worth CHF 140.7 million in 2022.

In the year under review, the members of the Raiffeisen banks enjoyed benefits worth CHF 140.7 million.

Around a quarter of all adults living in Switzerland are Raiffeisen members.

Cooperative members
Number of people (in millions) as at 31 December



In 2022, the Raiffeisen community was able to welcome around 38,000 new members. There are now more than 2 million cooperative members actively shaping the Raiffeisen Group. This makes Raiffeisen the largest cooperative bank in Switzerland.

Raiffeisen is the largest cooperative bank in Switzerland.

Our vision

Raiffeisen defines the framework for what it does by the vision "Raiffeisen – the innovative cooperative bank that connects people". The banking group inspires its clients with unique solutions. It is enhancing its proximity to clients and connecting people in Switzerland, in person and digitally. By putting its cooperative values into practice on a sustainable basis, Raiffeisen creates added value together with its cooperative members, its clients and its employees.

Connecting people means linking them both online and in person.

Our values

Raiffeisen acts in line with its cooperative values and its business policy is open and fair. The focus is on the cooperative members. They are involved in determining how their bank develops, resulting in exceptional proximity to clients. True to its origins, Raiffeisen wants to provide easy access to banking services for everyone. This will remain so in future.

Raiffeisen's business policy is open and fair.

The cooperative values

Democracy
Joint ownership and participation – where every member has a vote – is the democratic essence of the cooperative. Decisions are reached democratically.

Solidarity
Mutual support and joint and several liability are, from a historical perspective, achievements of the cooperative movement. Ultimately, solidarity is based on mutual trust.

Liberality
We tackle tasks together, with self-motivation and self-reliance. Liberality emphasises the independence of the cooperative banks.

The entrepreneurial values

Credibility
We do what we say and keep our promises. We are credible in that our actions are reliable and consistent, and we reach transparent decisions.

Entrepreneurship
We take responsibility for our actions at all levels. We act independently, responsibly and entrepreneurially.

Sustainability
For us, sustainability means acting responsibly as a company and considering the ecological and social impact of our activities, in addition to the economic aspects. As a responsible financial institution with a cooperative structure, we aim to continuously boost our sustainability performance.

Proximity
Raiffeisen banks are rooted in the local population. They know and understand their clients. They have a local/regional focus and integrate into the market.

Areas of business and expertise

In the private client business, almost half of the Swiss population relies on the expertise of Raiffeisen banks in the pensions and investments, and home and financing segments.

In the corporate client business, Raiffeisen can provide products and total solutions for financing, payments, trading in interest rates, currencies and precious metals, transactions in the money and capital markets, and corporate finance services.

Within the Raiffeisen Group, the Corporate Clients, Treasury & Markets department is also responsible for the management, intra-Group transfer and procurement of liquidity. It ensures access to the financial markets and, as a centre of competence, it offers financial market products and services across the Group.

Markets and clients

The Raiffeisen Group is focussed on the Swiss market. It is the third-largest player in the Swiss banking market and has the densest branch network in Switzerland. More than 90% of the Swiss population can reach one of the 803 Raiffeisen branches by car within 10 minutes. Raiffeisen's strong local roots are complemented by digital solutions, forming a hybrid business model. Clients can choose which services they wish to use and on which channels. Raiffeisen operates 1,638 ATMs for cash withdrawals in CHF and EUR (as at 31 December 2022). Raiffeisen e-banking and the digital asset management app Raiffeisen Rio are popular with clients. In the year under review, the number of e-banking agreements increased from 1.65 million to 1.76 million. There are 11,417 private clients using Raiffeisen Rio. Raiffeisen Switzerland's Client Service Centre handles over 2.2 million client enquiries per year, by phone or e-mail.

Raiffeisen has the densest branch network in Switzerland.

Private clients

Raiffeisen is a market leader in the retail business. More than 42% of the Swiss population are clients of Raiffeisen. For more than a third of the 3.64 million or so clients, Raiffeisen is the main bank, calculated on the basis of current product use. The banking group is number one in real estate financing. One in every five mortgages in Switzerland originates from Raiffeisen. Raiffeisen is also well positioned in the pension and investment business due to its range of solutions.

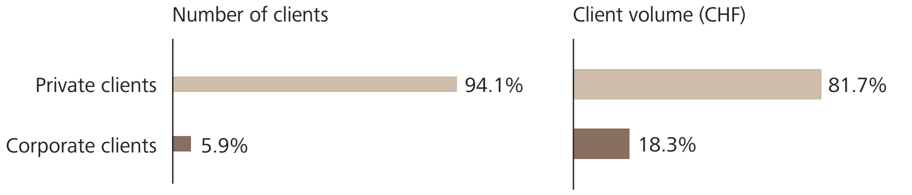
In Switzerland, more than 3.64 million people and one company in three are Raiffeisen clients.

Corporate clients

Raiffeisen's corporate clients comprise around 220,000 companies (as at 31 December 2022) – mostly small and medium-sized companies. This is an area that Raiffeisen intends to develop, while also further strengthening its leading market position as a local trustworthy bank for entrepreneurs in the Swiss SME market. The direct client activities arising from Raiffeisen Switzerland's corporate client, treasury and trading business are grouped together in the Corporate Clients, Treasury & Markets department. This means Raiffeisen can offer its corporate clients access to a broad range of products, advice and support from a single source, resulting in short lines of decision-making.

Corporate clients account for a disproportionately high share of the client volume.

Number of clients and volume
Share in percent, 31.12.2022



For more on solutions for private and corporate clients, see the chapter "Client solutions", pages 44–53.

Structure and governance

Each Raiffeisen bank is a legally and organisationally independent cooperative with directly elected banking bodies. The members of the cooperative form part of the responsible body of each bank.

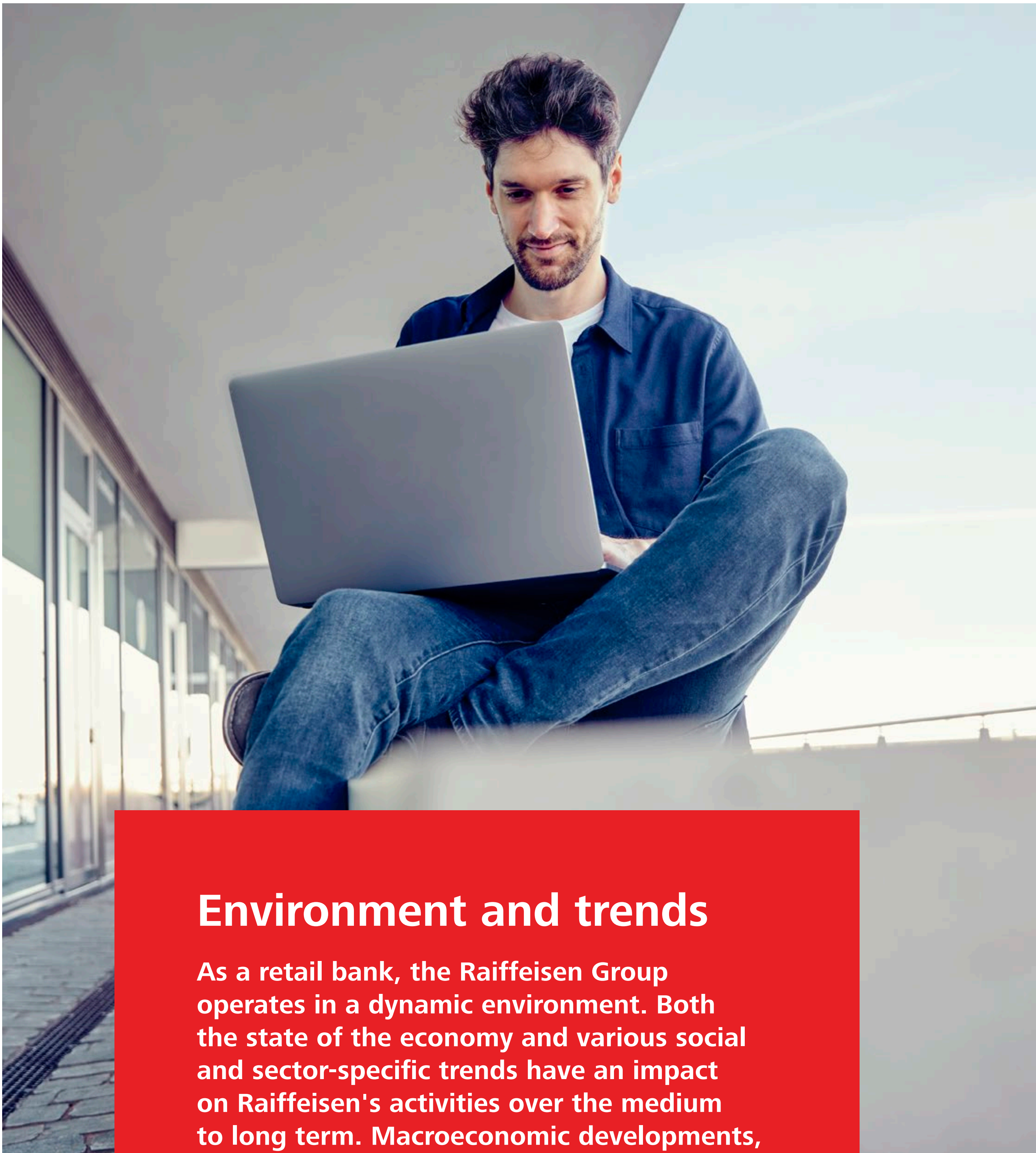
Raiffeisen Switzerland takes care of the strategic management of the entire Raiffeisen Group and creates the framework conditions for the business activities of the Raiffeisen banks. Raiffeisen Switzerland is responsible for risk management, liquidity and capital ratios, and refinancing for the entire Group. Raiffeisen Switzerland also takes on treasury, trading and transaction activities in the role of a Central Bank.

An important part of the governance newly established in 2019 is the owners' committees: the Owners' Meeting, Raiffeisen Bank Council, Expert Committee Coordination and the expert committees. The owner strategy brings together the interests, positions and expectations of the Raiffeisen banks as owners in relation to Raiffeisen Switzerland.

For more details, see the chapter "Corporate Governance" on page 104–133.

For more on the Raiffeisen cooperative, see the magazine covering the 2022 financial year:

report.raiffeisen.ch



Environment and trends

As a retail bank, the Raiffeisen Group operates in a dynamic environment. Both the state of the economy and various social and sector-specific trends have an impact on Raiffeisen's activities over the medium to long term. Macroeconomic developments, increasing geopolitical tensions and sustainability were particularly dominant themes in 2022.

Dynamic economic and market environment

The year 2022 saw many fundamental changes in the economic and market environment. The strained energy situation and the turnaround in interest rate policy in particular were major factors in the market.

A challenging economic environment

The war in Ukraine, the pandemic and rising geopolitical tensions were the forces driving the world in 2022. Against this background, strong demand for goods due to a post-pandemic catch-up, disruption in global supply chains and, last but not least, the energy price shock as a consequence of the war in Ukraine have increased price pressure worldwide. Inflation has led to monetary tightening in 2022.

The strong demand for goods in the strained economic environment has increased price pressure worldwide.

After some hesitation, many central banks finally raised key interest rates quickly, despite the downside risks to the economy. The European Central Bank (ECB) and the Swiss National Bank (SNB) have started to move away from low interest rates. This has also led to a rapid rise in long-term interest rates due to higher interest rate expectations. The subdued price pressure in Switzerland has led to more moderate tightening of financing conditions compared to other countries.

The catch-up effects after the pandemic gave a strong boost to consumer spending in Europe until late summer. The Swiss economy also continued its robust recovery, with gross domestic product (GDP) increasing by around 2% this year. Yet higher energy prices and weakening global demand increasingly left their mark towards year-end. Higher inflation, coupled with moderate income growth, put pressure particularly on the purchasing power of lower-income households. At an annual rate of 2.8%, inflation in Switzerland was moderate by international standards.

Due to the challenging environment and the high degree of uncertainty on the markets, Raiffeisen banks are seeing an increased need for information and advice, especially among clients who are facing important financial decisions about home ownership or personal pensions.

Despite interest rate hikes, residential housing prices remain stable

Since mid-last year, the Swiss National Bank has raised its key interest rate several times, making even money market mortgages noticeably more expensive. Even before the interest rate hike, the interest rates on long-term fixed-rate mortgages had risen faster than those on money market mortgages as the market priced in the expected increase in interest rates. Despite the higher financing costs than before the interest rate hike and related affordability challenges, the demand for private residential property remains stable. As the supply of residential property has also been scarce for a some time, there are no signs of a major correction in house prices.

Despite the interest rate turnaround, demand for residential property in Switzerland remains high.

The housing shortage is also increasingly being felt on the rental housing market due to the decline in new construction activity in recent years and the continued high levels of immigration. In many places there is already an acute shortage of housing, with no prospect of relief any time soon.

As intended, Raiffeisen's mortgage business has grown at market level in recent years. The principle of prioritising security over profitability and growth applies here. The Raiffeisen banks pursue a prudent lending policy. The affordability calculation is based on an imputed interest rate of 5%. These rules apply unchanged to the process of obtaining a mortgage. This ensures that mortgage borrowers can afford the financing costs even if interest rates rise.

Positive market outlook – some questions remain

The volatile markets and economic uncertainties significantly slowed down the high growth in the pension and investment business in particular. Overall, however, the outlook for retail banking remains positive. For example, the recovery in interest operations compensates for the lower income from the pension and investment business. In the residential sector, interest margins remain under pressure due to continued high levels of competition, while volume growth is expected to be slightly lower next year due to higher financing costs.

New neobanks also continue to enter the Swiss market, despite the unclear prospects for success. They are becoming more prominent and are helping to change client expectations.

Market developments and trends

Retail banks have been undergoing change for some time. The advance of digitalisation means that client needs are changing fundamentally. Competition is increasing. Non-bank competitors such as insurance companies and pension funds are getting involved in the mortgage business. Neobanks are raising client expectations with their digital products. Raiffeisen is responding to these trends with its Raiffeisen 2025 strategy.

Expectations in terms of transparency, corporate responsibility and sustainability are rising

Client behaviour is changing. Clients are increasingly using self-service digital solutions and getting information in the digital sphere. The greater transparency, comparability and variety of products do have consequences: clients are more price sensitive and increasingly willing to change their main bank. To meet the client demand for digital solutions, Raiffeisen is investing substantial amounts in the expansion of online client access and self-service. By 2025, all digital services will be available through one app.

Clients continue to become more sensitive to prices and more willing to change bank.

Sustainability-related requirements are also increasing. Society increasingly expects visible and credible corporate responsibility initiatives from companies. Both neobanks and the established banks have responded to this change. In retail banking, the focus is primarily on sustainable investment products, home ownership advice, and measuring CO_2 and compensating for it. In the lending and issuing business, too, financial service providers are increasingly aligning themselves with sustainability criteria.

Sustainable Finance is seen as a huge opportunity by the Swiss Federal Department of Finance, while the Swiss Confederation would like to position Switzerland as a responsible and sustainable international financial centre. As part of its sustainability strategy, Raiffeisen supports the Paris Climate Agreement and climate-neutral Switzerland. Currently, around 95% of the total volume of all Raiffeisen funds is invested sustainably.

Fiercer competition for the client interface

Financial service providers are investing more heavily in payment solutions. Neobanks and technology companies are using the new technological possibilities to expand their payment services. In addition, non-banks such as large retailers are increasingly using "embedded finance" approaches. In other words, financial services such as payment processing, instalment payments or insurance are seamlessly integrated into the offer at the product purchase stage. A loan for buying furniture is available directly from the furniture dealer, for example, or car dealers offer insurance during the purchase of a new car.

New technologies are bringing a wider range of solutions for the processing of payments.

Moreover, banks and institutional competitors such as insurance companies or pension funds in particular continue to expand their client access in the residential sector through new alliances. Overall, however, the momentum in the networking of financial service providers and real estate specialists has declined again to some extent. Consolidation of platforms is to be expected for the Swiss market in the coming years. Raiffeisen offers various tools and services to cover all needs relating to private home ownership. In real estate marketing, Raiffeisen works together with Raiffeisen Immo AG. Raiffeisen Immo AG provides comprehensive support and assistance to clients throughout the process of selling their private residential property.

Increasing digitalisation of sales and service models

New digital approaches to sales and service are increasingly establishing themselves in the Swiss banking market. Both video-based advisory sessions and the use of private short message channels are becoming increasingly popular among clients. Client interaction at any time or place will complement existing channels and formats in retail and corporate client business.

When offering digital investment solutions, "robo advisors" continue to play only a marginal role. Several providers have announced hybrid investment solutions (digital asset management combined with advice in person) in recent months. Based on the needs of its clients, Raiffeisen expanded its services last year and now offers a comprehensive range of pension and investment solutions. In addition to conventional asset management, Raiffeisen offers, for example, a digital asset management product "Rio", which is an investment solution that can be used from an investment volume of CHF 5,000.

Technology: focus on IT infrastructure and automation

Major technological leaps failed to materialise in 2022. Disruptive technology trends such as blockchain have not yet gained widespread acceptance. Cryptocurrencies also came under even more regulatory pressure last year due to the recent price slumps. Digital currencies have been subject to fierce criticism since they were introduced, as they are volatile and use a lot of energy.

Banks continue to invest systematically in optimising their IT infrastructure and automating basic processes. This creates cross-sectoral technical interfaces that should enable efficient exchange of data within a regulated framework in the future.

Digitalisation is creating a new, changed world of work

The Swiss economy has proved to be very robust, especially on the labour market. The unemployment rate in Switzerland is at a very low level, with the result that the available labour pool is small at present. This exacerbates the shortage of skilled workers that has existed in Switzerland for years. It affects a range of sectors such as healthcare, hospitality, information and communication technology, and finance. IT specialists in particular are very important for implementing banks' extensive digitalisation projects.

IT specialists are very important to banks for the purpose of driving forward their digitalisation projects.

Digitalisation and social change are also transforming the world of work. Employers are faced with two developments: they must meet the challenges posed by digitalisation as well as the individual demands of employees for meaningful work. This change affects the corporate culture, the perception of management and the handling of skills that are needed for the new world of work. As part of the Group strategy, Raiffeisen has developed its management principles through a shared cultural development process.

Regulatory requirements remain high

Increasing changes in regulation require additional expertise and resources. The capital, liquidity, and compliance requirements for banks are continuously being tightened, with additional requirements for Raiffeisen as a systemically important banking group. Raiffeisen relies on efficient, technology- and data-based implementation when it comes to regulatory changes and invests in the automation and digitalisation of compliance processes. The Raiffeisen Group is very well capitalised. It exceeds both the current regulatory standards for systemically important banks and those that will apply from 2026, primarily with the highest quality of capital.

Strategy

Raiffeisen 2025 is the Raiffeisen Group's strategy, setting the framework for Raiffeisen's next chapter. The goal is to focus consistently on clients and have more time to provide advice. By 2025, Raiffeisen will have expanded its digital services, strengthened its advisory services, enabled seamless interaction between the digital world and the local Raiffeisen banks, and created a simple and efficient mortgage process. Raiffeisen reached major strategic milestones in the year under review.

Group strategy Raiffeisen 2025

The Group strategy Raiffeisen 2025 sets out the strategic direction for the period 2021–2025. It was developed in 2020 in an extensive and participative process, and lays out the Raiffeisen Group's future direction. It also shows how Raiffeisen intends to position itself in the Swiss banking market, so that it can continue to operate as a successful cooperative bank with a local presence.

What guides our activities

Raiffeisen is guided by its cooperative values in its dealings with cooperative members, clients, staff and society. Both in its day-to-day operations and when implementing the strategy, Raiffeisen acts according to the following principles:

The cooperative model and the associated values remain a key distinctive feature for the Raiffeisen Group.

- Raiffeisen strives for a management culture focused on profit and efficiency, but not profit maximisation.
- Raiffeisen is a bank that connects people. It appeals to all stakeholders, connects people based on its values and creates added value.
- Raiffeisen generally positions itself as a smart follower in the change process. This poses much less business risk. Raiffeisen occasionally positions itself as a first mover, too.
- Raiffeisen's strength lies in the Group and as a team. The cooperative model allows Raiffeisen to stand out from its competitors as an innovative community of values and added value.
- Raiffeisen is evolving from a provider of products to a provider of solutions, while also driving its cost efficiency through scale, quality, standardisation and digital transformation.
- One thing is always true for the banking group: security, stability, sustainability and high-quality growth come first.

Strategic goals

Raiffeisen is located where its clients are: hybrid – in other words, both in person and digital. As the retail bank with the highest level of client satisfaction, Raiffeisen is striving to further develop its proximity to clients. At Raiffeisen, clients do not have to choose between digital banking services or personal advice at the branch; clients can select the channel they prefer to use at that particular time. Raiffeisen ensures that the transition between the digital world and personal contact with the advisor is straightforward. That is why Raiffeisen invests not only in developing its digital channels and in efficient processes, but also in delivering expert advice at the local level.

Raiffeisen continues to develop its proximity to clients: in person at local Raiffeisen banks and through its digital service channels.

To further develop proximity to its clients, Raiffeisen is introducing various measures:

- Raiffeisen creates more time for clients by becoming more efficient. To do so, Raiffeisen is streamlining and digitalising the mortgage process as well as other basic processes. Raiffeisen will use the time gained in this way for providing advice.
- Raiffeisen is working on a seamless client experience across all channels. To do this, Raiffeisen is investing in enhancing the interaction between the channels and especially in upgrading some channels, such as mobile and online banking.
- Raiffeisen provides personal, comprehensive and pragmatic advice to its clients. With this in mind, investments are being made in a systematic approach to advice. Digital tools and systems support the advisors in their work.
- Raiffeisen complements the portfolio of solutions with simple and clear bank and related solutions. For this, Raiffeisen is adding to its established and compelling range of products and services in order to address clients' needs even better. Raiffeisen focuses particularly on expanding the pension and investment business, with the aim of making sustainable asset accumulation available to everyone.

- Raiffeisen will invest in developing professional and methodological skills throughout the comprehensive advisory services until 2025. Special focus will be placed on developing expertise specifically in the pension and investment segment. Employees think and act with an entrepreneurial mindset.
- Raiffeisen positions itself as a strong brand, both locally and nationally. As a sustainable cooperative, it is guided by its values.

Strategic progress

The Raiffeisen 2025 strategy is being implemented in three waves. The first wave (2021–2022) established the basis for a successful transformation by expanding the product range, simplifying processes and piloting initial developments. In the second wave (2023–2024), initiatives will be advanced that will allow Raiffeisen to gain more quality time for clients. The third wave (2025) will focus on setting the bank apart by delivering hybrid advice.

Sustainable range of products in the pensions and investment segment rounds off the offering

Raiffeisen continued to expand its range of pension and investment products in the year under review. This included enhancing the functionality of the digital pension solution, launching index-tracking investment funds, extending the range of advisory mandates and aligning the existing asset management solutions fully with sustainability. In addition, Raiffeisen's "Futura Impact" makes it the first national retail bank to create an asset management mandate which, besides financial goals, aims for a positive and measurable environmental and social impact. Clients now receive portfolio reporting that has been expanded to include key sustainability performance indicators. These will, for example, provide transparent information about the greenhouse gas emissions associated with the investments. In addition, the asset management mandates are now available from a minimum investment of CHF 50,000. By lowering the entry threshold from CHF 100,000 to 50,000, Raiffeisen aims to enable a broader client base to delegate management of their assets to a professional partner.

The new asset management mandate, Futura Impact, aims to achieve a positive, measurable environmental and social impact, in addition to financial goals.

Efficient mortgage process due to automation

The processes for mortgage lending to private clients will be enhanced and digitalised by 2025. The aim is to boost efficiency and consequently gain more time for clients through standardisation and automation. Raiffeisen laid the technical groundwork for this in the year under review. Using a new automated mortgage process, Raiffeisen will be able to prepare and post-process the majority of all loan enquiries from private clients in a standardised procedure. This will include automatically recognising the relevant loan documents using artificial intelligence and automatically generating financing proposals. In addition, advisors will have access to an advisory tool to show their clients different options for financing. With this new process, clients receive an answer to their loan application more quickly, while banks gain time that they can then invest in providing advice. Pilot operation at the first Raiffeisen banks started at the end of 2022. The solution will be gradually introduced at all Raiffeisen banks until probably the end of 2023 and then continuously enhanced.

By using the new workflow from application to granting of the mortgage, Raiffeisen is gaining time that it can use to provide personal advice to its clients.

Basis for digital client experience developed

Major importance is attached to expansion of digital channels in the Raiffeisen 2025 strategy. As a core project, a new application will be in place by 2025 that brings together all of Raiffeisen's digital services. Raiffeisen laid the technical groundwork for this in the year under review, adopting a mobile-first approach. The test phase for the new Raiffeisen app started at the end of 2022. It is expected that a first version will be available to all private clients by the end of 2023. This will include the basic functions that are already used regularly by 80% of users in online banking. Clients will be able to review their financial situation and make payments in the app at any time. It will also be possible to take out new products and manage existing products such as mortgages. In addition, clients can interact with their Raiffeisen bank within the app and exchange information. The app's functionality and, in a later step, the desktop version of the app will be continuously expanded until 2025.

Clients will be able to use the new Raiffeisen app to take out new banking products and manage existing ones, such as mortgages.

The digital onboarding process was subject to technical development in the year under review. It is expected that, by the end of 2023, private individuals will be able to digitally verify their identity and become a Raiffeisen client within five minutes. To offer website visitors an intuitive user experience, Raiffeisen revised and upgraded its website at raiffeisen.ch in the year under review.

Advisory service strengthened
Raiffeisen is focusing on a comprehensive approach to advice and is investing in advisory services and tools capable of handling future demands. The goal is to support clients throughout the events and stages of their lives, and to provide support in areas where clients are independently and digitally active. Raiffeisen continued to professionalise its advisory processes in the year under review, while also investing in the qualifications of its advisors.

Raiffeisen invests in the training and continuing education of its advisors so that they can provide competent advice and support for their clients.

As part of the regular strategy review, Raiffeisen has defined the target in the residential sector more clearly. Raiffeisen will not continue pursuing the ecosystem idea in this strategy period; instead, it will focus on its comprehensive expertise in private residential property, involving bank and related topics such as buying, selling and renovation. Implementation of prudent home ownership advice commenced during the year under review. In addition to financing advice, other advisory services are offered, such as search and purchase advice, or advice on renovation. This enables Raiffeisen banks to provide clients with competent and comprehensive advice throughout the entire life-cycle, from search to sale. In some fields, Raiffeisen banks work together with partners such as the subsidiary Raiffeisen Immo AG, or with EnergieSchweiz as part of the "Renewable heating" incentive programme.

Goal achievement and outlook

Raiffeisen is well on track to achieve its 2025 strategic goals, as can be seen in the chart below. Most of the ambitious goals were reached in the year under review. Progress is being made in diversifying the business model. The proportion of neutral business in operating income increased to 24.0% (previous year: 23.0%). Due to the increases in operating income, the cost/income ratio remained at a very good level and, at 55.9%, was slightly better than in the previous year. This underlines the ongoing efficiency gains that have been achieved despite significant investments in the strategy.

Raiffeisen is on track with its strategy and has further diversified its business model.

Last year, Raiffeisen passed the mark of 2 million cooperative members. This means that around one in four adults in Switzerland is a co-owner of a Raiffeisen bank. The number of cooperative members has therefore more than doubled in the past 20 years. Raiffeisen also increased the strategic target for the number of cooperative members from 2.03 to 2.09 million, as part of the strategic decision to make the branches of Raiffeisen Switzerland independent cooperative banks.

The number of clients also increased by 31,000. The Group now has 3.64 million clients, which is a good figure given the volatile market environment and strong competition (target in 2022: 3.65 million). The positive trend thus continued in the year under review. It is also particularly encouraging that the proportion of private clients who have their main bank account with Raiffeisen has also increased. This percentage now stands at 35.1%, highlighting Raiffeisen's proximity to clients. Looking ahead, the focus will be on more time spent advising clients. For this reason, the target for the number of clients by 2025 has been adjusted slightly, from 3.86 to 3.80 million.

A clear sign of Raiffeisen's attractiveness as an employer is the improvement in Universum's employer ranking by 12 places, to 23rd place. This makes Raiffeisen one of the top 25 employers in Switzerland. The appraisal as "Top Company 2023" by the Kununu employer rating platform confirms this success.

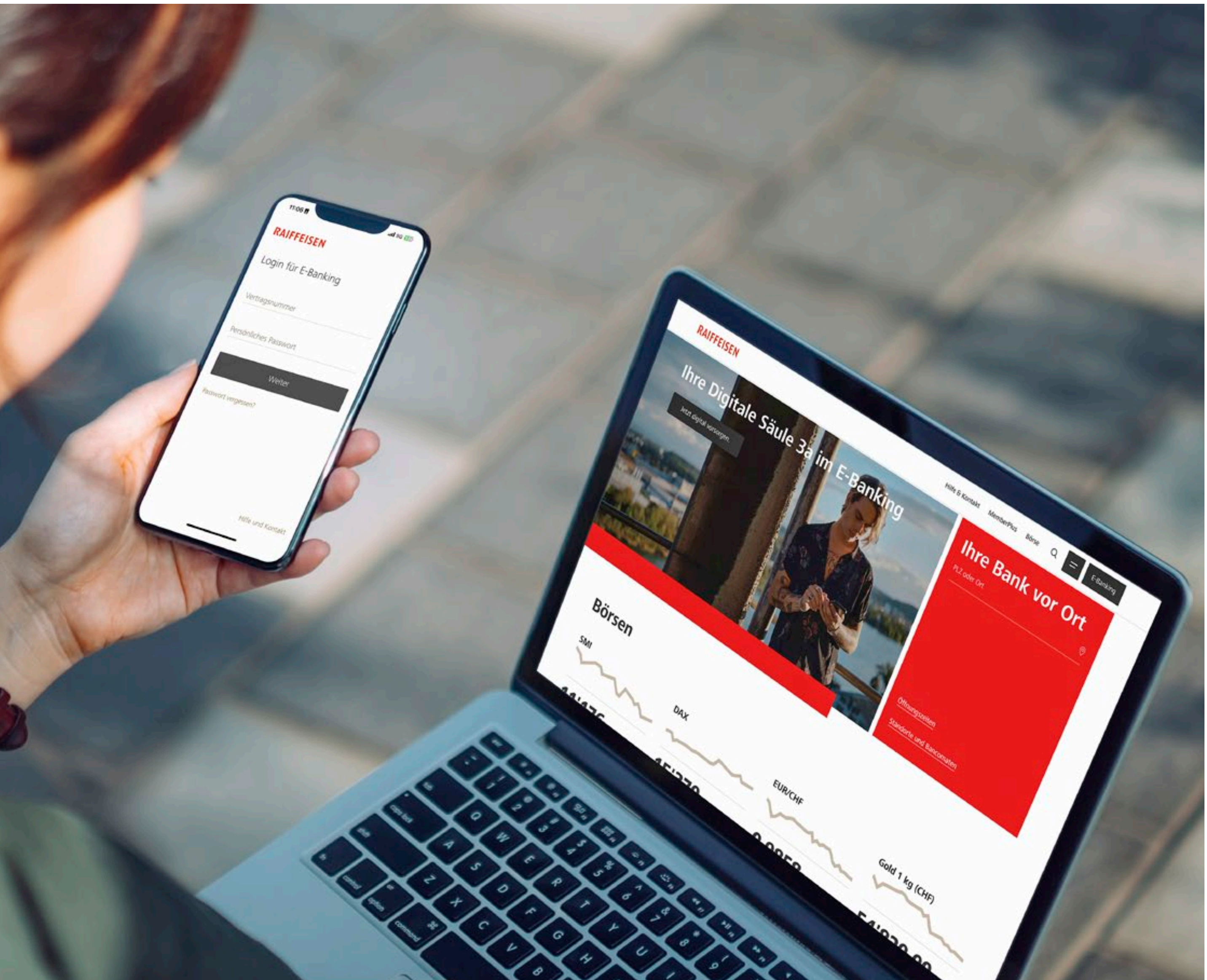
Raiffeisen is well on track to reach its targets by the end of 2025.

Strategic goals and goal achievement 2022

		2020	2021	2022 objective	2022 goal achievement	2025 target value
1	Number of clients	3.55 million	3.61 million	3.65 million	3.64 million +0.8%	> 3.80 million
2	Share of private clients whose main banking relationship is with Raiffeisen[1]	31.0%	33.8%	33.0%	35.1% +1.3 percentage points	> 36.0%
3	Neutral business as a percentage of operating income[2]	22.2%	23.0%	24.0%	24.0% +1.0 percentage points	> 30.0%
4	Cost/income ratio	59.4%	56.0%	< 61.0%	55.9% –0.1 percentage points	< 58.0%
5	Position in Universum's ranking of employers[3]	Number 44	Number 35	Number 38	Number 23 Up 12 places	< Number 25
6	Number of cooperative members	1.94 million	1.96 million	2.01 million	2.00 million Up 0.04 million	> 2.09 million

1 Proportion of private clients who conduct most of their banking business with Raiffeisen (calculated on the basis of product use).
2 Percentage of income from neutral business, including net income from trading as a percentage of operating income.
3 Employer ranking by Universum in the Business Professionals category.

The year 2023 will see the start of the second wave of implementing the strategy, in which Raiffeisen will focus on gaining more time for individual client advice. Raiffeisen aims to achieve this by expanding its digital services and making the process from mortgage application to loan decision more efficient.



Result

In the year under review, the Raiffeisen Group generated a very good result, with a Group profit of CHF 1.18 billion, 10.6% higher than the previous year. The increases in operating income were the main contributor to this. As 93% of net profit is retained, it remains within the cooperative and strengthens the capital base of the Raiffeisen Group.

Key performance indicators

Key figures

in CHF million, percent, number	2021	2022	Change in %
Key figures income statement			
Gross result from interest operations	2,402	2,569	7.0
Result from commission business and service transactions	536	591	10.3
Operating income	3,383	3,529	4.3
Operating expenses	1,895	1,972	4.1
Operating result	1,268	1,354	6.8
Group profit	1,069	1,182	10.6
Cost income ratio	56.0%	55.9%	
Key balance sheet figures			
Total assets	284,489	280,635	–1.4
Loans to clients	206,355	214,565	4.0
of which mortgage receivables	196,360	203,656	3.7
Customer deposits	201,729	204,785	1.5
in % of loans to clients	97.8%	95.4%	
Total equity (without minority interests)	19,179	20,673	7.8
Capital resources/liquidity [1]			
CET1 ratio [2]	20.3%	18.8%	
Tier 1 ratio (going concern) [2]	21.7%	18.8%	
TLAC ratio	23.4%	24.9%	
TLAC leverage ratio	7.4%	8.2%	
Liquidity Coverage Ratio (LCR) [3]	185.4%	168.4%	
Net Stable Funding Ratio (NSFR) [4]	144.9%	140.9%	
Market data			
Share of mortgage market	17.6%	17.6%	
Market share of customer deposits	14.0%	14.5%	
Number of clients	3,606,540	3,637,706	0.9
Number of cooperative members	1,963,593	2,001,499	1.9
Client assets			
Client assets under management [5]	241,226	242,239	0.4
Net new money client assets under management	14,509	8,159	–43.8
Risk ratio lending business			
Value adjustments for default risks	243	248	2.0
as % of loans to clients	0.118%	0.115%	
Value adjustments for expected losses (risk provisions)	482	484	0.3
Resources			
Number of employees	11,465	11,652	1.6
Number of full-time positions	9,729	9,901	1.8
Number of locations	820	803	–2.1

1 According to the systemic importance regime.
2 Due to the early fulfillment of the full 2026 TLAC requirements as of 31 December 2022 and the resulting higher reclassification of excess CET1 capital, this figure is reduced as of 31 December 2022. In return, the aggregate requirements for additional loss-absorbing funds (gone-concern funds) applicable as of 2026 have already been fully built up as of 31 December 2022.
3 The liquidity-coverage-ratio (LCR) measures whether a bank has sufficient liquid funds to cover its liquidity needs from its own funds over a 30-day period in the event of an emergency. The LCR puts the available liquid funds in relation to the expected net outflow.
4 The net-stable-funding-ratio (NSFR) serves to ensure sustainable and stable funding of a bank's lending and off-balance-sheet activities. In particular, it limits the risk of a bank financing its lending activities with deposits that are deemed too unstable and short-term.
5 The client assets shown include custody account assets plus liabilities arising from customer deposits and cash bonds. "Liabilities arising from customer deposits" includes customer deposits that are not similar to an investment. The following are not included: fiduciary deposits, custody-only relationships (third-party banks and institutional clients where Raiffeisen acts solely as custodian) and assets of institutional investors where the business activity consists of liquidity and repo investments.
Reclassifications between assets under management and unreported assets (such as custody-only) are shown as a change in net new money.

Very good annual result

The Raiffeisen Group generated a very good result in 2022, with a Group profit of CHF 1.18 billion. Raiffeisen attributes this success to the strong performance in the client business. The Group recorded pleasing growth in the mortgage business. The pension and investment business remains on a growth trajectory and makes an important contribution to diversification of the business model. The Group's strategic progress is visible – Raiffeisen is now also an asset management bank.

The mortgage volume has grown by CHF 7.3 billion. Despite the challenges presented by the market environment, the Raiffeisen Group received new funds of CHF 3.9 billion into pension fund accounts and investment accounts. The number of pension fund accounts increased by 17.6%, while the number of asset management mandates rose by 34.4%. This demonstrates the great trust clients have in Raiffeisen's investment expertise. On the income side, both interest operations and the neutral business saw an increase. In addition to successful development of the operational business, the Group expanded the cooperative network, thus enhancing its profile. In 2022, four of the previous six branches of Raiffeisen Switzerland were made into independent cooperative banks – the Zurich and Basel branches followed at the start of 2023.

Encouraging growth in the core business

The business volume continued to grow. Loans to clients rose by CHF 8.2 billion (+4.0%) to CHF 214.6 billion. Mortgage loans increased in line with the strategic ambition of tracking the market trend. The Raiffeisen Group maintained its strong position in a highly competitive environment, with market share of 17.6% remaining at the previous year's level.

The Raiffeisen Group maintained its strong market position in a highly competitive environment.

Although growth in customer deposits was more moderate, it is still at a high level. The increase was CHF 3.1 billion (+1.5%). Raiffeisen continued to expand its range of pension and investment products, and aligned the existing asset management mandates fully with sustainability. Around 7,700 new asset management mandates (+34.4%) were opened in the past financial year. The number of pension fund accounts went up by around 21,200 (+17.6%), while fund savings plan accounts were up by 9,900 (+11.8%). CHF 3.9 billion in net new money was paid into pension fund accounts and investment accounts. Due to the negative market trend, however, custody account volumes declined by CHF 4.0 billion (–8.8%) overall.

Raiffeisen welcomed around 31,000 new clients in the past financial year. The number of cooperative members also increased. The Raiffeisen Group has more than 2 million cooperative members for the first time. This means that around a quarter of all adult residents of Switzerland is a co-owner of a Raiffeisen bank. Many people subscribed to share certificates, especially in urban areas and as a result of the branches being made independent. More than 47,000 people have subscribed to one or more share certificates of the six new Raiffeisen banks.

Operational profitability remains strong

The operational profitability situation is very encouraging. The increase in the main pillar of income – interest operations – is slightly above the previous year's level. The net result from interest operations climbed CHF 135.8 million (+5.6%) to CHF 2.5 billion. The interest rate turnaround by the Swiss National Bank (SNB) last year and rising interest rates are only slowly having an impact on the lending business. Almost 80% of mortgages are agreed for a fixed term, with the average fixed-interest period being over three years. The interest margin recovered slightly for the first time in years, at 0.92% (previous year: 0.89%). The market is highly competitive, which is why Raiffeisen will continue to operate in a challenging market environment in the coming quarters.

Raiffeisen once again demonstrated its operational strength and recorded an excellent result.

Income in the neutral business again performed positively. The result from commission business and service transactions again rose sharply, up CHF 55.3 million (+10.3%) to CHF 591.4 million. The result from trading activities also increased, rising by CHF 9.7 million (+4.0%) to CHF 254.3 million. This trend indicates that the Group's income base has further diversified. The proportion of neutral business in operating income increased from 23.1% in the previous year to 24.0%. The other result from ordinary activities was CHF 55.1 million (–29.2%) lower than in the previous year, which included a one-off effect relating to the disposal of financial investments. Overall, due to the strong operating business, operating income is significantly above the previous year's level, up CHF 145.6 million (+4.3%) to CHF 3.5 billion.

Costs rose within bounds of expectations

As expected, costs increased in the year under review. Operating expenses rose CHF 77.4 million year on year (+4.1%) to CHF 2.0 billion. This was due to investment in projects to implement the Group strategy and a further increase in staff for advising clients at Raiffeisen banks. In addition, as events were not possible in the past few years due to Covid-19, the expenses for client events and member meetings returned to a higher level. Personnel expenses increased by CHF 37.3 million (+2.7%) to CHF 1.4 billion. General and administrative expenses rose by CHF 40.1 million (+8.0%) to CHF 543.0 million.

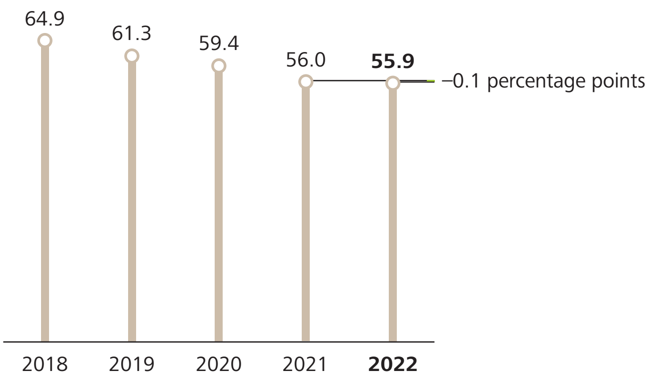
55.9%

This cost/income ratio is a very good figure for a bank such as Raiffeisen.

Despite the cost increases, the high rises in income led to a slight improvement in the cost/income ratio, from 56.0% at the end of the previous year to 55.9%. This positions the cost/income ratio at a very good level and the Group's productivity remains high. The value adjustments on participations and amortisation of tangible fixed assets and intangible assets were significantly lower than the previous year, while the changes in provisions and other value adjustments and losses increased, albeit at a low level. The operating result in the year under review was CHF 1.35 billion, or CHF 85.9 million (+6.8%) higher than in the previous year.

The cost/income ratio shows that Raiffeisen operates efficiently.

Cost/income ratio
in %



Capital base further strengthened and loss-absorbing capital fully built up

Raiffeisen achieved a very good annual result. The profit increased significantly by CHF 113.1 million (+10.6%) to CHF 1.18 billion. As over 90% of the profit is retained in the form of reserves, the Group is able to further strengthen its capital base.

In the past financial year, four of the six branches of Raiffeisen Switzerland were made into independent cooperative banks. The most important element in capitalising the new Raiffeisen banks was the subscription of cooperative share certificates by clients, who thus became co-owners of their Raiffeisen bank. As a result, new cooperative capital in the amount of CHF 161.5 million has been received into the four Raiffeisen banks as at 31 December 2022. Overall, the Group's cooperative capital increased by CHF 377.8 million, chiefly due to multiple subscriptions. The high inflow strengthens the capital base significantly and is an expression of trust in the Raiffeisen cooperative model.

The Raiffeisen Group is exceptionally well capitalised. With a TLAC ratio of 24.9%, Raiffeisen meets the risk-weighted requirements of 20.2% (requirements in accordance with contingency planning for systemically important banks, without applying transitional provisions). The requirement of 20.2% already includes the countercyclical capital buffer on Swiss residential properties. This buffer was reactivated by the Federal Council with effect from 30 September 2022 and took effect at Raiffeisen as of 31 December 2022 at the rate of 1.4%.

Raiffeisen also more than meets the unweighted TLAC leverage ratio requirements of 6.6%, with a figure of 8.2%.

Raiffeisen again issued bail-in instruments in 2022. The Group succeeded in placing a volume of EUR 500 million. Bail-in instruments, also referred to as gone-concern capital, serve as additional loss-absorbing capital in the event of a crisis. As a systemically important institution, Raiffeisen has to meet higher capital requirements and requirements for loss-absorbing capital. In principle, the requirements for additional loss-absorbing capital are to be fully built up by 2026 through transitional provisions. As a result of the bail-in bonds issued and the higher reclassification of excess going-concern capital as gone-concern capital, as at 31 December 2022 Raiffeisen already meets the requirements specified for the event of a crisis and within the scope of contingency planning in full. Raiffeisen is therefore not applying the transitional provisions.

Income statement

Income from operating activities

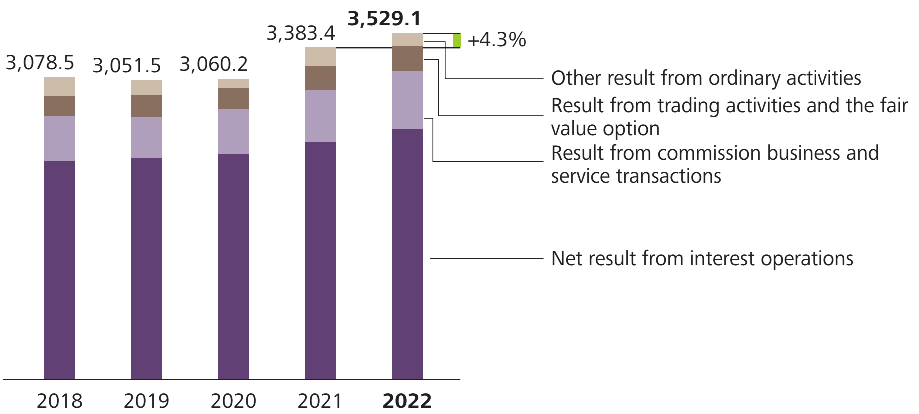
The income situation has performed well. Both income from interest operations and from the neutral business increased. Only the other result from ordinary activities was lower, due to a high one-off effect in the previous year. Overall, operating income increased by CHF 145.6 million (+4.3%) to CHF 3.5 billion.

3.5
CHF billion

Operating income of CHF 3.5 billion was more than 4% above the prior-year figure.

Operating income rose by CHF 145.6 million in the year under review.

Operating income
in CHF million



Interest operations

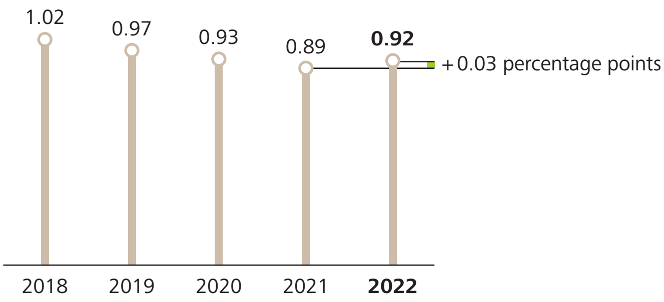
The Group recorded a pleasing increase in the main pillar of income, interest operations. The gross result from interest operations climbed CHF 167.5 million (+7.0%) to CHF 2.6 billion. This is the first time in several years that the interest margin increased slightly. At 0.92%, it is three basis points higher than at the end of the previous year. The turnaround in interest rates by the SNB last year is, however, only slowly having an impact on the lending business, as around 80% of Raiffeisen's mortgages are agreed with a fixed term. Due to the competitive situation, the pressure on the interest margin is likely to continue. After net value adjustments were released last year as a result of the economic recovery, net value adjustments for default risks and losses from interest operations in the amount of CHF 19.6 million were recognised in the year under review. At 0.115%, the total of value adjustments for impaired receivables relative to loans to clients remains at a very low level (previous year 0.118%) despite the slightly increased need for value adjustments. The net result from interest operations climbed CHF 135.8 million (+5.6%) from the previous year to CHF 2.5 billion.

+5.6%

The net result from interest operations increased by CHF 135.8 million to CHF 2.5 billion.

The interest margin increased again slightly for the first time.

Interest margin
in %



Commission business and service transactions

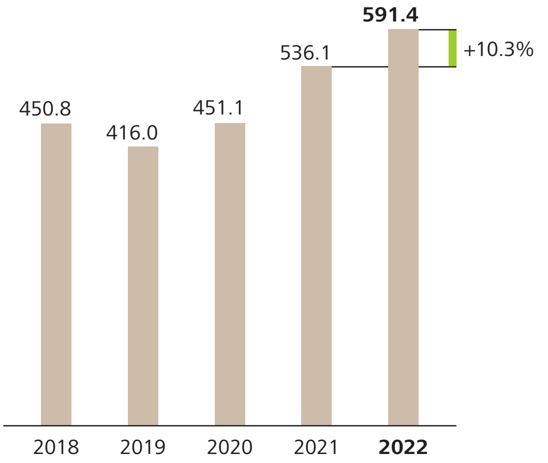
Income from commission business and service transactions also increased again. The high inflows from pensions and investment contributed to this. In this respect, income from the asset management business performed extremely well. Overall, however, commission income from securities trading and investment activities was slightly lower than in the previous year. The turnover in securities declined compared to the previous year, due to the negative market trend. In the case of income from other services, there were changes in the income structure resulting from adjustments to the business model for issuing credit cards. This affects both the commission income from other services and the commission expenses. Overall, the result from commission business and service transactions increased by CHF 55.3 million (+10.3%) to CHF 591.4 million. Commission business and service transactions thus once again made a significant contribution to the success of the Raiffeisen Group, with its share of total operating income continuing to increase in line with the strategic objectives. This shows that the strategic initiatives to strengthen the pension and investment business are having an effect.

24.0%

Raiffeisen further increased the proportion of income from neutral business in its operating income.

The neutral business continues its strong performance.

Result from commission business and service transactions
in CHF million

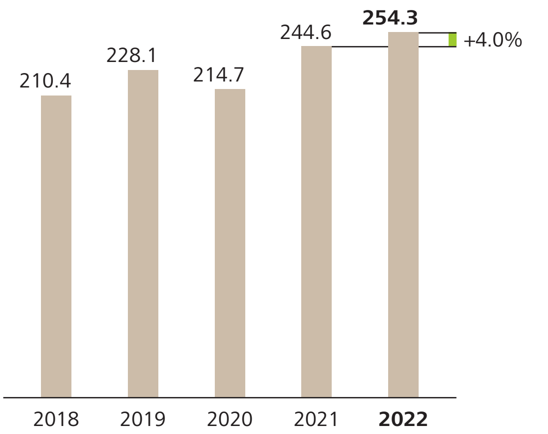


Trading activities

The result from trading activities and the fair value option also performed well. The year-on-year increase was CHF 9.7 million (+4.0%), to reach CHF 254.3 million. The Raiffeisen Group increased its foreign exchange business through a variety of sales activities, especially in the corporate client business. A positive sign is the large growth in foreign exchange transactions in e-banking, as is the high level of activity among clients with direct access to trading. As our clients travelled more after the Covid-19-related decline, demand for foreign currencies increased.

Raiffeisen's foreign exchange business posted a rise, especially in the corporate client business.

Net trading income and fair value option
in CHF million



Other result from ordinary activities

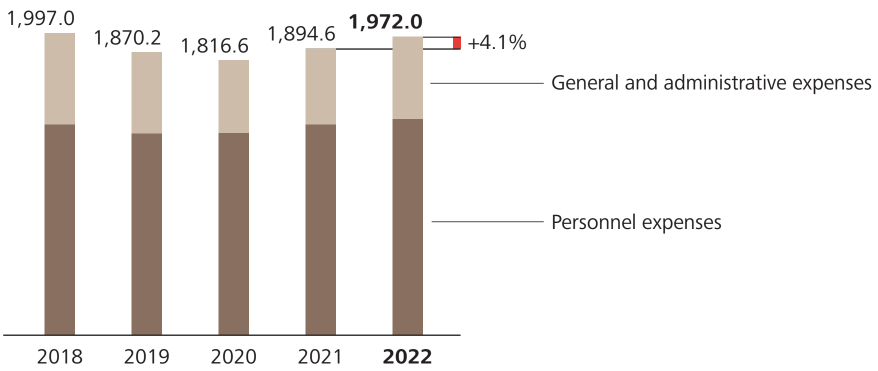
In contrast to other income from the operational banking business, the other result from ordinary activities fell by CHF 55.1 million (–29.2%) to CHF 133.6 million. The fall is mainly due to a large one-off effect in the previous year. Disposals of financial investments generated high income in the past year. Income from participations climbed favourably by CHF 19.7 million (+26.8%). This is due to write-ups on the investments in Leonteq AG and Viseca Payment Services AG, valued according to the equity method. In addition, higher dividend income was received.

Operating expenses

On the cost side, the Raiffeisen Group posted an increase as expected. These higher costs were primarily due to investment in implementing the Group strategy and a further increase in staff for the advisory teams at Raiffeisen banks. Operating expenses rose by a total of CHF 77.4 million (+4.1%) to CHF 2.0 billion.

Investment in implementing the Group strategy led to higher costs, as expected.

Operating expenses
in CHF million



Personnel expenses

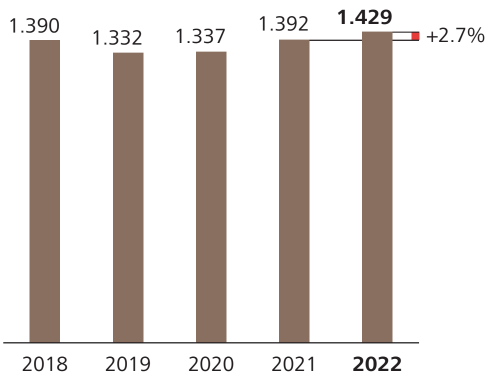
Personnel expenses increased by CHF 37.3 million (+2.7%) to CHF 1.4 billion. There were 172 full-time positions added during the reporting period. This means that the Raiffeisen Group's headcount as at 31 December 2022 was 9,901 full-time positions. The Raiffeisen banks account for a major part of the staff increase, as they have again invested in additional advisory capacity.

172 new full-time positions led to slightly higher personnel expenses.

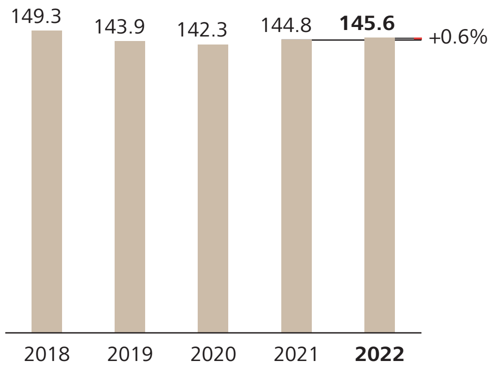
The Raiffeisen banks expanded their staff capacity, especially in the advisory teams.

Personnel expenses

absolute (CHF billion)



per full-time equivalent[1] (1,000 CHF)



1 The average headcount is used to calculate personnel expenses per full-time equivalent.

General and administrative expenses

General and administrative expenses were significantly higher than in the previous year, up CHF 40.1 million (+8.0%) to CHF 543.0 million. Following the Covid-19-related cancellations in the past few years, more client events have been taking place again. Moreover, general and administrative expenses again include higher accruals for costs relating to member meetings and anniversaries in the 2022 financial year. Higher sponsorship contributions were also made by the Raiffeisen banks.

Value adjustments on participations and depreciation and amortisation of tangible fixed assets and intangible assets

Value adjustments on participations and depreciation and amortisation of tangible fixed assets and intangible assets fell by a total of CHF 28.6 million (–13.1%) to CHF 188.8 million in the year under review. Value adjustments on participations were CHF 9.3 million lower than in the same period of the previous year. Depreciation and amortisation of tangible fixed assets decreased by CHF 13.6 million year on year, while depreciation and amortisation of intangible assets was down by CHF 5.7 million.

Changes in provisions and other value adjustments, and losses

The item "Changes in provisions and other value adjustments, and losses", at CHF 14.1 million, was CHF 11.0 million higher than in the same period of the previous year. Provisions for default risks have been set aside in the net amount of CHF 8.9 million. Net new provisions for expected losses were CHF 1.7 million.

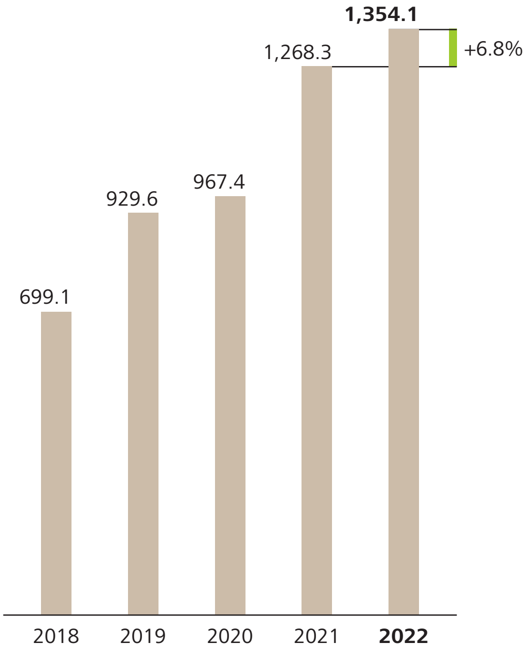
Operating result

Due to the high operating income, the operating result increased further despite the rise in costs. The increase amounted to CHF 85.9 million (+6.8%) to reach CHF 1.35 billion.

+85.9
CHF million
The operating result rose to CHF 1.35 billion.

The high operating income led to a higher operating result despite the rise in costs.

Operating result
in CHF million



Extraordinary income and expenses

Extraordinary income of CHF 33.6 million includes gains from the disposal of tangible fixed assets, and gains from the sale of the investments in responsAbility Investments AG and Liiva AG. The extraordinary expenses of CHF 9.8 million include losses from the sale of tangible fixed assets and from the deconsolidation of a participation.

Taxes

Tax expenses rose CHF 13.2 million year on year (+7.2%) to CHF 196.2 million. The financial statements of the Raiffeisen Group include provisions for deferred taxes so as to correctly present the tax effect of the measurement differences between the Group's true-and-fair-view financial statements and the single-entity financial statements of the consolidated companies. The actual tax expenses were CHF 175.9 million.

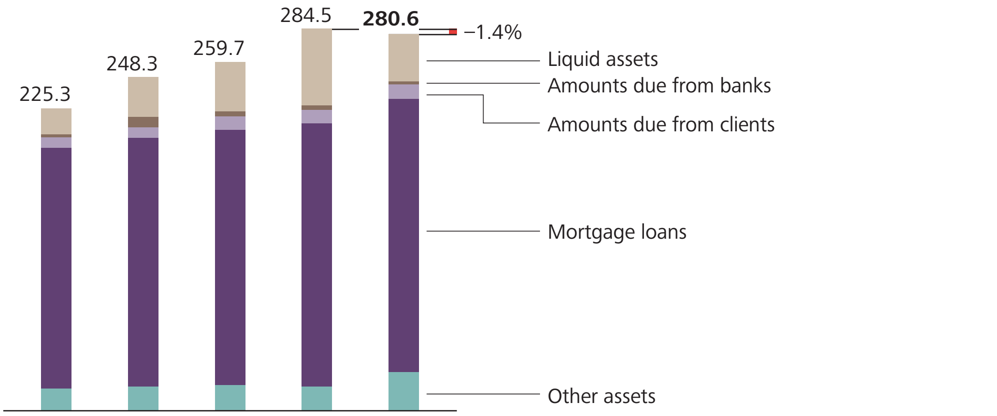
Balance sheet

The Raiffeisen Group's total assets fell by CHF 3.9 billion (–1.4%) compared to the end of the previous year. The drop in total assets is the result of active balance sheet management and liquidity management, which may lead to fluctuations around the reporting date. In line with the Group's strategic ambition, the balance sheet items from the client business have grown at about the same level as the market, or slightly above it.

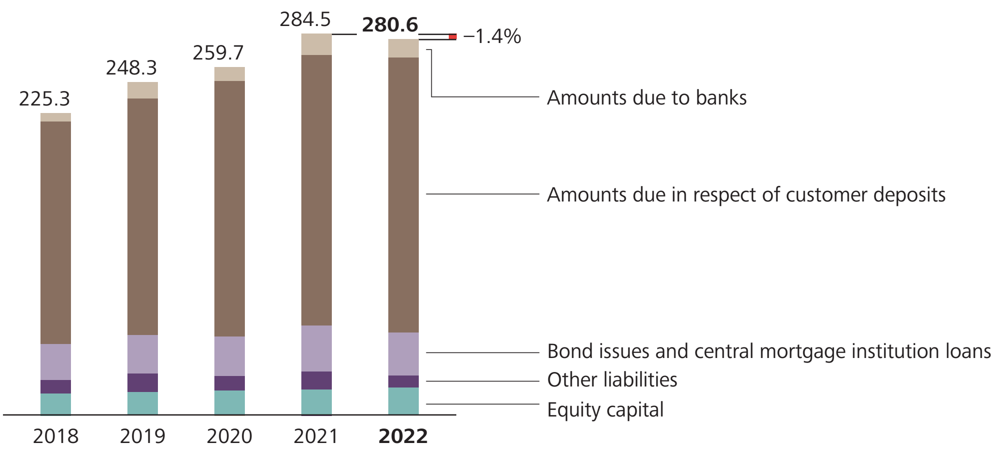
The balance sheet items from the client business have grown at about the market level.

Balance sheet
in CHF billion, as at 31 December 2022

Assets



Liabilities



Amounts due from and liabilities to banks

At CHF 2.2 billion, amounts due from banks were CHF 1.0 billion (–32.3%) lower than in the previous year. Amounts due to banks fell by CHF 1.9 billion (–12.1%) to CHF 14.0 billion. These items may be subject to fluctuations around the reporting date due to active balance sheet management and due to liquidity management.

Receivables and liabilities from securities financing transactions

Securities financing transactions are subject to fluctuations depending on the need for liquidity management. Due to expired, non-renewed repo transactions, liabilities from securities financing transactions fell by CHF 7.4 billion to CHF 35.0 million. As in the previous year, there are no receivables from securities financing transactions as at the cut-off date.

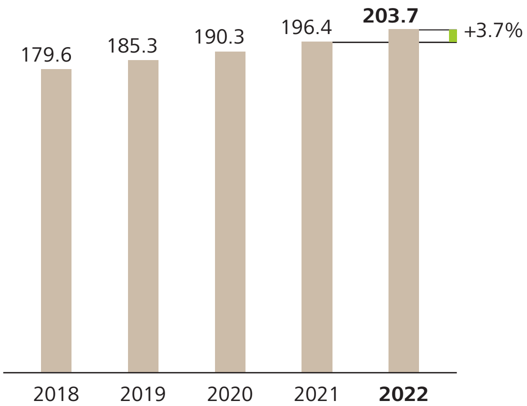
Loans to clients

The steady growth in the business volume continued in the past financial year. The Group succeeded in maintaining its strong market position in the mortgage business. Raiffeisen reached the CHF 200 billion mark for the first time. Mortgage loans increased by CHF 7.3 billion (+3.7%). The ambition to grow at about the same level as the market was therefore achieved. Market share was stable at 17.6%. Raiffeisen performed well in a highly competitive environment.

+7.3
CHF billion
With this growth in the mortgage business, Raiffeisen reached the CHF 200 billion mark for the first time.

The mortgage business is growing at about the same level as the market.

Mortgage loans
in CHF billion



Amounts due from clients rose by CHF 913.7 million (+9.1%) to CHF 10.9 billion, despite the fact that there are numerous repayments of Covid-19 loans posted to this item. During the period under review, Covid-19 loans totalling around CHF 400 million were repaid. The nonetheless significant increase is attributable to increased growth in the corporate client business. Total loans to clients increased by 4.0%, by CHF 8.2 billion to CHF 214.6 billion. Saron Flex mortgages and money market loans for businesses saw a substantial increase. Due to the changes in the interest rate environment, clients increasingly turned to money market-based products.

The quality of the credit portfolio remains high. Value adjustments for impaired receivables increased insignificantly, from CHF 243.0 million in the previous year to CHF 247.8 million. The proportion relative to total loans to clients even fell to 0.115% (previous year: 0.118%). This shows that growth is in line with the unaltered cautious risk policy. Value adjustments for expected losses increased by CHF 1.3 million net year on year, which is also only a slight rise.

Trading activities

Trading portfolio assets increased by CHF 315.7 million (+12.3%) to CHF 2.9 billion in the period under review. Owing to its short-term nature, the trading volume is generally subject to some fluctuation around the reporting date.

Financial investments

Financial investments mainly consist of highly rated bonds; they serve to manage liquidity in line with legal requirements and internal objectives. The financial investments are therefore managed on an opportunistic basis in the course of active liquidity management. In the year under review, the portfolio of financial investments increased by CHF 6.6 billion (+77.2%) to CHF 15.2 billion, due in part to the purchase of SNB money market securities.

Non-consolidated participations

During the year under review, the book value of non-consolidated participations increased by CHF 84.1 million (+11.6%) to CHF 808.2 million. First, this is due to write-ups on the investments in Leonteq AG and Viseca Payments AG, valued according to the equity method. Second, the Pfandbriefbank schweizerischer Hypothekarinstitute AG carried out a capital increase in the year under review. Raiffeisen participated in it by using its subscription rights to invest around CHF 28 million.

Tangible fixed assets

The book value of tangible fixed assets rose slightly by CHF 22.0 million (+0.7%) to CHF 3.0 billion. Investments totalling CHF 246.6 million were made in the year under review, mostly in bank buildings. Against this stood depreciation of CHF 185.7 million and disposals of CHF 30.6 million.

Net investment, by category

in million CHF	2018	2019	2020	2021	2022
Bank buildings	109	92	85	89	124
Other real estate	53	17	6	36	34
Alterations and fixtures in third-party premises	9	26	34	17	23
IT hardware	14	16	21	10	10
IT software	157	56	24	15	9
ATMs	12	15	11	7	6
Furniture	6	6	4	2	3
Fixtures	10	10	6	4	3
Office machines, vehicles, security installations	13	9	4	5	4
Total net investment	**383**	**247**	**195**	**185**	**216**

Net investment, by region

in million CHF	2018	2019	2020	2021	2022
Lake Geneva region	35	27	36	36	37
Espace Mittelland	43	38	29	44	47
Northwestern Switzerland and Zurich	59	38	39	26	46
Eastern Switzerland [1]	217	95	53	51	32
Central Switzerland	21	40	28	7	31
Ticino	8	9	10	21	23
Total net investment	**383**	**247**	**195**	**185**	**216**

1 Incl. central investment by Raiffeisen Switzerland.

Intangible assets

The book value of intangible assets amounted to CHF 6.5 million in the year under review (previous year: no intangible assets). These are intangible assets that arose when implementing a new business model in the credit card business.

Amounts due in respect of customer deposits

Growth in customer deposits was much more moderate than in previous years. Amounts due in respect of customer deposits increased by CHF 3.1 billion (+1.5%) to CHF 204.8 billion. In an overall declining market, Raiffeisen expanded its market share from 14.0% at the end of the previous year to 14.5%. Due to the increase in loans to clients during a period in which growth in customer deposits was moderate, the refinancing ratio fell slightly from 97.8% in the previous year to 95.4% at the end of the year under review. This means that more than 95% of loans to clients are still refinanced at a stable level with customer deposits, a very high percentage.

95.4%

This refinancing level confirms that loans to clients are refinanced at a stable level with customer deposits.

Liabilities from other financial instruments at fair value

This item contains the structured products issued by Raiffeisen Switzerland B.V. Amsterdam, which are measured at market value. Liabilities from other financial instruments at fair value were down CHF 488.7 million (–21.9%) to CHF 1.7 billion. The accounting treatment varies for structured products issued by Raiffeisen Switzerland. Their underlying components are reported in the item "Bond issues and central mortgage institution loans" and are covered below.

Bond issues and central mortgage institution loans

Bond issues and central mortgage institution loans decreased by CHF 2.1 billion (–6.0%) to CHF 32.0 billion in the year under review. The reduction is due to expired money market securities in the amount of CHF 3.2 billion. In contrast, central mortgage institution loans grew by CHF 1.3 billion to CHF 27.0 billion. Due to maturities, Raiffeisen Switzerland's unsubordinated bonds are CHF 176.6 million lower than in the previous year.

Raiffeisen again issued a bail-in bond in the past financial year to build up loss-absorbing capital for the event of a crisis. The Group was successful in placing a volume of EUR 500 million.

Within the Group, both Raiffeisen Switzerland B.V. Amsterdam and Raiffeisen Switzerland issue structured products. The instruments underlying the structured products issued by Raiffeisen Switzerland fell by CHF 330.7 million to CHF 1.0 billion. Due to general uncertainty on the financial markets, demand for structured products also declined. Volume and portfolio performance in the year under review was also significantly influenced by the lower valuations compared to the previous year. All of the Raiffeisen Group's structured products fell by CHF 910.6 million to CHF 2.7 billion.

Provisions

Provisions increased by a total of CHF 14.1 million (+1.5%) to CHF 947.1 million. Provisions for deferred taxes rose by CHF 27.2 million. Provisions for default risks increased by CHF 4.7 million and those for expected losses by CHF 1.7 million. Other provisions fell by CHF 19.5 million. Provisions totalling CHF 21.3 million were applied for their intended purpose in the year under review.

Capital adequacy / equity capital

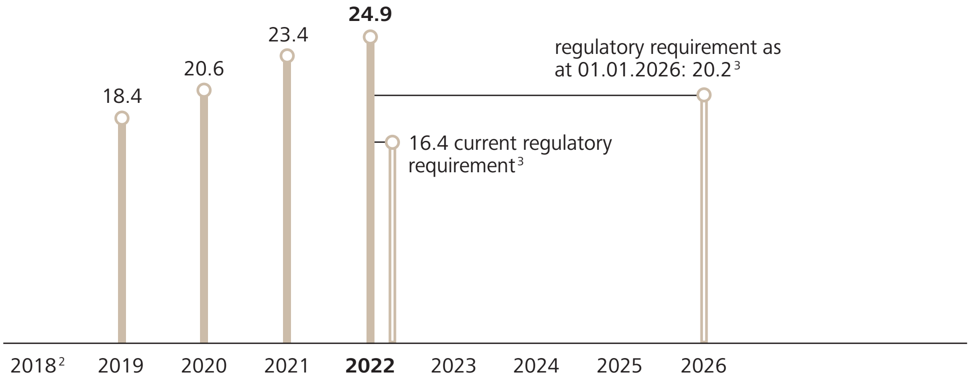
The equity capital of the Raiffeisen Group (including minority interests) rose significantly by CHF 1.5 billion (+7.8%) to CHF 20.6 billion in the year under review. The cooperative capital increased by CHF 377.8 million to CHF 3.1 billion (+14.0%). When four of the six branches of Raiffeisen Switzerland were made independent, this alone brought in capital of CHF 161.5 million to the Group in 2022. The remaining increase is due to the high retention of earnings. The Raiffeisen Group is exceptionally well capitalised and the TLAC ratios were further increased. With capital and loss-absorbing capital amounting to CHF 23.1 billion, the Group's risk-weighted TLAC ratio is 24.9%. The unweighted leverage ratio is 8.2%.

+7.8%

Equity capital increased to CHF 20.6 billion in the year under review.

Raiffeisen has further strengthened its capital base and meets the risk-weighted requirements.

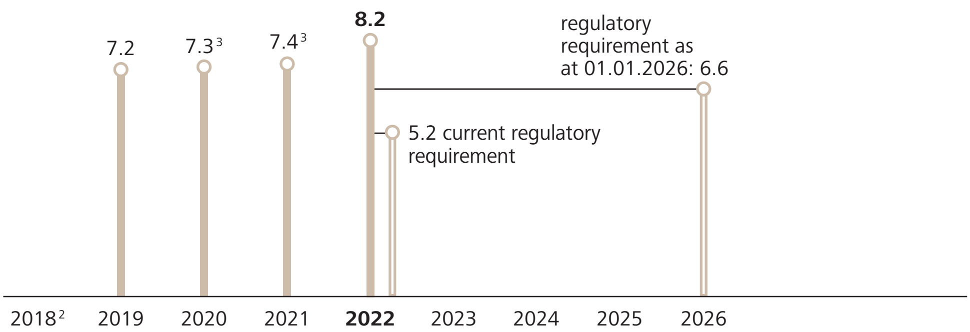
TLAC ratio[1] (total loss-absorbing capacity)
in %



1 Transition rules, systemic importance.
2 The TLAC ratio was introduced in 2019. As a result, there are no figures for 2018.
3 The Federal Council reactivated the countercyclical capital buffer for Swiss residential properties with effect from 30 September 2022. This results in an additional risk-weighted requirement of 1.4% for the Raiffeisen Group.

Raiffeisen is very well capitalised and also meets the unweighted requirements.

TLAC leverage ratio[1]
in %



1 Transition rules, systemic importance.
2 The TLAC ratio was introduced in 2019. As a result, there are no figures for 2018.
3 Not including temporary Covid-19 easing.

Economic outlook for 2023

The market environment remains challenging. The rise in interest rates and high inflation are leaving their mark. Economic indicators point to a slowdown in growth. The Swiss economy is unlikely to escape the global economic downturn in the current year. The Ukraine war and the related energy crisis are also having a negative impact on Swiss industry. Raiffeisen does not see an acute risk of recession, especially since the mild winter has very much reduced the risk of a gas shortage, and the manufacturing sector is less energy intensive than in other European countries. The economists at Raiffeisen Switzerland expect Switzerland's gross domestic product to grow by a reasonable 1%. Inflation in Switzerland remains comparatively moderate.

The economists at Raiffeisen Switzerland expect Switzerland's gross domestic product to grow by 1%.

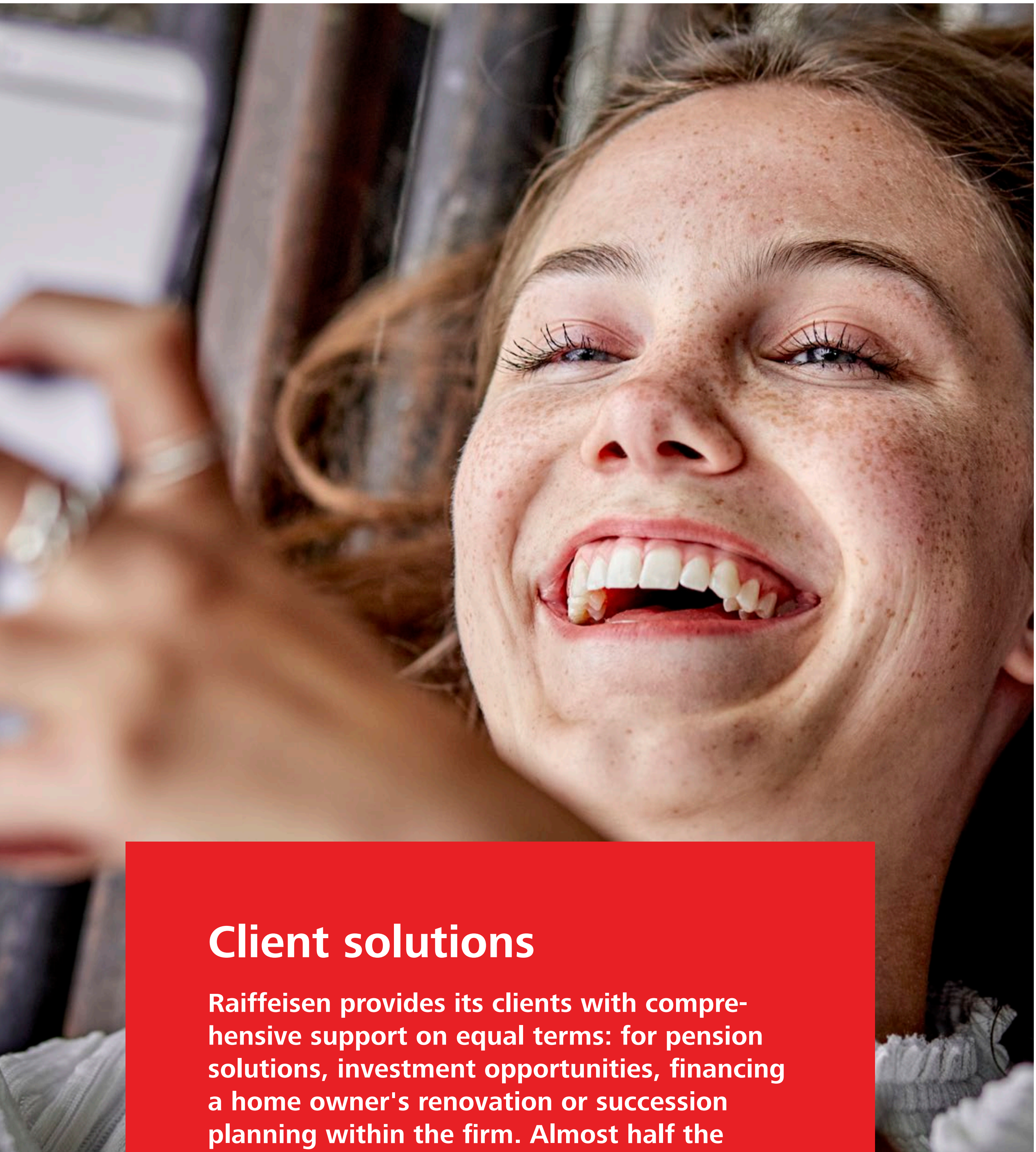
The Swiss home owner market remains relatively unperturbed by the sustained higher level of interest rates. Due to the rise in interest rates, property investments are less attractive and less affordable for potential home buyers than in recent years. On the other hand, the high level of immigration into Switzerland combined with a declining housing supply is increasingly leading to a shortage of available living space. This raises the pressure on rents, but stabilises property prices.

On the capital markets, Raiffeisen expects another challenging year marked by volatility in 2023. For bonds, the turnaround in interest rates is creating interesting opportunities. In the case of equities, the focus remains on quality stocks from defensive sectors such as food, healthcare and consumer goods.

Development of the Raiffeisen Group's business

Raiffeisen is well positioned strategically and financially, and can act from a position of strength. The Raiffeisen 2025 Group strategy will continue to be pursued consistently in the current year, with the primary objective of further diversifying the business model. The aim is to maintain or slightly increase income in all income items. On the cost side, Raiffeisen expects costs to rise because of additional expenses to implement the Group strategy and as a result of growth. Raiffeisen is cautiously optimistic for 2023 and expects solid business performance.

The Raiffeisen Group is well positioned both strategically and financially, and expects to see solid business performance in the 2023 financial year.



Client solutions

Raiffeisen provides its clients with comprehensive support on equal terms: for pension solutions, investment opportunities, financing a home owner's renovation or succession planning within the firm. Almost half the Swiss population and around one-third of Swiss companies rely on the solutions and skills of the Raiffeisen banks.

Enhancing the products for clients – focus on the digital customer experience

As part of the Raiffeisen 2025 strategy, Raiffeisen is investing substantial sums in further expanding its digital channels. It is striving to create a seamless interaction between digital channels and personal points of contact. Clients should be able to choose how they want to interact with Raiffeisen. Raiffeisen aims to develop an application by the end of 2025 that will bundle all its digital services into one self-service platform. A beta version of the new application has been available since the end of 2022. Functionalities will be added to the app on an ongoing basis, with a complete, modern e-banking solution available by the end of 2025.

Payments: products and solutions

Accounts and cards form the basis for payment processing. Raiffeisen also offers a range of channels and solutions to enable its clients to make payments efficiently at home and abroad. These include e-banking, Twint, various credit and debit cards and, for the past few months, the QR bill.

E-banking – the most frequently used interaction channel

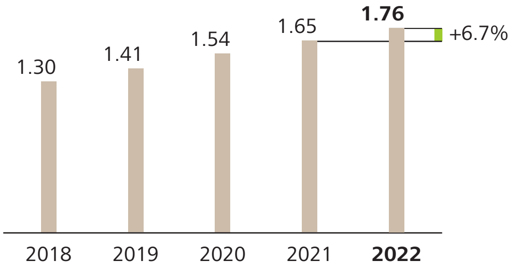
E-banking is the most frequently used interaction channel between Raiffeisen clients and their Raiffeisen bank. In total, more than 1.76 million users (previous year: 1.65 million) logged into e-banking over 141 million times (previous year: 124 million times) in 2022. Some 55% of logins were via the mobile banking app (previous year: 51%). On average, users logged into e-banking seven times a month or 80 times a year. Every day the system processed more than 456,000 payments.

Some 1.76 million people use e-banking regularly and log into e-banking about every fifth day.

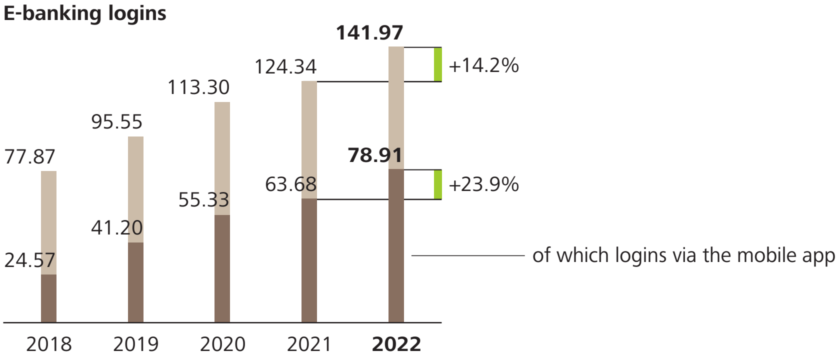
E-banking is very popular: every day more than 450,000 payments are processed.

Use of e-banking
E-banking agreements in millions as at 31 December and logins in millions per year

E-banking agreements



E-banking logins



Raiffeisen completed the gradual introduction of the new login in the course of the year under review. The new login will enable Raiffeisen to meet the increased security requirements. Raiffeisen clients can also use the new login to access other digital Raiffeisen services, such as Raiffeisen Rio, MemberPlus, the stock exchange application and the digital pillar 3a.

Raiffeisen Twint sees continued success

In August 2022, Twint exceeded the 5 million users mark. This shows how popular the Swiss digital payment solution is. With over 1 million registered users and an active use rate of over 80%, Raiffeisen's Twint app also continues to be successful. Jointly with Twint AG, the digital marketplace available via the Twint+ button in the app is constantly being expanded with attractive offers. In addition to the popular use cases, such as the easy payment of parking fees, donating money, buying digital vouchers, a comparison service for mobile phone and internet subscriptions is also available.

Over a million people are registered on Raiffeisen Twint. More than 80% of them use Twint actively.

New debit cards with enhanced functions

Distribution of the new Visa debit card started at the beginning of 2022 for all Raiffeisen clients and, from spring 2022, the new debit Mastercard. They replace the previous V PAY and Maestro debit cards. Along with the tried and tested functionalities, the new cards also have an e-commerce function and so can be used for online shopping. The cards will be replaced on a rolling basis, with completion scheduled for 2025.

QR bill replaces payment slips

Switzerland as a financial centre has been harmonising and digitalising the Swiss payment system for several years. The different payment procedures used by the financial institutions have been standardised. The QR bill was introduced in mid-2020, shortly followed by the eBill. Raiffeisen has aligned its payment transaction systems and channels with the seamless digitalised payment of bills. The final switch to QR bills was made at the end of September 2022. Red and orange payment slips were discontinued.

Pensions and investments: professional advice and sustainable solutions

The pension and investment business is a particularly important pillar of the Raiffeisen 2025 strategy. The intention is to continue strengthening and expanding this business. The focus is on clients and their financial needs. Raiffeisen is aiming to provide all its clients with easy access to pension and investment solutions – both in person and digitally.

Retirement provision is a concern of clients

For Raiffeisen, it is important to provide comprehensive support for clients in their personal financial planning, always keeping the essentials and long-term financial goals in sight. Raiffeisen has been using the Raiffeisen Pension Barometer for five years to survey the Swiss population's sentiments regarding retirement planning. It shows clearly that the issue of retirement provision is one of the greatest concerns across the generations. There is a great need among people in Switzerland for solutions that will allow them to make sufficient provision for their retirement. Yet at the same time, Raiffeisen found that there is insufficient knowledge about the financial options for retirement planning. This may also be one of the reasons why many people do not give enough thought, if any, to their retirement planning. Because of this, Raiffeisen has invested in developing the expertise of its advisors in recent years and has made efforts to increase the financial knowledge of its clients. The discussions surrounding the pension funds' reform plans, especially the increase in the retirement age for women, have shown that women in particular have specific questions and requirements regarding their pension planning. The 4,500 or so registrations for the online event "Women & Pensions" in September 2022 confirm that this topic generates interest.

Raiffeisen surveys sentiments regarding retirement planning every year. The results confirm that comprehensive financial advice is important to clients.

Comprehensive financial advisory services

Raiffeisen advises its clients for the future based on their current situation in life – from their first salary account through to estate planning. In the year under review, client advisors held a total of 14,925 advisory sessions on this specialist topic. This covers pension planning, advice on protection against financial risk in the event of death, disability or old age, inheritance issues and individual provision choices (power of attorney and living will). In estate planning, it is important to many clients that their will is executed by a professional and trustworthy institution. Based on long-standing client relationships and comprehensive advice, many clients appointed Raiffeisen as executor of their will.

The financial planning experts carried out around 15,000 specialist consultations in the past year.

Consistent with its reinforced positioning as the leading firm for all issues relating to financial provision, Raiffeisen continues to broaden the expertise of its pension, retirement and inheritance planning specialists across the Group. This is to meet the rising demand for comprehensive advice on pension issues.

Popular pension products and solutions

Raiffeisen's wide range of pension solutions support far-sighted and sustainable wealth creation. In 2022, the number of pillar 3a accounts increased by over 25,000 to 681,221 (+3.7%). Retirement savings in deposits and linked to securities increased by nearly 0.65% (+CHF 121 million) to reach CHF 18.5 billion. Deposits in vested benefit accounts including fund savings plans amounted to close to CHF 5.5 billion by the end of the year under review, a decline of around 5.9% (–CHF 340 million). The use of pension products was once again significantly affected by the generally low interest rates in the year under review. The number of pension fund accounts, for example, increased by around 22.7% (pillar 3a) and 9.1% (vested assets). The pension interest rates increased to 0.25% on 1 December 2022, and to 0.3% on 1 January 2023.

The digital pillar 3a lets clients manage their pension assets independently and at any time.

The digital pillar 3a that was launched in autumn 2021 was optimised and enhanced in 2022. A key milestone was integration of the newly launched index-tracking pension funds. Irrespective of the pillar 3a channel, pension recipients thus have a range of actively managed and index-tracking pension funds to choose from.

Saving and investing: ideal for long-term asset accumulation

Despite the changing interest rate environment with rising interest rates, investing remains key to asset accumulation over the long term. A combination of saving and investing makes more sense in the long term and opens up a lot of leeway for investors.

Growth in customer deposits

Raiffeisen is committed to helping as many Swiss residents as possible with wealth planning. Saving money is very important to Raiffeisen clients, whether it is for their retirement or for investments and purchases such as residential property. In 2022, customer deposits at Raiffeisen increased faster than the market, by a total of 1.5% (+CHF 3.1 billion). Raiffeisen's market share in the pension and investment segment grew once again.

Raiffeisen increased its market share slightly in the pension and investment segment.

In the year under review, the number of client accounts increased by 1.9% to around 6 million transaction and savings accounts. While traditional savings (savings account) fell by around CHF 1 billion or –1.3%, Raiffeisen recorded strong growth in transaction accounts (private and current accounts). The volume of deposits in savings and transaction accounts increased by a solid CHF 3.5 billion (+2.1%). At the same time, around 90,000 new transaction accounts were opened (+3.1%). Due to the hike in key interest rates by the Swiss National Bank (SNB), Raiffeisen Switzerland has issued a recommendation to forgo applying negative interest rates and credit balance fees. The increase in key interest rates led to rising market interest rates. As a result, the interest rates on time deposits and cash bonds became more attractive, especially in the last quarter of 2022. This has led to volume growth in these investment options. Savings accounts should also become more attractive again compared to transaction accounts in the medium term, due to better interest rates.

Fund range aligned with sustainability

One of the objectives of the Raiffeisen 2025 strategy is to boost sustainability. The topic is considered highly important in all of Raiffeisen's business areas. In pensions and investments, Raiffeisen launched its first sustainability funds under the Futura label more than 20 years ago, and since then it has steadily expanded its range of sustainable pension and investment solutions. Raiffeisen firmly believes that sustainability has now become even more important for the performance of investments. That is why Raiffeisen will focus increasingly on sustainable investment solutions. After the entire Raiffeisen fund range had been aligned with the Futura approach in mid-2021, with a few exceptions, the index-tracking fund line managed by Raiffeisen itself, the Futura II fund, was launched in March 2022. Raiffeisen's innovative approach combines the efficiency of an index fund with the systematic consideration of sustainability criteria. In this way, Raiffeisen combines the best of two worlds. In November 2022, the volume of index-tracking Raiffeisen funds had already passed the CHF 100 million mark. The Futura funds now account for more than 94% of the total volume of all Raiffeisen funds.

The Futura funds now account for more than 94% of the total volume.

Asset management with two new mandate lines

Raiffeisen's asset management mandates have been fully aligned with sustainability since November 2022. At the same time, two new mandate lines were introduced. Raiffeisen's "Futura Impact" makes it the first national retail bank to offer an asset management mandate which, besides financial goals, aims to achieve a positive and measurable environmental and social impact. Through this adjustment to the mandate range, environmental, social and governance (ESG) criteria are taken into account in the selection of products and securities in all asset management mandates, apart from the "Index Global" mandate, which was also newly created. The entry threshold for the mandates was also lowered from a minimum investment of CHF 100,000 to CHF 50,000. By lowering the entry threshold, Raiffeisen hopes to enable a broader client base to delegate management of their assets to a professional partner.

For investors who appreciate dialogue with the advisor but would like to make their own investment decisions, Raiffeisen has introduced another advisory mandate called "Portfolio Plus" and expanded the range of products. Portfolio Plus enables investors to be informed directly about trends or optimisation potential in the portfolio, or to benefit from research analyses.

Another new feature, sustainability reporting, provides investors with an overview of how sustainably their assets are invested. In addition to the sustainability ratings of the individual investments, the greenhouse gas emissions associated with the fixed assets are also reported. The sustainability reporting shows what contribution the fixed assets make to the Sustainable Development Goals of the United Nations (SDGs).

For more details, see the chapter "Sustainability", pages 63–89.

Home and financing: optimal support for home owners

Raiffeisen is the national market leader in home financing. The banking group has steadily expanded its market position in the home and financing segment in recent years by adding to its range of solutions: search, buy, finance, renovate, sell. In a focused development of the mortgage business, Raiffeisen intends to set itself apart through comprehensive home ownership advice as well as bank and related solutions. In doing so, it is increasingly relying on its own digital channels.

Finding, financing, renovating and selling real estate – all this is part of Raiffeisen's range of solutions.

Raiffeisen intends to expand its digital presence in the home and financing segment. It is investing in enhancing its home and real estate portal RaiffeisenCasa for this purpose. This home portal is intended to supplement personal home ownership advice and create a comprehensive customer experience. In this context, Raiffeisen decided to sell its stake in the Liiva home ownership platform to its cooperation partner "die Mobiliar", which already held half of the shares in the platform until now.

In order to strengthen its service in its core business, Raiffeisen is continuing to expand its advisory capacity by investing in efficient processes. It is pressing ahead with digitalisation of the mortgage process as well as simple self-service procedures.

Strong mortgage business

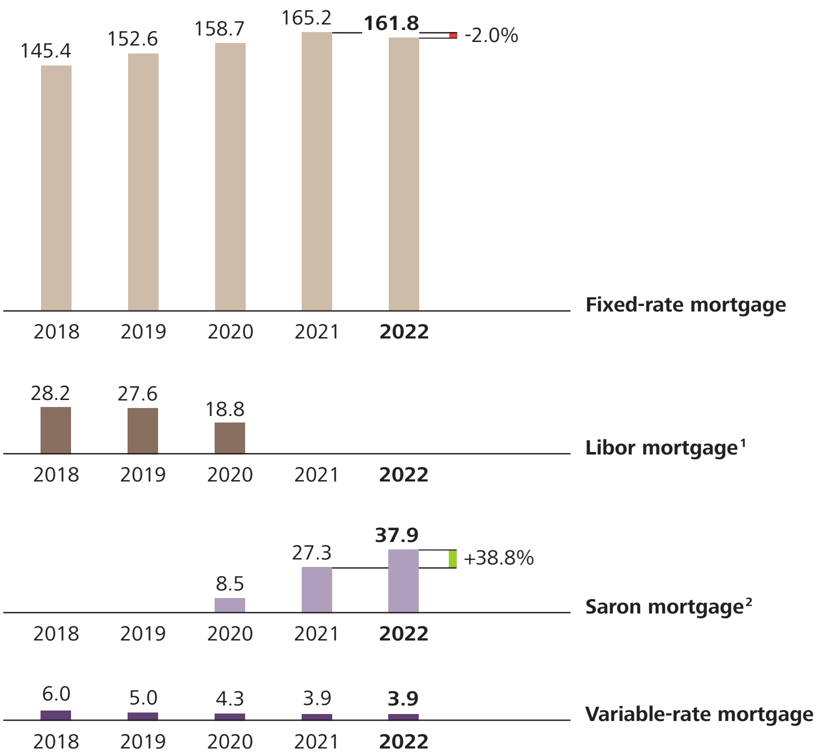
Mortgage loans increased by 3.7% last year to reach CHF 203.7 billion, passing the CHF 200 billion mark for the first time. Following several years of low interest rates, last year saw the first significant rise in interest rates. Demand for private residential property remains high, despite higher interest rates and rising real estate prices.

One in every five mortgages in Switzerland originates from a Raiffeisen bank.

The change in the interest rate environment has led to Saron mortgages attracting much interest from clients. They are currently more popular than fixed-rate mortgages. Libor mortgages are no longer offered since Saron was introduced in the spring of 2020.

The changed interest rate environment increased interest in Saron mortgages.

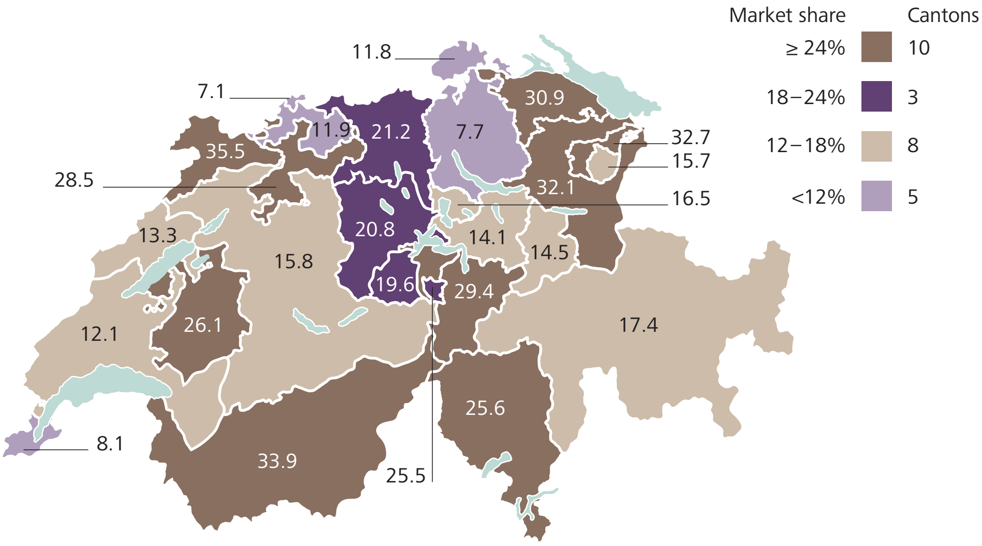
Mortgage volume by mortgage model
in CHF billion, as at 31.12.2022



1 Libor was replaced as the benchmark interest rate by Saron with effect from 31 December 2021.
2 Raiffeisen has offered Saron mortgages since April 2020.

Raiffeisen's market share has been stable for years at 17.6%.

Mortgage market share by canton
Raiffeisen's share expressed in % of domestic mortgage volume, 31 December 2021[1]



1 The SNB's evaluations for 2022 will only be available after the editorial deadline. Therefore market share is reported as at the end of 2021.

Home and sustainability

Developments on the energy market and the widespread increases in electricity prices have a direct impact on the residents of Switzerland. This leads to private home owners taking a greater interest in the energy efficiency of their property and becoming more aware in this regard.

Raiffeisen integrated the energy efficiency evaluation of properties into its advisory services as early as 2015. Raiffeisen supports the Renewable Heating promotion programme, which assists home owners in switching to renewable energy. It uses its market position to point clients to the free offer of professional incentive consulting as part of the campaign "Renewable heating incentive consulting", thus supporting them in the switch to renewable energy.

Raiffeisen supports its clients in switching to heating systems running on renewable energy.

Cooperation with Mobiliar

After two years, cooperation with our partner "die Mobiliar" has been consolidated and taken root. The focus is on local cooperation between the 220 Raiffeisen banks and 80 Mobiliar general agencies, which have been working together in the market since the start of the collaboration by brokering banking, pension and insurance products. The number of life insurance policies taken out increased by more than 30% in the year under review, which is more than satisfactory in a stagnating market environment. In addition to the single-premium policy business, the risk insurance policies offered as part of our individual pension advisory service also contributed to this. The number of policies taken out for property insurance and in the corporate client business also increased by more than half.

Corporate client business expanded

Corporate client business is a strategic growth segment for the Raiffeisen Group. It succeeded in expanding its growth and market position in this business area during the year under review. The year 2022 saw an increase in both the client base and the volume of assets. Adjusted for the Covid-19 loans, the lending volume in the corporate client business increased by CHF 2.8 billion to CHF 44.9 billion. The local roots of the support available at nearby locations, combined with access to an extensive, Switzerland-wide network of experts at Raiffeisen Switzerland's seven corporate client centres in Basel,

Raiffeisen has continued to expand its market position in the corporate client business.

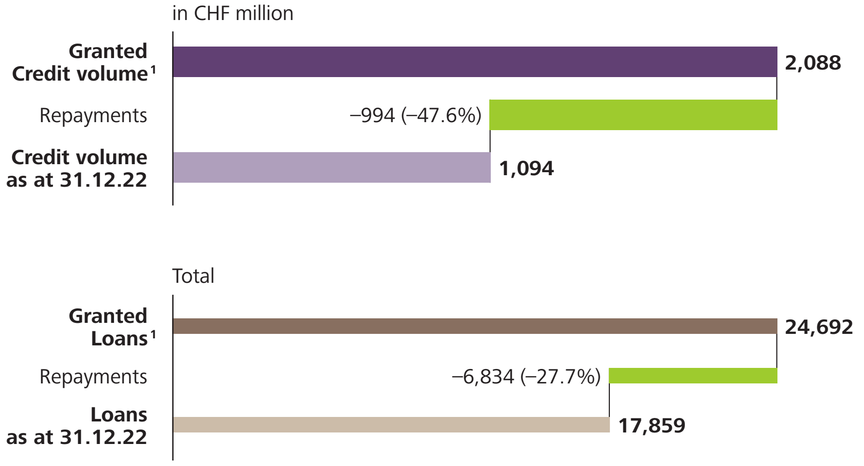
Bellinzona, Burgdorf, Lausanne, Lucerne, St. Gallen and Zurich, provide Raiffeisen with a unique selling proposition in the market. Due to this unique combination, the corporate client business can make a significant contribution to the Raiffeisen 2025 Group strategy.

Progress of Covid-19 loans

The repayment of Covid-19 loans is progressing according to plan. With the inclusion of reclaims from the guarantee cooperatives for defaulted loans, a total of around 48% of the disbursed Covid-19 loans were repaid by the end of 2022. In addition, 97% of all scheduled mandatory payments were made on time. As at 31 December 2022, the credit portfolio consisting of Covid-19 and Covid-19-Plus financing is as follows:

The agreed repayments of the disbursed Covid-19 loans are on schedule.

Covid-19 and Covid-19-Plus Loans
31 December 2022



1 Total of all Covid-19 and Covid-19-Plus loans in the period from 26 March 2020 and 31 July 2020

Raiffeisen SME eServices

The complete solution for multibanking-enabled payments and efficient cash management is highly popular among corporate clients. Through Raiffeisen SME eServices, Raiffeisen gained more new clients in 2022. Corporate clients are impressed by the customisable user interface and the simplicity of liquidity management. In addition, the high level of protection against cyber attacks covers another important client need. The dashboard has built-in aids for easy liquidity monitoring, planning and management, and can be configured to suit individual needs.

Raiffeisen SME eServices enables corporate clients to manage their payments and liquidity across banks.

New partnerships in vendor leasing

Two market leaders in the commercial vehicle and agricultural machinery sectors decided to partner with Raiffeisen, following nationwide invitations to tender and detailed evaluations of various leasing providers. As a result of these partnerships, customers of these brands can be served with a financing proposal from Raiffeisen throughout Switzerland, both directly and through all the dealers.

Raiffeisen Business Owner Centre (RUZ)

Raiffeisen brings together its support for companies in issues beyond the traditional banking business in its Business Owner Centre (Raiffeisen Unternehmerzentrum, RUZ). The advisors, all of whom are or have been business owners themselves, provide practical and comprehensive support for other business owners. They focus on the four core topics of Strategy & Business Models, Leadership & Communication, Financing Support, and Succession.

Treasury & Markets

As the central control unit, Treasury & Markets ensures access to the capital market, centralised liquidity management and sustainable refinancing, as well as hedging interest rate and currency risks for the Raiffeisen Group. Treasury & Markets is the service provider for precious metals, foreign exchange, securities and structured products within the cooperative union.

Treasury & Markets supplies the Raiffeisen Group with cash in Swiss francs and foreign currencies from more than 100 countries from its own cash centre. The cash logistics service does not just deliver to Raiffeisen banks, it can also be used by clients for cash home delivery. This service is available via e-banking, allowing clients to order bank notes in Swiss francs or foreign currencies to be delivered safely and conveniently to their home address. This service was in great demand in the year under review, Compared to 2021, foreign currency orders more than doubled.

Clients are increasingly using e-banking to place an order for cash delivered to their home.

The other main tasks of Treasury & Markets include advising Raiffeisen banks on balance sheet structure management. As the SNB normalised its monetary policy, Treasury & Markets supported the Raiffeisen banks in balance sheet management with now positive interest rates. Raiffeisen banks can also count on the expertise of Treasury & Markets in foreign exchange transactions and in the sale of structured products.

Active player in the Swiss capital market

Raiffeisen succeeded in further consolidating its position in the Swiss bond market as the fourth-largest lead manager in 2022. Raiffeisen successfully took on the role of lead manager to support several public-sector issuers as well as corporates with their bond issues in Swiss francs. As the joint-lead manager for the Swiss Pfandbriefbank, Raiffeisen placed a substantial share of the issue volume with institutional investors.

Bond debut in the euro market

Raiffeisen was the first domestically focused systemically important Swiss bank to successfully place a bail-in bond denominated in EUR on 24 October 2022. The benchmark bond with an issue volume of EUR 500 million matures in 2027. Its purpose is to build up additional loss-absorbing capital under the systemic importance regime. This transaction is an important milestone in diversifying the investor base.

The Raiffeisen Group again benefited from the very good ratings awarded by the rating agencies Standard & Poor's (A+/A-1/stable) and Fitch (A+/F1/stable). These ratings, obtained in 2020 and 2021 respectively, mean that Raiffeisen is in an excellent position on both the national and international money and capital markets.

The rating agencies Standard & Poor's and Fitch award the Raiffeisen Group a very good rating.

Award for sustainable gold ETF

In November 2022, "Raiffeisen ETF – Solid Gold Responsibly Sourced & Traceable A USD" won the Swiss ETF Award 2023 in the category "Newcomer of the Year". This category recognises products that represent genuine innovation by making certain investment segments accessible to Swiss investors for the first time via ETFs. This award for the ETF launched in the previous year, on physically deposited, traceable gold from responsible mining, is confirmation of the strategy implemented by Raiffeisen to strengthen the sustainability of its products and services.

Structured products

Demand for structured products declined somewhat in 2022 due to market conditions. The negative interest rates in the first nine months of the year and the performance of the equity markets primarily favoured yield enhancement products. There was both a trend to defensive structures with low coupons and buoyant demand for high-yield structures. As interest rates rose, interest in the now more attractive capital protection products also increased.

The assessment of the underlying assets of structured products with regard to ESG criteria is carried out by the independent Swiss sustainability rating agency Inrate. In the case of structured products that meet the sustainability criteria of the Raiffeisen Futura label, Raiffeisen regularly checks compliance with the Futura criteria throughout the product's lifetime.

As part of the strategic strengthening of the pension and investment business, Raiffeisen has set up its own issuance platform for structured products, "Raiffeisen Structify". In the future, Raiffeisen will be able to issue, hedge and sell some of its structured products itself, thus covering the entire value chain. Raiffeisen launched and issued the first fully proprietary product via the "Raiffeisen Structify" platform in November 2022. The platform will be gradually established at the Raiffeisen banks from mid-2023. With "Raiffeisen Structify", client advisors will be able to issue customised structured products from Raiffeisen directly on the bank's own platform.

Going forward, Raiffeisen will issue some of its structured products through its own "Raiffeisen Structify" platform.

By developing its own product capacity, Raiffeisen is in the position to cover the needs of its clients in the investment sector even better, thus expanding its position as a top provider of investment products.

Employees

Raiffeisen has more than 800 locations in all language regions of Switzerland, with deep roots in a country that boasts a multicultural society. Raiffeisen reflects this diversity within the company. The corporate culture is based on appreciation, mutual respect and zero tolerance of discrimination. Raiffeisen also offers its over 11,000 employees and more than 700 trainees attractive employment conditions and interesting further education and training opportunities.

An attractive employer

Raiffeisen is a major employer in Switzerland. It offers its 11,652 (previous year: 11,465) employees a modern working environment with flexible working time models. It attaches great importance to all employees having the same opportunities to realise their potential and develop their careers. It invests in the continuing education of its employees and in attracting new talent. Encouraging solidarity and corporate engagement and maintaining a respectful dialogue with staff is something that matters to Raiffeisen as a cooperative bank.

The fact that Raiffeisen is a popular employer is confirmed by the Universum ranking produced by Universum Communications Switzerland AG, an employer branding specialist. In 2022, Raiffeisen took 23rd place among the most attractive employers in Switzerland. This positioned Raiffeisen higher than it had been aiming for (25th place). On the largest independent employer rating portal, Raiffeisen was awarded the pleasing overall score of 4.0 with the designation "kununu Top Company".

Corporate culture and diversity

Diverse teams and an inclusive corporate culture have been shown to have a positive impact on economic success and employee satisfaction. It is therefore important to Raiffeisen to encourage and promote diversity, equal opportunities and an inclusive culture.

Raiffeisen is consistently boosting equal opportunities and diversity across the whole Group at all levels.

Raiffeisen is committed to equal opportunities in practice. It promotes careers regardless of gender, gender identity, age, ethnic origin, nationality, sexual orientation, religion, social background or physical abilities. This is reflected in all HR processes and is set down in the "Raiffeisen stance on diversity" and in Raiffeisen Switzerland's employment policy entitled "Equal treatment and harassment at work". Raiffeisen also pushed ahead with the Balanced Organisation project in 2022. The aim is to promote diversity, inclusion and equal opportunities within the Raiffeisen Group and raise awareness of these issues among staff at all levels. The topic of diversity is anchored in the management and is driven by concrete objectives and continuous monitoring of goal achievement. In the year under review, the staff networks successfully promoting diversity were further advanced. These communities are also open to employees of the Raiffeisen banks.

- Raiffeisen Unique
  The Unique network promotes equality, visibility and transparency, irrespective of gender and gender identity. With a rapidly growing internal community, the members of Unique make the topic accessible.
- Languages and Culture
  The community for Languages and Culture is involved in the promotion and visibility of linguistic and cultural diversity. Linguistic, regional and national borders are overcome with the aim of promoting cultural diversity.
- Queer community
  The Queer community promotes the visibility of concerns specific to LGBTQ+ individuals. Promoting an open, respectful and inclusive corporate culture is at the core of their commitment.

Fostering employees' skills and diversity is one of the 10 focus topics in the strategic "Sustainability" framework. For more details, see the chapter "Sustainability", pages 63–89.

Agility and transformation

Raiffeisen Switzerland has successfully applied scaled agility for the first time in conjunction with the project group developing the new Raiffeisen app. Other workgroups and project teams will receive support for introducing agile working methods on request. Employees also volunteer in agile communities and share ideas about agile working methods, for example in the Product Owner Chapter, in the Scrum Master Community or in the expert group of agile coaches. Raiffeisen has taken further steps towards digitalisation as part of its process optimisation: the ePersonnel dossier was introduced and the HR core system was improved. The entire Raiffeisen Group will benefit from this.

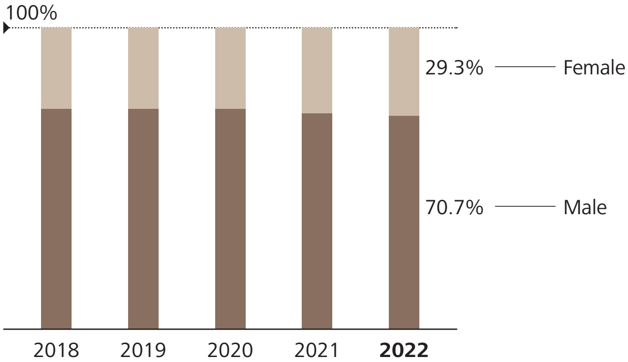
After a pilot phase, a specific product was created for Raiffeisen banks: Raiffeisen Banks TRAIL. This will enable them to structure their approach to their particular change processes relating to culture, cooperation and innovation.

Targeted promotion of gender diversity

Increasing the percentage of women in senior and management positions is a priority at Raiffeisen. The goal was to raise the proportion of women in senior positions across the Group to at least 30% by 2022. The Group has not quite hit this target yet. As at 31 December 2022, women held 29.3% of senior and management positions (previous year: 28.5%).

The goal was only just not reached, but again there are more women in management positions than in the previous year.

Gender distribution in senior and management positions
Breakdown in % as at 31 December



With a focus on promoting top performers, the mentoring programme introduced for women at Raiffeisen Switzerland in 2021 was continued and opened up to the entire Group. A total of 38 women at various levels of management have participated so far. The mentees are accompanied by experienced mentors for a year and take part in various workshops and networking events. They have the chance to develop their individual professional, leadership and social skills, to strengthen themselves in their role, or to focus on the next step in their career. The programme is also a good opportunity to network within the Raiffeisen Group; it will also be open to men from 2023.

In 2023, Raiffeisen Switzerland will open its mentoring programme for women, introduced two years ago, to men as well.

Raiffeisen offers its employees the opportunity to network across sectors, even outside the Group. It is a partner in the network Advance Gender Equality in Business and regularly takes part in St. Gallen diversity benchmarking at the University of St. Gallen. By doing so, Raiffeisen contributes to transparency with regard to diversity in the industry.

The following tables show the current staff structure by management level and employment relationship within the Raiffeisen Group.

Staff structure by management level	2021		2022	
	Total number	Percentage	Total number	Percentage
BoD members	**1,355**		**1,336**	
Women	353	26.1	373	27.9
Men	1,002	73.9	963	72.1
age under 30 years	0	0.0	0	0.0
age 30 to 50 years	460	33.9	442	33.1
age over 50 years	895	66.1	894	66.9
Management (all levels)	**4,910**		**5,011**	
Women	1,401	28.5	1,469	29.3
Men	3,509	71.5	3,542	70.7
Senior management members	**1,351**		**1,386**	
Women	159	11.8	180	13.0
Men	1,192	88.2	1,206	87.0
age under 30 years	12	0.9	8	0.6
age 30 to 50 years	788	58.3	792	57.1
age over 50 years	551	40.8	586	42.3
Mid-level and lower management	**3,559**		**3,625**	
Women	1,242	34.9	1,290	35.6
Men	2,317	65.1	2,335	64.4
age under 30 years	317	8.9	308	8.5
age 30 to 50 years	2,228	62.6	2,239	61.8
age over 50 years	1,014	28.5	1,078	29.7
Employees without senior management role	**5,866**		**5,912**	
Women	4,006	68.3	4,001	67.7
Men	1,860	31.7	1,911	32.3
age under 30 years	1,983	33.8	1,963	33.2
age 30 to 50 years	2,251	38.4	2,558	43.3
age over 50 years	1,332	22.7	1,391	23.5

Staff structure by employment relationship	2021		2022	
	Total number	Percentage	Total number	Percentage
Permanent employees [1]	**11,465**		**11,652**	
Women	5,723	49.9	5,792	49.7
Men	5,742	50.1	5,860	50.3
Full-time employees	**6,605**		**6,588**	
Women	2,151	32.6	2,121	32.2
Men	4,454	67.4	4,467	67.8
Part-time employees	**4,860**		**5,064**	
Women	3,572	73.5	3,671	72.5
Men	1,288	26.5	1,393	27.5
Temporary staff (temporary workers / interns)	**1,103**		**1,144**	
Women	353	32.0	528	46.2
Men	750	68.0	616	53.8
Trainees	**689**		**729**	
Women	316	45.9	322	44.2
Men	373	54.1	407	55.8
External employees (Raiffeisen Switzerland)	**449**		**486**	
Employees abroad	**4**		**4**	

1 Number of employees excluding temporary employees/interns/cleaning staff, including apprentices.

Equal pay respected

Raiffeisen Switzerland intends to conduct analyses of staff pay at regular intervals, to ensure the operational implementation of equal pay and meet the requirements of the Gender Equality Act. Raiffeisen conducted the last pay equality analysis for Raiffeisen Switzerland and for larger Raiffeisen banks with over 100 employees in 2021, together with an external partner. The analysis confirmed that Raiffeisen upholds equal pay. As a result, Raiffeisen Switzerland was awarded the SGS "Fair ON Pay" certificate.

Raiffeisen complies with equal pay and holds the SGS "Fair ON Pay" certificate.

Measuring employee satisfaction

Ensuring a high level of employee satisfaction and the active promotion of the culture are key issues for Raiffeisen. For this reason, Raiffeisen Switzerland engages an external firm of consultants to conduct an employee survey on a regular basis. A detailed employee survey is carried out every two years. In the other year, a simpler "pulse measurement" will be taken from 2023 onwards. The last full survey was conducted in 2019. Based on detailed analysis of the feedback, specific measures are developed in workshops to increase employee satisfaction.

The Raiffeisen banks have the option to conduct their own staff survey with the same external partner. In year under review, 13 Raiffeisen banks conducted this survey.

Modern employment conditions

Thanks to outstanding working conditions, Raiffeisen has succeeded in building long-term relationships with its employees. These relationships are a core driver of the organisation's success. The table "Other key staffing figures" shows that Raiffeisen employees have been with Raiffeisen for more than 10 years on average. This is a very good figure by industry standards. In addition, approximately 90% of all female employees return to work after maternity leave.

Other key staffing figures

	Unit	2021	2022
Average length of service	years	10,7	10,7
Average age of employees	years	41,0	41,2
Employee turnover (including changes within the Group) [1]	%	10,4	12,2
Taking parental leave, by gender [2]			
Number of women	Total number	–	170
Number of men	Total number	–	151
Proportion returning to the workplace after maternity leave [3]	%	94	86
Proportion returning to the workplace after paternity leave [3]	%	–	100
Amount spent on training	CHF	16,781,716	17,877,385
Amount spent on child care	CHF	336,508	311,593

1 Number of resignations in the entire year relative to average number of employees over the whole year.
2 Number of employees who took parental leave. This survey was conducted for the first time in the 2022 reporting year.
3 Percentage of employees who return to work at Raiffeisen after parental leave (excluding Raiffeisen banks and Group companies). Paternity leave is currently three weeks. For this reason, Raiffeisen estimates that all male employees returned to work in 2022.

Flexible working and holiday models

Raiffeisen encourages entrepreneurship among employees by specifically delegating responsibility and giving them considerable freedom to make their ideas a reality. Flexible work hours are provided across all levels of the hierarchy wherever possible. Raiffeisen Switzerland also has Raiffeisen FlexWork, which allows staff to spend up to 80% of their time working from a place of their choice, in consultation with their line manager and if compatible with the activity. This approach accommodates employees' individual needs and improves their work-life balance.

Flexible working hours allow Raiffeisen employees to balance their job, family and leisure time very well.

Depending on their age and seniority, employees have 25 to 30 days of holiday per year. This places Raiffeisen above the Swiss average. Since 2018 employees have also been able to buy additional days of holiday or save up days for extended individual breaks.

Raiffeisen Switzerland is subject to the collective Agreement on Conditions of Employment for Bank Employees (ACE), which governs the rights and participation of employees and of Raiffeisen Switzerland's seven-member Employee Committee. Raiffeisen banks are not subject to the ACE, but its provisions are contained in the Raiffeisen banks' contract of employment.

Family policy

Raiffeisen Switzerland provides modern-day benefits for families. Mothers at Raiffeisen receive 16 to 24 weeks of maternity leave, depending on their length of service. Fathers are entitled to 15 days of parental leave upon the birth of their children or upon adoption, which they can take up to one month before and up to six months after their child is born or adopted. Women are guaranteed continued employment at a level of at least 60% in an appropriate function after their maternity leave. Parents have up to five paid days of absence to care for sick children. These rules apply to same-sex couples as well.

Fathers get 15 paid days of leave upon the birth of their own children or upon adoption.

Remuneration model and ongoing performance dialogue at Raiffeisen Switzerland

The remuneration model introduced for Raiffeisen Switzerland as of 2021 includes a collective profit-sharing element instead of individual bonus payments. The emphasis is therefore on collective performance. This remuneration model also applies to the members of the Executive Board of Raiffeisen Switzerland.

Due to the new remuneration model, exceptional team performance by working groups within and across disciplines is given visibility and rewarded in the organisation. Managers also have the ability all year round to reward above-average performance flexibly and unbureaucratically – for example in the form of a joint outing or another non-monetary surprise.

The remuneration model at Raiffeisen Switzerland promotes and rewards team performance.

Performance appraisals and feedback sessions are held regularly as part of the ongoing performance dialogue (OPD) between employees and managers. Employees' individual development planning is discussed and appropriate measures are defined jointly. To maximise objectivity in the performance appraisal, the assessments in the dimensions culture and performance are calibrated in management teams (review circles). The overall OPD process also includes pulse checks, 360-degree feedback, peer and manager feedback.

For more details on the remuneration model, see the chapter "Remuneration Report", pages 134–141.

Occupational health management

In the "Healthy Living & Working" programme, Raiffeisen Switzerland is pursuing the objective of promoting a sustainable lifestyle and working style among its employees, based on a comprehensive occupational health management programme. Raiffeisen Switzerland employees have access to various offers relating to "healthy eating", "sleep & rest", "mental health" and "healthy exercise". Particular themes such as "attention" or "resilience" are highlighted in these changing campaigns and on health days. In the new internal case management process, all managers are made aware of absence management and supported through voluntary courses on the early detection of mental health problems.

Contact points for personal challenges and grievances

In addition to the counselling services provided by Human Resources, all Group employees have had access to an assistance programme through external partner RehaSuisse for several years now. This programme offers anonymous help for employees experiencing difficult situations in their professional or private lives, as well as health issues. Due to its clear processes, psychological expertise and extensive experience in the social insurance sector, RehaSuisse makes a valuable contribution to responding appropriately to the challenges arising from exceptional situations involving Raiffeisen employees.

Employees and executive bodies can also report suspected internal abuses or misconduct to a whistleblowing office. This report will be treated confidentially and can be made anonymously or include the name. The purpose of the whistleblowing office is to detect and deal with any critical situations at an early stage.

Investing in employee development

Raiffeisen fosters lifelong learning among its employees. Thus, managers and non-managerial employees can tap into a broad range of technical and leadership training courses, certification as an advisor as well as personal development opportunities. The training offers are adapted to the needs of the various target groups and can be used by all permanent employees (including part-time employees). If required, external employees of Raiffeisen Switzerland, temporary workers and trainees or interns also have access to function-specific further education offers. There are specific programmes for junior staff, members of the Executive Board and Board of Directors, client advisors and specialists, which make the training more job-specific.

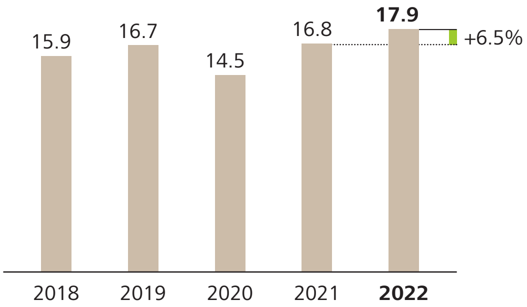
Raiffeisen's training programme is aimed at both junior and senior employees as well as members of the Executive Board and the Board of Directors.

While the programmes for executives serve to develop leadership skills, they also facilitate targeted succession planning. Employees can also enrol in various programmes developed specifically for Raiffeisen in cooperation with Lucerne University of Applied Sciences and Arts. The continuing education offering includes seminars for those preparing for retirement. These courses deal with issues such as prospects, health, a network of relationships and pensions.

In 2022 Raiffeisen invested a total of CHF 17.9 million (previous year: CHF 16.8 million) in the continuing education of employees.

It is important to Raiffeisen that its employees develop their skills on an ongoing basis.

Investments in training and continuing education
in CHF million



Internal training programmes and learning formats are designed based on specific goals, assessed by attendees and continuously improved. Strategic training requirements for each professional category are determined through a carefully specified process in close consultation with the people working in the relevant environment.

During the year under review, Raiffeisen specifically arranged its internal training and continuing education events to be hybrid, firmly establishing the option of either physical or online presentation. The agile learning formats make it possible to react quickly to changes and to include current issues promptly in the continuing education programme. In addition, training formats that can be used anywhere at any time also cut down on travel and time spent away from everyday work.

The following overview shows how many internal continuing education courses Raiffeisen conducted throughout the Group in 2022:

Continuing education

	Unit	2021[1]	2022
Certification as an advisor	Total number	394	343
Continuing education	Participant days	13,884	12,659
Courses held	Total number	887	909

1 Due to a correction, these figures differ from those published in the previous year. The reason for this was a mix-up in the disclosures for the years 2020 and 2021.

Promoting talent and training young people

In addition to its targeted support for women, Raiffeisen strengthened and firmly established talent management (including talent pools) to systematically identify, promote and retain talent throughout the Group in the year under review. The aim is to facilitate sustainable and future-orientated development of talented employees across all functional levels with a view to having a strong talent pipeline. This programme helps Raiffeisen meet its own talent needs while also enhancing its appeal as an employer.

Young people are another key factor in Raiffeisen's future success. Raiffeisen's focused training programmes for young people are an expression of its social responsibility for large numbers of young people throughout Switzerland. At the end of 2022, there were 739 people (previous year: 726) on a training programme for young talent. Some 38% of them (previous year: 48%) were female.

Raiffeisen is training junior staff in various professions.

Investing in training young people pays off: many of those trained at Raiffeisen stay with the company after completing their apprenticeship, internship or trainee programme and take the opportunity to continue developing at Raiffeisen.

Raiffeisen offers a number of training placements for young people with different educational backgrounds. In 2022, 261 new career starters began their apprenticeship or internship at Raiffeisen in one of the following job profiles:

Apprenticeships:

- Federal VET diploma in business administration (banking; service and administration)
- Federal VET diploma in information technology (systems engineering; application development)
- Federal VET diploma in ICT
- Federal VET diploma in mediamatics
- Federal VET diploma in interactive media design
- Federal VET diploma in child, adult and elder care
- Federal VET diploma in facility maintenance
- Federal VET diploma in customer communications

Offering for secondary school students:

- Commercial secondary school internship
- Business secondary school internship
- Computing secondary school internship
- Bank entry for secondary school leavers

Offering for graduates:

- Trainee programme
- University internships

Sustainability

For Raiffeisen, sustainability means acting responsibly and considering the ecological and social impact of its activities, in addition to the economic impact. As a result, the cooperative bank offers its clients a wide range of sustainable products. The Raiffeisen Group also supports various international initiatives, thus emphasising its commitment to a sustainable financial centre.

Sustainability strategy

Sustainability has long been a corporate value at Raiffeisen. Sustainability also forms a central element of the Raiffeisen 2025 Group strategy. Raiffeisen accepts responsibility for its actions and the impact its business activity may have on society and the environment. For Raiffeisen, sustainability means only using resources to the extent that sufficient quantities remain available to future generations. Raiffeisen aims to arrange its activities so they are compatible with sustainable development. In practice, this means that ecological, social and economic issues are considered when taking decisions.

Raiffeisen drafted a Group-wide strategy for sustainability as one of the central elements of the Group strategy. After the sustainability strategy 2020 had been approved by the Executive Board, it was formally incorporated in the year under review.

The sustainability strategy covers the two areas for action: "Strengthen sustainability management" and "Achieving impact".

The sustainability strategy defines the two key areas for action: "Strengthen sustainability management" and "Achieving impact". These two areas for action comprise a total of 10 focus topics on which Raiffeisen concentrates when strengthening its sustainability.

Materiality analysis: developing and validating the 10 focus topics

The focus topics were defined on the basis of a 2018 survey of internal and external stakeholders as well as independent sustainability experts. In this materiality analysis, respondents assessed the extent to which an issue affects Raiffeisen as a sustainable company, and which issues Raiffeisen should focus on to become more sustainable.

The following topics are particularly relevant to Raiffeisen, based on the materiality analysis. This table shows the focus topics in which they are included and processed:

Identified key topics	Assigned focus topic
Active ownership	Create sustainable products and services
Training and continuing education	Promote employee expertise and diversity
CO_2 emissions	Mitigate climate change
Anti-corruption	Responsibility in business conduct
Marketing and labelling[1]	Open and fair interaction with clients
Product portfolio	Create sustainable products and services
Protecting client data	Open and fair interaction with clients
Socioeconomic compliance[2]	Responsibility in business conduct
Diversity and equal opportunity	Promote employee expertise and diversity
Economic performance	Ensure long-term economic success

1 The offering of financial products and the provision of financial services are very heavily regulated in Switzerland. This is why this topic is material to Raiffeisen.
2 This refers to complying with financial regulations and regulations in the social and economic area.

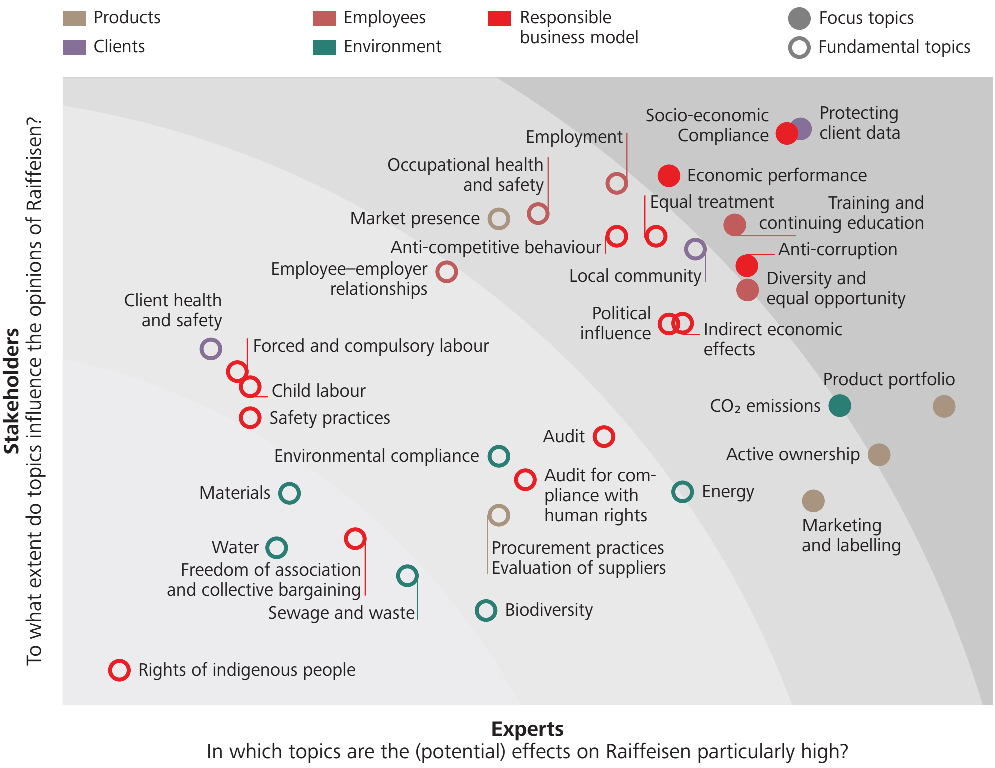
In addition to the topics identified as material in the sustainability strategy, the six principles for responsible banking (UN Principles for Responsible Banking, UN PRB) of the United Nations Environment Finance Initiative (UNEP-FI) have also been incorporated into the definition of the strategic focus topics.

Materiality matrix

The following materiality matrix presents the result of the survey in diagram form. The materiality analysis is discussed annually as part of a dialogue with interested stakeholders who are important to Raiffeisen. The latter confirmed in the year under review that both the identified topics and the sustainability goals that have been set are still relevant (more on this in section "3 – Involving external stakeholders", page 69).

Topics with a high impact on Raiffeisen are considered "material".

Materiality matrix
2022



In the context of signing the Principles for Responsible Banking, Raiffeisen vigorously addressed the positive and negative effects of its business activities on the UN's Sustainable Development Goals (SDGs) in 2022. Based on the methodology provided by UNEP-FI, Raiffeisen conducted a comprehensive impact analysis and published an initial report on it. The results of this impact analysis confirmed, in particular, the sustainability strategy's focus on Climate. The impact analysis also pointed to other possible fields of action in Resources and waste as well as Soil and biodiversity, which will now be further analysed.

Sustainable Development Goals – the UN's SDGs

The UN Sustainable Development Goals are primarily intended for states. However, they also call on all players around the world to do their bit for sustainable development. In light of its status as a banking group with a very high market share in real estate financing, Raiffeisen wishes to make its contribution. The portfolio of properties financed by Raiffeisen causes around one-quarter of the CO_2 emissions in Switzerland from real estate. Raiffeisen is, therefore, affected in particular by SDG 7 (affordable and clean energy) and by SDG 13 (climate action), and aims to make a positive contribution in these areas.

Ten focus topics for sustainability

Strategic focus topics
2020–2025

Strengthen sustainability management

2 – Strengthen governance
Management structures and processes are intended to ensure the implementation of corporate social responsibility and sustainability in the Raiffeisen Group.

3 – Involve external stakeholders
Raiffeisen regularly and systematically engages in dialogue with stakeholders, consults them when identifying relevant issues and works together with them on the path towards a sustainable Switzerland.

4 – Ensure transparency
Raiffeisen discloses how corporate social responsibility and sustainability are implemented in the company and in its products.

1 – Set strategic goals
Raiffeisen identifies the issues that are material for its long-term success and for strengthening positive and reducing negative effects on sustainable development. It sets clear goals and defines actions for these issues.

5 – Responsibility in business conduct
In the spirit of responsible business activity, Raiffeisen complies with applicable laws and Swiss values, including human rights, and adheres to voluntary agreements.

10 – Promote employee expertise and diversity
Raiffeisen creates comprehensive and ongoing continuing education and development opportunities. At Raiffeisen, the diversity in society is reflected in the company. Discrimination will not be tolerated in any way.

6 – Create sustainable products and services
Raiffeisen products and services are intended to be compatible with sustainable development.

9 – Maintain open and fair interaction with clients
Raiffeisen products are simple and straightforward. They offer value for money. Prices are communicated transparently. Clients must be able to make well-informed decisions. Client data is protected.

8 – Mitigate climate change
Raiffeisen supports a climate-neutral Switzerland and the targets of the Paris Climate Agreement.

7 – Ensure long-term economic success
Raiffeisen generates added value for its clients, employees, investors and other partners as an independent and reliable partner.

Achieve an impact

Sustainability governance

Effective sustainability management requires appropriate organisational structures, processes and responsibilities. The responsibilities for sustainability are spread across the Raiffeisen Group. Raiffeisen Switzerland has responsibility at Group level for the strategic direction when it comes to sustainability and for disclosing sustainability information. It takes sustainability factors into account in risk management and continues to develop the range of sustainable products and services. Raiffeisen Switzerland also communicates with internal and external stakeholders and the general public with regard to sustainability issues. In addition, it advises and supports the more than 200 Raiffeisen banks on various sustainability-related issues. The Raiffeisen banks put sustainability into practice on a local level and take their own measures in their regional and local context. The Raiffeisen banks can be involved in issues relating to the overarching management of corporate responsibility and sustainability through the respective specialist committees. It is also possible to discuss fundamental strategic issues with the Raiffeisen Bank Council.

The Board of Directors of Raiffeisen Switzerland regularly deals with the Group's sustainability issues, both as a full Board and in its individual committees. The Executive Board of Raiffeisen Switzerland takes account of requirements defined by the Board of Directors.

The Sustainability, Policy & Cooperative department is primarily responsible for strategic issues as well as sustainability management at Group level, and is accountable for the Raiffeisen Group's sustainability reporting. It reports to the Executive Board and the Board of Directors' Strategy and Innovation Committee at least twice a year, and at least once a year to the full Board of Directors.

From an organisational viewpoint, the department reports to the Chairman of the Executive Board of Raiffeisen Switzerland. It acts as an internal and external point of contact. Within the 10 focus topics of the sustainability strategy, it also implements strategic projects that create momentum and boost sustainability performance. It is also responsible for the due diligence check introduced at Raiffeisen Switzerland in 2021 to ensure responsible business conduct (for more information, see "5 – Responsibility in business conduct", page 72).

The Sustainability, Policy & Cooperative department creates momentum to boost sustainability performance.

The sustainability governance described above is also set out in the manual entitled "Managing Corporate Responsibility and Sustainability in the Group" (raiffeisen.ch/nachhaltigkeit-management). This was published in 2021 and is mainly based on the non-certifiable ISO 26000 standard.

Reporting on implementation of the sustainability strategy

Below, Raiffeisen presents the progress made during the year under review on implementing its sustainability strategy in line with the 10 focus topics. Reporting follows the Global Reporting Initiative (GRI) standards. Accordingly, Raiffeisen reports on how it deals with and develops the focus topics, what goals it pursues within the topics, what steps were taken in the year under review, and who is responsible within the Group. The various metrics in this chapter and in the separate GRI content index for the Annual Report 2022 provide information on the impact Raiffeisen produces in the relevant sustainability topics.

Supplementary publications

The disclosure of key sustainability information in the annual report and in the separate GRI content index is supplemented by the separate supplement to the Annual Report 2022 entitled "Disclosure of climate information in accordance with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)" and the report on the implementation of the UN Principles for Responsible Banking (UNEP). These publications are available at report.raiffeisen.ch/en-downloads and on the Raiffeisen website raiffeisen.ch/nachhaltigkeit-offenlegung.

Action area "Strengthen sustainability management"

Several requirements must be met for effective sustainability management to be implemented in the Raiffeisen Group. It first needs strategic goals, effective sustainability governance (including processes and accountabilities for implementing responsible business conduct) and stakeholder involvement through membership in relevant sustainability organisations and the commitment to sustainability initiatives. Ultimately, comprehensive disclosure ensures that progress and challenges are reported transparently.

Comprehensive disclosure ensures that progress and challenges are reported transparently.

1 – Set strategic goals

Objective of the focus topic

Raiffeisen identifies the issues that are material for its long-term success and for strengthening positive and reducing negative effects on sustainable development. It sets clear goals and defines actions for these issues.

Clear goals are a basic requirement for strengthening a company's sustainability performance in a focused, effective and efficient way. For this reason, Raiffeisen sets itself targets for the 10 focus topics in the sustainability strategy. Responsibility for setting goals is as follows:

The Sustainability, Policy & Cooperative department is responsible at Raiffeisen Group level for developing, monitoring and reporting on the sustainability strategy, in line with the current Raiffeisen 2025 strategy. It works closely with the responsible specialist areas in developing and reviewing the goals and measures for each of the focus topics. The specialist areas review the defined goals on an ongoing basis and adapt them if necessary. These goals were selectively enhanced and consolidated in the year under review. The key issues, goals and measures relating to sustainability are reviewed with stakeholders on an annual basis.

A table at the beginning of each section outlines the objectives of the focus topics and provides an overview of the major milestones achieved in the year under review. Explicit impact indicators are additionally provided in the "Achieving impact" action area. Raiffeisen aims to use this approach to track and transparently represent implementation of the sustainability strategy, and enable effective measurement of goal achievement in each of the focus topics.

2 – Strengthen governance

Objective of the focus topic	Milestones 2022
Management structures and processes are intended to ensure the implementation of corporate social responsibility and sustainability in the Raiffeisen Group.	– Formal incorporation of the Raiffeisen sustainability strategy – Introduction of ISO 14001 in the Raiffeisen Group – Further institutionalisation of the cooperation between the Investment & Retirement Centre and the Sustainability, Policy & Cooperative department

Governance of sustainability management in the Raiffeisen Group was further strengthened during the year under review. The Executive Board of Raiffeisen Switzerland classified the sustainability strategy as a "functional" strategy in July 2022. This decision formally establishes the sustainability strategy in the Raiffeisen Group, further underlining the importance of the topic.

The separate supplement to the Annual Report 2022 entitled "Disclosure of climate information in accordance with the recommendations of the TCFD" has details of risk management governance of climate-related financial risks and other ESG factors, together with the related division of responsibilities between Risk Control and the Sustainability, Policy & Cooperative department. In the pension and investment area, cooperation between the Investment & Retirement Centre and the Policy, Sustainability & Cooperative department was institutionalised through the department's seat in the Positioning and Risk Meeting (PRM) on the topic of impact and in the newly established specialist committee, Sustainable Investing.

The involvement of the Sustainability, Policy & Cooperative department in the process of introducing and removing services continued to be formalised and improved in the year under review. This process involves making decisions on the introduction and removal of products and services, or the latter are reviewed for their performance. The Executive Board is also involved in this process.

In addition, a new certification process for the environmental management standard ISO 14001 was initiated. Following the ISO 14000 certification of Raiffeisen Switzerland at the beginning of 2022, the Raiffeisen banks can now also be certified according to ISO 14000, with the support of Raiffeisen Switzerland.

Raiffeisen banks can be certified according to the environmental management standard ISO 14001.

The Corporate Responsibility & Sustainability department was merged with the Policy, History & Cooperative department in mid-2022, to form a new department, Sustainability, Policy & Cooperative. This was placed under the current management of the Corporate Responsibility & Sustainability department. One of the goals that Raiffeisen is pursuing through this organisational measure is greater consideration of aspects relating to corporate responsibility and sustainability within the framework of the company's positioning on policy issues.

The sustainability strategy also envisages integrating the Raiffeisen banks even more closely into the strategic implementation of sustainability than before, through more intensive dialogue. This should strengthen the shared understanding of sustainability in the Raiffeisen Group and drive forward implementation of the strategy.

3 – Involve external stakeholders

Objective of the focus topic	Milestones 2022
Raiffeisen systematically engages in a dialogue with stakeholders, consults them when identifying relevant issues and works together with them on the path towards a sustainable Switzerland.	– Conducting the annual stakeholder dialogue – Initial dialogue with UNEP-FI, based on reporting for the UNEP-FI Principles for Responsible Banking

Stakeholders are persons or groups of persons who are affected by Raiffeisen's business activities, either directly or indirectly. They have expectations, interests or demands regarding Raiffeisen's responsible business activity and its success over the long term.

Dialogue with stakeholders

Regular and open dialogue with stakeholders is extremely important to Raiffeisen. Thanks to their cooperative independence, the Raiffeisen banks are very close to their clients. Through their local presence, the banks are closely connected to local and regional stakeholders and are in regular dialogue. At the level of Raiffeisen Switzerland, the most important internal and external stakeholders in the sustainability field are invited to participate in dialogue at least once a year. As part of this, the main issues and the strategy were once more reviewed and confirmed in 2022 (see materiality matrix, page 65). Raiffeisen's strategic projects were welcomed, for example the approach to implementing the new disclosure requirements (Art. 964a ff. of the Swiss Code of Obligations), or the implementation of a first-time impact analysis in the context of the Principles for Responsible Banking. With reference to the sustainability strategy, the primary topics of discussion were the priorities set by Raiffeisen and future challenges. Raiffeisen and the various stakeholders continue to see issues such as climate change, biodiversity and human rights as future challenges for the financial centre. Raiffeisen dealt intensively with these topics in 2022. It enhanced the climate strategy (part of the sustainability strategy, more on this in the separate supplement to the Annual Report 2022 entitled "Disclosure of climate information in accordance with the recommendations of the TCFD") and significantly expanded climate reporting during the year under review. The topic of biodiversity is closely linked to the issue of climate change and will be analysed in even greater depth by Raiffeisen. As a retail bank with a cooperative business model that focuses mainly on the Swiss market, Raiffeisen is less exposed to human rights violations, but still has adequate internal regulations (see section entitled "Due diligence check on responsible business conduct", page 74).

The most important internal and external stakeholders are invited to participate in formal dialogue at least once a year.

Memberships of organisations and initiatives

Raiffeisen has institutionalised its exchange with various stakeholders via memberships in national and international organisations and initiatives, among other measures. Raiffeisen is a member of the following organisations that focus specifically on sustainability:

- Swiss Sustainable Finance (founding member), since 2014
- Swiss Sustainable Business Association (öbu), since 2007
- Swiss Climate Foundation (founding member), since 2008
- Green and Sustainable Finance Working Group of the European Association of Cooperative Banks, since 2018
- Swiss Better Gold Association, since 2019
- Principles for Responsible Banking (PRB) of the United Nations Environment Programme Finance Initiative (UNEP-FI), since 2021
- Partnership on Carbon Accounting Financials (PCAF), since 2021
- CEO4Climate, since 2021

These memberships also provided Raiffeisen with major impetus in the year under review, reaffirmed the strategic focus and reinforced the directions in which it is heading, especially in terms of climate change and reporting obligations. Raiffeisen also takes into account the recommendations of the TCFD when disclosing climate-related information.

Commitment to business, culture and sport throughout Switzerland

Local roots are a fundamental principle of the Raiffeisen Group and shape its decentralised business model. In addition to Raiffeisen Switzerland's national commitment, the dialogue with local stakeholders from business, culture and sport, and their local support by the Raiffeisen banks, is accordingly also very important for the Raiffeisen Group. A broadly based commitment to society supports the goal of a sustainable Switzerland and has a positive impact on the daily lives of clients and external stakeholders (such as associations and initiatives).

The decentralised approach is especially apparent in our sponsorship commitments and the donations we make, while also strengthening the Raiffeisen brand across the whole of Switzerland. It can be seen, for example, in the fact that we support some 20,000 young skiers. Raiffeisen is also strongly committed to the Swiss Museum Pass, which grants free access to more than 500 partner museums throughout Switzerland. The Raiffeisen Group's sponsorships amount to roughly CHF 23 million per year. Economic, social and cultural contributions and donations additionally amount to more than CHF 6 million.

Since 2017, Raiffeisen has provided a free platform for financing local projects through donations, lokalhelden.ch. By the end of 2022, almost CHF 37 million in donations had been raised through lokalhelden.ch for more than 2,000 projects. The largest amount collected in 2022 was more than CHF 450,000. This amount enabled the Hochwang ski area to be saved. True to the spirit of the banking group's cooperative principle, through lokalhelden.ch Raiffeisen takes a local and regional approach to crowdfunding, making an important contribution to a vibrant, athletic, cultural and pro-social Switzerland.

37
CHF million
Donations have already been collected through lokalhelden.ch.

In view of the events in Ukraine, Raiffeisen launched a collection campaign on lokalhelden.ch in aid of those in need in the war zone. More than CHF 3.4 million was collected in a short period and handed over to the Swiss Red Cross.

Raiffeisen also wants to enable its employees to get directly involved in cultural, sporting and social causes. Raiffeisen therefore gives its employees time to participate in public services, even during working hours, in line with the employment regulations and after consulting their line manager.

Support for the political militia system

A functioning political system and dialogue with political stakeholders is important to Raiffeisen as a decentralised cooperative group with a presence throughout Switzerland. As in previous years, Raiffeisen once again contributed to a healthy Swiss political system based on the militia concept through its party financing in the year under review. Raiffeisen contributes a total of CHF 246,000 annually to all parties represented in the Swiss Federal Assembly. This amount is split equally between the National Council and the Council of States and is distributed to the parties according to the number of seats. This takes account of the equivalence of the two chambers as well as the federal/decentralised system of government in Switzerland. The parties have no accountability obligations in relation to the use of the funds. The payment is not linked to any political goodwill or voting behaviour.

4 – Ensure transparency

Objective of the focus topic	Milestones 2022
Develop and professionalise reporting in line with common standards and memberships	– Switch to GRI standards 2021 – External review of non-financial disclosure by EY – Publication of Raiffeisen results of the PACTA climate compatibility test – More detailed disclosure of climate information according to TCFD

Transparency is vital for the cooperative Raiffeisen Group. Raiffeisen's stakeholders, especially the more than 2 million cooperative members, should be able to get a comprehensive picture of Raiffeisen as a company. Accordingly, Raiffeisen also aims to meet high standards when disclosing its sustainability performance. For this reason, it adheres to the globally recognised GRI standards. In the year under review, Raiffeisen not only switched to the updated GRI standard 2021, but also had its non-financial disclosure undergo an external review with limited assurance by Ernst & Young Switzerland (EY).

Raiffeisen also follows the UN Principles for Responsible Banking and the recommendations of the TCFD. Raiffeisen published its first report on the implementation of these principles in 2022. The disclosure of climate information was also strengthened and published as a separate report. In addition, Raiffeisen participated in the Swiss federal government's voluntary climate compatibility test, PACTA (Paris Agreement Capital Transition Assessment), as it did in 2020. Raiffeisen has published a summary of the individual results for the Raiffeisen Group on its website (raiffeisen.ch/nachhaltigkeit-offenlegung). More on the climate compatibility test in the separate supplement to the Annual Report 2022 entitled "Disclosure of climate information in accordance with the recommendations of the TCFD".

Good marks in ESG ratings

The solid sustainability performance and transparent reporting about it are paying off. Raiffeisen has done well in several relevant sustainability ratings. In the WWF 2020/21 rating of Switzerland's largest retail banks, Raiffeisen achieved a place in the top group. It also retains its place in the Prime category of the International Shareholder Services (ISS) ESG rating, putting it in the top decile of the "public and regional banks" peer group. The rating is based on information disclosed by Raiffeisen Switzerland for the whole Group. In the year under review, Raiffeisen began to analyse other ESG ratings that are becoming established in the market, along with the specific information needs of each rating agency. A decision has not yet been taken on the extent to which Raiffeisen will prioritise other ESG ratings in addition to the ISS ESG rating.

Raiffeisen retains its place in the Prime category of the ISS-ESG rating.

Non-financial reporting

Art. 964a ff. of the Swiss Code of Obligations (OR) on transparency regarding non-financial matters came into force on 1 January 2022. This requires Swiss companies to disclose non-financial information under certain circumstances. These provisions must be implemented for the 2023 financial year at the latest. The Raiffeisen Group is affected by this requirement. As a result, it must report on environmental, social, employment, corruption and human rights issues under Art. 964b of the Swiss Code of Obligations. The Ordinance on Due Diligence and Transparency in the Sectors of Minerals and Metals from Conflict Areas and Child Labour (VSoTr) elaborates on the disclosure obligations regarding child labour and conflict minerals. The Ordinance on Mandatory Climate Disclosures for Large Companies will enter into force on 1 January 2024. Raiffeisen has already disclosed the relevant information as part of its 2022 annual reporting. The climate information can be found primarily in the separate supplement to the Annual Report 2022 entitled "Disclosure of climate information in accordance with the recommendations of the TCFD" (report.raiffeisen.ch/en-downloads). Further information is available in the chapters "Sustainability", pages 63–89, and "Employees", pages 54–62, in this management report.

5 – Responsibility in business conduct

Objective of the focus topic	Milestones 2022
In the spirit of responsible business activity, Raiffeisen complies with applicable laws and Swiss values, including human rights, and adheres to voluntary agreements.	– Extension of due diligence to Treasury & Markets transactions – Introduction of screening for child labour and forced labour as an element of due diligence – Formalisation of due diligence for precious metals trading – Creation of an ESG risk matrix

As a company with a cooperative structure, Raiffeisen is committed to conducting its business responsibly. It bases this on the applicable statutory and regulatory requirements (compliance). Raiffeisen takes environmental, social and governance factors into account appropriately as part of risk management. It also complies with business ethics considerations. As a cooperative bank, Raiffeisen focuses on the Swiss retail market. The Swiss legal system and regulatory regime in particular are therefore applicable to Raiffeisen. Raiffeisen's comprehensive compliance monitoring ensures that national and international requirements are met.

As a financial institution, Raiffeisen places particular emphasis on the relevant regulations relating to anti-corruption measures, combating the financing of terrorism and preventing money laundering. Back in 2018, Raiffeisen had established the principle in its risk policy that environmental, social and governance factors are to be given appropriate consideration in risk management. Raiffeisen Switzerland established a due diligence check in the 2021 financial year to ensure responsible business conduct. The check is particularly relevant to Raiffeisen Switzerland because, compared to the Raiffeisen banks, Raiffeisen Switzerland is more likely to come into contact with severe negative impacts on the environment and society through its business activities (see section entitled "Due diligence check on responsible business conduct", page 74). Raiffeisen's business activities focus mainly on mortgages and corporate client lending in Switzerland, and on pension and investment solutions for the Swiss population.

Raiffeisen ensures compliance with the legal framework through internal regulations and processes, determines key indicators and discloses them in accordance with GRI (see table entitled "Social compliance and anti-corruption measures", page 76). Raiffeisen views the results for the year under review as positive and so does not believe that there is an urgent need for action regarding this topic.

Ensuring compliance

The banking industry in Switzerland is highly regulated. The Raiffeisen Group adheres to the statutory, regulatory and professional requirements and processes applicable in the financial centre. Raiffeisen Switzerland's Legal & Compliance department monitors changes in legal risks for the entire Group. It reports the main legal risks every six months to the Executive Board of Raiffeisen Switzerland and to the Board of Directors' Risk Committee at Raiffeisen Switzerland. The department reports to the entire Board of Directors of Raiffeisen Switzerland once a year.

Raiffeisen Switzerland's Legal & Compliance department monitors changes in legal risks for the entire Group.

Compliance with the relevant regulations is ensured through the three-lines-of-defence model in the Raiffeisen Group. Raiffeisen banks provide the first line of defence through their front office staff and back office functions, and the second line of defence through the specialist officers for compliance issues (anti-money laundering officers, compliance officers and responsible officers). Raiffeisen Switzerland performs further higher-level duties for the second line of defence in the context of system responsibility. In particular, this includes preparing and maintaining the Group-wide compliance regulations, training the Raiffeisen banks' specialist officers, and safeguarding the reporting line. Internal Auditing forms the third line of defence. Internal Group processes ensure the necessary control and monitoring as well as risk management.

More information on dealing with legal and compliance risks is available in the chapter entitled "Risk report", pages 90–104.

Anti-corruption and preventing money laundering

The regulator ascribes a particularly high level of importance to the fight against corruption, money laundering and terrorism financing. Corruption undermines the rule of law, promotes inefficiency and distorts competition. The Raiffeisen Group stops corruption by taking preventive measures. These include monitoring business relationships and transactions, along with raising employees' awareness on an ongoing basis. All employees and members of the supervisory bodies of Raiffeisen Switzerland (100%) are required to regularly attend training courses on corruption prevention. The Raiffeisen banks have the option to make these training courses mandatory for their employees. Anti-corruption responsibilities are defined at all levels of the hierarchy, are enshrined in internal policies and assumed within the business areas of the individual Raiffeisen banks. Strict internal policies govern entry into business relationships with politically exposed persons, the combating of money laundering and terrorism financing, and adherence to laws in the area of economic and trade sanctions.

Internal guidelines on conflicts of interest, the acceptance of gifts as well as active and passive bribery are enshrined in the employment regulations. All employees of Raiffeisen Switzerland and the Raiffeisen Pension Fund, as well as all members of supervisory bodies, are issued with the employment regulations and, by signing the employment contract or mandate agreement, confirm that they are aware of the above-mentioned requirements. Employees of the Raiffeisen banks either likewise receive the employment regulations of Raiffeisen Switzerland or an equivalent alternative from the respective Raiffeisen bank. Business partners who supply goods or services to Raiffeisen are sensitised to anti-corruption issues via the Supplier Code. This explicitly stipulates that any form of corruption, bribery, money laundering, extortion, embezzlement or pay-off is prohibited and must be prevented. General standards and the internal anti-corruption guidelines are an integral part of Raiffeisen Switzerland's internal regulatory system. They are subject to internal audit and, where regulatory aspects are involved, external regulatory audits as well.

The employment regulations contain guidelines on preventing conflicts of interest and bribery attempts.

In addition to Raiffeisen Switzerland, the Raiffeisen banks are directly responsible for taking action to prevent money laundering. Each Raiffeisen bank has a person in charge of money laundering issues. These individuals receive annual training on specific topics from Raiffeisen Switzerland and are also professionally supported in their work. If money laundering or terrorism financing is suspected, the Raiffeisen banks' anti-money laundering officers report to the Money Laundering Reporting Office in consultation with Raiffeisen Switzerland. Raiffeisen Switzerland coordinates the further course of action and supports the Raiffeisen banks in implementing the necessary measures.

The Raiffeisen banks regularly conduct analyses of risks associated with money laundering and terrorism financing for the Executive Board according to Raiffeisen Switzerland guidelines, and also send their reports to Raiffeisen Switzerland. Raiffeisen Switzerland's Legal & Compliance department monitors the changes in these risks across the entire Group, and reports material risks to the Risk Committee and the Board of Directors of Raiffeisen Switzerland every quarter. The Board of Directors bears strategic responsibility at the highest level for the adequacy of anti-corruption measures.

ESG factors in risk management

In the context of risk management, Raiffeisen does not regard environmental, social and governance (ESG) factors as a separate risk category but as drivers of existing risk categories, i.e. including credit, market and operational risks. ESG factors at Raiffeisen are accordingly integrated into the existing Raiffeisen risk management framework (see chapter entitled "Risk report", pages 90–104, and in the separate supplement to the Annual Report 2022 entitled "Disclosure of climate information in accordance with the recommendations of the TCFD", pages 17–18). They are thus included in the Raiffeisen Group's risk strategy, risk tolerance and risk policy. Raiffeisen follows and monitors ESG risk drivers, in particular climate-related financial risks, to an appropriate extent and at regular intervals. ESG factors generally have no material impact on Raiffeisen's existing risk types, based on an internal review of the ESG risk matrix that was subsequently checked externally for plausibility. As a result, ESG factors are now not specifically assessed in lending, for example (but see the due diligence check on responsible business conduct, driven by business ethics considerations). Implicitly, however, ESG factors are

ESG factors have an impact on existing risk categories. Raiffeisen monitors climate-related financial risks in particular.

taken into account, for example in the valuation of real estate or larger companies. When assessing the general condition of a property, energy efficiency is included in the evaluation, for example. When assessing a company's strategy and business model, sustainability issues such as climate compatibility are also implicitly taken into account.

In 2020, aided by an external consultancy firm, Raiffeisen subjected the Climate Change factor to an in-depth qualitative analysis of its impact on the existing types of risk. In the following year, Raiffeisen (again with external support) conducted this analysis with regard to all other relevant ESG factors. In the year under review a second external partner reviewed this analysis, focusing on the impact of climate change. The impact analysis showed that further risk quantification is not necessary for the ESG factors examined. The ESG factors are either already adequately reflected in risk management, or their impact on the existing types of risk is regarded as immaterial for Raiffeisen.

Due diligence check on responsible business conduct

Raiffeisen Switzerland established a due diligence check in 2021 to ensure responsible business conduct. By conducting this due diligence check, Raiffeisen aims to avoid causing, contributing to or being associated with serious human rights violations or environmental damage through its business activities. The due diligence process implements the relevant instructions of the Board of Directors, which is responsible for Raiffeisen's business ethics positioning. The due diligence process was first introduced at Raiffeisen Switzerland. It covers lending, securities issues, physical precious metal trading, supplier relationships and, since 2022, treasury and markets transactions, especially with foreign banks.

The due diligence consists of an initial check by the unit responsible for the transaction. The aim here is to identify transactions with increased risks and have them undergo a more detailed second check by the Sustainability, Policy & Cooperative department. The due diligence check includes clearly defined triggers and risk escalation processes up to the Executive Board. Moreover, companies from certain sectors are generally excluded from credit financing and securities issuance. In some instances, certification or other standards are required for supplier relationships. The due diligence also includes a comprehensive check of the existing business covered by the due diligence (e.g. at portfolio level) by the Sustainability, Policy & Cooperative department.

The due diligence check includes the trade in physical precious metals and relationships with suppliers.

The due diligence process for ensuring responsible business conduct across the business was extended to all treasury and markets transactions in the year under review. Moreover, the process and responsibilities around due diligence in connection with the acceptance of physical precious metals were laid down in detail in a separate specialist directive. Due diligence for procurement was supplemented with a specific check for child labour and forced labour (see section entitled "No child labour and forced labour in the supply chain", page 75).

Along with the due diligence process, Raiffeisen Switzerland introduced a content-based guideline and a review system to manage ESG issues in various business activities, including financing. On the basis of this binding guideline, not only environmental, but all ESG aspects are taken into account when granting loans. It therefore represents a far-reaching lending policy in the area of sustainability. As the focus of Raiffeisen's business model is on the Swiss retail banking market, clients are almost exclusively domiciled in Switzerland, and as Switzerland is a well-functioning constitutional state with effectively enforced environmental and social laws, Raiffeisen does not consider it necessary to establish separate internal guidelines on more specific topics such as agriculture, deforestation, mining or oil and gas extraction, in addition to this system. All contents of the due diligence check, including business ethics positioning, are an integral part of Raiffeisen Switzerland's internal regulatory system. They are subject to internal audit and, where regulatory aspects are involved, external regulatory audits as well.

The due diligence check was initially only introduced at Raiffeisen Switzerland because Raiffeisen banks almost exclusively serve Swiss clients with the financial products and services typical of a retail bank. Raiffeisen Switzerland is generally responsible for serving large corporate clients. It also serves the majority of medium-sized to large companies. Only Raiffeisen Switzerland issues securities for corporate clients and is responsible for physical precious metal trading. In addition, Raiffeisen Switzerland also procures most of the goods and services for the entire Group. In line with Raiffeisen's risk-based approach to due diligence, risks related to serious negative effects on human rights and society in general, and on the environment (ESG risks), are markedly lower at Raiffeisen banks compared to Raiffeisen Switzerland. A dialogue on the inclusion of the Raiffeisen banks in the due diligence check was nevertheless launched within the Group in 2022.

Second checks and escalated cases for ensuring responsible business conduct at Raiffeisen Switzerland[1]

Total	2022
Second checks	45
Cases escalated to the Executive Board	1

1 These figures have only been collected since 2022.

Minerals and metals from conflict areas

Raiffeisen clients can use the ingot number to trace the origin of the gold used in their ingot.

When accepting precious metal ingots and coins, Raiffeisen Switzerland has been focusing on a close network of established partner companies for several years now. Raiffeisen precious metal ingots are produced solely by the Argor-Heraeus refinery in Switzerland. The gold processed in it is produced exclusively from certain mines identified by the refinery together with Raiffeisen based on defined criteria – currently from North and South America. The mines can be identified by Raiffeisen clients on each ingot, based on the ingot number. Raiffeisen has also been sourcing gold from smaller mines in Colombia since 2021. A new supplier relationship was also established with a small mine in Peru. These mines are part of the Swiss Better Gold Initiative, which is supported by Swiss Better Gold and the State Secretariat for Economic Affairs (SECO). Smaller gold producers and their environment are supported by the initiative through environmental and social projects and with regard to economic efficiency. Support was launched for four projects in Colombia during the year under review. The other precious metal ingots traded by Raiffeisen originate exclusively from LBMA or LPPM-accredited production facilities. As part of this accreditation, compliance with the OECD's Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas is also assessed. Given the discussion in Switzerland on gold of Russian origin during the year under review, Raiffeisen reviewed its holdings as at 31 December 2022 and did not identify any ingots of this type.

No child labour and forced labour in the supply chain

To prevent child and forced labour, Raiffeisen has introduced a specific check in the standard due diligence of its supplier chain.

The most important procurement items used to operate the branch network are real estate, IT hardware and software, services, furnishings and vehicles. Due to its business model, Raiffeisen has a comparatively low risk of purchasing products and services that are produced or provided using child or forced labour. Nonetheless, Raiffeisen Switzerland introduced a specific check for child and forced labour in 2022 as part of the due diligence check on responsible business conduct. The check in question involves a list of goods that are often produced using child or forced labour. It is based on a list from the Bureau of International Labor Affairs at the US Department of Labor. According to information from this agency, the list has global validity.

Supplier Code

The Raiffeisen Supplier Code is part of the formal internal due diligence check introduced in 2021. Raiffeisen expects that suppliers, their employees and all sub-contractors and their employees will comply with the principles laid down in the Code. This applies to child labour in particular. Suppliers undertake not to employ children and not to accept child labour from their sub-contractors or their suppliers. The Supplier Code was established more firmly in the contract templates during the year under review.

Social compliance and anti-corruption measures[1]

	GRI indicator	2022
Social compliance		
Significant fines and non-monetary sanctions for non-compliance with laws and/or regulations in the social and economic area	GRI 2-27	0
Anti-corruption		
Total number and percentage of Raiffeisen banks that are assessed for risks related to corruption implemented mechanisms to detect corruption	GRI 205-1	100%
Significant risks related to corruption identified through the risk assessment	GRI 205-1	0
Total number and nature of confirmed incidents of corruption	GRI 205-3	0

1 In this context, a zero means that no serious cases are known as at the end of the year under review.

"Achieving impact" action area

6 – Create sustainable products and services

Objective of the focus topic	Impact indicators	Milestones 2022
Raiffeisen products and services are intended to be compatible with sustainable development.	– Proportion of ESG products in the overall portfolio – New products and services with an ESG focus – Use of the Raiffeisen modernisation planner	– Launch of Impact mandate – Award for Gold ETF Responsibly Sourced & Traceable – Standard integration of ESG criteria in asset management mandates – Strengthening active ownership/ involvement – Introduction of sustainability reporting

The Raiffeisen Group takes into account environmental and social factors, as well as increasing client demand with regard to sustainability, when designing and developing its financial products and services – both for private and investment clients as well as for corporate clients. The Sustainability, Policy & Cooperative department is systematically involved in the introduction of new products and services, and assesses them from a sustainability viewpoint.

Raise client awareness in the mortgage business

When promoting sustainability in the mortgage business, Raiffeisen sees its role primarily in routinely making its clients aware, at an early stage, of the potential for boosting energy efficiency and reducing CO_2 emissions, and presenting appropriate financing solutions. As early as 2015, Raiffeisen was the first bank to integrate the energy efficiency evaluation of properties as standard procedure into the mortgage advice business. Clients can use this to obtain an overview of their property's energy efficiency. Any investment backlog can also be identified and renovation scenarios simulated. A total of 1,416 energy and renovation-related advisory sessions were carried out in the year under review. This number is expected to continue rising. The various self-service offers in the field of energy efficiency and renovation are also becoming increasingly important. These offers were increasingly used in the year under review with more than 20,000 views.

Raiffeisen takes the energy efficiency of properties into account when advising its mortgage clients.

As in previous years, Raiffeisen supported SwissEnergy's Renewable Heating programme in 2022. This federal programme aims to help private home owners switch to heating systems using renewable energy, by providing neutral and professional advice. As a strategic partner, Raiffeisen provides relevant financial expertise.

Awareness-raising tools and initiatives

	2020	2021	2022
Energy-efficient renovation and climate compatibility			
GEAK® Plus certificates subsidised in the year under review [1]	463	–	–
Thermal imaging performed in campaigns concluded during the year under review	7,800	7,400	–
E-Valo energy efficiency consultations for real estate [2]	1,123	1,969	–
Raiffeisen modernisation planner(RAImo) [3]	–	1,882	1,101
Incentive consulting for renewable heating	–	–	315
Number of visits to self-service heating cost calculator at raiffeisencasa.ch [4]	–	–	10,426
Number of visits to self-service energy efficiency calculator at raiffeisencasa.ch [4]	–	–	11'084

1 Programmes to raise home owners' awareness of energy efficiency and climate sustainability are optimised on an ongoing basis. Previous programmes such as thermal imaging campaigns are no longer continued. In some cases, however, these programmes are continued by Raiffeisen banks. Data on individual initiatives of this type is nevertheless not available across the Group.
2 Fewer advisory sessions held in 2020 because of the Covid pandemic. In the year under review, E-Valo was replaced by a self-service product at raiffeisencasa.ch, and a national marketing campaign was added (incentive consulting for renewable heating).
3 The Raiffeisen modernisation planner was launched as a new offering in March 2021.
4 The data on the two self-service products at raiffeisencasa.ch has only been collected since 2022.

Every year since 2011, Raiffeisen has conducted a survey on energy and climate issues, the "Customer Barometer on Renewable Energies". The aim of the survey is to find out as much as possible about the needs of clients with regard to new products and services, and to raise public awareness about the issue. In the autumn of 2022, this representative survey was once more carried out among the Swiss population together with the University of St. Gallen and SwissEnergy. The main results show that 91% of respondents consider it (rather) likely that the uncertainties surrounding energy supply will lead to increased energy awareness. Accelerated planning procedures for generating renewable electricity are seen as a major help in overcoming this uncertainty in the supply situation.

Raising client awareness in the corporate client business

The Raiffeisen Group has around 220,000 corporate clients – mainly SMEs. In total, 99.5% of Raiffeisen's corporate clients are domiciled in Switzerland (see "Client structure" table on page 85). Accordingly, they are regulated relatively efficiently and effectively in environmental, social and governance issues. The risk that the business activities of corporate clients will have a relatively serious negative impact on the environment or society is therefore comparatively low for Raiffeisen.

Nevertheless, Raiffeisen is also raising awareness of sustainability among its corporate clients in certain cases. In addition, a pilot advisory project was carried out in the year under review with the SME Platform for Energy Efficiency (PEIK), which advises SMEs on energy matters.

"Futura" sustainable pension and investment solutions

Since the launch of the first Raiffeisen Futura fund in 2001 and the subsequent development and expansion of the investment solutions, Raiffeisen has been consistently providing sustainable investment opportunities in pension and investment funds for its clients. Since 2013, pension and investment clients have been asked about their sustainability stance and advised accordingly, on request, in advisory meetings and when their situation is regularly reviewed.

For over 20 years, Raiffeisen has been offering its clients the opportunity to invest their pension and investment assets sustainably.

Raiffeisen Switzerland conducted a survey on sustainable investing in December 2021. The findings clearly show that the topic of sustainability in pensions and investing is a very common concern for both the general population and Raiffeisen clients. The majority of investors have a great need for sustainable investments and would like more ESG information with more details on the financial instruments used. In the approaches to sustainability, the most frequent mention was made of exclusion criteria and impact investing.

The implementation of sustainability in the pension and investment business has been based on the specific "Sustainability Strategy for Investing & Retirement" since 2020. The strategy was developed by the Competence Centre for Sustainable Investing. As part of the strategy, the Futura approach was developed in the year under review into a uniform and consistent Futura Policy for all sustainable pension and investment solutions provided by Raiffeisen Switzerland.

Sustainable investment universe

The Futura Policy is primarily based on the idea of a more sustainable investment universe, narrowed down by means of exclusions and sustainability appraisals. In addition, direct influence is exerted on companies through the active exercise of voting rights by the Futura investment funds. Active investor dialogue (involvement), which was delegated to Ethos, represents an additional element in exercising active ownership that was introduced in the year under review. Investors are informed about the sustainability of the investments as part of the sustainability reporting newly introduced at the end of November.

Active investor dialogue with companies is a key element of the "Futura" approach to sustainability in Raiffeisen's pension and investment business.

In the case of sustainable Raiffeisen pension and investment solutions with the Futura label, the investment universe is determined by exclusion criteria and sustainability appraisals. First, exclusion criteria help to avoid investment risks that are particularly critical from a sustainability viewpoint. Second, they represent a certain value system for ethical principles. Armaments, nuclear energy and gambling are among the sectors excluded. Coal and crude oil were new additions in 2022. These exclusion criteria apply to all Raiffeisen pension and investment solutions that bear the Futura label (100%).

Any financial instrument not excluded on the basis of exclusion criteria undergoes a rigorous sustainability review, in which it is assessed for sustainability. For direct investments, Raiffeisen works with the independent rating agency Inrate, and with Vontobel Asset Management for collective investments. The sustainability assessment reflects the risks and opportunities of companies (and in the case of bonds, also of sovereigns) based on a number of sector-specific ESG criteria (for example, CO_2 emissions, employee satisfaction, independence of Board of Directors members).

In the case of recommendations and model portfolios (in the advisory area), Raiffeisen Switzerland only considers financial instruments that meet the defined ESG criteria. The Raiffeisen banks decide independently on implementation of these recommendations.

Active ownership

In addition to the exclusion criteria and the sustainability criteria to be taken into account, the new Raiffeisen Futura Policy also includes active ownership. This includes dialogue with companies and the voluntary exercise of voting rights associated with the investments. Since 2009, all Raiffeisen Futura funds have made active use of voting rights for Swiss equities. This was extended in August 2020 to include the exercise of voting rights for all shares in the Futura funds, i.e. also covering shares in international companies. For Swiss equities within the actively managed Futura funds, the voting rights are exercised by Ethos, Swiss Foundation for Sustainable Development. For all other stocks the funds follow the recommendations of Institutional Shareholder Services (ISS).

Since May 2022, Ethos has also conducted active investor dialogue (involvement) for Swiss and international companies selected by Raiffeisen Switzerland. Raiffeisen Switzerland's Sustainability Competence Centre monitors this investor dialogue and the relevant guidelines, while also involving the Sustainability, Policy & Cooperative department. Together with Ethos, Raiffeisen defines the environmental, social or governance issues on which dialogue is to be conducted and thus on which influence is to be exerted. The focus is on climate change, labour and human rights, and digital responsibility. Raiffeisen Switzerland also has the opportunity to engage via Ethos with other institutional investors, such as asset managers and pension funds, to improve ESG aspects through collective involvement. Raiffeisen Switzerland made use of this option twice in the year under review. The "Investor Statement on Ethical AI" and the "Valuing Water Finance Initiative" were supported.

Ethos conducts a dialogue with selected companies on environmental, social and governance issues on behalf of Raiffeisen Switzerland.

Sustainability reporting on pension and investment products

At the end of the year under review, sustainability reporting was added to a number of client reports, such as the schedule of assets and the investment proposal. The sustainability reporting gives investors an overview of how sustainably their capital is invested on the basis of three dimensions at present. Direct investments (shares and bonds) as well as collective investments are taken into account. These three dimensions are: 1. Sustainability ratings, 2. Greenhouse gas emissions (in absolute terms and using the Footprint and Intensity indicators) and 3. Contribution to the United Nations Sustainable Development Goals (SDGs). In the case of the Raiffeisen Futura and Raiffeisen Futura II funds, specific sustainability reporting will now be integrated into the respective factsheets. It should also be mentioned that clients are not only shown this sustainability information at the reporting stage, but also in the investment proposal.

Expanded range of Futura funds

Since 2019, all pillar 3 pension funds at Raiffeisen have been sustainable. Almost the entire range of investment funds was aligned with sustainability in July 2021 (as part of the Sustainability Strategy for Investing & Retirement). Previously non-sustainable funds were merged with existing Futura funds or, in the case of the strategy funds, repositioned with a changed name and sustainable investment policy (Global Invest became Futura Strategy Invest). On 1 March 2022, the range of products was expanded to include the following index-tracking investment funds: two equity funds, two bond funds and four investment target or pension funds (with the allocations Yield, Balanced, Growth and Equity). These are offered under the name Futura Systematic.

As a result, the proportion of sustainable Futura funds in the total volume of all Raiffeisen funds has grown in recent years to 94.3% as at the end of 2022. The net inflow into Futura pension and investment funds amounted to CHF 887.3 million in the year under review. For performance reasons, however, the total volume fell by 11.3% to CHF 12 billion, due to the general stock market losses in the year under review.

New Futura asset management mandates

As in the case of the pension and investment funds, ESG criteria have also been taken into account in the majority of Raiffeisen asset management mandates since the end of November 2022, in accordance with the Futura Policy. To do this, the previous Futura and Global mandates were changed into Futura-Global, and Swissness into Futura Swissness. The Futura Impact asset management mandate was introduced. Raiffeisen is the first national retail bank to make a solution of this type available to its clients. Futura Impact invests in collective investments that feature a clear and transparent intention to achieve a purposeful ecological or social effect (impact) through their investments, in addition to a financial return. These include various sustainable funds as referred to in Art. 9 of the EU Disclosure Regulation (SFDR; Regulation 2019/2088), and impact-aligned collective investment schemes that are based on international climate targets (Paris-Aligned Benchmark; Carbon Transition Benchmark – Regulation EU 2019/2089). Less liquid financial instruments that have a direct impact (impact-generating), such as microfinance funds, are also used selectively.

Raiffeisen offers an asset management mandate which, besides financial goals, aims for a positive and measurable environmental and social impact.

Due to this restructuring, the volume of the Futura asset management mandates grew by 77.9 percentage points to CHF 7.2 billion over the period under review.

In April 2021 the option was added to the digital asset management app Raiffeisen Rio to invest in a portfolio with an entirely sustainable focus. The focus topics Green Energy and, since February 2022, Sustainable Nutrition, allow Raiffeisen Rio clients to set a further sustainability focus in their Rio mandate.

Raiffeisen Sustainability and Green Bonds
In April 2019, Raiffeisen Switzerland placed the very first sustainability bond on the Swiss capital market for investors. Investors can use it to invest in energy-efficient, low-emission and social housing. The sustainability bond thus also complies with the guidelines of the International Capital Markets Association (ICMA) for a social bond and a green bond.

Based on the experience gained through the issuance of the sustainability bond, Raiffeisen Switzerland established a green bond programme in 2021. This also focuses on the refinancing of mortgages granted to finance energy-efficient, low-emission buildings in Switzerland. Due to the low financing needs of the Raiffeisen Group in the year under review, Raiffeisen has not yet issued a similar bond.

Responsible and traceable gold
Raiffeisen offers its clients precious metals. In 2021, a "Responsibly Sourced & Traceable" approach was adopted for procuring gold for all Raiffeisen gold ingots. This makes it possible to precisely trace the source of the gold and attaches importance to companies in the supply chain being environmentally and socially responsible. Another objective of the approach is to source an average of around 15% of gold from smaller gold producers. The small producers and their environment are supported by the Swiss Better Gold Initiative with regard to environmental and social compatibility and economic efficiency. For every gram of gold sold, a few centimes are donated to this programme. A total of around USD 675,000 has been transferred to Swiss Better Gold, from introduction of the initiative to the end of the year under review. Clients can also access the supply chain information for Raiffeisen gold ingots online.

Since 2021, investors have had the opportunity to invest responsibly in the asset class gold through the "Raiffeisen ETF – Solid Gold Responsibly Sourced & Traceable". In this case, too, gold is sourced transparently and traceably based on the "Responsibly Sourced & Traceable" approach. "Raiffeisen ETF – Solid Gold Responsibly Sourced & Traceable" won the Swiss ETF Award 2023 in the category "Newcomer of the Year" during the year under review. The investment volume was CHF 108 million as at 31 December 2022.

Raiffeisen won the Swiss ETF Award 2023 in the category "Newcomer of the Year" for its "Raiffeisen ETF".

Products with specific social and ecological benefits GRI FS6, FS7, FS8, FS10, FS11	Unit	31.12.2020	31.12.2021	31.12.2022
Investment products				
Sustainable funds	CHF million	8'725,7	13'545,8	12,016.7
Share of volume of all Raiffeisen funds	percent	71,6	94,7	94,3
Share of custody account volume (including structured products)	percent	21,9	27,9	27,3
Development funds [1]	CHF million	194,5	171,9	–
Share of custody account volume	percent	0,7	0,4	–
Structured products with a sustainability focus	CHF million	15,4	40,5	84,7
Raiffeisen Asset management				
Volume of sustainable Futura asset management mandates	CHF million	535,5	1'427,8	7,235.5
Shares of all asset management mandates	percent	22,3	21,9	99,8
Volume of Futura asset management mandates Impact [2]	CHF million	–	–	6.2
Number of Futura asset management mandates Impact [2]	Number	–	–	58
Leasing business [3]				
Subsidised leasing in the case of replacement investments for Euro 6 emission standard-compliant lorries	CHF million	5,8	–	–
Share of total leasing volume for lorries	percent	7,5	–	–
new business volume of leasing for passenger cars and commercial vehicles with alternative drive systems	CHF million	1.0	6.5	10.6
Proportion of new business volume	percent	1.5	7.5	9.0
New business volume of leasing for photovoltaics	CHF million	1.1	3.9	4.5
Raiffeisen Bonds				
Raiffeisen Sustainability Bond [4]	CHF million	100.0	100.0	100.0
Active Ownership [5]				
number of companies held in the institution's portfolio with which the organisation has interacted on environmental or social issues	Number	–	–	20

1 Raiffeisen Switzerland sold all its shares in responsAbility Investments AG in the year under review.
2 The Futura asset management mandate Impact was launched at the end of November 2022.
3 New national vendor partnerships focused particularly on self-sufficient power supply solutions including alternative drive and storage components in 2022. This was especially the case for passenger cars and commercial vehicles.
4 0.125% sustainability bond; repaid at par on 7 May 2024.
5 Active investor dialogue as part of active ownership was introduced as an additional sustainability approach on 1 May 2022.

7 – Ensure long-term economic success

Objective of the focus topic	Impact indicators	Milestones 2022
Raiffeisen generates added value for its clients, employees, investors and other partners as an independent and reliable partner.	– Long-term financial ratings – ESG ratings	– Solid results (A+) for long-term financial ratings – Solid results for the relevant ESG ratings

The cooperative Raiffeisen Group operates on the principle of targeting long-term, sustainable results and is not focused on maximising profit and growth at all cost. Raiffeisen thus strives to be a reliable, long-term partner for its stakeholders.

Cooperative members benefit from fair interest on their cooperative capital. Members can also secure particularly favourable conditions for certain banking transactions and benefit from additional member advantages.

The Raiffeisen Group makes contributions to the public purse in the form of taxes throughout Switzerland at the local, cantonal and federal levels. In contrast, Raiffeisen does not receive any public funds and does not benefit from government guarantees. Ultimately, the continuous profit retention or self-financing through profits generated is important for long-term success.

Distribution of added value

The Raiffeisen Group's cooperative business model results in economic performance being decentralised throughout Switzerland. This means that the Group can contribute to added value locally, regionally and nationally. And not only through its core business of mortgage financing, but also through other financing and banking services, and through procurement, tax levies and its support for charitable organisations and initiatives.

The Raiffeisen Group contributes to added value locally, regionally and nationally, through its core business and through investments, taxes and sponsoring.

The statement of net added value shows that the Raiffeisen Group's economic performance should be viewed positively again in the year under review. It can thus build on the previous years. Cooperative members, clients and society benefit from this. This focus on the long term is also reflected in very solid results in the relevant financial ratings (S&P "Long term": A+, Fitch "Long Term": A+), which Raiffeisen was able to maintain in the year under review.

Statement of net added value

	CHF million		percent	
	2021	2022	2021	2022
Creation of added value				
Corporate performance (= operating result)	**3,383**	**3,529**	**100.0**	**100.0**
General and administrative expenses	–503	–543	14.9	15.4
Extraordinary income	9	34	0.3	1.0
Extraordinary expenses	–1	–10	–0.0	–0.3
Gross added value	**2,888**	**3,010**	**85.4**	**85.3**
Value adjustments on participations and depreciation and amortisation of tangible fixed assets and intangible assets	–217	–189	6.4	5.4
Changes to provisions and other value adjustments and losses	–3	–14	0.1	0.4
Net added value	**2,668**	**2,807**	**78.9**	**79.5**
Distribution of added value				
Personnel (salaries and employee benefits)	1,392	1,429	52.2	50.9
Cooperative members (paym. of interest on certif.: proposal to AGM)	67	79	2.5	2.8
Government	183	196	6.9	7.0
Capital and income taxes	144	176	5.4	6.3
Formation / release of provisions for deferred taxes	39	20	1.5	0.7
Bolstering of reserves (self-financing)	1,026	1,103	38.5	39.3
Distributed added value	**2,668**	**2,807**	**100.0**	**100.0**

Statement of net added value – key figures

	unit	2021	2022
Gross added value per personnel unit [1]	1,000 CHF	301	307
Net added value per personnel unit [1]	1,000 CHF	278	286
Personnel units (average)	number	9,610	9,815

1 Calculated based on the average number of employees. Data basis: key figures in the financial report. For the calculation method, also refer to footnote 1 of the table with the key figures of the Raiffeisen Group in the "Employees" section of the management report.

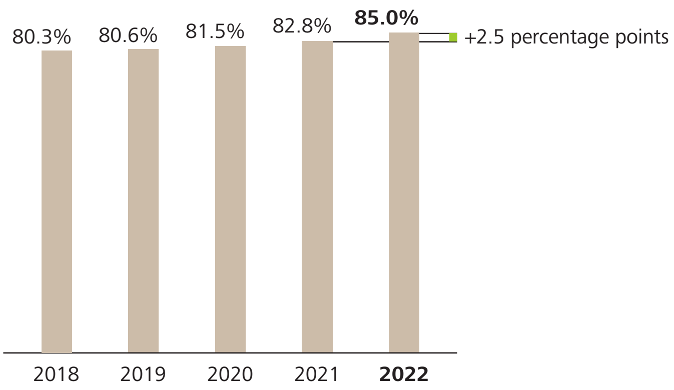
Fair salary and pension fund benefits

Raiffeisen's more than 11,000 employees are paid fairly and in line with the market, and benefit from above-average social and fringe benefits. The pension fund benefits exceed the mandatory requirements to a very great extent. The occupational pension funds are managed by an independent legal entity, the Raiffeisen Pension Fund. It manages the pension assets of around 13,000 actively insured persons and pension recipients in a fiduciary capacity, taking sustainable aspects into account. The technical parameters are defined in such a way as to prevent systematic redistribution between generations and to ensure long-term financial stability. Through the profit participation model, the pension fund allows its insured persons to participate in the investment success. The coverage ratio of the Raiffeisen Pension Fund was 107.1% at the end of 2022 (2021: 118.5%; 2020: 117.8%).

Sustainability is not only important for the stable financing of benefit assurances, free of any reallocation. The Raiffeisen Pension Fund is aware of its economic, environmental and social responsibility (ESG). In its role as an institutional investor, it manages pension assets carefully and considers ESG factors when selecting its investments.

The pension fund assets screened for ESG factors are increasing every year.

Development of pension fund assets screened for ESG factors
Proportion in percent as of 31 December
GRI FS7, FS8, FS11



Further information on the Raiffeisen Pension Fund and its annual report for 2022 is available at raiffeisen.ch/pensionskasse

8 – Mitigate climate change

Objective of the focus topic	Impact indicators	Milestones 2022
Raiffeisen supports a climate-neutral Switzerland and the targets of the Paris Climate Agreement.	– Operational CO_2 emissions (Scope 1 and Scope 2) – CO_2 emissions associated with mortgages – Exposure to corporate clients in emission-intensive sectors – Footprint of all funds	– Strengthening CO_2 measurement – Solid results in PACTA climate compatibility test 2022

Unchecked greenhouse gas emissions increase global warming with serious, irreversible consequences for humanity and the environment. Raiffeisen supports the targets of the Paris Climate Agreement and is pursuing the goal of net zero by 2050. Raiffeisen sees itself as having a special responsibility in this respect, as the largest provider of mortgages in Switzerland. Greenhouse gas emissions also play a role in the sustainability assessment of pension and investment solutions.

Raiffeisen aims to achieve the net zero target as early as 2030 for operational emissions (Scope 1 and Scope 2). The Raiffeisen Group itself causes CO_2 emissions by operating its 800 or so branches and due to business travel, transportation and the upstream and downstream processes.

More detailed information as well as facts and figures are included in the separate supplement to the Annual Report 2022 entitled "Disclosure of climate information in accordance with the recommendations of the TCFD". This publication is available at report.raiffeisen.ch/en-downloads and on the Raiffeisen website raiffeisen.ch/nachhaltigkeit-offenlegung.

9 – Maintain open and fair interaction with clients

Objective of the focus topic	Impact indicators	Milestones 2022
Raiffeisen products are simple and straightforward. They offer value for money. Prices are communicated transparently. Clients must be able to make well-informed decisions. Client data is protected in line with best practice.	– Results of the client survey – Number of breaches and reports	– High degree of client satisfaction with regard to fairness and transparency – No incidents in connection with product and service information

In line with its mission statement, the Raiffeisen Group sets store by fairness, reliability and transparency in business relations with its clients. The focus is always on the satisfaction of the almost 3.64 million clients. Raiffeisen therefore maintains a competent, open and fair interaction with them. This includes the facts that Raiffeisen solutions are simple and straightforward, offer value for money and that prices are transparently communicated. This is the only way to ensure that clients can reach well informed decisions. The introduction of sustainability reporting (see also "6 – Sustainable products and services", page 76) should also be seen in this context.

Moreover, Raiffeisen is committed to the AA-plus quality label for e-banking introduced by the "Access for All" foundation as well as the European Transparency Code for sustainability funds, which provides specific standards and transparency guidelines in the area of sustainability.

Transparency and fairness

The provision of financial services and the offering of financial instruments in Switzerland is regulated by the relevant laws and ordinances. Investor protection is at the heart of this. Raiffeisen implements all legal requirements in all its products and services (100%). It thus promotes fairness and transparency in the provision of financial services and in the offering of financial instruments. Raiffeisen additionally applies self-regulatory measures. Foreign regulations are taken into account as needed.

Clients can contact their Raiffeisen bank if they have any grievances or complaints. In addition, clients can refer to the neutral office of the Swiss Banking Ombudsman with any questions and complaints about banking and financial services.

A total of 97.6% of Raiffeisen's clients are domiciled in Switzerland (see "Client structure" table on page 85). Raiffeisen Switzerland recommends a specific target product portfolio for each client segment to the Raiffeisen banks. Any financial services and instruments not included in the portfolio will only be offered to segment clients at their express request. Thanks to all these efforts, Raiffeisen has managed to provide a straightforward product range with fair prices in line with the market and a high level of transparency. This promotes client focus, mutual trust and long-term client relationships.

With regard to fairness and transparency, various innovations were implemented in the year under review, e.g. the investment proposal in the investment business, sustainability reporting (see "6 – Sustainable products and services" on page 76), and simplification of pricing in investment transactions. Raiffeisen clients will also be informed earlier and more comprehensively than before about fee adjustments from this year onwards.

Client structure (by domicile, segment, sector)

31.12.2022	Number in thousands	Percentage
Number of clients	**3,637.5**	**100.0**
Private and investment clients	**3,421.1**	**94.1**
Of which domiciled in		
Switzerland	3,340.1	97.6
Countries bordering Switzerland	67.9	2.0
Rest	13.1	0.4
Of which segment		
Private clients	3,031.1	88.6
Investment clients	390.0	11.4
Corporate clients	**216.4**	**5.9**
Of which domiciled in		
Switzerland	215.4	99.5
Countries bordering Switzerland	0.8	0.4
Rest	0.1	0.1
Of which segment		
Self-employed individuals	69.1	31.9
Small enterprises	118.5	54.7
Medium-sized and medium-large enterprises	3.1	1.4
Real estate companies	17.2	7.9
Public-sector entities	8.6	4.0

High level of client satisfaction

Since 2020, Raiffeisen has conducted regular surveys among clients to check whether adequate fairness and transparency are ensured and are perceived as such by respondents. Specifically, this involves asking whether Raiffeisen deals fairly with clients and provides them with information that is transparent and clear, and whether Raiffeisen is perceived as a sustainable and responsible company. The results show that, once again in 2022, Raiffeisen is perceived as being a financial company that is better than average compared to the competition when it comes to sustainability and responsibility. This statement applies not only to our own clients, but to the Swiss population as a whole. In addition, Raiffeisen continues to achieve very good results in comparison with its competitors, holding a top position for general client satisfaction. The goal is to continue achieving a high level of satisfaction, and to maintain and enhance the positive perception in society.

Increasing the financial knowledge of clients

For years, Raiffeisen has been committed to Money Mix as a way of improving young people's financial skills. And in cooperation with the learning platform "evulpo", it has been supporting school children as they move towards financial independence. These two platforms and the learning content provided on them are free of charge and accessible by anyone. As a result, they can also be used by other social groups.

Raiffeisen also works with several financial education providers to increase the financial literacy of its clients. One example is the collaboration with Zurich University of Applied Sciences (ZHAW), which conducts and publishes an annual external study on financial retirement provision on behalf of Raiffeisen. Another example is the bank's work with Lucerne University of Applied Sciences and Arts (HSLU) on studies relating to digitalisation in the financial sector. Raiffeisen has integrated the topic of financial literacy into the advisory process for its client advisors. They convey this knowledge in meetings with their clients and in other ways.

Protection against debt accumulation by private individuals

Raiffeisen chiefly grants mortgage loans. To protect clients and prevent possible over-indebtedness, an affordability calculation with an imputed interest rate is carried out when granting a mortgage loan. To calculate affordability, housing costs are set in relation to income, with housing costs consisting of imputed interest expenses, repayments of principal, and expenses for maintaining the property. The loan will only be approved if the finance is affordable.

Raiffeisen only grants mortgages if the applicants can afford the imputed housing costs.

Raiffeisen took over the credit card business for its clients from Viseca in the year under review. There is a certain risk of personal debt in this type of loan. In the spirit of responsible business activity, Raiffeisen complies with the requirements of the associated Consumer Credit Act. Card limits are set within the card applicant's borrowing capacity, and the situation is monitored on an ongoing basis.

Protection of client data

Special mention must be made of client privacy when dealing with clients openly and fairly. Due to their business activity, banks hold particularly sensitive client data. Clients trust their bank to comply with statutory and regulatory requirements, handle their data responsibly and safeguard it as effectively as possible.

The protection of client data is an absolute priority at Raiffeisen. Since it has overall responsibility for the compliance system, Raiffeisen Switzerland is tasked with centrally protecting client data within the Raiffeisen Group and operates an information security management system (ISMS) based on the ISO 27001 standard. The purpose of the system is to ensure information integrity, availability and confidentiality at all times.

Information security is also constantly monitored and enhanced where necessary. Technical security solutions and systems are checked annually by Internal Auditing at Raiffeisen Switzerland. Information security policies are also reviewed internally on an annual basis and, if necessary, adapted to reflect changing conditions.

Both proactive and reactive measures are in place with regard to data breaches. Raiffeisen Switzerland also has an incident response plan for this scenario. In addition, Raiffeisen Switzerland conducts several projects each year to strengthen its ability to withstand cyber attacks. Raiffeisen Switzerland also has a data protection officer who oversees the entire Group. This specialist position ensures that Raiffeisen meets the criteria set down in the Swiss Data Protection Act. The Executive Board of Raiffeisen Switzerland is responsible at the highest level for data protection and data security.

Rules on data protection and data security are implemented through internal directives and must be complied with not only by employees, but also by Raiffeisen suppliers and business partners. In addition, Raiffeisen conducts mandatory training sessions on awareness of information security every year and revises them on a regular basis. This training is completed by all employees and by independent contractors who have access to Raiffeisen's IT systems. Client data requirements conform to the Data Protection Act as well as FINMA stipulations. Accordingly, Raiffeisen grants individuals all applicable rights with respect to control of their data. This concerns access to personal data and its correction and deletion. As a matter of principle, Raiffeisen minimises the collection and storage of data, and undertakes to delete data after a certain period of time in line with legal requirements. Raiffeisen also integrates information security measures into the development of products and services. It also designs the systems used for data processing in such a way that data protection regulations are complied with (data protection by design and default).

Raiffeisen constantly adapts its protection measures in order to handle the current situation and challenges.

The Raiffeisen Group constantly adapts its measures to protect client data in a continuous improvement process, depending on the current situation and challenges. Operations were optimised in the year under review, especially in the filter criteria, channel monitoring and in the data leakage prevention blocking (DLBP) of e-mails. In addition, the requirements of the revised Data Protection Act and the revised Data Protection Ordinance were incorporated into internal regulations, while the staff and resources of the Data Protection unit were expanded.

Metrics on client privacy and marketing

The survey data on client satisfaction, the client complaint process and the number of breaches of the relevant provisions point to any deficiencies in the processes. Specific metrics are used for this purpose (see table below). They currently show no acute need for action in the area of fairness and transparency in client relations.

Marketing and labelling and protecting client data[1]

	GRI indicator	2021	2022
Marketing and labelling			
Total number of incidents of non-compliance with regulations and/or voluntary codes concerning product and service information and labelling	GRI 417-2	0	0
Total number of breaches in connection with marketing	GRI 417-3	0	0
Client privacy			
Complaints from outside parties and regulatory bodies	GRI 418-1	1	0
Serious incidents registered through internal data leakage prevention (DLP)	GRI 418-1	0	0
Alarms registered by the internal data leakage prevention system[2]	GRI 418-1	5,939,253	10,350,597

1 In this context, a zero means that no serious cases are known as at the end of the year under review.
2 The increase in 2022 compared to the 2021 financial year is due to extended filter criteria. DLP alarms are triggered in response to rules based on a scoring system. An alarm does not automatically mean that a regulation has been violated.

10 – Promote employee expertise and diversity

Objective of the focus topic	Impact indicators	Milestones 2022
Raiffeisen creates comprehensive and ongoing continuing education and development opportunities. At Raiffeisen, the diversity in society is reflected in the company. Discrimination will not be tolerated in any way.	– Average hours of internal training and continuing education per year per employee – Investments (in CHF) in training and continuing education per year per employee – Senior staff and executive management positions held by women	– CHF 17.9 million invested in staff training and continuing education – Proportion of women in middle and upper management reached 29.3% – Mentoring programme open to entire Group

Change is a major part of the Raiffeisen 2025 strategy. Promoting employee expertise and diversity is also a significant goal of the sustainability strategy. In the year under review, various measures were taken to foster a corporate culture in which diversity and equal opportunities are practised.

For more detail see the chapter on "Employees", pages 54–62.

Building a better working world

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To the management of
Raiffeisen Schweiz Genossenschaft, St. Gallen

Basle, 19 April 2023

Independent assurance report

We have been engaged by Raiffeisen Group (hereafter "Raiffeisen") to perform a limited assurance engagement on the information referenced in the supplement to Raiffeisen Group's annual Report 2022 "GRI Content Index" (hereafter "the report") for the reporting period from 1 January 2022 to 31 December 2022.

Our engagement was limited to the information listed above. Particularly, we have not assessed the following information:

- Information not listed in the section above
- Information related to previous reporting periods

Applicable criteria
Raiffeisen defined as applicable criteria (hereafter "applicable criteria"):

- GRI Sustainability Reporting Standards

A summary of the standards is presented on the GRI homepage. We believe that these criteria are a suitable basis for our limited assurance engagement.

The quantification of greenhouse gases (GHG) is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emission factors and the values needed to combine emissions of different gases.

Responsibility of the management
The management of Raiffeisen is responsible for the selection of the applicable criteria and for the preparation and presentation of the disclosed information in accordance with the applicable criteria. This responsibility includes the design, implementation, and maintenance of internal controls relevant to the preparation of the information that are free from material misstatement, whether due to fraud or error.

Independence and quality control
We have complied with the independence and other ethical requirements of the *International Code of Ethics for Professional Accountants (including International Independence Standards)* of the International Ethics Standards Board for Accountants (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies the International Standard on Quality Control 1, *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements*, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Building a better working world

Our responsibility

Our responsibility is to express a conclusion on the above-mentioned information based on the evidence we have obtained. We conducted our limited assurance engagement in accordance with the International Standard on Assurance Engagements 3000 (Revised) *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* (ISAE 3000 Revised). This standard requires that we plan and perform this engagement to obtain limited assurance about whether the information in the report is free from material misstatement, whether due to fraud or error.

In accordance with the engagement agreement, our duty of care for this engagement only extends to the management of Raiffeisen.

Based on risk and materiality considerations we have undertaken procedures to obtain sufficient evidence. The procedures selected depend on the practitioner's judgment. This includes the assessment of the risks of material misstatements in the above-mentioned information. The procedures performed in a limited assurance engagement vary in nature and timing from and are less in scope than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement.

Summary of work performed

Our limited assurance procedures included, amongst others, the following work:

- Assessment of the suitability of the underlying criteria and their consistent application
- Inquiries of company's representatives responsible for collecting, consolidating, and calculating the information in order to assess the process of preparing the data, the reporting system, the data capture and compilation methods as well as internal controls to the extent relevant for the limited assurance engagement
- Inspection of the relevant documentation of the systems and processes for compiling, analyzing, and aggregating sustainability data and testing such documentation on a sample basis
- Analytical procedures and inspection of documents on a sample basis with respect to the compilation and reporting of the information
- Analytical procedures of the report regarding plausibility and consistency with the information

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our limited assurance conclusion.

Our conclusion

Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the information has not been prepared, in all material respects, in accordance with the applicable criteria.

Ernst & Young Ltd

Prof. Dr. Andreas Blumer Partner	Dr. Mark Veser Partner

Risk report

Raiffeisen is exposed to a number of risks resulting from its operating activities. Being part of the financial system, Raiffeisen is also exposed to global risks. The framework for risk management provides details of the varieties, types and levels of risks. It also deals with the Group-wide risk management tools.

Risks and principles

Overall responsibility for risk management and risk control at the Raiffeisen Group lies with the Raiffeisen Switzerland Board of Directors. They approve the framework for Group-wide risk management, set the risk policy and determine the risk tolerance of the Raiffeisen Group every year.

Risk policy principles

The Raiffeisen Group takes a cautious and selective approach to risk within a framework of clearly defined guidelines. In doing so, it takes care to strike the correct balance between risk and return, actively controlling the risks it takes. It acts based on stable guidelines:

Raiffeisen takes a cautious and selective approach to risk. It aims to strike an appropriate balance between risk and return.

- Clear business and risk policies:
  Risk taking is directly linked to the core business in Switzerland.
- Effective risk limitation:
  The Raiffeisen Group's risk tolerance is clearly defined and enforced with a tried-and-tested limit system.
- Central monitoring:
  Raiffeisen Switzerland monitors its individual business units, subsidiaries and participations.
- Decentralised individual responsibility in line with clearly defined guidelines:
  The Raiffeisen banks are responsible for managing their risks themselves. Their risk management is based on guidelines relating to business activities, limits and processes. The central controlling units monitor compliance with the guidelines.
- Risk control based on transparency:
  Independent reports are regularly issued on the risk situation as well as on the risk profile of the individual Raiffeisen banks and the Raiffeisen Group.
- Independent risk monitoring and effective controls:
  Overall risk and limits are monitored independently of the risk-managing business units. Effective risk control ensures that the predefined processes and thresholds are adhered to.
- Comprehensive risk management process:
  The Raiffeisen Group's risk management is a uniform and binding process comprising identification, measurement, assessment, management, monitoring and reporting.
- Avoidance of risk concentration:
  The Raiffeisen Group has effective tools at its disposal for identifying unwanted risk concentration and taking proactive measures to avoid it.
- Protection of reputation:
  The Raiffeisen Group attaches great importance to protecting its reputation. It also seeks to ensure responsible business conduct in all its business activities, taking into account environmental, social and governance factors.

  An overview of the risks can be found in the publication "Regulatory Disclosure", pages 7–10, and in the Notes to the consolidated annual financial statements, page 148.

General

- Risks are taken within the risk tolerance and after careful consideration if they can be borne, are offset by reasonable returns, and the ability to manage the risks has been confirmed.
- Risks are managed systematically.
- Risks are effectively limited, controlled and independently monitored at all levels.

Credit risk

- Loans are only extended to clients who meet minimum creditworthiness and solvency criteria.
- Concentration risks are adequately monitored and limited.
- The credit policy is prudent.
- The Raiffeisen banks normally take credit decisions within their own competence. Prior written consent must be sought from Raiffeisen Switzerland in defined exceptional cases.
- The focus of lending is on financing owner-occupied residential property.
- Corporate clients are evaluated based on the following aspects in addition to creditworthiness: regional ties, sufficient diversification, risk/return ratio and minimal exposure to high-risk industries.

Market risk

- Risks in the trading and banking books are managed using clearly defined guidelines.
- Clear strategic lines are drawn using limits and proven tools.
- Raiffeisen Switzerland trains and advises the Raiffeisen banks regarding their market risk in the banking book.
- Foreign currency assets are generally refinanced in the same currency (matched book approach).

Liquidity risk

- Refinancing primarily takes place via stable customer deposits and is adequately diversified.
- Liquidity in the Raiffeisen Group is managed at operational/tactical and strategic levels.
- The Raiffeisen banks manage liquidity risks at their own discretion based on instructions provided by Raiffeisen Switzerland.
- Access to money and capital markets is provided centrally through Raiffeisen Switzerland.

Operational risks

- Risks are evaluated through regular top-down and bottom-up risk assessments.
- Risks are monitored using risk indicators and an early warning system.
- The suitability and effectiveness of the internal control system are reviewed regularly.
- Internal and external events are analysed on an ongoing basis; the findings from these analyses are implemented in the operational business processes.
- Policies for supporting and managing customer deposits in the investment business are monitored independently for compliance, while clustering in client custody accounts is measured and monitored.

Legal and compliance risk

- Risks are regularly assessed on the basis of the annual risk profile and the associated plan of action.
- Risks are monitored using key risk indicators and through risk prevention in individual cases.
- Changes in laws, regulations and professional rules are systematically monitored, analysed and promptly implemented in internal policies and processes.

Business and strategic risks

- Business and strategic risks exist with regard to the existing and new potential for the success of the Group and its business areas, as well as the current risk profile.
- Business and strategic risks are managed as part of the strategy and controlling processes, while monitoring is integrated into the risk monitoring process. In addition, business and strategic risks are identified, assessed and discussed by the Board of Directors each year.

Environmental risks

Environmental risks include the risk of changes to basic conditions and expectations. These also include environmental, social and governance factors (ESG). They cover events such as climate change, scarcity of resources, working conditions, discrimination and corruption. Environmental risks may act as risk drivers in various risk categories. Risks arising from ESG factors are monitored by means of key risk indicators and scenario calculations regarding climate risks.

Risk assessment and risk control

The Board of Directors of Raiffeisen Switzerland regularly examines the risks affecting the Raiffeisen Group. This is based on comprehensive reporting on credit, market and liquidity risks, operational risks, and legal and compliance risks. Reputational risks that can result from all risk categories are also taken into account, as well as ESG risk drivers.

Reputational risks and ESG risk drivers are also taken into account during risk assessment.

Risk reporting is carried out by the Risk & Compliance department of Raiffeisen Switzerland. The focus is on the risk situation, capital adequacy, compliance with overall limits, and any measures taken to reduce or eliminate risks that arise. Furthermore, the Risk & Compliance department uses an early warning system to identify potentially unfavourable developments at individual Raiffeisen banks and branches.

The risk report and any measures taken are discussed in detail at the meetings of the Executive Board and the Risk Committee of the Board of Directors.

Assessment of the risk exposure affecting the Raiffeisen Group is based on quantitative and qualitative factors. The key risks are thoroughly assessed, both on the basis of regulatory requirements and using economic models. Raiffeisen's risk models are based on conservative assumptions about distribution, confidence intervals, holding intervals and risk diversification.

Key elements of Group-wide risk control and management are the risk policy, the risk strategy, the identification process for new risks, forward-looking risk budgeting using stress scenarios to determine the Group-wide risk tolerance and its operationalisation through limits, the risk monitoring of subsidiaries and participations, and the risk monitoring of risk categories that are important to the Raiffeisen Group.

Risk planning and risk control are based on a standard method for risk identification, measurement, assessment, management and monitoring. Aggregated and consolidated risk reporting provides plan versus actual analyses and thus closes the feedback loop.

The Raiffeisen Group puts particular emphasis on supplementing its model-based assessments with forward-looking risk analyses and risk estimates. Scenario-based analyses backed by macroeconomically plausible scenarios, together with risk assessments drawing on specialist areas and front office units, therefore play an important role in overall risk comprehension.

Independent risk control

Risk management is organised based on the three-lines-of-defence model. Raiffeisen Switzerland maintains an independent risk control and compliance function for the Raiffeisen Group within its Risk & Compliance department (system responsibility). Operational responsibility for independent monitoring rests with the Raiffeisen banks and the organisational units of Raiffeisen Switzerland. The subsidiaries of Raiffeisen Switzerland generally operate as independent entities. Risk monitoring is risk-based. Individual units are assessed using formal, material and strategic criteria and allocated to a control level. Raiffeisen Switzerland monitors the risk situation of its subsidiaries and provides Raiffeisen Switzerland's executive bodies with appropriate consolidated risk reporting. Subsidiaries' risk control is based on guidelines and minimum requirements that are derived from the Raiffeisen Group's risk policy and implemented by the subsidiaries.

Risk management is based on the three-lines-of-defence model.

Risk profile control

The Raiffeisen Group only takes risks that relate to an approved business transaction and fall within its risk tolerance limits. The Board of Directors of Raiffeisen Switzerland approves the risk tolerance limits each year as part of the risk budgeting process. Compliance with risk tolerance is ensured with appropriate limits and requirements. Risks that are difficult to quantify are limited by qualitative stipulations.

Risk categories

Credit risks

Credit risk management at the Raiffeisen Group is geared specifically to Raiffeisen-specific client and business structures. The Raiffeisen banks' client knowledge and decentralised individual responsibility play a key role in lending decisions and credit management. This is also true in cases where loans require the approval of Raiffeisen Switzerland because of their size or complexity.

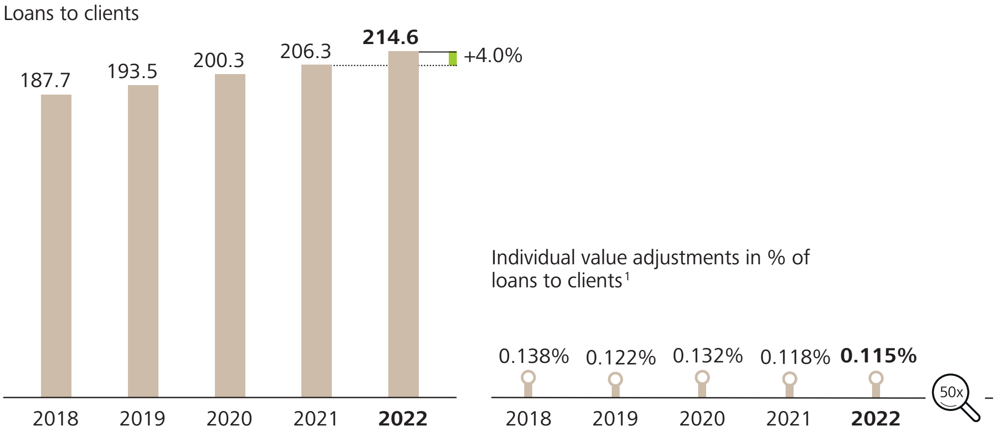
Due to the bank's strong market position in the lending business, credit risks are the main risk category for the Raiffeisen Group.

Credit risks are reviewed and assessed in nominal and risk-weighted terms. Management decisions are also based on statistical loss metrics (i.e. value-at-risk) and scenario analyses. Risks are also monitored using credit quality metrics (such as financial viability, loan-to-value ratios, ratings and rating changes), as well as portfolio characteristics (such as diversification across borrowers, industries and collateral types).

Due to the Raiffeisen Group's strong position in lending, credit risk is the most important risk category. The Raiffeisen Group generates a large part of its income by taking on credit risks and managing them comprehensively and systematically.

Thanks to its prudent credit policy, the need for individual value adjustments remains low.

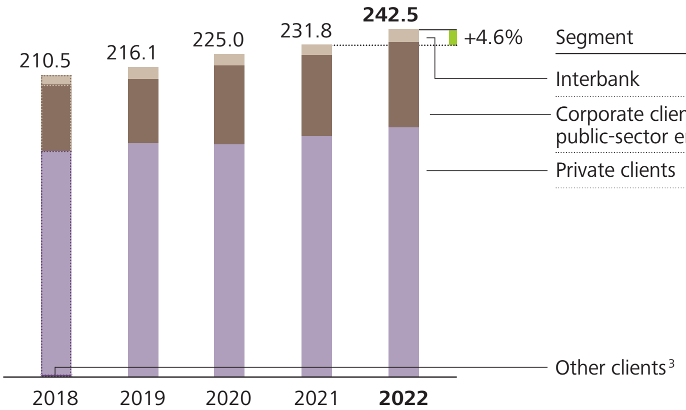
Loan to clients and value adjustments for default risks
in billion CHF and % of loans to clients



1 The data in the chart on the right has been magnified 50 times compared to the chart on the left.

The private client segment, in particular, accounted for most of the growth.

Credit exposure[1] by client segment
CHF billion, breakdown of lending volume[2] in % as at 31 December.



Segment	Share	Volume
Interbank	3.8%	9.1
Corporate clients including public-sector entities	24.6%	59.6
Private clients	71.7%	173.8

1 Credit exposure: In this chart, exposure is shown as the larger of balance or limit (risk view).
2 The evaluation reflects the risk view and therefore cannot be compared with the balance sheet view due to the different perspective.
3 Since the switch to client segmentation in 2019, the "Other clients" item has largely been assigned to the corporate clients segment. As a result, the share from 2018 is not comparable to the shares from 2019 to 2022.

Raiffeisen's main credit risks arise from transactions with collateralised loans to private individuals. Credit risks also result from lending to corporate clients and public-sector clients and from interbank business. Raiffeisen Switzerland monitors, controls and manages risk concentrations within the Raiffeisen Group, especially for groups of affiliated counterparties and for sectors.

Lending within the Raiffeisen Group is governed by a prudent credit policy and professional credit checking.

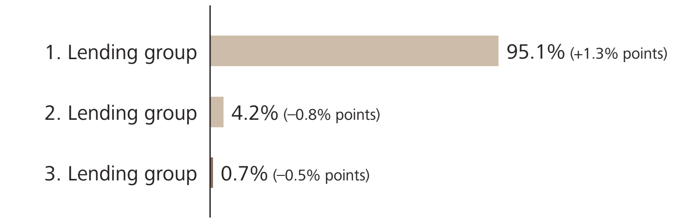
Raiffeisen grants loans predominantly on a secured basis. This is why loan-to-value ratios play a crucial role in lending besides financial viability and amortisation of mortgage loans. When assessing collateral, a distinction is made between three lending groups:

- Lending group 1 includes mortgage-secured loans on residential and agricultural properties with a loan-to-value ratio of up to two-thirds of the market value as well as building land, office and commercial buildings and multifunctional commercial properties that are mortgaged up to half of the market value. This group also includes large commercial and industrial properties with a loan-to-value ratio of up to one-third of the market value.
- Lending group 2 includes the percentage of mortgage-secured loans that exceed the aforementioned limits, large commercial and industrial properties with a loan-to-market value ratio of 50%, and other properties with mortgages representing up to 80% of the market value.
- Lending group 3 contains loans that exceed the loan-to-value limits of lending group 2. This also includes any loans covered by additional collateral, provided the value of the mortgage is less than the book value of the mortgage loan amount.

Raiffeisen mainly provides secured loans based on the client's financial viability.

The majority of these loans are secured by properties that are heavily mortgaged.

Mortgage loans by lending group [1]
Share of the mortgage volume in % with difference to the previous year, 31.12.2022

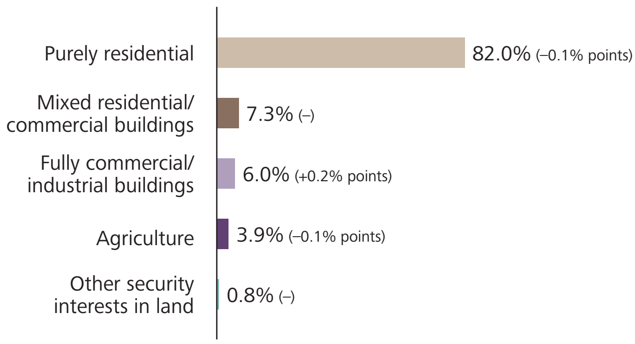


1 Broken down in line with the SNB banking statistics “Domestic mortgage loans by lending group”.

Property financing is part of Raiffeisen's core business. The main component of the credit portfolio consists of the financing of residential properties.

Four out of five mortgages are covered by a charge on the residential property.

Credit exposure by collateral and property type
Breakdown of lending volume [1] in % as at 31.12.2022, including change from the previous year



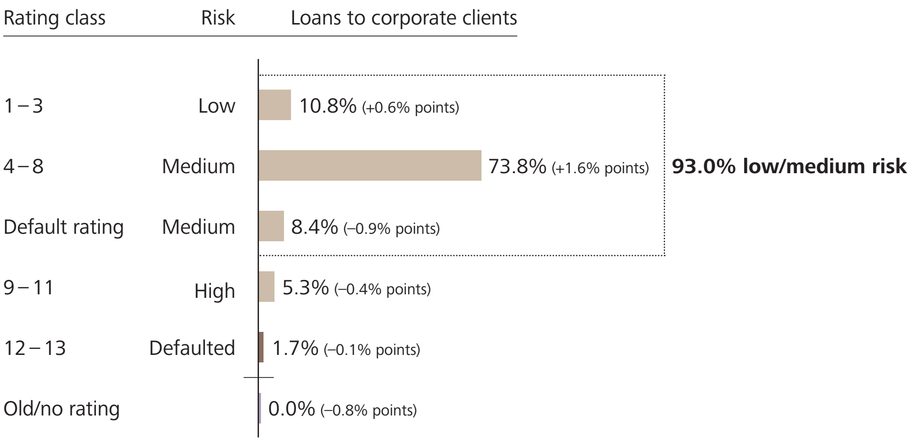
1 The evaluation reflects the risk view and therefore cannot be compared with the balance sheet view due to the different perspective.

In its corporate client business, the Raiffeisen Group generally only offers financing to companies with good to medium credit ratings. The risk tolerance in the corporate lending business is defined and implemented with corresponding limits for the entire Group. The Raiffeisen Group's priority is to place the expansion of its corporate client business on a solid foundation and in accordance with the dedicated corporate client strategy.

Raiffeisen is continuously expanding its corporate client business in line with its corporate client strategy.

93% of the credit exposure to corporate clients carries a low/medium risk.

Credit exposure regarding corporate clients by rating category
(excluding public-sector entities)
Breakdown of lending volume by rating categories[1] in % as at 31.12.2022, including change from the previous year

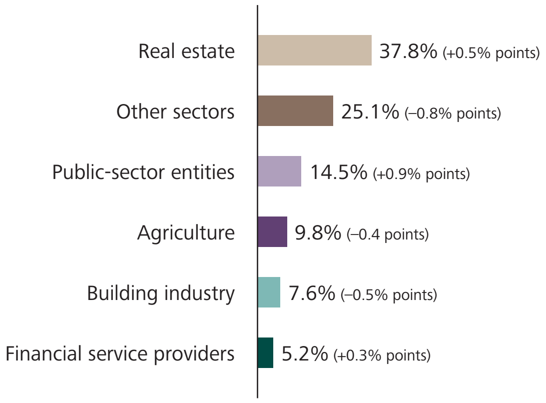


1 The evaluation reflects the risk view and therefore cannot be compared with the balance sheet view due to the different perspective.

The largest share of loans to corporate and other clients goes to companies in the real estate sector. Most of these loans are secured by mortgages. The loans in the other sectors are broadly diversified.

The corporate client portfolio, which includes a significant portion of real estate clients, is well-diversified.

Credit exposure regarding corporate clients by industry
(incl. public-sector entities)
Share of lending volume[1] in % as at 31.12.2022, including change from previous year



1 The evaluation reflects the risk view and therefore cannot be compared with the balance sheet view due to the different perspective.

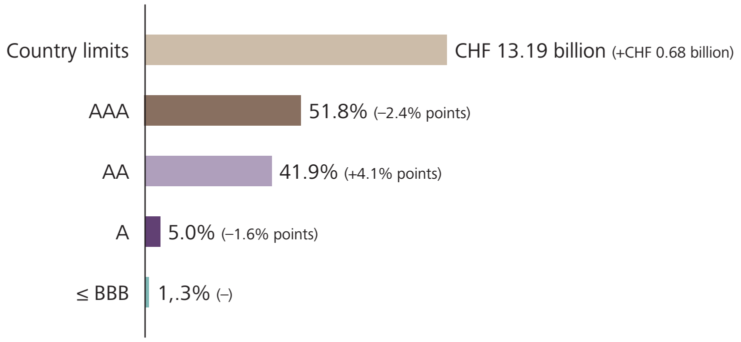
Active country risk management

Raiffeisen Switzerland's Commitments abroad are limited to 5% of the consolidated balance sheet total. Raiffeisen banks may not provide any banking or financial services abroad. At Raiffeisen Switzerland, the Corporate Clients, Treasury & Markets department, including Raiffeisen Switzerland B.V. Amsterdam, can enter into commitments abroad. These commitments are limited in amount and monitored on an ongoing basis. The highest country limits are for countries with very good ratings.

Commitments abroad of Raiffeisen Switzerland are limited to 5% of the consolidated balance sheet total.

The risk arising from transactions with foreign counterparties is low.

Defined country limits by rating
in CHF billion and breakdown of ratings in %[1] as at 31.12.2022, including change from previous year



1 The evaluation reflects the risk view and therefore cannot be compared with the balance sheet view due to the different perspective.

Credit portfolio analysis and assessment

The Board of Directors of Raiffeisen Switzerland is periodically apprised of the assessment of the quality of the Raiffeisen Group's credit portfolio. Analyses focus on information about changes in the risk situation, structural and qualitative features of the credit portfolio, compliance with limits and specifications, and measures taken. Furthermore, the impacts of extreme macroeconomic changes on the credit portfolio are monitored.

Measuring credit risk

Credit risks are quantified using the following parameters:

- Probability of default
- Credit exposure at the time of default
- Value of the collateral

The core instrument for counterparty credit risk measurement is the rating system, which is maintained and monitored by Raiffeisen Switzerland's Risk & Compliance department. The Raiffeisen Group has implemented comprehensive rating system governance in connection with the internal rating system. Rating system governance aims to organise internal rating system processes and responsibilities within the Group in a way that will consistently ensure the quality and effectiveness of the rating models and their application. To avoid loopholes and conflicts of interest, tasks, powers and responsibilities were defined for stakeholders and key positions, and corresponding key controls were implemented.

The rating system is the core instrument for measuring counterparty credit risks.

Raiffeisen employs the Foundation Internal Rating Based (F-IRB) model approach approved by FINMA. Raiffeisen uses a conservative value-at-risk method to measure credit portfolio risks for internal purposes.

Assessment of the risk situation with respect to credit risks
The current risk situation is dominated by the uncertain economic situation globally, rising interest rates, ongoing delays in supply chains, the sharp rise in energy prices, and the threat of power shortages. Company bankruptcies in Switzerland declined sharply during the Covid-19 pandemic, due to the various Covid-19 support packages. The subsequent rise in bankruptcies did not lead to any significant value adjustments or credit losses in the 2022 financial year.

Lending growth is in line with the strategy in the year under review and matches the growth in the market. The credit portfolio is characterised by low risk intensity overall. Lending is generally conservative and collateralised, i.e. against the deposit of collateral. In addition, borrowers must also be able to afford the financial burden.

The credit portfolio is characterised by low risk intensity overall.

Around 90% of the Raiffeisen Group's credit portfolio is covered by mortgages. Owner-occupied residential properties account for more than half of the credit portfolio. Around 30% of the credit portfolio is secured on properties used by third parties. Raiffeisen therefore follows the performance of the Swiss real estate market closely and monitors the portfolio extensively.

The individual client segments of the Raiffeisen Group's credit portfolio have been stable for years. Over 70% of the credit volume comes from the private client segment. In the corporate client business, Raiffeisen attaches importance to sufficient diversification and focuses on companies in sectors with long-term growth potential. Raiffeisen is reticent in lending to firms in high-risk industries. Credit exposure to corporate clients in industries severely affected by the energy crisis is low relative to the overall corporate client portfolio.

Risk intensity is low overall due to the broad diversification of the credit portfolio and the long-term, conservative credit policy in terms of rating, valuation, loan-to-value ratios and financial viability.

Regular stress tests show that the Raiffeisen Group's credit portfolio is robust and well diversified, even under sharply deteriorating conditions.

Market risk

Risks in the banking book
The banking book is primarily exposed to interest rate risks and foreign currency risks. Risks associated with fluctuating interest rates arise due to the Raiffeisen Group's significant positioning in interest operations and represent a major risk category. They are actively managed and monitored within authorised risk limits.

Clear guidelines and limits apply to the management of interest rate risks within the Raiffeisen Group – both for the Group as a whole and for individual legal entities. Within these guidelines management is carried out autonomously by the individual legal entities, i.e. the Raiffeisen banks and Raiffeisen Switzerland. The managers responsible have a proven toolkit, including the ability to simulate interest rate changes and assess their impact. The Corporate Clients, Treasury & Markets department provides advice on asset and liability management within the Raiffeisen Group. None of the other Group companies assumes any material risks associated with fluctuating interest rates.

Raiffeisen banks and Raiffeisen Switzerland simulate interest rate developments and assess their effects.

The Risk & Compliance department monitors compliance with interest rate risk limits and the overall development of interest rate risks. It focuses on monitoring the interest rate sensitivity of equity capital and running simulations to analyse the impact of changes in market interest rates on interest income. Interest-driven value-at-risk is also calculated in order to monitor the overall risk situation at various levels within the Group.

The publication "Regulatory Disclosure", pages 57–63, contains further details on interest rate risk management and interest rate risk exposure in accordance with the FINMA Circular 2016/1 "Disclosure – banks".

With respect to foreign currency risk, assets in a foreign currency are mostly refinanced in the same currency ("matched book" approach). This means foreign currency risk is largely avoided. The remaining foreign currency risk in the banking book is managed by the Corporate Clients, Treasury & Markets department within the limits that the Board of Directors has allocated.

Risks in the trading book

At the Raiffeisen Group, the Corporate Clients, Treasury & Markets department runs a trading book. In addition, the Structured Products business of Raiffeisen Switzerland B.V. Amsterdam is being allocated to the trading book.

Trading risks are strategically limited by using global limits.

The trading risks of the Corporate Clients, Treasury & Markets department are strategically restricted using global limits. Risks are operationally limited by scenario limits, loss limits, and value-at-risk limits. Domiciled in the Netherlands, Raiffeisen Switzerland B.V. Amsterdam manages its interest rate risks with the help of a bond portfolio that replicates the interest rate risk profile of the issued structured products. Interest rate swaps are occasionally used for hedging. The bond portfolio, which consists entirely of investment-grade debt securities, entails credit spread risks. These are closely monitored and managed using limits.

All traded products are depicted and assessed as part of a risk management system. This enables trading book risks to be efficiently and effectively assessed, managed and controlled. The Risk & Compliance department monitors positions and market risks daily. The market data and risk models used for this are checked independently for accuracy. Before new products are rolled out, the Risk & Compliance department performs an independent evaluation of the risks.

Assessment of the risk situation with respect to market risks

Market risks mainly result from the risks associated with fluctuating interest rates in the banking book. Interest rate sensitivity in a +100 basis point interest rate shock scenario is CHF −1.16 billion, below the previous year's level. The potential declines in value and losses of earnings are acceptable even in adverse scenarios involving interest rate shocks and stresses.

Raiffeisen Group: Interest rate risks in the bank book

in CHF million	31.12.2021	31.12.2022
Sensitivity (+100bp-Shift)	−1,860	−1,163

Market risks in the trading book are diversified across equities, bonds, interest rates, foreign currencies and precious metals. The expected potential for losses amid serious market turmoil is to be considered low relative to total income. Possible losses in such a scenario would be largely attributable to credit spread risks in the bonds asset class. Market risks in the banking book as measured by value-at-risk have reduced year on year.

Liquidity risk

Central liquidity risk management

Raiffeisen Switzerland's Corporate Clients, Treasury & Markets department centrally manages liquidity risk for Raiffeisen Switzerland and the Raiffeisen Group based on regulatory requirements and internal targets.

The regulatory liquidity requirements apply on a consolidated basis at Raiffeisen Group level, and at an individual institution level to Raiffeisen Switzerland. The individual Raiffeisen banks are exempted from compliance with regulatory liquidity requirements but must still meet internal liquidity requirements.

The Corporate Clients, Treasury & Markets department manages transfers of liquidity within the Group and ensures that refinancing and liquidity costs are allocated to their originators. The individual banks are required to deposit their portion of the liquidity requirements with Raiffeisen Switzerland and to maintain an appropriate refinancing structure.

The Corporate Clients, Treasury & Markets department also manages Raiffeisen Switzerland's cash reserves, facilitates the Group's access to the money and capital markets, and ensures these refinancing sources are adequately diversified. It performs regular stress tests and assesses liquidity trends in the Raiffeisen Group on an ongoing basis, taking regulatory and economic requirements into consideration. The Risk & Compliance department independently monitors liquidity risk.

Further information on liquidity risk management and the liquidity positions can be found in the regulatory disclosure pursuant to FINMA Circular 2016/1 "Disclosure – banks".

Assessment of the risk situation with respect to liquidity risks

The Raiffeisen Group's liquidity situation is robust thanks to its focus on the domestic savings and mortgage business. Given the low dependency on major clients and broad diversification with private clients, there is little concentration of sources of funding. Loans to clients are funded largely by customer deposits and additionally by central mortgage institution loans and Raiffeisen bonds. The money market is used solely for tactical management of the liquidity buffer. This maximises the immunisation against risks on the money market.

Due to the focus on the domestic savings and mortgage business, Raiffeisen's liquidity situation is robust.

The liquidity situation continues to be supported by a high customer deposit coverage ratio, which fell slightly during the year. By the end of the year, 95.4% of loans were refinanced through customer deposits, and as a consequence, loans can continue to be almost fully funded from customer deposits.

Operational risks

Operational or business risks arise in two ways: as a consequence of banking transactions carried out by the Raiffeisen Group and by virtue of its function as an employer and owner/occupier of real estate. Viability and cost/benefit analyses determine whether a business risk should be avoided, reduced, transferred or borne. These risks are assessed in terms of the expected probability of occurrence and the severity of their impacts. This includes not only the financial impacts, but also the reputational and compliance consequences. The analysis of the operational risks is supplemented by an assessment of the qualitative impact of a given risk event.

Every year, the Raiffeisen Group carries out extensive operational risk assessments. The information obtained is documented in a Group-wide risk register. This forms the basis for monitoring and managing the overall profile of operational risks.

Information security

Information security – a discipline focused on data confidentiality, integrity and availability – is becoming increasingly important. Cybercriminals pose the biggest threat in this regard. For this reason, information security risks must be comprehensively managed. A regular assessment of the threat situation constitutes the basis for this. Appropriate and effective measures for safeguarding information and infrastructure are in place for this purpose. Raiffeisen complies with recognised standards and established practices throughout this process. Considerable importance is attached to protecting financial privacy and personal data.

Raiffeisen regularly assesses the latent threat situation and takes steps if necessary.

Internal control system

Raiffeisen's internal control system (ICS) comprises all the control structures and processes intended to ensure the proper conduct of operations, compliance with statutory, regulatory and internal provisions, and complete, reliable reporting.

The framework that underlies the Group ICS and ensures its functionality is defined at the control environment level. The elements of the control environment include internal regulations, independent supervisory bodies, organisational charts and job profiles.

Processes, risks and controls are closely interconnected at the process level. The major operational risks are identified and assessed for each process, and key controls defined accordingly. All key controls are documented and incorporated in the processes. There are many other risk reduction measures in addition to the key controls.

The major operational risks are assessed and appropriate controls are implemented.

The Raiffeisen Group carries out an assessment of the ICS's appropriateness and effectiveness at least once a year. The implementation of improvements derived from the assessment is tracked and monitored. ICS reporting is included in the standard risk report prepared for the Board of Directors of Raiffeisen Switzerland and the Raiffeisen banks.

Early warning system of the Raiffeisen banks

Raiffeisen Switzerland operates an early warning system designed to quickly identify adverse developments at Raiffeisen banks and branches of Raiffeisen Switzerland, and avert any potential damage. The early warning system comprises quantitative risk indicators for the individual Raiffeisen banks and branches of Raiffeisen Switzerland as well as an ad-hoc reporting process for integrating qualitative information. Early warning events are analysed and, if necessary, resolved through the Raiffeisen banks with the active involvement of Raiffeisen Switzerland as part of the supervisory function. Early warning events are independently assessed and monitored by the Early Warning System Coordination Committee.

Business continuity management

Within the scope of business continuity management (BCM), Raiffeisen has adopted extensive measures to maintain operations even if critical resources become unavailable (staff, IT, buildings, suppliers). The specialist departments have various strategy options for keeping critical business processes functioning. Redundancy for all important IT components has been established and/or expanded at various sites.

Even in exceptional circumstances, Raiffeisen is in the position to safeguard the continued operation of its services.

To minimise potential losses and enable management to respond in an effective, coordinated fashion, Raiffeisen has put together crisis response teams and developed emergency plans in all important company units. It performs regular tests and drills to ensure the plans and organisational structures work properly and do not need to be updated. The crisis management team and organisation are regularly trained and tested using various scenarios to maintain BCM capabilities. This process proved its worth in managing the coronavirus pandemic and validates the robustness of BCM.

Risks in investment activity

Risks in investment activity are comprised first, by the associated operational risks and second, by risks relating to client custody accounts, which affect the Group indirectly in the form of legal and compliance risks as well as reputational risks. Raiffeisen Switzerland's Risk & Compliance department ensures independent monitoring of compliance with the investment guidelines for the asset management mandates, model portfolios used in investment advice, and funds.

Assessment of the risk situation with respect to operational risks
Overall, the operational risks are well within the risk budget defined by the Board of Directors. The comprehensive ICS keeps losses attributable to operational errors low.

The threat situation is becoming more severe due to the increasing number and sophistication of cyber attacks. The increasing importance of data and digital business models is reflected in the ongoing strengthening of the Cyber Security & Defence Centre to ensure effective cybersecurity.

The Cyber Security & Defence Centre is being strengthened on an ongoing basis.

Legal and compliance risk

Every year, the Risk & Compliance department prepares a risk profile of legal and compliance risks (including an assessment of market conduct risks and the risk analysis for the prevention of money laundering). Based on this profile, the department develops a risk-sensitive action plan, which is approved by the Executive Board with information from the Board of Directors, and is subsequently implemented.

The Risk & Compliance department reports on significant changes in legal and compliance risks to the Executive Board and the Risk Committee of Raiffeisen Switzerland's Board of Directors on a quarterly basis. In addition, twice a year the activities of the Compliance function are reported to the Executive Board, the Risk Committee of the Board of Directors and, once a year, to the full Board of Directors.

Raiffeisen Switzerland's Risk & Compliance department supports all of the Raiffeisen Group's units in legal matters for risk prevention in individual cases, ensures adequate regulatory competence at all levels, monitors and analyses relevant legal developments, and actively manages legal risks. The Risk & Compliance department coordinates interactions with external lawyers where necessary.

Compliance is understood to mean adherence to all applicable statutory, regulatory and professional provisions and internal requirements with a view to identifying risks at an early stage, preventing such risks and ensuring that business is conducted properly. The Risk & Compliance department supports risk carriers from the first line of defence in their responsibility to ensure compliance. Raiffeisen takes a comprehensive approach to compliance.

As a domestic retail bank, Raiffeisen operates predominantly in Switzerland. Apart from the provisions of Swiss legislation, however, it must also comply with relevant international provisions when providing banking and other services. Raiffeisen attaches particular importance to combating money laundering and the financing of terrorism – which is also a focal risk for domestically orientated retail banks – and to compliance with national and international economic sanctions.

Money laundering and terrorism financing are combated and economic sanctions are complied with.

Assessment of the risk situation with respect to legal and compliance risks
Regulatory pressure remains high, so the risk situation is unchanged for Raiffeisen. Within Raiffeisen, there are clearly defined principles concerning the organisation, competence and responsibility of the control functions. To keep up with the evolving landscape, Raiffeisen Switzerland's second line of defence – independent risk control – and the second line of defence of Raiffeisen banks are developed on an ongoing basis. The changing legal and regulatory developments are continuously analysed, and appropriate consideration is given to them in the development of the business model, as well as in the adaptation of regulations and processes. The existing compliance processes are also continuously updated and digitalised to allow Raiffeisen to appropriately control, monitor, and manage its risk in accordance with its risk appetite.

More on risk management in the Notes to the consolidated annual financial statements, page 148, and in the publication "Regulatory Disclosure".

Corporate governance

Raiffeisen has a Group governance structure with executive bodies and owners' committees, corresponding both to statutory requirements and the way the Raiffeisen Group works. Each Raiffeisen bank is a legally and organisationally independent cooperative. The cooperative members are the members of each bank. All Raiffeisen banks collectively form a community and are mutually liable. They are amalgamated into the Raiffeisen Switzerland Cooperative, of which they are 100% owners. Raiffeisen Switzerland creates the basic conditions for the business activities of the Raiffeisen banks, and acts as a centre of competence for the entire Group.

Corporate governance principles

The Raiffeisen Group's most important corporate governance provisions are established in the Articles of Association, the organisational regulations, the Terms and Conditions of Business, and a series of other instructions and directives. All the statutes and documents relevant to the business (such as the Articles of Association, regulations, instructions, product catalogues, forms and descriptions of processes) are outlined in an electronic system of rules. The binding nature of the regulations and the regulatory documentation obligations are clearly defined. New issues, processes, products and amendments to existing ones can be handled centrally and made available to provide extensive information directly to all staff thanks to the electronic system of rules.

The following report is largely based on the SIX Swiss Exchange Directive Corporate Governance (DCG). While the DCG is not generally binding for Raiffeisen, its application can be reasonable for unlisted companies like a cooperative as well. Matters not relevant for the Raiffeisen Group owing to its form of organisation are only mentioned in exceptional cases.

The report deals in particular with the cooperative organisational structure of the Raiffeisen Group. The various levels of decision-making authority and responsibility are also presented and explained. Except where stated otherwise, all data pertain to the reporting date of 31 December 2022.

Important events

The following important events falling under the ad hoc disclosure requirement occurred at the Raiffeisen Group between the balance sheet date (31 December 2022) and the editorial deadline (28 March 2023) of this annual report:

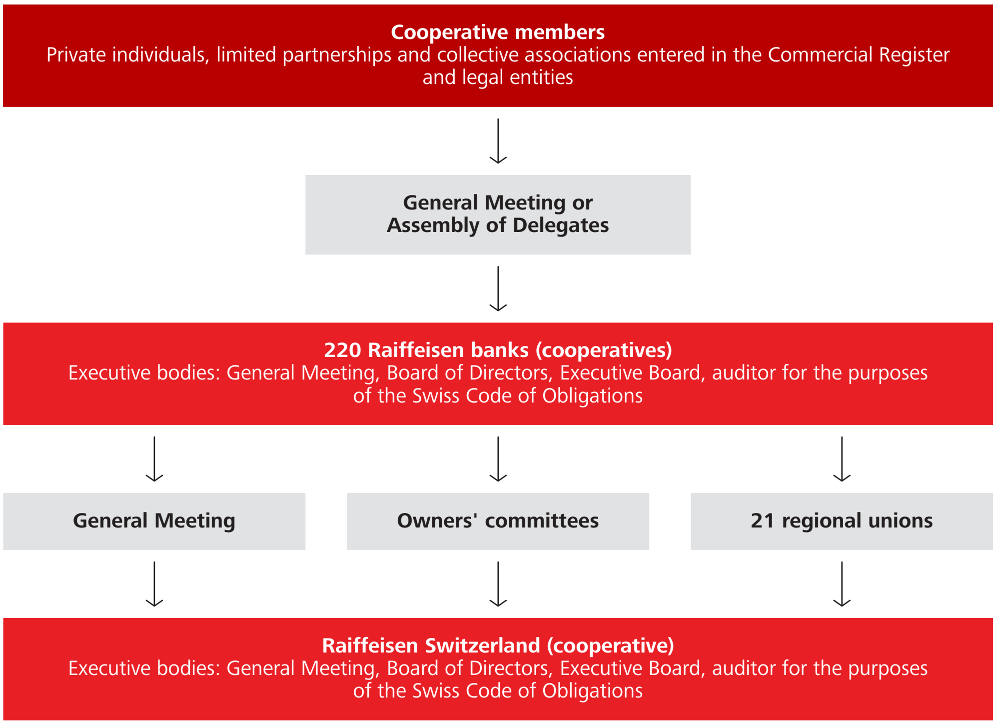
Decentralisation of Raiffeisen Switzerland branches

Of the six Raiffeisen Switzerland branches, Bern, Thalwil, Winterthur and St. Gallen became independent Raiffeisen banks during the 2022 financial year. The two remaining branches, Basel and Zurich, have likewise taken this step in January 2023. Consequently, Raiffeisen Switzerland has no longer been managing any branches since 23 January 2023.

Criminal proceedings against Dr Pierin Vincenz

Raiffeisen is the aggrieved party and is therefore represented as a private litigant in the criminal proceedings. In January 2023, the parties were served with the reasoned judgement of the Zurich District Court, which attracted considerable media attention. The criminal proceedings are currently pending at the Higher Court of the Canton of Zurich. Raiffeisen Switzerland will not comment on the ongoing proceedings.

Raiffeisen Group structure



Raiffeisen banks

Raiffeisen banks align their business activities to reflect the local circumstances.

The 220 Raiffeisen banks with a total of 795 branches (excluding the two branches in Basel and Zurich managed by Raiffeisen Switzerland) are legally and organisationally independent cooperatives which elect their own directors and have an independent auditor. The banks' strategic management is adapted to regional conditions. Raiffeisen banks are owned by the cooperative members. These may be natural persons or legal entities. They elect the members of the Board of Directors of their Raiffeisen bank at a local General Meeting. If the bank has more than 500 cooperative members, the General Meeting may decide by a three-quarters majority of the votes cast to transfer its powers to an Assembly of Delegates. Or the cooperative members move to paper voting (secret ballot).

Resolutions and elections require an absolute majority of the votes, except where the law or Articles of Association provide otherwise. In the event of a tied vote, the matter is debated further and a second vote will be held. If this too is tied, the motion will be rejected. The General Meeting is called at least five days before the meeting day by the Board of Directors. The invitation including the agenda items must be issued personally and in writing. At the same time, the annual report has to be laid out in client rooms.

Regional unions

The Raiffeisen banks are grouped into 21 regional unions organised as associations. The regional unions promote and support the connection between the Raiffeisen banks and Raiffeisen Switzerland. The duties of the regional unions include coordinating regional advertising activities, holding training events for the Raiffeisen banks, and safeguarding and representing the interests of the Raiffeisen banks in dealings with cantonal business associations and authorities.

The Raiffeisen banks are grouped into 21 regional unions organised as associations.

Regional unions

31.12.2022 Union	Chair	Number of member banks
German-speaking Switzerland: 14 unions		
Aargauer Verband der Raiffeisenbanken	Christoph Wyder, Suhr	19
Berner Verband der Raiffeisenbanken	Rolf Mani, Därstetten	17
Bündner Verband der Raiffeisenbanken	Alfons Quinter, Diesentis-Mustér / Ernst Sax, Obersaxen	7
Deutschfreiburger Verband der Raiffeisenbanken	Aldo Greca, Giffers	5
Regionalverband Luzern, Ob- und Nidwalden	Bruno Poli, Hergiswil	17
Oberwalliser Verband der Raiffeisenbanken	Karlheinz Fux, St.Niklaus	6
Raiffeisenverband Nordwestschweiz	Hans Rudolf Müller, Wintersingen	12
Raiffeisenverband Zürich und Schaffhausen	Roger Maneth, Würenlos	10
Schwyzer Verband der Raiffeisenbanken	Reto Purtschert, Küssnacht	4
Solothurner Verband der Raiffeisenbanken	Silvio Bertini, Bettlach	12
St. Galler Verband der Raiffeisenbanken	Marcel Helfenberger, Lömmenschwil	32
Thurgauer Verband der Raiffeisenbanken	Reto Inauen, Appenzell	14
Urner Verband der Raiffeisenbanken	Rolf Infanger, Flüelen	2
Zuger Verband der Raiffeisenbanken	Dr Michael Iten, Oberägeri	6
French-speaking Switzerland: 6 unions		
Fédération des Banques Raiffeisen de Fribourg romand	Christian Gapany, Morlon	5
Fédération genevoise des Banques Raiffeisen	Thomas Foehn, Meyrin / Hervé Broch, Ursy	4
Fédération jurassienne des Banques Raiffeisen	Didier Nicoulin, Porrentruy	6
Fédération neuchâteloise des Banques Raiffeisen	Laurent Risse, Neuchâtel	2
Fédération des Banques Raiffeisen du Valais romand	Emmanuel Troillet, Le Châble	10
Fédération vaudoise des Banques Raiffeisen	Philippe Widmer, Pomy	13
Italian-speaking Switzerland: 1 union		
Federazione Raiffeisen del Ticino e Moesano	Mauro Cavadini, Melano	17

Raiffeisen by canton [1]

Canton		Number of			CHF million			
		Banks	Bank branches	Members	Loans [2]	Client monies [3]	Total assets	Custody account volumes
Aargau		23	76	208,909	20,821	21,506	26,508	3,540
Appenzell Ausserrhoden		2	6	17,586	1,703	1,594	2,025	277
Appenzell Innerrhoden		1	4	9,057	722	776	883	152
Basel-Land		7	19	59,898	6,649	5,992	7,925	1,312
Basel-Stadt		1	2	0	1,074	1,127	1,492	350
Bern		18	78	188,937	15,654	14,745	18,424	1,654
Fribourg		10	48	113,399	12,295	10,050	14,276	1,012
Geneva		4	18	47,742	5,074	5,792	6,735	950
Glarus		1	2	7,449	583	623	750	141
Grisons		8	37	61,625	6,103	6,200	7,613	816
Jura		5	22	29,731	3,600	2,671	4,150	250
Lucerne		15	45	136,724	11,649	11,484	14,182	1,737
Neuchâtel		2	13	29,771	2,529	2,206	3,062	271
Nidwalden		1	9	22,492	2,024	2,210	2,558	460
Obwalden		1	6	13,688	1,033	1,175	1,372	331
Schaffhausen		1	2	9,738	1,092	988	1,335	200
Schwyz		4	13	45,493	4,108	4,414	5,214	971
Solothurn		13	45	114,172	11,037	11,008	13,512	1,492
St. Gallen		28	71	217,971	24,690	22,265	29,740	4,478
Ticino		16	56	120,595	14,621	13,698	18,378	2,096
Thurgau		13	37	107,434	13,606	11,125	16,012	1,944
Uri		2	5	16,778	1,500	1,472	1,788	254
Vaud		13	55	117,562	11,664	10,302	14,020	2,055
Valais		16	82	156,076	16,953	17,022	20,732	2,055
Zug		6	13	42,722	4,897	4,963	6,082	1,438
Zurich		11	39	105,950	14,048	13,463	17,514	3,681
All cantons 31.12.2022		**222**	**803**	**2,001,499**	**209,730**	**198,871**	**256,282**	**33,919**
All cantons 31.12.2021		**225**	**820**	**1,963,593**	**202,387**	**194,734**	**252,041**	**39,019**
Increase/decrease	absolute	−3	−17	37,906	7,344	4,138	4,242	−5,100
	percent	−1.3	−2.1	1.9	3.6	2.1	1.7	−13.1

1 Raiffeisen banks and branches of Raiffeisen Switzerland.
2 Receivables from clients and mortgage receivables (net values after deducting value adjustments).
3 Amounts due in respect of customer deposits and cash bonds.

Raiffeisen Switzerland

Raiffeisen banks own 100% of Raiffeisen Switzerland. Raiffeisen Switzerland is a cooperative. Any bank with a cooperative structure that recognises the model articles of association of Raiffeisen banks and the Articles of Association and regulations of Raiffeisen Switzerland can join.

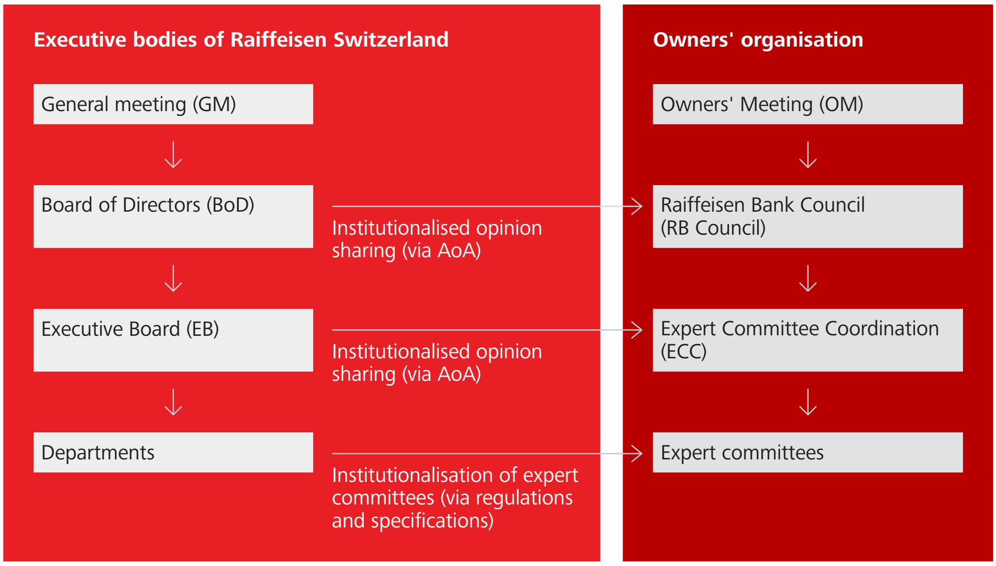
Raiffeisen Switzerland bears responsibility for the Raiffeisen Group's business policy and strategy, and acts as a centre of competence for the entire Group. Its tasks include risk controlling, consolidated monitoring, central bank functions (monetary settlement, liquidity maintenance and refinancing), interbank business and securities trading. Raiffeisen Switzerland also informs, advises and supports the Raiffeisen banks in management, marketing, business, information technology, training, human resources and legal services. In addition, it represents Raiffeisen's national and international interests.

Raiffeisen Switzerland acts as a centre of competence for the entire Group.

Owners' committees

Rules for collaboration between Raiffeisen Switzerland's executive bodies and its owners are set out in the Articles of Association of Raiffeisen Switzerland and in the regulations of the owners' committees. The Owners' Meeting, an independent body comprising the Raiffeisen banks, is responsible for the owners' strategy and the structure of the owners' committees. The Board of Directors of Raiffeisen Switzerland regularly communicates with the Raiffeisen Bank Council and the committee of the Raiffeisen Bank Council regarding strategic issues. The expert committees act as sounding boards for initiatives, schemes and projects, and bring the Raiffeisen banks' needs to bear at an operational level. The owners' committees have no decision-making authority with regard to Raiffeisen Switzerland. Their sole purpose is to share views.

Committees and their interactions
2022



Owners' Meeting (OM)

The Owners' Meeting (OM) is where the Raiffeisen banks independently come together. Each Raiffeisen bank has one vote and is represented by one person in this body. The OM issues the owner's strategy and sets up an organisational structure for the Raiffeisen banks in order to exchange views with Raiffeisen Switzerland. The Owners' Meeting is convened as often as business dictates. Usually, it is convened once a year immediately before Raiffeisen Switzerland's Ordinary General Meeting.

The Owners' Meeting sets the owners' strategy and lays down the structure of the owners' committees.

At the Owners' Meeting, the participants take note of information provided by the Board of Directors of Raiffeisen Switzerland regarding the implementation of the owner's strategy as well as statements issued by the Raiffeisen Bank Council regarding the implementation of the owner's strategy. The Raiffeisen Bank Council also provides information on the compensation paid to members of the owners' committees (Raiffeisen Bank Council, Expert Committee Coordination and expert committees). The Owners' Meeting reaches consultative decisions about key political and strategic owner issues. The 2022 OM was held in Locarno on 17 June 2022, chaired by Marlis Pfeiffer, Vice-Chair of the Raiffeisen Bank Council.

Raiffeisen Bank Council

The Raiffeisen Bank Council (RB Council) was established to institutionalise collaboration between the Raiffeisen banks and Raiffeisen Switzerland. The RB Council serves as a bridge between the Raiffeisen banks and Raiffeisen Switzerland through a structured process for sharing opinions on strategy and business policy. In addition to reflecting on and assessing strategic and business policy issues, the RB Council presents the Raiffeisen banks' perspective as the Raiffeisen Group continues to evolve. The RB Council does not assume any tasks or powers from the Board of Directors of Raiffeisen Switzerland; instead, the RB Council acts as its sounding board.

The Raiffeisen Bank Council serves as a sounding board for the Board of Directors of Raiffeisen Switzerland.

The structured approach and communication of opinions that the Raiffeisen banks have formulated among themselves aim to strengthen and legitimise confidence in the relationship between the Raiffeisen banks and Raiffeisen Switzerland. Council members back decisions made by the RB Council in keeping with their collective responsibility for decisions.

The RB Council conducted its business in six meetings. The meetings, which serve as a platform to exchange views and ideas are organised by the Board of Directors of Raiffeisen Switzerland. Four meetings were held in 2022, one of them in person and the others digitally. The Chairman of the RB Council is Bruno Poli and the Vice-Chairman is Marlis Pfeiffer.

Expert Committee Coordination

Expert Committee Coordination (ECC) exchanges views with the Executive Board of Raiffeisen Switzerland regarding operational issues. Being the senior governing body for the expert committees, it coordinates the activities of the various standing expert committees.

ECC has no veto rights or decision-making authority of its own with regard to issues which are in Raiffeisen Switzerland's area of responsibility. Its structured approach and constructive communication of opinions aims to strengthen confidence in the relationship between the Raiffeisen banks and Raiffeisen Switzerland.

ECC conducted its business at three meetings. The Chairman of ECC is Hermann Marti, the Vice-Chairman is Hervé Broch.

Expert committees

The expert committees are advisory bodies that constantly communicate with Raiffeisen Switzerland on operational decision-making. They reflect on and assess initiatives, schemes and projects. They present the Raiffeisen banks' perspective and needs, particularly when new products, services, processes and systems are being aligned and developed. The expert committees have no veto rights or decision-making authority of their own with regard to issues which are in Raiffeisen Switzerland's area of responsibility.

The expert committees advise Raiffeisen Switzerland on operational issues and present the Raiffeisen banks' viewpoint.

There are currently seven expert committees (Products & Investment Services, IT, Finance & Human Resources, Operating Services, Corporate Clients, Treasury & Markets, Risk & Compliance, Raiffeisen Banks Services), which exchanged information with the departments of Raiffeisen Switzerland in three cycles of meetings during the year under review.

Group companies

Group companies are defined as all majority interests with more than 50% of the voting capital. The key fully-consolidated Group companies and the shareholdings valued according to the equity method are listed in note 7 of the consolidated annual financial statements (companies in which the bank holds a permanent direct or indirect significant participation). Raiffeisen Group companies have no cross-shareholdings. The following diagram shows the consolidated companies.

Group companies

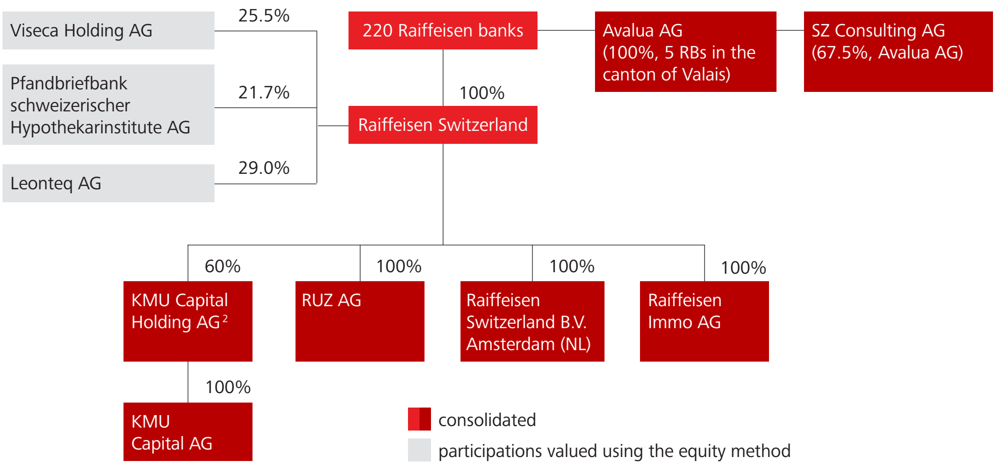
31.12.2022

Company	Activity	Owner(s)
Raiffeisen banks	Banking business	Cooperative members
	Mainly retail business	
	Traditional savings and mortgage business	
	Corporate client business	
	Payment services	
	Asset management and investment activity	
	Securities trading	
	Consumer goods leasing	
Raiffeisen Switzerland	Business policy/strategy and centre of competence for the Raiffeisen Group	Raiffeisen banks
	Risk management and consolidated monitoring	
	Ensuring central bank functions (monetary settlement, liquidity and refinancing)	
	Banking business (mainly interbank business and securities trading)	
	Running of branches	
	Informs, advises and supports the Raiffeisen banks especially in the areas of management, marketing, business, asset management and investment activity, information technology, training, human resources and legal services	
KMU Capital Holding AG	Holding company	Raiffeisen Switzerland (60%)[1]
Raiffeisen Unternehmerzentrum AG	Advisory services for SMEs	Raiffeisen Switzerland
Raiffeisen Switzerland B.V. Amsterdam	Financial services	Raiffeisen Switzerland
Raiffeisen Immo Ltd	Brokering and advisory services for the sale and purchase of real estate	Raiffeisen Switzerland

1 Raiffeisen Switzerland lays claim to 100% of the shares in KMU Capital Holding AG (see footnote 4 in note 7 of the consolidated annual financial statements).

Scope of consolidation[1]

31 December 2022



1 Majority shareholdings that are deemed immaterial for accounting purposes are measured using the equity method, but are not listed separately.
2 Raiffeisen Switzerland lays claim to 100% of the shares in KMU Capital Holding AG.

Capital structure and liability

Capital structure

Raiffeisen's cooperative model is geared towards the retention of earnings. This means that – with the exception of interest on cooperative shares – net profit is not paid out in dividends, but is instead channelled into the Raiffeisen banks' reserves in order to strengthen the capital base. The Raiffeisen Group's cooperative capital is CHF 3,070 million. A precise breakdown and accounting of changes in the year under review are provided in note 16 of the consolidated annual financial statements.

The undistributed net profit strengthens the capital base of the Raiffeisen banks.

Changes in equity capital

Resigning cooperative members have the right to redeem their share certificates at their intrinsic value up to a maximum of their par value. The Board of Directors may refuse to redeem share certificates at any time and without giving reasons. Share certificates bear interest at a maximum rate of 6%.

Equity capital (without minority interests)

in CHF million	2019	2020	2021	2022
Cooperative capital	2,351	2,519	2,692	3,070
Retained earnings	14,092	14,864	15,218	16,221
Reserves for general banking risks	200	200	200	200
Group profit	835	861	1,069	1,182
Total Equity capital	**17,478**	**18,444**	**19,179**	**20,673**

Liability

The Raiffeisen Group guarantees its financial obligations through a balanced system of security measures based on mutual liability, set out in its Articles of Association. Working together in a cooperative union is also a strong expression of solidarity, as the Raiffeisen banks are closely linked as a risk-sharing group. Along with the solidarity fund, Raiffeisen Switzerland is also able to cover claims and operating losses beyond what the individual members could afford.

The cooperative union is a strong risk-sharing group based on the principle of solidarity.

Liability of Raiffeisen Switzerland towards the Raiffeisen banks

In its capacity as principal party, Raiffeisen Switzerland guarantees the liabilities of all Raiffeisen banks. A total of CHF 2.9 billion in equity capital of Raiffeisen Switzerland is available for this purpose. Under the Articles of Association of Raiffeisen Switzerland, the Raiffeisen banks must acquire a share certificate worth CHF 1,000 for every CHF 100,000 of total assets that they hold. This corresponds to a call-in obligation vis-à-vis Raiffeisen Switzerland of CHF 2.51 billion, of which CHF 1.69 billion has been paid in. Raiffeisen Switzerland has the right to call in the outstanding CHF 0.82 billion payment obligation from the Raiffeisen banks at any time.

Solidarity fund

The solidarity fund – in line with the cooperative notion of solidarity that Raiffeisen espouses – is an organisation-wide reserve to cover risks. The fund mainly covers operating losses of Raiffeisen banks. It is financed by contributions from the Raiffeisen banks and the branches of Raiffeisen Switzerland. The disposable fund assets as at 31 December 2022 amounted to CHF 333.4 million.

Duty of the Raiffeisen banks to pay in further capital towards Raiffeisen Switzerland

Under Article 871 of the Swiss Code of Obligations, the Raiffeisen banks are bound by the duty to pay in further capital up to the amount of their own funds, defined as the disclosed equity capital plus hidden reserves. The duty of the Raiffeisen banks to pay in further capital towards Raiffeisen Switzerland amounts to CHF 20.3 billion.

Directive authority of Raiffeisen Switzerland vis-à-vis Raiffeisen banks

According to the FINMA Circular of 11 November 2020, the Raiffeisen Group must comply with the statutory provisions on capital adequacy, risk diversification and liquidity on a consolidated basis. The Raiffeisen banks are exempt from compliance with these provisions at the individual bank level. The conditions for this exemption are that the Raiffeisen banks must join together with Raiffeisen Switzerland, which guarantees all the Raiffeisen banks' obligations, and must grant Raiffeisen Switzerland power to exercise directive authority vis-à-vis the Raiffeisen banks. Raiffeisen Switzerland monitors the Raiffeisen banks' overall position on an ongoing basis, specifically with regard to capital adequacy, earnings, liquidity and risk diversification. If an unfavourable development occurs or is expected at a Raiffeisen bank, Raiffeisen Switzerland assists in drawing up and implementing appropriate measures. In serious cases, Raiffeisen Switzerland has a right of application and directive authority in respect of organisational, operational and HR-related steps.

Major cooperative members

Cooperative members must hold at least one share certificate. If so resolved by the Board of Directors of the respective Raiffeisen bank, cooperative members can also subscribe for more than one share certificate, but only up to 10% of the cooperative capital or CHF 20,000 per cooperative member. Under the Swiss Code of Obligations, the voting rights of any one cooperative member are limited to one vote, irrespective of the number of share certificates held. In accordance with this, there are no major cooperative members in the Raiffeisen Group which hold more than 5% of the capital or voting rights. Membership of a Raiffeisen bank and the associated rights and obligations are closely tied to the individual/entity in question. This means that individual shares cannot normally be sold on or transferred. A member can nominate another member, their spouse or a descendant to represent them. No authorised person may represent more than one member. They must have written authorisation. Representatives of limited partnerships, collective associations or legal entities also require written authorisation.

The voting rights of any one cooperative member are limited to one vote.

Organisation of Raiffeisen Switzerland

General Meeting

The General Meeting (GM) is the supreme executive body of Raiffeisen Switzerland. It is composed of elected Raiffeisen bank representatives, one from each of the 220 Raiffeisen banks. Each Raiffeisen bank can cast one vote at the General Meeting. The 119th Ordinary General Meeting, which was held on 18 June 2022 in Locarno, was attended by 200 Raiffeisen bank representatives with voting rights. The number of people with no voting rights who took part in this GM was 32.

The General Meeting is composed of Raiffeisen bank representatives, one from each bank.

The General Meeting passes its resolutions and conducts its elections on the basis of the absolute majority of the votes cast, except where the law or Articles of Association stipulate otherwise. To call an Ordinary General Meeting, the date, location and time of the meeting and the deadlines must be announced five months before the meeting. Applications to add items to the agenda must be submitted 12 weeks before the meeting. The agenda agreed by the Board of Directors, the documents supporting resolutions and any nominations must be sent out at least four weeks before the meeting. Shorter deadlines are permissible when convening an Extraordinary General Meeting.

The General Meeting has the following powers in particular:

- Changing the Raiffeisen Switzerland Articles of Association
- Drawing up model articles of association for Raiffeisen banks
- Defining the Raiffeisen Group's mission statement and long-term policy principles
- Approving the annual financial statements of Raiffeisen Switzerland, resolution on appropriation of net earnings of Raiffeisen Switzerland, approving the consolidated financial statements of the Raiffeisen Group, approving the management report of the Raiffeisen Group, and ratifying the actions of the Board of Directors and the Executive Board
- Appointing and dismissing the members of the Board of Directors, its Chairman and the auditor for the purposes of the Swiss Code of Obligations for Raiffeisen Switzerland, and designating the auditor to be elected for the purposes of the Swiss Code of Obligations for Raiffeisen banks

The discharge of the actions of the Board of Directors and the Executive Board for the financial years 2017 to 2021 was not put on the 2022 agenda due to unresolved matters relating to the past.

Raiffeisen Switzerland Board of Directors

The Board of Directors is mainly responsible for the Group's strategic development, financial management and overseeing the Executive Board of Raiffeisen Switzerland. The Board of Directors consists of nine members as at the balance sheet date. Only members of an affiliated Raiffeisen bank can become a member of the Board of Directors.

No member of the Board of Directors has been employed by Raiffeisen Switzerland in the last two years. In addition, no member of the Board of Directors has a business relationship with Raiffeisen Switzerland that would pose a conflict of interest due to its nature or scope.

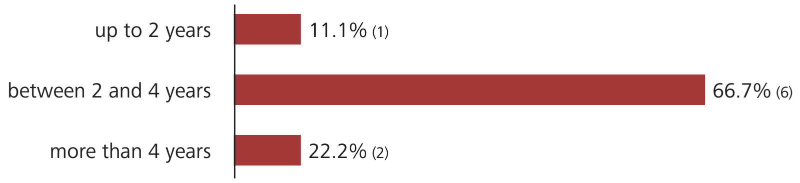
Composition, election and term of office

The Board of Directors consists of 9–12 members according to the Articles of Association. In filling these positions, attention is paid to ensuring an appropriate representation of the linguistic regions and of banking bodies of the Raiffeisen banks. As a rule, half of the members of the Board of Directors should be representatives of the Raiffeisen banks. Four out of nine members were representatives of a Raiffeisen bank in the year under review. Members of the Board of Directors are elected for a two-year term (current term: 2022 to 2024) and can serve a maximum of 12 years on the Board of Directors. Members of the Board of Directors must step down at the end of the term of office in which they turn 70.

Members of the Board of Directors are elected for a two-year term.

All members of the Board of Directors were re-elected in 2022 for a further two years.

Members of the Board of Directors by term of office
Share in % (and number), as at 31.12.2022

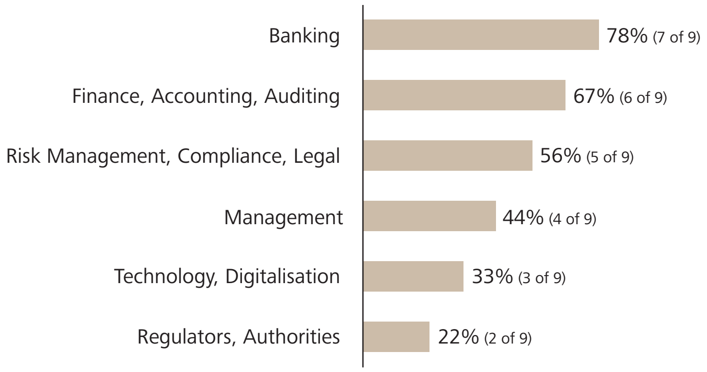


The members of the Board of Directors possess in-depth knowledge of law, banking, finance, IT, real estate, risk management, compliance and auditing. Consequently, they complement each other perfectly, which facilitates working together professionally in the interests of the entire Raiffeisen Group. With the specific skills of the Board of Directors' members, Raiffeisen Switzerland is responding to the demands on a systemically important banking group. The distinct backgrounds and areas of expertise of the Board of Directors enable them to effectively steer and oversee the strategic challenges of the Raiffeisen Group.

The members of the Board of Directors have the knowledge required for their position.

Thanks to their diverse backgrounds, the members of the Board of Directors complement each other perfectly.

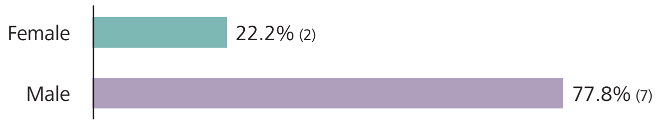
Skills and experience of the Board of Directors
Share in % (and number)[1], as at 31.12.2022



1 Multiple responses are possible.

There are currently two female members serving on the Board of Directors.

Members of the Board of Directors by gender
Share in % (and number), as at 31.12.2022



All members of the Board of Directors are considered independent within the meaning of FINMA Circular 2017/1, margin numbers 18–22.

Members of the Board of Directors
as at 31 December 2022

Thomas A. Müller (CH, 1965)

Chairman of the Board of Directors
Chairman of the Board of Directors since 8 December 2021 (elected until 2024), Member of the Board of Directors since 2018

Committees
– Member of the Risk Committee

Occupation
– Independent Member of the Board of Directors

Professional background
– EFG International, Zurich and Lugano: Group Chief Risk Officer/Member of the Executive Board (2018)
– BSI Bank (within EFG Group), Lugano: Chief Executive Officer (2016–2017)
– Bank J. Safra Sarasin Ltd, Basel: Group Chief Financial Officer/Member of the Executive Board (2010–2016)
– Swiss Life Group, Zurich: Group Chief Financial Officer & Chief Risk Officer/Member of the Management Board (2006–2009)
– Banca del Gottardo/Swiss Life Group, Lugano: Chief Financial & Risk Officer/Member of the Executive Board (2002–2005)
– Marc Rich + Co Holding GmbH, Zug: Head of Trading Fixed Income (1997–2000)
– Credit Suisse/Schweizerische Volksbank, Zurich: Department Head of Treasury, member of Senior Management, Head of Asset & Liability Management, member of Management (1991–1997)

Education
– High Performance Boards, IMD Lausanne (2016)
– Master of Business Administration (MBA), IMD Lausanne (2001)
– Master of Economics (lic. rer. pol.), University of Bern (1986–1991)

Significant directorships and vested interests
– Member of the Board of Directors of Società Navigazione del Lago di Lugano

Memberships
– swissVR (association for company directors)

Prof. Dr Pascal Gantenbein (CH, 1970)

Vice Chairman of the Board of Directors
since 2017 (elected until 2024)

Committees
– Chairman of the Risk Committee
– Member of the Strategy and Innovation Committee

Occupation
– Full Professor of Financial Management at the Department of Economics at the University of Basel (since 2007), Dean of Studies at the Department of Economics (since 2015) and member of the Investment Committee of the University of Basel (since 2021)

Professional background
– Lecturer in Corporate Finance at the University of St. Gallen Executive School (ES-HSG) (2008–2017)
– Various visiting professorships (HEC Paris (FR), University of Geneva (CH), HEC Montréal/École des hautes études commerciales (CAN), Wits Business School/University of the Witwatersrand Johannesburg (SA)) (2006–2017)
– Lecturer at the University of Liechtenstein (2004–2013)
– Lecturer in Financial Management and Professor for Business Administration, focusing on finance, Swiss Institute of Banking and Finance, University of St. Gallen (1999–2007)

Education
– Sabbaticals at the University of Southern California/USC (USA), the University of California Los Angeles/UCLA (USA), the University of Maastricht (NL) and the Indian Institute of Management Bangalore/IIMB (IND) (2003–2016)
– Post-doctorate degree at the University of St. Gallen (HSG) (2000–2004)
– Degree and doctorate in business administration at the University of St. Gallen (HSG) (1990–1999)

Significant directorships and vested interests
– Advisory Board of Fahrländer Partner Raumentwicklung AG, Zurich

Memberships
– The Royal Institution of Chartered Surveyors (RICS)
– Urban Land Institute (ULI)
– American Real Estate Society
– Swiss-American Society

Andrej Golob (CH, 1965)

Member of the Board of Directors
since 2018 (elected until 2024)

Committees
– Member of the Strategy and Innovation Committee

Occupation
– CEO Alltron AG, Mägenwil (from 1 February 2021)

Professional background
– Alltron AG: General Manager Business Development Germany, Austria, Switzerland and Managing Director Switzerland (2019–2021)
– karldigital AG, Olten: Founder and Managing Partner (2018–2019)
– Equatex AG, Zurich: Chief Executive Officer (2015–2017)
– Swisscom AG, Zurich: Executive Vice President and member of the Executive Board of Swisscom Enterprise Customers (2014–2015)
– Swisscom IT Services Workplace AG, Zurich: Chief Executive Officer (2011–2013)
– Hewlett-Packard (1992–2011), various senior management roles, including:
  – Hewlett-Packard International, Dübendorf (2008–2011): Director Distribution Sales and Development Europe Middle East & Africa (EMEA), Sales Director Corporate Enterprise & Public Segment Middle East, Mediterranean & Africa
  – Hewlett-Packard Switzerland, Dübendorf: Country General Manager of the HP Services division (2006–2007), Country General Manager of the Personal Systems Group division (2002–2006)

Education
– Breakthrough Program for Senior Executives, IMD Lausanne (2007)
– Master in Business Administration (lic. oec. HSG), University of St. Gallen (1991)

Significant directorships and vested interests
– Member of the Board of Directors of SwissDigiNet AG, Zurich
– Chairman of the Board of Directors of Raiffeisenbank Olten

Memberships
– Industrie- und Handelsverein Olten
– Swiss Institute of Directors

Sandra Lathion (CH, 1976)

Member of the Board of Directors
since 2021 (elected until 2024)

Committees
– Chair of the Nomination and Remuneration Committee
– Member of the Audit Committee

Occupation
– Independent Member of the Board of Directors (since 2019)

Professional background
– Lenz & Staehelin, Geneva: Counsel Banking & Finance (2018–2019)
– Swiss Financial Market Supervisory Authority (FINMA), Bern: Head of Department in the Asset Management division (2014–2018)
– Credit Suisse AG, Zurich: Head of Department Legal & Compliance Financial Products (2010–2014)
– Lenz & Staehelin, Zurich: Attorney Mergers & Acquisitions (2005–2010)

Education
– SIX Swiss Exchange Trader Examination, SIX Swiss Exchange AG, Zurich (2010)
– Master of Laws (LL. M.), Columbia University Law School, New York, USA (2006–2007)
– Admitted to the bar, Zurich (2004–2005)
– Master of Laws (lic. iur.), University of Zurich (1996–2002)

Significant directorships and vested interests
– Member of the Board of Directors and member of the Audit Committee, Swisscom AG, Worblaufen
– Member of the Board of swissVR, Rotkreuz
– Member of the Advisory Board, The Capital Markets and Technology Association (CMTA), Geneva

Memberships
– Swiss Institute of Directors
– Swiss Board Network
– International Board Foundation
– swissVR (association for company directors)
– SwissBoardForum

Thomas Rauber (CH, 1966)

Member of the Board of Directors
since 2018 (elected until 2024)

Committees
– Member of the Nomination and Remuneration Committee
– Member of the Audit Committee

Occupation
– Manager/owner TR Invest AG, Tafers (since 2010)

Professional background
– Meggitt Group (Meggitt PLC, Christchurch, UK) (1997–2010), in various roles:
  – CFO and Deputy General Manager, Meggitt SA, Villars-sur-Glâne, Fribourg (2008–2010)
  – General Manager, Vibro-Meter France SAS (2005–2007)
  – Finance Director, Vibro-Meter SA, Villars-sur-Glâne, Fribourg (1997–2005)
– DANZAS (now DHL), Basel headquarters (1992–1997), in the following roles:
  – Head of Controlling Eurocargo Division (1996–1997),
  – Head Corporate Finance IT Coordination (1994–1996)
  – Regional Controller (Europe) (1992–1994)
– Swiss Bank Corporation, Basel (1990–1992)

Education
– Executive General Management, IMD Lausanne (2005)
– lic. rer. pol. Business Administration, University of Fribourg (1986–1990)

Significant directorships and vested interests
– Member of the Board of Directors of Fastlog AG, Derendingen
– Chairman of the Board of Directors of the Raiffeisenbank Freiburg Ost cooperative

Memberships
– SwissBoardForum

Olivier Roussy (CH, 1964)

Member of the Board of Directors
since 2014 (elected until 2024)

Committees
– Member of the Strategy and Innovation Committee
– Member of the Audit Committee

Occupation
– Founder and manager of Major Invest SA, Consulting, Yverdon-les-Bains (since 2012)

Professional background
– Major Invest SA, Yverdon-les-Bains (since 2012):
  – Independent consultant (since 2020)
  – Independent financial consultant (since 2017)
  – Independent asset manager (2012–2017)
– Freiburger Kantonalbank, Fribourg: Team Leader Private Banking (2010–2011)
– Deutsche Bank (Suisse) SA, Geneva: Investment Manager (2005–2010)
– Freelance financial consultant and specialist trainer (2000-2005)
– CS and UBS, Zurich, Geneva and Lausanne: Portfolio Manager/Investment Advisor/Relationship Manager (1987–2000)

Education
– BoD Certificate Swiss Board Institute (2017)
– CIWM Certified International Wealth Manager AZEK (2005)
– FAME Financial Asset Management and Engineering SFI (2003)
– CIIA Certified International Investment Analyst AZEK (2003)
– MBA Business School Lausanne (2002–2003)

Significant directorships and vested interests
– Chairman of the Board of Directors of Major Invest SA, Yverdon-les-Bains

Memberships
– Swiss Institute of Directors
– SwissBoardForum

Dr Beat Schwab (CH, 1966)

Member of the Board of Directors
since 2018 (elected until 2024)

Committees
- Chair of the Strategy and Innovation Committee
- Member of the Nomination and Remuneration Committee

Occupation
- Self-employed entrepreneur and Member of the Board of Directors (since 2017)

Professional background
- Credit Suisse AG, Zurich: Head Real Estate Investment Management/Managing Director (2012–2017)
- Wincasa AG, Winterthur: Chief Executive Officer (2006–2012)
- ISS Schweiz AG/Sevis AG, Facility Management, Zurich/Basel: Member of the Executive Board/Director of Business Development (1999–2006)
- Credit Suisse First Boston, Zurich: Head of Fixed Income/Forex Research Switzerland, Director (1998–1999)
- UBS Economic Research, Zurich: Head of Economic Research & Sector Analyses, Vice President (1992–1997)

Education
- Master of Business Administration, Columbia University, New York (1996–1997)
- Doctorate (Dr. rer. pol.), University of Bern (1993–1995)
- Degree in economics (lic. rer. pol.), University of Bern (1987–1992)

Significant directorships and vested interests
- Chairman of the Board of Directors of Raiffeisenbank Winterthur
- Chairman of the Board of Directors of Zug Estates Holding AG, Zug
- Member of the Board of Directors and Head of the Audit Committee of SBB Swiss Federal Railways, Bern
- Member of the Board of Directors and Head of the Audit & Risk Committee of Varia US Properties AG, Zug
- Member of the Foundation Council of SKB 1809, formerly Sparkasse Basel
- Deputy Chairman of the Foundation for Art, Culture and History (SKKG), Winterthur
- Chairman of the Board of Directors of Terresta Immobilien- und Verwaltungs AG, Winterthur
- Member of the Board of Directors of Belplan Immobilien AG, Winterthur

Memberships
- swissVR (association for company directors)
- The Royal Institution of Chartered Surveyors (RICS)

Karin Valenzano Rossi (CH, 1972)

Member of the Board of Directors
since 2018 (elected until 2024)

Committees
- Member of the Risk Committee
- Member of the Nomination and Remuneration Committee

Occupation
- Lecturer and member of the Scientific Advisory Board, Certification Programme for Directors, Scuola universitaria professionale della Svizzera Italiana SUPSI (2021, 2022)
- Self-employed attorney and notary, Lugano (since 1 June 2019)
- Judge at the Association of Swiss Asset Managers (VSV), Zurich (since 2016)
- Lecturer at Centro di Studi Bancari, Vezia (since 2004)

Professional background
- Law firm of Walder Wyss AG, Zurich, and notary's offices of Jermini Valenzano, Lugano (2015–2019)
- Law firm of Molino Adami Galante[1], Lugano (2001–2014):
  - Partner since 2009
  - Notary since 2002
  - Lawyer

Education
- BoD Corporate Governance, certificate of attendance for New BoD designs: From Board of Directors to Design and Control Board, Swiss Board Institute (2019–2020)
- Admitted to the Ticino Notaries Association (2002)
- Admitted to the Ticino Bar Association (2000)
- Law degree, University of Fribourg (1991–1997)

Significant directorships and vested interests
- Chair of the Board of Directors of Banca Raiffeisen Lugano
- Member of the Town Council, Lugano

Memberships
- Swiss Bar Association (SAV)
- Ticino Bar Association (OATi)
- Ticino Notaries Association (OdNti)

1 formerly the law firm of Spiess Brunoni Pedrazzini Molino

Rolf Walker (CH, 1962)

Member of the Board of Directors
since 2018 (elected until 2024)

Committees
– Chairman of the Audit Committee
– Member of the Risk Committee

Occupation
– Independent Member of the Board of Directors (since 2018)

Professional background
– Ernst & Young, Bern/Zurich (1988–2018) in the following roles:
  – Management of international, national and regional audit mandates, from 2001 as partner
  – Various consultancy mandates for financial service companies
  – Head Professional Practice Financial Services at Ernst & Young AG (2004–2017)
– President of the Banking Audit Expert Commission of EXPERTsuisse (2010–2018)
– Schweizerische Volksbank, Biel: various positions in client advisory and accounting (1981–1985)

Education
– Qualified Swiss auditor (Eidg. dipl.), Kammerschule Bern (1991–1994)
– Höhere Wirtschafts- und Verwaltungsschule Bern, MBA-equivalent degree (dipl. Kaufmann HWV) (1985–1988)

Significant directorships and vested interests
– none

Memberships
– Alumni Expert Suisse

Internal organisation and delimitation of powers

The Board of Directors and its committees meet as often as business dictates, but at least four times a year pursuant to Art. 39 (1) and Art. 42 (4) of the Articles of Association of Raiffeisen Switzerland. The following table shows the number of meetings held by the Board of Directors and its committees in 2022. Ordinary meetings of the Board of Directors generally last an entire day, while committee meetings last half a day.

Meeting attendance [1]

2022		Board of Directors [2]	Nomination and Remuneration Committee [3]	Strategy and Innovation Committee [4]	Audit Committee [5]	Risk Committee [6]	Exchange BoD of RCH with RB Council and with RB Council Committee [7]
Meetings held	Number	13	8	7	9	9	3
Members who missed no meetings	Number	9	4	3	4	4	8
Members who missed one meeting	Number	0	0	1	0	0	1
Members who missed two or more meetings	Number	0	0	0	0	0	0
Meeting attendance, in %	Percentage	100	100	96	100	100	96

1 Various members of the Board of Directors also attend other meetings which are not included in the above presentation: strategy meetings, meetings with FINMA, meetings with regulators, annual meetings with representatives of the regional unions, chairman and head of bank forums in the spring and autumn, and other communication platforms with the regional unions. This list is not exhaustive.
2 The Board of Directors was composed of nine members throughout the year.
3 The Nomination and Remuneration Committee was composed of four members throughout the year.
4 The Strategy and Finance Committee was composed of four members throughout the year.
5 The Audit Committee was composed of four members throughout the year.
6 The Risk Committee was composed of four members throughout the year.
7 The body for discussion between the BoD of RCH and the RB Council / RB Council Committee consists of the BoD of RCH and the representatives of various Raiffeisen banks that make up the RB Council / RB Council Committee. The participant group of the BoD of RCH was composed of nine members throughout the year.

The Board of Directors meets once a year to review its own activities and positions.

Resolutions are passed on the basis of the absolute majority of members present, or the absolute majority of all members for circular resolutions. The Chairman breaks tied votes. Resolutions are minuted. The Board of Directors meets once a year to review its own activities and positions. Individual members of the Executive Board attend the meetings of the Board of Directors and its committees in consultation with the Chairman of the Board of Directors and the chairperson of the committee, respectively. They can advise and have the right to put forward proposals. The Board of Directors is kept informed of the activities of the Executive Board of Raiffeisen Switzerland in a number of ways. The Executive Board is also required to update the Board of Directors regularly on the financial position, earnings and risk situation, as well as on the latest developments and any unusual events at the Raiffeisen Group.

Under the Swiss Code of Obligations, the Articles of Association, and the Terms and Conditions of Business of Raiffeisen Switzerland, the main duties of the Board of Directors are to

- establish the business policy of the Raiffeisen Group, the risk policy and regulations and authority levels required for running Raiffeisen Switzerland;
- pass the regulations necessary for running the Raiffeisen banks;
- resolve whether to accept or exclude Raiffeisen banks;
- prepare for the General Meeting and execute the resolutions of this body;
- appoint and dismiss the auditor for the companies of the Raiffeisen Group;
- appoint and dismiss the Chairman and members of the Executive Board, the Head of Internal Auditing and their deputies;
- define the overall sum of variable remuneration and decide on the fixed and variable annual remuneration components for Executive Board members.

The Board of Directors also approves the strategy and financial planning. It is responsible for the consolidated annual financial statements and the annual report of the Raiffeisen Group as well as the annual report of Raiffeisen Switzerland. Furthermore, it takes note of the planning and financial reporting of the Group companies. The Board of Directors can appoint committees with responsibilities conferred for a fixed period or without limit. The Board of Directors may bring in external consultants in certain cases. The duties and powers of the standing committees are set forth in regulations and summarised below.

The Board of Directors approves the strategy, the financial planning and the annual financial statements as well as the annual report.

The powers exercised by the Board of Directors, its committees, the Chairman of the Executive Board and the Executive Board are specified in detail in the Articles of Association, the Terms and Conditions of Business and the authority levels of Raiffeisen Switzerland.

Committees of the Board of Directors

Strategy and Innovation Committee (previously Strategy and Finance Committee)

At its meeting held on 7 July 2022, the Board of Directors decided to rename the Strategy and Finance Committee (SFA) as the "Strategy and Innovation Committee (SIA)".

The Strategy and Innovation Committee is responsible for:

- addressing strategically relevant developments, opportunities and challenges in the environment and for the Raiffeisen Group on a regular and systematic basis;
- preparing strategic initiatives in the Board of Directors and supervising their realisation (responsible for content);
- providing the Board of Directors with strategic risk assessments;
- arranging and supervising the form of strategy work of the Raiffeisen Group (responsible for processes);
- ensuring good corporate governance at the Raiffeisen Group;
- passing resolutions on participations, investments, contractual obligations, expenditure and loans, to the extent that authority over these matters is assigned to the Committee;
- dealing with tasks assigned by the Board of Directors and providing general support for the Board of Directors in performing its duties and responsibilities.

Audit Committee

The Audit Committee is responsible for:

- monitoring and assessing the financial reporting and integrity of financial statements;
- approving the annually budgeted fee of the auditing firm and the audit programme of the Internal Auditing department, presenting the results to the Board of Directors;
- analysing the audit reports for Raiffeisen Switzerland and the Group and subsequently ensuring that any objections contained therein are resolved and any recommendations are implemented;
- monitoring the activities, resources, competences, independence and objectivity of the auditing firm and the Internal Auditing department; assessing the performance and cooperation as well as the remuneration of the auditing firm;
- preparing for the appointment of the Head of Internal Auditing and presenting the results to the Board of Directors;
- preparing for the election of the regulatory audit company and the auditor for the purposes of the Swiss Code of Obligations and presenting the results to the Board of Directors;
- presenting an application to the Board of Directors regarding the recommendation to submit the annual accounts to the General Meeting.

Risk Committee

The Risk Committee is responsible for:

- assessing the framework concept for Group-wide risk management at least once a year and arranging the necessary adjustments;
- monitoring and assessing the effectiveness and appropriateness of the internal control system;
- annually reviewing the risk policy and risk limits of Raiffeisen Switzerland and the Group, and presenting the results to the Board of Directors;
- analysing the risk situation of Raiffeisen Switzerland and the Group;
- handling the reports issued by the Risk & Compliance department;

- evaluating compliance with statutory, regulatory and internal rules, as well as market standards and codes of practice;
- monitoring the implementation of risk strategies, particularly with regard to their compliance with the predefined risk tolerance and the risk limits according to the framework concept for Group-wide risk management;
- deciding, should a limit stipulated by the Board of Directors be exceeded, on measures to reduce the risk and/or approve a temporary breach.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee is responsible for:

- analysing trends and developments in the labour market;
- ensuring strategically orientated leadership development and succession planning;
- reviewing the planning and measures for the retention and promotion of staff;
- preparing all activities relating to employment conditions for executive managers and staff, particularly remuneration and retirement plan;
- preparing the remuneration report;
- setting up rules for members of the Board of Directors, the Executive Board and employees trading for their own accounts;
- approving and monitoring loans to directors, officers and related parties within the scope of the regulations governing authority levels;
- preparing for elections and presenting the results to the Board of Directors.

Information and controlling tools vis-à-vis the Executive Board

The information and controlling tools employed by the Board of Directors have been configured in accordance with the requirements defined by FINMA. The Raiffeisen Group has an established and proven management information system (MIS), which helps the Board of Directors fulfil its supervisory duties and oversee the powers transferred to the Executive Board.

The information and controlling tools employed by the Board of Directors have been configured in accordance with the requirements defined by FINMA.

The Board of Directors receives a monthly Management Information report, showing the trend in the key figures and the monthly financial statements of the Raiffeisen Group, Raiffeisen banks and Raiffeisen Switzerland. A final, comprehensive financial report is also prepared every quarter, including a year-on-year comparison, actual/plan comparison and expectations for each business segment and the entire Raiffeisen Group. These quarterly reports are supplemented by analyses of relevant issues and developments. The minutes of the Executive Board meetings are also submitted to the Chairman of the Board of Directors for review. In addition, individual members of the Executive Board attend the meetings of the Board of Directors or committees in consultation with the Chairman of the Board of Directors or the chairperson of the committee, respectively, provide information on current issues and are available to give further details.

Risk and compliance

The Board of Directors is periodically updated on the risk situation. Every year, the Board of Directors is presented with a forward-looking risk analysis that serves to determine the Group's annual risk tolerance and assess its resulting risk capacity. The Board of Directors receives a detailed quarterly risk report on the overall risk situation and the utilisation of the overall limits approved by the Board of Directors.

The Raiffeisen Group has an internal control system (ICS) that supports the proper conduct of business activities based on processes, controls, regulations, directives and corresponding measures. The Board of Directors receives an annual report on the adequacy and effectiveness of the internal control system.

The Raiffeisen Group has a compliance function and a Compliance department to ensure risk-oriented compliance with statutory and regulatory requirements. The Board of Directors receives an annual assessment of the compliance risk of the Group's business activities and an activity report from the compliance function. Furthermore, the Board of Directors is given timely information on grave violations of compliance regulations or matters with major implications.

Internal Auditing

The Raiffeisen Group has an Internal Auditing department which reports to the Board of Directors and is independent of the Executive Board. This department supports the Board of Directors in fulfilling its oversight and control duties and has an unrestricted right to perform audits and obtain information within the Bank. Internal Auditing reports to the Audit Committee and the Board of Directors.

Executive Board of Raiffeisen Switzerland

The Executive Board of Raiffeisen Switzerland manages the operational business.

The Executive Board of Raiffeisen Switzerland manages the operational business of Raiffeisen Switzerland. This involves in particular identifying influences and changes that have a bearing on the Raiffeisen Group's environment, developing relevant strategies and ensuring that appropriate implementation measures are taken. In accordance with the legal and regulatory framework, the Executive Board is charged with the execution of the resolutions passed by higher bodies. Moreover, it provides the Group with competent, reliable, future- and success-orientated management. In addition, within the Raiffeisen Group, the Executive Board is responsible for ensuring financial management, Group risk management and compliance, while also ensuring implementation of the risk policy, the application architecture as well as monitoring and coordination of the subsidiaries. Moreover, the Executive Board acts as a risk committee, handles budgeting and budget control, defines organisation structure and makes key personnel decisions.

The Executive Board of Raiffeisen Switzerland as at 31 December 2022 consisted of the Chairman and seven other members who were elected by the Board of Directors of Raiffeisen Switzerland. The Executive Board generally meets once a week under the direction of the Chairman. The Executive Board has the power to pass resolutions if a majority of its members or their deputies are present. The Board passes most resolutions by consensus. If agreement cannot be reached, resolutions are passed by an absolute majority of members entitled to vote. In the case of a tie, the Chairman's vote is counted twice. Raiffeisen Switzerland business processes are handled by seven different departments (see organisational chart).

Organisation Chart
31 December 2022

Board of Directors Thomas A. Müller (Chair)

Management Office Board of Directors

Internal Auditing Dr Daniel Dal Santo

Chairman of the Executive Board Heinz Huber* (CEO)

Head of Executive Staff Frank Langer

Client Services

Corporate Clients, Treasury & Markets
Roger Reist*

- Corporate Clients Raiffeisen Switzerland – Daniel Hollenstein
- Business Development & Special Products, Corporate Clients – Marco Meier
- Treasury – Philipp Ackermann
- Trading – Werner Leuthard
- Raiffeisen banks/ branches – Willi Bucher
- Business Engineering & Support – Sofia Loewens
- Zurich branch – Matthias Läubli
- Basel branch – Michael Dreier

Raiffeisen Bank Services
Helen Fricker*

- Bank Relationship Management & Sales RB – Michael Meissner
- Enabling RB – Daniel Morf
- Italian-speaking Switzerland office – Alina Augello
- French-speaking Switzerland office – Gilles Cherbuin
- Marketing – Sandra Bürkle
- Client Service Centre – Raphael Raetzo

Market Services

Products & Investment Services
Roland Altwegg*

- Products, Advisory & Sales – Raphael Borer
- Investment & Retirement Centre – Patrik A. Janovjak
- Digital Business – Laure Frank
- Analytics – Marco Wüst

Operating Services
Uwe Krakau* (COO)

- Banking Operations & Quality Assurance – Adrian Töngi
- Services – Erwin Keller
- R2025 Programme – Andreas Staub
- Delivery Factory Management – Robert Schleich
- Corporate Development & Innovation – Fabian Müller

Control & Infrastructure

IT
Niklaus Mannhart* (CIO)

- Cyber Security & Architecture – Peter Kägi
- IT Operations & Engineering – Christian Lampert
- Basic Systems – Andrea Berner
- Core Banking & Avaloq Systems – Christian Friedl
- IT Group Strategy & Front Systems – Remo Huber (interim)

Finance & Human Resources
Dr Christian Poerschke* (CFO)

- Human Resources – Karin Schmidt
- Strategy & Financial Controlling – Daniel Cohen
- Accounting – Markus Lüthi

Risk and compliance
Dr Markus D. Voegelin* (CRO)

- Risk Analytics & Transformation – Fabio Ferrari
- Risk Control – Cyrill Mäder
- Legal & Compliance – Roland Luchsinger
- Credit Risk Management – Daniel Tönz

* Member of the Executive Board

Members of the Executive Board
as at 31 December 2022

Heinz Huber (CH, 1964)

Chairman of the Executive Board (CEO)
since 2019

Professional background
- Raiffeisen Switzerland, St. Gallen (since 2019): Chairman of the Executive Board
- Thurgauer Kantonalbank, Weinfelden (2007–2018):
  - Chairman of the Executive Board (2014–2018)
  - Member of the Executive Board (2007–2013)
- Proprietor and CEO of a spin-off company
- Member of the Executive Board of a global stock-exchange-listed IT company, Rotkreuz ZG, Basingstoke (UK) (2001–2006)
- Credit Suisse, Zurich (1996–2001): Various roles in management
- UBS AG, Horgen, Zurich, Zug (1981–1996): Apprenticeship, practice and management responsibility

Education
- VR-CAS HSG (Certified Director for Board Effectiveness), Swiss Board School in cooperation with IMP-HSG University of St. Gallen
- Advanced Management Program, Harvard Business School, Boston, USA
- Master of Business Administration (MBA), University of Bern (Institute for Financial Management) and University of Rochester, NY, USA
- Executive MBA (Master of Business Administration), Lucerne University of Applied Sciences and Arts
- Federal Banking Diploma

Significant directorships
- Member of the Board of Directors of Pfandbriefbank schweizerischer Hypothekarinstitute AG, Zurich

Roland Altwegg (CH, 1973)

Head of the Products & Investment Services department
since 2021

Professional background
- Raiffeisen Switzerland, St. Gallen (since 2007):
  - Head of the Products & Investment Services department/ Member of the Executive Board (since 2021)
  - Head of New Business Models & Ecosystems (2021)
  - Head of Product Management (2015–2021)
  - Head of Private Clients (2011–2015)
  - Head of OpRisk Controlling department (2007–2011)
- Bank Sarasin & Cie. AG: Head Market Risk (1999–2007)
- Pictet & Cie. / Pictet Asset Management AG: Employee in Fixed Income (1996–1999)

Education
- Diploma in Financial Analysis and Portfolio Management, also Certified International Investment Analyst (CIIA), AZEK Zurich (2001–2002)
- Degree in economics (lic. rer. pol.), University of Basel (1993–1998)

Significant directorships
- Member of the Board of Directors, Viseca Payment Services SA, Zurich
- Member of the Board of Directors, TWINT AG, Zurich
- Chairman of the Board of Directors, Raiffeisen Immo AG, St. Gallen
- Deputy Chairman of the Foundation Council, Raiffeisen Pension and Vested Benefits Foundation, St. Gallen

Helen Fricker (CH, 1967)

Head of Raiffeisen Bank Services department
since 2020

Professional background
- Raiffeisen Switzerland, St. Gallen (since 2011):
  - Head of Raiffeisen Bank Services department/member of the Executive Board (since 2020)
  - Head of Bank Relationship Management (2019–2020)
  - Market Manager for Eastern Switzerland (2018–2019)
  - Strategy Consultant and Deputy Head of Strategy Consulting (2015–2017)
  - Head of Management Development (2011–2015)
- bbz st.gallen ag, Bankenberatungszentrum, St. Gallen (part-time): Project Manager and Head of Staff Development (1996–2011)
- Zürcher Kantonalbank, Zurich (part-time): Management and leadership coach (1996–2000)

Education
- Diploma of Advanced Studies in Bank Management (DAS), Lucerne University of Applied Sciences (2014–2015)
- Executive MBA HSG, University St. Gallen (2003–2005)
- Degree in psychology, majoring in business and organisational psychology, Institute of Applied Psychology IAP, Zurich (1992–1996)

Significant directorships
- none

Uwe Krakau (CH/DE, 1965)

Head of the Operating Services department (COO)
since 2022

Professional background
- Raiffeisen Switzerland, St. Gallen (since 2022): Head of the Operating Services department (COO)
- Avaloq Group AG (2016–2022):
  - Chief BPaaS Officer / Member of the Executive Board, Zurich
  - General Manager & Chief Market Officer EMEA, Zurich
  - General Manager & Chief Market Officer Germany, Zurich
  - General Manager & Head Global Key Accounts, Zurich
- B-Source SA: General Manager Markets & Clients, Bioggio (2012–2016)
- Avaloq Evolution AG: Country Manager Switzerland and Principality of Liechtenstein, Zurich (2005–2011)
- BASF IT Services: Managing Director Sales & Marketing, Wädenswil (2002–2004)
- EADS MDTV: CEO, Munich (2001–2001)
- debis Systemhaus: Project Manager / Profit Center Manager, Leinfelden (1991–2000)

Education
- Swiss Finance Institute, Advanced Executive Programme (2012)
- University of Constance, Information Management, M.Sc. (1991)
- Esslingen University of Applied Sciences, Industrial Engineering & Economics, B.Sc. FH (1989)

Significant directorships
- Chairman of the Board of Directors, Syracom Schweiz AG, Zurich

Niklaus Mannhart (CH, 1967)

Head of IT department & Chief Information Officer (CIO)
since 2022

Professional background
- Raiffeisen Switzerland, St. Gallen (since 2022): Head of IT department & Chief Information Officer (CIO)
- Cembra Money Bank AG: COO / Member of the Executive Board, Zurich (2018–2022)
- Credit Suisse (2010–2018):
  - COO IT & Operations; Schweizer Universalbank, Zurich (2016–2018)
  - COO Operations Utilities & Operations Switzerland region, Zurich (2012–2015)
  - Head of Cross Business Services in Operations, Zurich (2010–2011)
- McKinsey & Company: Associate Principal, Zurich (2001–2010)
- ETH Swiss Federal Institute of Technology Zurich: Teaching Assistant at the Institute of Scientific Computing, Zurich (1995–2001)
- Waterloo Maple Inc.: Programmer, Waterloo, Canada (1994)

Education
- ETH Swiss Federal Institute of Technology Zurich, Certificate of Teaching Ability in IT (2001)
- ETH Swiss Federal Institute of Technology Zurich, Master in Computer Science (1993)

Significant directorships
- none

Dr Christian Poerschke (CH / DE, 1974)

Head of Finance & Human Resources (CFO)
since 2015

Professional background
- Raiffeisen Switzerland, St. Gallen (since 2005):
  - Head of the Finance & Human Resources department (CFO)/ Member of the Executive Board (since 2018)
  - Head of the Services department (COO)/Member of the Executive Board (2015–2017)
  - Head of Corporate Development & Controlling (2007–2015)
  - Head of Corporate Controlling (2005–2007)
- EFTEC, EMSTOGO, Romanshorn: Business Development & Controlling (2002–2005)
- Roland Berger Strategy Consultants, Munich: Consultant (2000–2002)

Education
- Doctorate at Philipps University of Marburg (2007)
- Business administration degree at the University of Münster (1996–2000)
- Professional training in banking (1994–1996) at Deutsche Bank AG, Osnabrück

Significant directorships
- Member of the Management Board and Chairman of the Finance and Audit Committee of the Valida Foundation, St. Gallen
- Chairman of the Board of Directors of the Raiffeisen Pension Fund and Raiffeisen Employer Foundation, St. Gallen

Roger Reist (CH, 1976)

Head of the Corporate Clients, Treasury & Markets department
since 2020

Professional background
- Raiffeisen Switzerland, St. Gallen (since 2020):
  - Head of the Corporate Clients, Treasury & Markets department/Member of the Executive Board (since 2020)
  - Head of the Treasury & Markets department/Member of the Executive Board (2020–2021)
- Zürcher Kantonalbank, Zurich (2010–2020):
  - Head of Foreign Exchange, Banknotes and Precious Metals (2019–2020)
  - Head of Prime Finance Trading (2014–2019)
  - Head of Securities Lending and Repo (2013–2014)
  - Head of Fixed Income Securities Lending and Repo (2010–2013)
- UBS Investment Bank, Zurich and London (2006–2010):
  - trader in various areas including securities lending, repo and short-term interest rate trading (2007–2010)
  - UBS Investment Bank employee (2006–2007)
- PricewaterhouseCoopers International, Zurich: Auditor (2005–2006)
- Aargauische Kantonalbank, Aarau: execution trader in shares and foreign exchange (1998–2001)

Education
- Certified International Investment Analyst (CIIA) (2010)
- Chartered Alternative Investment Analyst (CAIA) (2007)
- Master of Arts in Banking and Finance, University of Zurich (2000–2005)

Significant directorships
- Chairman of the Board of Directors, Raiffeisen Unternehmerzentrum AG, Gossau

Dr Markus D. Voegelin (CH, 1969)

Head of the Risk & Compliance department (CRO)
since 2019

Professional background
- Raiffeisen Switzerland, St. Gallen (since 2019): Head of the Risk & Compliance department (CRO)/Member of the Executive Board
- Bank Vontobel AG, Zurich: Chief Risk Officer (2016–2019)
- Coutts & Co AG, Zurich (2007–2016):
  - Chief Operating Officer (2013–2016)
  - Chief Financial Officer (2009–2014)
  - Finance Director (2007–2009)
- Julius Baer, Zurich (2001–2007):
  - Head of Private Banking Finance (2005–2007)
  - Head of Business Line Management Private Banking (2005),
  - Head Group Controlling (2002–2005),
  - Head of Finance & Controlling Projects/Technology (2001–2002)
- Management consultancy, Zug: Senior Consultant (1998–2000)
- UBS AG, Basel: Corporate clients business, recovery management, group controlling (1991–1998)

Education
- Advanced Executive Program, Swiss Finance Institute (2008)
- Doctorate, Dr oec. publ., University of Zurich (1999)
- Degree in economics, University of Basel, lic. rer. pol. (1991–1996)

Significant directorships
- Member of the Management Board at esisuisse (since 2022)
- Member of the Management Board at Swiss Financial Cyber Security Center (since 2022)

Management contracts
There are no management contracts with third parties at Raiffeisen.

Compensation and loans
Information about remuneration of and loans to members of the Board of Directors and the Executive Board can be found in the section entitled "Remuneration report", pages 134–141.

Internal Auditing

Internal Auditing supports the corresponding activities within the Raiffeisen Group and supports the Board of Directors and its committees in the performance of their tasks. The tasks and responsibilities of Internal Auditing are set down in regulations issued by the Board of Directors. All operations within the Group are audited by Internal Auditing once every few years with a focus on risk. Auditing activities include, among other things, the objective and independent review of the adequacy and effectiveness of the internal control system (ICS) and risk management, the reliability and integrity of financial and operational information, compliance with requirements set out in laws, regulations and the Articles of Association, and the proper functioning of governance, operational structure and processes. Internal Auditing also checks that weaknesses and shortcomings identified are remedied effectively and permanently. Furthermore, the Board of Directors may use Internal Auditing for special tasks such as special audits, project support or advisory services provided such engagements do not violate its independence requirements. Internal Auditing has unlimited auditing, information and access rights within the Raiffeisen Group and works closely with the risk control functions and the external auditor.

Internal Auditing has a solid-line reporting relationship with the Board of Directors of Raiffeisen Switzerland. It has a dotted-line reporting relationship with the Audit Committee of the Board of Directors and is independent of the Executive Board. Internal Auditing reports to the Audit Committee and, in its additional annual activity report, to the Board of Directors on matters relating to the Group and Raiffeisen Switzerland. Reports for Raiffeisen banks and Group companies are submitted to the appropriate board of directors. Internal Auditing conducts its auditing activities on the basis of an annual, risk-orientated audit schedule that is approved by the Board of Directors and coordinated with the auditing activities of the auditor for the purposes of the Swiss Code of Obligations and the regulatory auditing firm.

Internal Auditing has a solid-line reporting relationship with the Board of Directors of Raiffeisen Switzerland.

Dr Daniel Dal Santo has been the Head of Internal Auditing since 2015. He attends Audit Committee and Risk Committee meetings (eight Audit Committee meetings and eight Risk Committee meetings in 2022). He also attends Board of Directors meetings on selected agenda items. At the end of 2022, the Internal Auditing department consisted of 76 full-time equivalents. It performs its auditing activities in compliance with the professional rules and standards of the Institute of Internal Auditors Switzerland.

Auditor for the purposes of the Swiss Code of Obligations and regulatory auditing firm

Raiffeisen banks

The General Meetings of the Raiffeisen banks elect the auditor for the purposes of the Swiss Code of Obligations for a term of three years each time. The General Meetings of the Raiffeisen banks elected Ernst & Young AG in 2021 as the auditor for the purposes of the Swiss Code of Obligations and regulatory auditing firm for a term of three years (2021 to 2023). Ernst & Young AG is supported by Raiffeisen Switzerland's Internal Auditing department in conducting regulatory audits of the Raiffeisen banks and audits under the Swiss Code of Obligations.

Raiffeisen Switzerland and Raiffeisen Group

On 25 June 2020 the General Meeting of Raiffeisen Switzerland elected Ernst & Young AG as auditor for the purposes of the Swiss Code of Obligations of Raiffeisen Switzerland Cooperative and the Raiffeisen Group for a term of three years (financial years 2021 to 2023) and also designated Ernst & Young AG as an electable auditor for the Raiffeisen banks. The rights and obligations are governed by the provisions of the Swiss Code of Obligations and financial markets legislation. Ernst & Young AG is also elected as regulatory auditing firm for this term.

Prof. Dr Andreas Blumer has been the auditor in charge since 2021 and is responsible for auditing the consolidated annual financial statements of the Raiffeisen Group and the annual financial statements of Raiffeisen Switzerland. As lead auditor, he is responsible for the regulatory audit. Philipp de Boer has been coordinating the regulatory audits and the audits under the Swiss Code of Obligations of all Raiffeisen banks since 2021 as the person in charge of the Raiffeisen banks mandate.

Audit fees

The fee for Ernst & Young AG amounted to the following:

Audit fees

in CHF million	2021	2022
Audit fees	7.2	7.2
Additional fees for audit-type services and advisory services	0.3	0.2

The audit fees include services in connection with the regular audit of the individual annual financial statements, the Group financial statements and the regulatory audits. The additional fees for audit-type services and advisory services mainly comprise investigations into regulatory issues; compliance with the requirements for independence is monitored by the Audit Committee.

Information tools available to the regulatory auditing firm

The risk assessment, the audit plan derived from it, and the auditors' reports are examined by the Audit Committee and discussed with the lead auditor. Selected reports are also discussed with the lead auditor at meetings of the Board of Directors. In 2022, the lead auditor attended a total of seven Audit Committee meetings and five Board of Directors meetings.

The audit company works closely with Internal Auditing, while still retaining its independence.

Supervision and control of the external auditor

The auditor, Ernst & Young AG, fulfils the requirements of the Auditor Oversight Act and is licensed by the Federal Audit Oversight Authority to audit banking institutions. Every year the Audit Committee reviews the performance, the fee and the independence of the external auditor. It checks that any advisory appointments are compatible with acting as auditor.

Closed periods

Before and after the release of the semi-annual and annual figures of the Raiffeisen Group, no transactions in equity-type instruments (such as AT1 bonds or similar) issued by Raiffeisen Switzerland may be executed, nor may orders be amended or cancelled. The following closed periods must be observed:

Closed periods

Validity	Closed period
Applies to all staff	Ten calendar days before and two calendar days after release of the semi-annual and annual figures of the Raiffeisen Group (around the day of the media conference)
Applies to all staff materially involved in any way in preparing the semi-annual and annual figures of the Raiffeisen Group and recipients of internal financial reporting (in particular, all staff in the Executive Board, the Board of Directors, Accounting and Strategy & Financial Controlling).	30 calendar days before and two calendar days after release of the semi-annual and annual figures of the Raiffeisen Group (around the day of the media conference)

Information and communication policy

Active and dialogue-driven communication is an integral part of the Raiffeisen Group's corporate philosophy. Communication with various stakeholders – such as cooperative members, clients, employees and the general public – follows the principles of truthfulness, precision and consistency with the Raiffeisen Group's actions.

Information is always provided as needed within the Raiffeisen Group and to the public.

Raiffeisen uses various methods of communication, including live streaming, website (raiffeisen.ch), annual report as well as press conferences and releases. The aim is to strengthen our ties with stakeholders and broaden the audience for this material. The latest changes, developments and special events are published on time in an audience-friendly format in full compliance with ad hoc publicity directives.

All of the Group's financial publications can be viewed at report.raiffeisen.ch/en-downloads or downloaded from there. Those interested can request a printed annual report or the print version of the magazine covering the financial year at Raiffeisen. Other publications, studies and press releases are available on the Raiffeisen website (raiffeisen.ch). Cooperative members also receive information in person from their Raiffeisen bank and directly at the Annual General Meeting, or on the website of their Raiffeisen bank.

Remuneration Report

Raiffeisen's remuneration policy is consistent with its cooperative values and underscores the banking group's "We" culture. Raiffeisen attaches great importance to equal pay for both female and male employees with the same or similar roles and at the same functional level. Each Raiffeisen bank defines its remuneration model independently, based on the recommendations of Raiffeisen Switzerland.

Raiffeisen Group Remuneration Report

The Raiffeisen Group (Raiffeisen Switzerland, including the Raiffeisen banks and consolidated companies) paid CHF 1,132,900,833 in total remuneration in the year under review. The share of variable remuneration (excluding employer pension plan and social insurance contributions) totalled CHF 59,818,147.

Total remuneration 2022

in CHF	2021	2022
Total Raiffeisen Group remuneration [1]	1,106,395,732	1,132,900,833
of which total Raiffeisen Group variable remuneration pool	58,621,036	59,818,147

1 Excluding employer pension plan and social insurance contributions.

Raiffeisen Switzerland Remuneration Report

A competitive remuneration model plays a key role for Raiffeisen Switzerland as an employer. The remuneration system is designed to attract skilled employees on the labour market and to retain them over the longer term, among other goals.

Raiffeisen Switzerland's remuneration system is based on provisions of laws, rules and regulations, in particular FINMA Circular 2010/1 "Remuneration schemes".

Remuneration governance

The Nomination and Remuneration Committee (NRC) consists of three to five members of the Board of Directors of Raiffeisen Switzerland. The NRC comprises four members for the 2022 to 2024 term of office and has been chaired by Sandra Lathion since 18 June 2022. She took over the chair from Thomas Rauber, who remains a member of the NRC. The NRC is responsible for implementing the remuneration regulations issued by the Board of Directors of Raiffeisen Switzerland. The NRC also reviews proposals concerning the remuneration of the Executive Board and the Board of Directors of Raiffeisen Switzerland. It submits recommendations to the Board of Directors for approval of the proposed remuneration. In addition, the NRC and the Board of Directors jointly evaluate the performance of the Chairman of Raiffeisen Switzerland's Executive Board. Together with the Chairman of the Executive Board, the NRC reviews the performance assessments of the other members of Raiffeisen Switzerland's Executive Board.

The Nomination and Remuneration Committee reviews proposals concerning the remuneration of the Executive Board and the Board of Directors of Raiffeisen Switzerland.

Raiffeisen Switzerland's Board of Directors is responsible for the following:

- outlining the remuneration policy in the form of regulations for Raiffeisen Switzerland and recommendations for the Raiffeisen banks;
- approving the annual remuneration report submitted to the Board by the Nomination and Remuneration Committee;
- reviewing its remuneration policy on a regular basis and whenever there are indications that reviews or revisions may be necessary;

- having the structure and implementation of its remuneration policy checked regularly by external auditors and by Internal Auditing if necessary;
- regularly determining the total amount of the collective profit-sharing element;
- defining the fixed component of remuneration and the collective profit-sharing element for members of the Executive Board and the Head of Internal Auditing, including occupational pension contributions.

In the 2022 financial year, the NRC held eight meetings with an attendance rate of 100%. It focused on the following areas:

- confirmation elections of the members and Chairman of the Board of Directors of Raiffeisen Switzerland;
- filling vacant positions on the Executive Board of Raiffeisen Switzerland;
- benefits strategy 2023+ of the Raiffeisen Pension Fund;
- reconstitution of the NRC;
- review of employment conditions at Raiffeisen Switzerland;
- intensive dialogue with internal and external stakeholders.

Filling vacant positions on the Executive Board of Raiffeisen Switzerland

In the year under review, Raiffeisen Switzerland filled the vacant positions on the Executive Board and the new position of Chief Operating Officer (COO) created as part of the strategy implementation. Roland Altwegg, who headed the Products & Investment Services department on an interim basis, definitively took over running this department on 24 February 2022. Uwe Krakau has headed the Operating Services department since 1 July 2022. Until then, it had been managed on an interim basis by Christian Poerschke, Head of the Finance & Human Resources department. Robert Schleich, interim head of the IT department, handed over management of the department to Niklaus Mannhart with effect from 1 September 2022.

Inclusion of additional attendees at meetings

The Chairperson of the Nomination and Remuneration Committee invites other members of the Board of Directors, members of the Executive Board, other experts, remuneration advisers and external legal advisers to attend if needed. The person whose remuneration is being discussed (for example a member of the Executive Board) is not involved.

Regular review of operational implementation

Internal Auditing regularly assesses the operational implementation of the remuneration regulations at Raiffeisen Switzerland to ensure compliance with Raiffeisen Switzerland's remuneration system. Internal Auditing's final report confirms that the design and implementation of the remuneration system comply with the remuneration policy and the relevant statutory and regulatory requirements.

The remuneration approval structure can be summarised as follows:

Remuneration approval structure | Raiffeisen Switzerland

Issue	Nomination and Remunerations Committee	Member of Board of Directors
Development or amendment of the remuneration policy	Recommendation	Approval
Remuneration report	Recommendation	Approval
Remuneration for		
Chairman of the Executive Board	Recommendation	Approval
Other members of the Executive Board and Head of Internal Auditing [1]	Recommendation [1]	Approval
Member of Board of Directors	Recommendation	Approval
Total amount of the variable remuneration of Raiffeisen Switzerland	Recommendation	Approval

1 In the presence of the Chairman of the Executive Board (without the remuneration of the Head of Internal Auditing being decided).

At the 2022 General Meeting of Raiffeisen Switzerland, the Board of Directors proposed that the 2021 Remuneration Report be approved in a consultative vote. This proposal was approved by the General Meeting with 98.5% of the votes.

Remuneration policy

The Raiffeisen Group's remuneration policy is designed to ensure that the interests of its employees are aligned with those of its clients. The Raiffeisen banks and Raiffeisen Switzerland each have their own remuneration model. These models regulate the remuneration paid to members of the Board of Directors and the Executive Board in detail, and lay out basic principles for the total remuneration paid to all employees. The Raiffeisen banks are guided by the recommendations of Raiffeisen Switzerland and local market conditions.

The remuneration policy is designed to ensure that the interests of our employees are aligned with those of our clients.

Raiffeisen Switzerland's remuneration model is aligned with the business strategy. It gives due consideration to the Group's goals, values, cooperative culture and long-term, sustainable focus. Raiffeisen Switzerland also attaches great importance to a simple and transparent remuneration system.

One of the most important aspects from Raiffeisen Switzerland's viewpoint as an employer remains gender equality, especially when it comes to equal pay. At the same time, Raiffeisen Switzerland believes in equal pay for equal work. An analysis carried out in 2021 confirmed that Raiffeisen Switzerland complies with equal pay for women and men, and Raiffeisen was consequently awarded the Fair-ON-Pay certificate for this.

The following table contains a summary of the principles of the remuneration policy of Raiffeisen Switzerland.

Principles of the remuneration policy | Raiffeisen Switzerland

Transparency	The structure of the remuneration system of Raiffeisen Switzerland is simple and transparent; the principle of "equal pay for equal work" applies as an absolute matter of course.
Strategic direction	The remuneration system is aligned with the business strategy. It gives due consideration to the goals, values and cooperative culture, as well as the long-term and sustainable alignment of the Group.
Consideration of risk	Incentives are designed to encourage appropriate business conduct and avoid potential conflicts of interest and excessive risk behaviour.
Performance orientation	The remuneration system provides adequate incentives to drive and differentiate performance.
Market positioning	The remuneration system is attractive enough to recruit talented individuals, motivate them and ensure their long-term loyalty to the company. The appropriateness of the remuneration is reviewed based on regular market comparisons.

Remuneration system

Raiffeisen Switzerland's remuneration system should be attractive enough to recruit new talent, motivate employees and retain them over the long term. The focus is nevertheless on team performance. Incentives are designed to encourage appropriate business conduct and avoid potential conflicts of interest and excessive risk appetite. Remuneration caps are defined for all risk carriers and employees of Raiffeisen Switzerland. All remuneration is paid in non-deferred cash.

For all employees (including members of the Executive Board, senior management and employees with controlling roles), remuneration comprises the following elements:

– Fixed remuneration in line with the market
  Every employee has an individual contract establishing the fixed remuneration. This is based on the defined role, as well as the employee's skills and knowledge. It also has to be competitive in the labour market. The entire fixed remuneration is paid in cash.

- Collective profit-sharing element
  The variable remuneration is based on the success of the Group and is paid out in the form of a collective profit-sharing element. It makes up a small percentage of total remuneration. This low percentage depends on the pay grade and is therefore the same for all employees at the same pay grade, regardless of the area they work in. This is Raiffeisen Switzerland's way of emphasising collaboration and collective team spirit. The collective profit-sharing element can be paid to employees in all positions, including those with controlling roles. Special care is taken to prevent the remuneration system giving employees with controlling roles incentives that could cause conflicts of interests with their duties. The collective profit-sharing element is a voluntary, variable benefit provided by Raiffeisen Switzerland as the employer. It is based on the differentiated understanding of roles at Raiffeisen Switzerland as a service provider to the Raiffeisen banks, the implementer of Group projects and an attractive, progressive and results-orientated employer. Employees generally have no contractual guarantee to be paid a collective profit-sharing element.

In addition, fringe benefits are granted within the framework of applicable regulations and directives and in line with the industry standard.

Remuneration system

	Fixed remuneration	Variable remuneration
Salary component	– Individual basic pay – Employee benefits – Fringe benefits	– Collective profit-sharing element (at role level)
Purpose	– Competitive basic pay	– Promoting team spirit – Cooperation across all role levels
Factors	– Role and role level – Knowledge, skills – Labour market	– Financial success of the Raiffeisen Group – Implementation of the Group strategy – Diversity of the organisation – Employee satisfaction – Public perception of Raiffeisen

Recognition of special team performance

Raiffeisen Switzerland introduced two recognition programmes on 1 January 2021: Team Players and Team Prize. Both programmes were continued in 2022. The Team Players award gives visibility to special achievements of teams, such as organisational units, project teams or working groups, across all hierarchical levels throughout the organisation. Team Players are selected by the employees of Raiffeisen Switzerland. The Team Prize lets managers show recognition of above-average performance all year round, flexibly and unbureaucratically – for example in the form of a joint team event. The focus of both recognition programmes is on team performance.

Determining remuneration for the Board of Directors

The members of Raiffeisen Switzerland's Board of Directors receive remuneration commensurate with their respective responsibilities and time commitment. Additionally, members belonging to a committee, heading a committee or chairing the Board of Directors receive higher pay. The members of the Board of Directors do not receive a collective profit-sharing element. The Board of Directors has no performance indicators that would encourage unnecessary risk-taking.

The members of Raiffeisen Switzerland's Board of Directors receive remuneration commensurate with their respective responsibilities and time commitment.

In line with the remuneration regulations in force, the Chairman of the Board of Directors received fixed remuneration of CHF 700,000 and was not entitled to receive committee fees. The Deputy Chairman received fixed remuneration of CHF 140,000. The full members of the Board of Directors received fixed remuneration of CHF 90,000. The Chairman of the Board of Directors received a lump-sum expense allowance of CHF 12,000 for his representative duties. The other members of the Board of Directors received an annual lump-sum expense allowance of CHF 6,000.

For their membership of the four committees (the Strategy and Innovation Committee, the Audit Committee, the Risk Committee and the Nomination and Remuneration Committee), full members of the Board of Directors also received the following remuneration:

- As a member: CHF 30,000
- As Chairman: CHF 50,000

If a member of the Board is appointed to a position on an interim basis, they are entitled to the remuneration for that position. The remuneration table below shows the total remuneration paid to the individual members of the Board of Directors. Loans granted to members of the Board of Directors are disclosed in Note 17 to the Annual Report. Loans to members of the Nomination and Remuneration Committee are approved by the Board of Directors, while loans to all other members of the Board of Directors are approved by the NRC.

Determining remuneration for the Executive Board

The maximum remuneration for the Executive Board and the Head of Internal Auditing as communicated at the Assembly of Delegates held on 15 June 2019 was once again adhered to in the 2022 reporting year. The cap on remuneration for the Chairman of the Executive Board is CHF 1.5 million (gross), and CHF 1.0 million (gross) for each of the other members of the Executive Board. The annual remuneration of the Executive Board consists of fixed variable remuneration and a collective profit-sharing element.

The remuneration of the Executive Board consists of fixed remuneration and a collective profit-sharing element.

Fixed remuneration

Fixed remuneration for members of the Executive Board and the Head of Internal Auditing is based on the labour market value, the requirements of the assigned department, management responsibilities, and seniority. Each member of the Executive Board and the Head of Internal Auditing receive a fixed basic salary that is reviewed each year by the Nomination and Remuneration Committee. The members of the Executive Board and the Head of Internal Auditing receive market-standard pension and fringe benefits.

Collective profit-sharing element

The process and guidelines for setting variable remuneration in the form of a collective profit-sharing element are identical both for the members of the Executive Board and the Head of Internal Auditing, and for all other eligible employees of Raiffeisen Switzerland.

The Board of Directors sets the amount of the collective profit-sharing element that will be paid to the members of the Executive Board and the Head of Internal Auditing. This is based on the maximum remuneration rates set out in the remuneration regulations.

The remuneration structure is designed to ensure that the collective profit-sharing element paid to employees with controlling roles in no way depends on the risks they monitor.

Remuneration for the Board of Directors

In 2022, the remuneration principles in place since 1 January 2019 and presented to the Assembly of Delegates in June 2019 continued to apply. As a result, the members of the Board of Directors of Raiffeisen Switzerland received remuneration (excluding contributions to pension plans and social insurance) totalling CHF 2,000,000 for 2022. This is within the limits of total maximum gross remuneration approved in a consultative vote at the 2021 General Meeting. In addition, the total employer share of social insurance contributions for the members of the Board of Directors amounted to CHF 380,820 in 2022. Details of the remuneration of the individual Board members and their positions are provided in the table below.

Remuneration for the Board of Directors | Raiffeisen Switzerland

in CHF

Name	Position [1]	Base remuneration	Committee remuneration	Total gross remuneration	Flat-rate expenses	Employer pension plan and social insurance contributions [2]
Müller, Thomas A.	Chairman of the Board of Directors, Member of the RC	700,000	–	700,000	12,000	131,457
Gantenbein, Pascal	Vice-Chairman of the Board of Directors, Chair of the RC, Member of the SIC	140,000	80,000	220,000	6,000	41,262
Golob, Andrej	Member of the Board of Directors, Member of the SIC	90,000	30,000	120,000	6,000	23,386
Lathion, Sandra	Member of the Board of Directors, Member of the AC	90,000	70,722	160,722	6,000	30,064
	Member of the NRC (until 17.06.2022)					
	Chairwoman of the NRC (since 18.06.2022)					
Rauber, Thomas	Member of the Board of Directors, Member of the AC	90,000	69,278	159,278	6,000	30,873
	Chairman of the NRC (until 17.06.2022)					
	Member of the NRC (since 18.06.2022)					
Roussy, Olivier	Member of the Board of Directors, Member of the AC, Member of the SIC	90,000	60,000	150,000	6,000	29,327
Schwab, Beat	Member of the Board of Directors, Chairman of the SIC, Member of the NRC	90,000	80,000	170,000	6,000	32,839
Valenzano Rossi, Karin	Member of the Board of Directors, Member of the RC, Member of the NRC	90,000	60,000	150,000	6,000	28,451
Walker, Rolf	Member of the Board of Directors, Chairman of the AC, Member of the RC	90,000	80,000	170,000	6,000	33,161
Total 2022		**1,470,000**	**530,000**	**2,000,000**	**60,000**	**380,820**
Total 2021		**1,470,789**	**493,486**	**1,964,275**	**58,161**	**378,482**

1 SIC = Strategy and Innovation Committee
AC = Audit Committee
RC = Risk Committee
NRC = Nomination and Remuneration Committee
2 Employer contributions to the pension plan and social insurance comprise AHV/IV/EO and ALV including pension plans.

Remuneration for the Executive Board

Total remuneration paid to members of the Executive Board and the Head of Internal Auditing of Raiffeisen Switzerland for the year under review (excluding contributions to pension plans and social insurance) came to CHF 8,464,294. This is within the limits of total maximum gross remuneration approved in a consultative vote at the 2021 General Meeting. Of this, CHF 1,476,364 was attributable to the basic salary and collective profit-sharing element of Heinz Huber, Chairman of the Executive Board of Raiffeisen Switzerland; this was the highest sum paid to an individual member of the Executive Board. Employer pension plan and social insurance contributions total CHF 2,931,085.[1]; CHF 459,964 of this amount was paid to Heinz Huber. No additional compensation is paid for business-related board of director mandates of Executive Board members, as this is covered by the basic remuneration. Information on the remuneration at the Executive Board level is provided in the following table.

1 Projection, since the collective profit-sharing element will be paid in April 2023.

Remuneration for the Executive Board | Raiffeisen Switzerland

in CHF

Person/entity	Base remuneration	Committee remuneration	Total gross remuneration	Flat-rate expenses	Employer pension plan and social insurance contribution [1,2]
Huber, Heinz (Chairman of the Executive Board)					
2022	1,318,182	158,182	1,476,364	24,000	459,964
2021	1,318,182	158,182	1,476,364	24,000	450,099
Executive Board and Head of Internal Auditing (total) [3,4]					
2022	7,580,399	883,895	8,464,294	166,477	2,931,085
2021	8,147,596	870,062	9,017,658	190,700	3,003,917
Former members of the Executive Board [5]					
2022	410,523	–	410,523	–	186,489
2021	280,000	–	280,000	–	65,558

1 Employer contributions to the pension plan and social insurance comprise AHV/IV/EO and ALV including pension plans.
2 The employer contributions are mainly affected by changes to the model for daily sickness allowance insurance.
3 Including members of the Executive Board who left during the year under review.
4 Including interim members of the Executive Board.
5 Reported separately, included in the figures for Executive Board and Head of Internal Auditing (total).

Annual total compensation ratio – disclosure in accordance with GRI standard 2021 [GRI 2-21]

The highest-paid individual at Raiffeisen Switzerland received annual total compensation of CHF 1,476,364 in the 2022 financial year. This total represents a ratio of 1:11 to the median annual total compensation of the employees [2] of Raiffeisen Switzerland.

The annual total compensation of the highest-paid individual at Raiffeisen Switzerland has not changed compared to the previous year (+/–0%). Over the same period, the median annual total compensation of the employees [2] of Raiffeisen Switzerland rose by 2.3%.

Other compensation paid in the year under review

Raiffeisen Switzerland defines "other compensation" as financial benefits in connection with the conclusion of an employment contract with Raiffeisen Switzerland. This includes joining payments and compensation for waiving entitlements, or for financial disadvantages resulting from a change of job. Such payments are only agreed to by Raiffeisen Switzerland in justified exceptional cases. At Raiffeisen Switzerland, joining payments as well as payments related to the waiver of entitlements or to compensate for disadvantages that arise must be approved in compliance with a clear and transparent decision-making process.

Joining payments were not paid in the year under review. Raiffeisen Switzerland does not provide any severance payments, as Raiffeisen Switzerland considers severance payments to be payments not owed upon termination of an employment relationship.

Total remuneration for Raiffeisen Switzerland

In the year under review, Raiffeisen Switzerland paid out remuneration (excluding employer pension plan and social insurance contributions) totalling CHF 327,800,124. Accrued remuneration expenses (both fixed and variable) for the year under review have been recorded in full as personnel expenses. There are no remuneration expenses from earlier reporting years affecting profit and loss. The Board of Directors approved and deferred a total amount for the collective profit-sharing element (excluding employer pension plan and social insurance contributions) of CHF 12,591,053 for Raiffeisen Switzerland in the year under review. Of this, CHF 883,895 relate to the Executive Board and the Head of Internal Auditing.

2 All employees of Raiffeisen Switzerland in fixed-term and permanent employment, as well as members of the Executive Board of Raiffeisen Switzerland (excluding the highest-paid individual).

The definitive calculation of the collective profit-sharing element was made as at 31 December 2022 and was submitted to the Board of Directors of Raiffeisen Switzerland for a decision in February 2023. The payment date for the collective profit-sharing element is April 2023.

The collective profit-sharing element for the year under review is paid out in April of the following year.

The total amount of the collective profit-sharing element benefited the same group of people as in the years before. The final number of beneficiaries will not be available until the end of April 2023. In the previous year, Raiffeisen Switzerland paid a collective profit-sharing element to 2,376 people.

Remuneration | Raiffeisen Switzerland

in CHF	Total remuneration[1]	Remuneration fixed	Remuneration variable[2]
Total remuneration Raiffeisen Switzerland[3]			
2022	327,800,124	315,209,071	12,591,053
2021	337,193,774	324,674,094	12,519,680

1 When adjusted for the effect of making four branches independent, this would result in an increase in overall remuneration of CHF 13.4 million or 4.3%.
2 When adjusted for the effect of making four branches independent, this would result in an increase in variable remuneration of CHF 0.9 million or 7.8%. The variable remuneration is a deferral that is calculated on the basis of expected figures. The actual payment is made in April of the following year and differs from the deferral due to personnel adjustments up to the date of payment.
3 Excluding employer contributions to staff pension plans and social insurance.

Remuneration and remuneration recommendations for the Raiffeisen banks

The Board of Directors of Raiffeisen Switzerland recommends that the Raiffeisen banks align their respective local remuneration systems to the recommendations made by Raiffeisen Switzerland.

Raiffeisen Switzerland advises the Raiffeisen banks and supports them in structuring and implementing their local remuneration systems while preserving their own responsibility. The most important features of these recommendations are as follows:

The Raiffeisen banks are guided by the recommendations of Raiffeisen Switzerland and take the local market situation into account.

- Remuneration for employees of Raiffeisen banks may involve a fixed and a variable element. Members of the Board of Directors are ineligible to receive variable remuneration.
- Fixed remuneration is paid based on a clearly defined role and the employee's skills and knowledge, as in the Raiffeisen Switzerland model.
- According to the risk profile of Raiffeisen banks and their balanced business model, all remuneration (both fixed and variable) is provided in the form of non-deferred cash payments.
- Variable remuneration in excess of CHF 3,000 accrues pension credits in the Raiffeisen Pension Fund.
- The Board of Directors decides on the total sum of the variable remuneration, as well as on the individual allocation of the variable remuneration to the members and Chairman of the Executive Board.
- The recommended allocation mechanism does not give employees an incentive to take excessively high risks, as doing so cannot significantly increase remuneration.

Raiffeisen Switzerland performs a monitoring role in this process. It regularly reviews the structure and implementation of the local remuneration systems and works with the Raiffeisen banks to address any deviations in a clearly defined process.

Annual Financial Statements

In 2022 the Raiffeisen Group generated a very good result, with a Group profit of CHF 1.18 billion, 10.6% higher than the previous year. The increases in operating income were the primary contributor to this. The Group recorded a pleasing increase in the main pillar of income, interest operations. The gross result from interest operations increased by CHF 167.5 million (+7.0%) to CHF 2.6 billion. The result from commission business and service transactions rose by CHF 55.3 million year on year to CHF 591.4 million. The result from trading activities was also higher year on year at CHF 254.3 million (+4.0%).

Raiffeisen attributes this success to the strong performance in the client business. The Group recorded pleasing inflows into the mortgage business (+ CHF 7.3 billion). The pension and investment business remains on a growth trajectory and makes an important contribution to diversification of the business model. The proportion of neutral business in operating income has increased from 15.0% to 24.0% since 2010.

Raiffeisen has further strengthened its capital base. With capital (including loss-absorbing capital) amounting to CHF 23.1 billion, the risk-weighted TLAC ratio is 24.9% as at 31 December 2022.

Consolidated balance sheet

Consolidated balance sheet

in 1,000 CHF	Note	31.12.2021	31.12.2022	Change in 1,000 CHF	Change in %
Assets					
Liquid assets	18	57,274,981	35,441,687	−21,833,294	−38.1
Amounts due from banks	11, 18	3,245,470	2,196,525	−1,048,945	−32.3
Amounts due from clients	2, 18	9,995,698	10,909,398	913,700	9.1
Mortgage loans	2, 11, 18	196,359,631	203,655,910	7,296,279	3.7
Trading portfolio assets	3, 18	2,573,578	2,889,309	315,731	12.3
Positive replacement values of derivative financial instruments	4, 18	1,356,418	4,852,463	3,496,045	257.7
Financial investments	5, 11, 18	8,548,769	15,150,957	6,602,188	77.2
Accrued income and prepaid expenses		281,050	333,838	52,788	18.8
Non-consolidated participations	6, 7	724,113	808,198	84,085	11.6
Tangible fixed assets	8, 11	2,966,743	2,988,773	22,030	0.7
Intangible assets	9	–	6,531	6,531	n.a.
Other assets	10	1,162,723	1,401,034	238,311	20.5
Total assets		**284,489,174**	**280,634,623**	**−3,854,551**	**−1.4**
Total subordinated claims		20,010	80	−19,930	−99.6
of which subject to mandatory conversion and/or debt waiver		–	–	–	–
Liabilities					
Amounts due to banks	11, 18	15,912,232	13,990,326	−1,921,906	−12.1
Liabilities from securities financing transactions	1, 18	7,450,837	35,007	−7,415,830	−99.5
Amounts due in respect of customer deposits	12, 18	201,728,997	204,784,635	3,055,638	1.5
Trading portfolio liabilities	3, 18	156,043	289,112	133,069	85.3
Negative replacement values of derivative financial instruments	12, 4, 18	1,616,304	3,761,882	2,145,578	132.7
Liabilities from other financial instruments at fair value	3, 13, 18	2,229,268	1,740,581	−488,687	−21.9
Cash bonds	18	284,174	209,795	−74,379	−26.2
Bond issues and central mortgage institution loans	13, 14, 18	34,061,815	32,002,456	−2,059,359	−6.0
Accrued expenses and deferred income	12	831,686	916,710	85,024	10.2
Other liabilities	10	151,825	1,330,579	1,178,754	776.4
Provisions	15	933,064	947,142	14,078	1.5
Reserves for general banking risks	15	200,000	200,000	–	–
Cooperative capital	16	2,692,104	3,069,889	377,785	14.0
Retained earnings reserve		15,218,568	16,221,420	1,002,852	6.6
Currency translation reserve		11	–	−11	−100.0
Group profit		1,068,790	1,181,898	113,108	10.6
Total equity (without minority interests)		**19,179,473**	**20,673,207**	**1,493,734**	**7.8**
Minority interests in equity		−46,544	−46,809	−265	0.6
of which minority interests in Group profit		24,184	−118	−24,302	−100.5
Total equity (with minority interests)		**19,132,929**	**20,626,398**	**1,493,469**	**7.8**
Total liabilities		**284,489,174**	**280,634,623**	**−3,854,551**	**−1.4**
Total subordinated liabilities		2,275,351	2,605,250	329,899	14.5
of which subject to mandatory conversion and/or debt waiver		2,275,351	2,605,250	329,899	14.5
Off-balance-sheet transactions					
Contingent liabilities	2, 20	708,793	668,421	−40,372	−5.7
Irrevocable commitments	2	12,561,717	13,436,347	874,630	7.0
Obligations to pay up shares and make further contributions	2	121,789	133,966	12,177.0	10.0

Consolidated income statement

Consolidated income statement

in 1,000 CHF	Note	2021	2022	Change in 1,000 CHF	Change in %
Interest and discount income	26	2,632,215	3,017,173	384,958	14.6
Interest and dividend income from financial investments		25,306	39,873	14,567	57.6
Interest expense	26	−255,621	−487,668	−232,047	90.8
Gross result from interest operations		**2,401,900**	**2,569,378**	**167,478**	**7.0**
Changes in value adjustments for default risks and losses from interest operations	15	12,141	−19,565	−31,706	−261.1
Net result from interest operations		**2,414,041**	**2,549,813**	**135,772**	**5.6**
Commission income from securities trading and investment activities		406,112	394,947	−11,165	−2.7
Commission income from lending activities		28,706	30,617	1,911	6.7
Commission income from other services		227,845	320,531	92,686	40.7
Commission expense		−126,589	−154,743	−28,154	22.2
Result from commission business and service transactions	**23**	**536,074**	**591,352**	**55,278**	**10.3**
Result from trading activities and the fair value option	**24**	**244,630**	**254,314**	**9,684**	**4.0**
Result from disposal of financial investments		69,933	685	−69,248	−99.0
Income from participations	25	73,314	92,980	19,666	26.8
Result from real estate		20,804	23,121	2,317	11.1
Other ordinary income		26,844	26,629	−215	−0.8
Other ordinary expenses		−2,206	−9,835	−7,629	345.8
Other result from ordinary activities		**188,689**	**133,580**	**−55,109**	**−29.2**
Operating income		**3,383,434**	**3,529,059**	**145,625**	**4.3**
Personnel expenses	27	−1,391,710	−1,429,006	−37,296	2.7
General and administrative expenses	28	−502,966	−543,027	−40,061	8.0
Operating expenses		**−1,894,676**	**−1,972,033**	**−77,357**	**4.1**
Value adjustments on participations and depreciation and amortisation of tangible fixed assets and intangible assets	6, 8, 9	−217,376	−188,822	28,554	−13.1
Changes to provisions and other value adjustments, and losses	15	−3,110	−14,076	−10,966	352.6
Operating result		**1,268,272**	**1,354,128**	**85,856**	**6.8**
Extraordinary income	29	8,589	33,592	25,003	291.1
Extraordinary expenses	29	−895	−9,782	−8,887	993.0
Taxes	30	−182,992	−196,158	−13,166	7.2
Group profit (including minority interests)		**1,092,974**	**1,181,780**	**88,806**	**8.1**
Minority interests in group profit		24,184	−118	−24,302	−100.5
Group profit		**1,068,790**	**1,181,898**	**113,108**	**10.6**

Consolidated cash flow statement

Consolidated cash flow statement

	2021		2022	
in 1,000 CHF	Cash inflow	Cash outflow	Cash inflow	Cash outflow
Cash flow from operating results (internal financing)				
Group profit	1,068,790	–	1,181,898	–
Value adjustments on participations	3,729	–	2,093	–
Depreciation and amortisation of tangible fixed assets and intangible assets	206,560	–	186,730	–
Provisions and other value adjustments	94,119	128,552	49,790	35,712
Change in value adjustments for default risks and losses	556,573	92,601	88,867	82,694
Appreciation on participations	7,597	48,675	–	58,593
Accrued income and prepaid expenses	–	435	–	52,788
Accrued expenses and deferred income	–	33,012	85,024	–
Interest paid on share certificates for previous year	–	65,119	–	67,113
Balance	**1,568,974**	**–**	**1,297,502**	**–**
Cash flow from shareholder's equity transactions				
Change in cooperative capital	255,591	82,962	474,601	96,816
Recognised in retained earnings reserve	–	440,819	1,175	–
Currency translation differences	–	1	–	11
Minority interests in equity	23,999	–	–	265
Balance	**–**	**244,192**	**378,684**	**–**
Cash flow from transactions in respect of participations, tangible fixed assets and intangible assets				
Participations	45	3,545	2,687	29,295
Real estate	14,164	139,047	65,608	195,374
Software/other tangible fixed assets/objects in finance leasing	680	61,250	883	87,033
Intangible assets	–	–	–	7,536
Changes to the consolidated Group	–	–	8,161	977
Balance	**–**	**188,953**	**–**	**242,876**
Cash flow from banking operations				
Amounts due to banks	5,353,549	–	–	1,921,906
Liabilities from securities financing transactions	3,270,010	–	–	7,415,830
Amounts due in respect of customer deposits	11,304,409	–	3,055,638	–
Trading portfolio liabilities	8,150	–	133,069	–
Negative replacement values of derivative financial instruments	–	482,223	2,145,578	–
Liabilities from other financial instruments at fair value	37,412	–	–	488,687
Cash bonds	–	69,397	–	74,379
Bonds	5,339,481	1,917,793	652,148	3,990,406
Central mortgage institution loans	2,640,700	1,391,900	2,735,500	1,456,601
Other liabilities	51,490	–	1,178,754	–
Amounts due from banks	793,015	–	1,048,800	–
Amounts due from clients	18,264	–	–	906,349
Mortgage loans	–	6,479,731	–	7,309,482
Trading portfolio assets	470,714	–	–	315,731
Positive replacement values of derivative financial instruments	288,884	–	–	3,496,045
Financial investments	279,032	–	–	6,602,364
Other assets	–	36,119	–	238,311
Liquid assets	–	20,613,776	21,833,294	
Balance	**–**	**1,135,829**	**–**	**1,433,310**
Total origin of funds	**1,568,974**	**–**	**1,676,186**	**–**
Total use of funds	**–**	**1,568,974**	**–**	**1,676,186**

Consolidated statement of changes in equity

Statement of changes in equity

in 1,000 CHF	Cooperative capital	Retained earnings reserve	Reserves for general banking risks	Currency translation differences	Minority interests	Profit	Total
Equity capital at 01.01.2022	**2,692,104**	**15,218,568**	**200,000**	**11**	**–46,544**	**1,068,790**	**19,132,929**
Capital increase	474,601	–	–	–	–	–	474,601
Capital decrease	–96,816	–	–	–	–	–	–96,816
Changes in minority interests	–	–	–	–	–147	–	–147
Changes to the consolidated Group	–	1,175	–	–	–	–	1,175
Currency translation differences	–	–	–	–11	–	–	–11
Interest on the cooperative capital	–	–	–	–	–	–67,113	–67,113
Allocation to voluntary retained earnings reserves	–	1,001,677	–	–	–	–1,001,677	–
Profit	–	–	–	–	–118	1,181,898	1,181,780
Equity capital at 31.12.2022	**3,069,889**	**16,221,420**	**200,000**	**–**	**–46,809**	**1,181,898**	**20,626,398**

Notes to the Consolidated Annual Financial Statements

Trading name, legal form, registered office

The Raiffeisen Group is a banking group without legal personality. It comprises 220 independent Raiffeisen banks in the legal form of a cooperative, as well as Raiffeisen Switzerland as cooperative association – domiciled in St. Gallen – and the associated Group companies.

Risk management

The Raiffeisen banks and Raiffeisen Switzerland form a risk-sharing group through their solidarity-based and joint liability scheme.

Risk policy

Risk management systems are based on regulatory provisions, regulations governing risk policy for the Raiffeisen Group ("risk policy" for short) and the framework and framework concepts for institution-wide risk management. The risk policy, the framework and the framework concepts are reviewed and updated annually. The Raiffeisen Group views entering into risks as one of its core competencies. Risks are only entered into with full knowledge of their extent and dynamics, and only when the requirements in terms of systems and staff resources are met. The objectives of the risk policy are to limit the negative impact of risks on earnings and protect the Raiffeisen Group against high, exceptional losses, as well as to preserve and enhance its reputation. The Raiffeisen Group's risk management is based on the three-lines-of-defence principle: risks are managed by the line units responsible (first line). The Risk & Compliance department ensures that the risk policy and regulatory provisions are complied with and enforced (second line). Internal Auditing ensures the independent review of the risk management framework (third line).

Risk control

The Raiffeisen Group limits and monitors the main risk categories via risk guidelines. Appropriate limits are used for quantifiable risks. Risks that are difficult to quantify are limited by qualitative stipulations.

The Risk & Compliance department of Raiffeisen Switzerland is responsible for the independent monitoring of risk in the Raiffeisen Group. This primarily involves monitoring compliance with the limits and warning thresholds stipulated by the Board of Directors and the Executive Board. The Risk & Compliance department also assesses the risk situation on a regular basis as part of the reporting process.

Monitoring of the subsidiaries is tailored to the relevant risk profiles. These are periodically reviewed. Raiffeisen Switzerland monitors the minimum risk management requirements. There is a periodic exchange with the risk control owners.

Raiffeisen conducts various regular stress tests to analyse the impact of adverse scenarios on the resilience of the Bank. This involves examining the influence on important target values, such as profit, capital requirements and liquidity. The stress test analyses are carried out at the overall Bank level or at the level of certain sub-portfolios or risk categories. Moreover, as a systemically important Bank, Raiffeisen carries out reverse stress tests for the Raiffeisen Group as part of its stabilisation and emergency planning.

Conducting stress tests is an integral part of risk monitoring at Raiffeisen. The Board of Directors of Raiffeisen Switzerland determines the risk appetite on the basis of the stress test at Group level.

Risk management process

The risk management process applies to all risk categories, i.e. credit, market, liquidity and operational risks. It includes the following elements:

- Risk identification
- Risk measurement and assessment
- Risk management
- Risk monitoring and reporting

Raiffeisen Group's risk management systems aim to:

- ensure that effective controls are in place at all levels and to ensure that any entering into risks is in line with the risk tolerance;
- create the conditions for entering into and systematically managing risks in a deliberate, targeted and controlled manner;
- make the best possible use of risk tolerance, i.e. ensure that risks are only entered into if they offer suitable return potential.

Credit risks

The business units of the Raiffeisen banks and of Raiffeisen Switzerland manage their credit risk autonomously, although still in accordance with Group-wide standards.

Credit risks are defined in the risk policy as the risk of losses that arise if clients or other counterparties fail to make contractually agreed payments to the extent expected. Credit risks are inherent in loans, irrevocable credit commitments, contingent liabilities and trading products such as OTC derivative contracts. Risks also arise from taking on long-term equity exposures.

The Raiffeisen Group identifies, assesses, manages and monitors the following risks in its lending activities:

- Counterparty risk
- Collateral risk
- Concentration risk
- Country risk

Counterparty risks result when a debtor or counterparty defaults. A debtor or counterparty is considered to be in default when receivables are overdue or at risk.

Collateral risks refer to impairments in the value of collateral.

Concentration risks in credit portfolios arise from the unfavourable distribution of credit receivables originating from individual borrowers, sectors, regions, rating classes and collateral.

Country risk is the risk of losses resulting from country-specific events.

Retail banking in Switzerland is the Raiffeisen Group's core business. The main component of this is financing for loans secured by mortgages.

For the individual Raiffeisen banks, the main risks are counterparty, collateral and concentration risk. The majority of these risks result from loans granted to private and corporate clients and public-sector entities. Corporate clients are mainly small and medium-sized companies that operate within the business areas of Raiffeisen banks. Credit risks are limited primarily by securing the underlying claims. This notwithstanding, creditworthiness and solvency are key prerequisites for the granting of loans. Raiffeisen banks are limited in the acceptance of credit risks arising from uncovered transactions for corporate clients; uncovered loans to corporate clients exceeding a defined amount must be approved and hedged by Raiffeisen Switzerland. The maximum unsecured loan amount is limited and depends on the level of the bank's capital. Uncovered loans to private clients are generally not possible, or only in exceptional cases with the prior approval of Raiffeisen Switzerland.

Larger loans to corporate clients and public-sector entities are primarily managed by Raiffeisen Switzerland's Corporate Clients, Treasury & Markets department. Unsecured loans exceeding a defined amount are additionally checked by the Raiffeisen Switzerland Credit Office. Concentration risks as part of the credit process are reviewed and acknowledged.

The Group-wide responsibilities of the Corporate Clients, Treasury & Markets department involve managing both domestic and international counterparty risks. These risks occur in transactions such as wholesale funding in the money and capital markets, as well as the hedging of currency, fluctuating interest rate and proprietary trading risks. In principle, international transactions may only be conducted when country-specific limits have been approved and established.

Pursuant to the Articles of Association, Raiffeisen Switzerland's commitments abroad may not exceed 5% of the consolidated Raiffeisen Group balance sheet total on a risk-weighted basis.

Internal and external ratings are used as a basis for approving and monitoring business with commercial banks. Off-balance-sheet transactions and derivative financial instruments are converted to their respective credit equivalent. The standard SA-CCR approach is applied when calculating the credit equivalents of derivative financial instruments. Raiffeisen Switzerland has entered into framework agreements for OTC derivative transactions (the Swiss or ISDA master agreement) with the counterparties of the Corporate Clients, Treasury & Markets department with whom OTC derivative transactions are executed and, depending on the counterparty, a credit support annex for variation margin. Collateral is exchanged by transferring the margin requirement, which is calculated daily. These OTC exposures are monitored, taking into account the collateral exchanged.

Raiffeisen Switzerland has invested in other companies as part of strategic cooperation partnerships. Details are provided in the information on the balance sheet contained in Note 7.

Creditworthiness and solvency are assessed on the basis of binding Group-wide standards. Sufficient creditworthiness and the ability to maintain payments must be proved before any loan is approved. Loans to private and corporate clients, as well as investment property financing, are classified according to rating models and subject to risk monitoring based on the resulting classification. Clients' creditworthiness is split into 11 risk categories and two default categories.

This system has proved its worth as a means of dealing with the main elements of credit risk management, i.e. risk-adjusted pricing, portfolio management, identification and recognition of individual value adjustments. Specialist teams are available at Raiffeisen Switzerland for complex financing arrangements and the management of recovery positions.

Comprehensive internal sets of rules exist for valuing collateral for loans, especially for determining the loan-to-value ratios; they prescribe the corresponding methods, procedure and competencies. The sets of rules are constantly reviewed and adjusted to regulatory requirements and market changes. The Bank employs recognised estimation methods, tailored to the type of property, to value property loans secured by security interests in land. Hedonic models, the gross rental method and expert estimates are used, among other things. Both the models used and the individual valuations are reviewed regularly. The maximum lending amount for any property loan secured by security interests in land varies depending on the realisability of the collateral and is affected by the type and form of use.

Raiffeisen analyses loan positions for default risk at regular intervals and/or in response to certain events and recognises value adjustments and/or loan loss provisions as needed. The Bank considers loans to be impaired when it becomes unlikely that debtors will be able to meet their future obligations or the loan is no longer covered by the intrinsic value of any collateral, but at the very latest when the contractual principal, interest or commission payments are more than 90 days overdue. Provisions are recognised for the full amount of the interest and commission payments.

Raiffeisen Switzerland monitors, controls and manages risk concentrations within the Group, in particular for individual counterparties and for groups of affiliated counterparties, as well as for sectors and collateral. The process of identifying and consolidating affiliated counterparties is largely automated across the entire Raiffeisen Group. Raiffeisen Switzerland monitors the credit portfolio on a Group-wide basis and evaluates the portfolio structure. A periodic credit portfolio report provides the decision-makers responsible with information on the economic environment, the structure of the credit portfolio, the risk situation and developments in the period under review.

Monitoring the portfolio structure involves analysing the distribution of the portfolio according to a range of structural characteristics, including, without limitation, category of borrower, type of loan, size of loan, rating, sector, collateral, geographical features and value adjustments. The Executive Board and the Board of Directors of Raiffeisen Switzerland receive a quarterly risk report detailing the risk situation, risk exposure, limit utilisation and changes in exception-to-policy loans. In addition to standard credit portfolio reporting, Raiffeisen Switzerland's Risk & Compliance department also conducts ad hoc risk analyses where required. Monitoring and reporting form the basis for portfolio controlling measures, with the main focus being on controlling new business via lending policy.

Cluster risks are monitored centrally by the Risk & Compliance department of Raiffeisen Switzerland. As at 31 December 2022, the Raiffeisen Group had two cluster risks with cumulative total exposures (after risk mitigation and risk weighting) of CHF 43.8 billion. This relates to counterparties that are exempt from the requirement to comply with the statutory limit.

For the regulatory reporting of the 20 largest overall exposures of the Raiffeisen Group, two counterparties with a cumulative exposure (after risk mitigation and risk weighting) of CHF 1.3 billion were reportable owing to the prescribed threshold (2% of the capital valuation basis).

Market risks

Banking book
Risk associated with fluctuating interest rates: since interest rates for assets and liabilities are locked in for different periods, fluctuations in market interest rates can have a considerable impact on the interest income and annual results of Raiffeisen Group. Value at risk is calculated along with interest rate sensitivity in various interest rate shock scenarios in order to assess the assumed interest rate risk to the net present value of the equity capital. The impact on profitability is assessed using dynamic income simulations. To measure mark-to-market risk, a gap analysis is performed using all on-balance-sheet and off-balance-sheet items along with their maturities. Loans and deposits with non-fixed maturities and capital commitment periods are modelled on the basis of historical data and forward-looking scenarios. These models are backtested at least once a year and undergo regular independent validation. No specific assumptions are made for early loan repayments because early repayment penalties are normally levied.

Risk associated with fluctuating interest rates is managed on a decentralised basis in the business units responsible, with the persons responsible in each case being required to strictly adhere to the limits set by the Board of Directors and the Executive Board. Interest rate risks are hedged using established instruments. The Corporate Clients, Treasury & Markets department is the binding counterparty concerning wholesale funding and hedging transactions for the entire Group. The Risk & Compliance department monitors compliance with interest risk limits and prepares the associated quarterly reports, while also assessing the Raiffeisen Group's risk situation. Monitoring and reporting is conducted more frequently for individual units.

Other market risks: since assets in a foreign currency are generally refinanced in the same currency, foreign currency risks can largely be avoided by the Raiffeisen banks.

The financial investment portfolio is managed by the Corporate Clients, Treasury & Markets department. Financial investments are part of the liquidity reserve of the Raiffeisen Group and contain largely high-grade fixed-income securities that meet statutory liquidity requirements for high-quality liquid assets (HQLA). The Risk & Compliance department monitors the market risk of financial investments.

Trading book

The Corporate Clients, Treasury & Markets department is responsible for managing Raiffeisen Switzerland's trading book. Neither the Raiffeisen banks nor the branches of Raiffeisen Switzerland keep trading books. Trading activities comprise interest rates, currencies, equities and banknotes/precious metals. In addition, the Structured Products business of Raiffeisen Switzerland B.V. Amsterdam is being allocated to the trading book. There must be strict adherence to the value-at-risk, scenario, position and loss limits set by the Board of Directors and the Executive Board, which the Risk & Compliance department monitors on a daily basis. In addition, the Risk & Compliance department conducts daily plausibility checks of the valuation parameters used to produce profit and loss figures for trading.

Reporting on compliance with value-at-risk, scenario, position and loss limits and the assessment of the risk situation by the Risk & Compliance department is conducted at a frequency ranging from daily to quarterly and sent to the members of the Executive Board responsible, the Executive Board and the Board of Directors of Raiffeisen Switzerland.

The Risk & Compliance department communicates breaches of market risk limits set by the Board of Directors and the Executive Board on an ad hoc basis within the scope of the respective risk reports.

Liquidity risks

Liquidity risks are managed centrally for the Raiffeisen Group by the Corporate Clients, Treasury & Markets department in accordance with applicable laws, regulations and commercial criteria and are monitored by Risk & Compliance. Risk management involves, in particular, simulating liquidity inflows and outflows over different time horizons using Group-wide scenarios. These scenarios cover the impact of liquidity shocks that are specific to Raiffeisen or affect the market as a whole.

Monitoring is based on statutory minimum requirements and the limits and internal stress scenarios stipulated by the Board of Directors.

Operational risks

Raiffeisen takes operational risks to mean the danger of losses arising as a result of the unsuitability or failure of internal procedures, people or systems, or as a result of external events. They also include risks relating to cyber attacks and information security, as well as risks in investment activity in general. Consequences for compliance and Raiffeisen's reputation are also considered in addition to the financial impact.

Operational risk appetite and tolerance is defined at Group level using value-at-risk limits or stop-loss limits and frequencies of occurrence. Risk appetite and tolerance is approved annually by the Board of Directors of Raiffeisen Switzerland. The Risk & Compliance department monitors compliance with risk tolerance. If one of the defined limits or a threshold is exceeded, measures are defined and implemented.

Each role within the Raiffeisen Group includes identifying, assessing, managing and monitoring operational risk arising from its own activities. The Risk & Compliance department is responsible for maintaining the Group-wide inventory of operational risks and for analysing and evaluating operational risk data. Risk identification and assessment are supported by capturing and analysing operational events. Risk & Compliance is also in charge of the concepts, methods and instruments used to manage operational risks, and monitors the risk situation. In specific risk assessments, operational risks are identified, categorised by cause and impact, and evaluated according to the probability of occurrence and the extent of losses. The risk register is updated dynamically. Risk reduction measures are defined and their implementation is monitored by the line units. Emergency and catastrophe planning precautions are taken for business-critical processes.

The results of the risk assessments, key risk indicators, significant internal operational risk events and relevant external events are reported quarterly to Raiffeisen Switzerland's Executive Board and Board of Directors. Value-at-risk limit violations are escalated to the Board of Directors of Raiffeisen Switzerland.

In addition to the standard risk management process, Risk & Compliance conducts ad hoc risk analyses where required, analyses any loss events that arise and maintains close links with other organisational units that, as a result of their function, come into contact with information on operational risks within the Raiffeisen Group.

The Raiffeisen banks conduct an analysis of the operational risk situation via assessments at least once a year. These analyses are approved by the Board of Directors of each bank and forwarded to Risk & Compliance.

In the context of operational risks in investment activity, compliance with the investment guidelines for asset management mandates, model portfolios used in investment advice as well as index-tracking funds is monitored independently in the Risk & Compliance department. The relevant key risk indicators are reported to the Raiffeisen Switzerland Board of Directors on a quarterly basis.

Each year the Risk & Compliance department prepares a risk profile of the legal and compliance risks (including an assessment of market conduct risks and a risk analysis for the prevention of money laundering). It then derives a plan of action on risk from this, which is approved by the Executive Board with information passed to the Board of Directors, and is subsequently implemented.

The Risk & Compliance department reports on significant changes in legal and compliance risks to the Executive Board and the Risk Committee of Raiffeisen Switzerland's Board of Directors on a quarterly basis. In addition, twice a year the activities of the Compliance function are reported to the Executive Board, the Risk Committee of the Board of Directors and, once a year, to the full Board of Directors.

Environmental risks

Raiffeisen collects the appropriate risk indicators at Group level to monitor risks arising from ESG factors. Scenario calculations are also carried out specifically for climate-related risks. Both the risk indicators and the results of the scenario calculations for climate-related risks are reported annually to the Board of Directors.

Disclosure of climate-related financial risks

FINMA requires banks and insurance companies to disclose information on the management of climate-related financial risks in the context of Circular 2016/1. Climate-related financial risks refer to the consequences of climate change that may pose significant financial risks for financial institutions in the longer term.

Raiffeisen publishes climate-related information, including any climate-related financial risks, comprehensively in the separate supplement to the annual report entitled "Disclosure of climate-related information according to the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)", which can be viewed and downloaded at report.raiffeisen.ch/en-downloads.

Regulatory provisions

According to a FINMA ruling, the Raiffeisen banks are exempt from complying with the rules regarding capital adequacy, risk diversification and liquidity on an individual basis. The relevant legal provisions must be complied with on a consolidated basis.

The Swiss National Bank (SNB) classified the Raiffeisen Group as systemically important for the purposes of the Swiss Banking Act in a ruling issued on 16 June 2014.

The Raiffeisen Group has opted for the following approaches when calculating capital requirements:

Credit risks

The Raiffeisen Group has been applying the model approach based on internal ratings (Foundation IRB approach, "F-IRB") to calculate its capital requirements for credit risks. In the case of positions for which a model-based approach is not possible, the calculation of the required capital for credit risks continues to be carried out according to the standardised approach (SA-BIS). External issuer/issue ratings from three FINMA-recognised rating agencies are used for the following client categories: sovereigns and central banks, public-sector entities, banks and securities traders, as well as corporates. Issuer/issue ratings from an export insurance agency are also taken into consideration for central governments; however, rating agency ratings take precedence over ratings issued by the export insurance agency. No changes were made to the rating or export insurance agencies used in the year under review.

Positions for which external ratings are used are found chiefly under the following balance sheet items:

- Amounts due from banks
- Amounts due from clients
- Financial investments
- Positive replacement value

FINMA gave Raiffeisen permission to use the F-IRB approach to calculate its capital requirements for credit risks as of 30 September 2019. As so often with these kinds of rollouts, the changeover has to meet certain transitional floor requirements. Essentially, the risk-weighted assets calculated using the IRB model approach must not fall below a specified floor (calculated relative to the standardised approach, or SA-BIS). The IRB floor of 80% as determined by national rules has applied since 30 September 2022.

Market risks

The capital requirements for market risk are calculated using the standard approach under supervisory law. Within this framework, the duration method is applied for general market risk with regard to interest rate instruments, while the delta-plus approach is applied for capital requirements for options.

Operational risks

The Raiffeisen Group applies the basic indicator approach to calculate capital requirements for operational risks.

Methods applied to identify default risks and to establish the required value adjustment

Mortgage-secured loans

Default risks and the probabilities of default of loan positions are reviewed regularly based on the collateral (see also the section "Value of collateral"). In addition to the value of the collateral, the Bank also constantly reviews the debtor creditworthiness by monitoring outstanding payments in the case of interest and repayments. This allows the Bank to identify mortgage-secured loans associated with higher risks. These loans are subsequently reviewed in detail by credit specialists. Raiffeisen Switzerland's Recovery department is involved in certain cases. Additional collateral may be requested or a value adjustment recognised based on the missing collateral (see also the section entitled "Steps involved in determining value adjustments and provisions").

Loans against securities

The Bank monitors the commitments and value of the pledged securities on a daily basis. If the collateral value of the pledged securities falls below the loan commitment amount, the Bank will consider reducing the loan amount or request additional collateral. If the shortfall widens or if market conditions are unusual, the collateral will be realised and the loan settled. If the realisation proceeds are not sufficient to meet the amount outstanding, value adjustments are recognised accordingly.

Unsecured loans

Unsecured loans are generally business loans to corporate clients, loans to public-sector entities or unsecured account overdrafts of private clients amounting to a maximum of one month's income. For corporate clients and public-sector entities, the volume of unsecured loans is limited by corresponding requirements and limits.

For unsecured operating loans, the Bank asks the client to provide information that can be used to assess the state of the company's finances. This information is requested annually or more frequently if necessary. This information is assessed and any increased risks are identified. If the risks are higher, the Bank will conduct a detailed assessment and work with the client to define appropriate measures. If the loan commitment is determined to be at risk in this phase, a value adjustment will be recognised.

Steps involved in determining value adjustments and provisions

The steps described under "Mortgage loans", "Loans against securities" and "Unsecured loans" are used to identify the need to recognise a value adjustment and/or provision on impaired positions. Furthermore, assets previously identified as being at risk are reassessed quarterly. The value adjustment is updated if needed.

Value adjustments and provisions for expected losses on unimpaired positions are also recognised in accordance with the FINMA Accounting Ordinance.

Expected losses are calculated based on the probabilities of default and loss estimates from the internal risk models used. For methods, data and more information, please refer to the Regulatory Disclosure under FINMA Circular 2016/1 (in particular, to the table entitled "CRE: IRB – disclosures related to models"). When determining expected losses under the FINMA Accounting Ordinance, the following differences apply in comparison to the regulatory calculations (IRB approach):

- no regulatory floors (e.g. on PD or LGD) are used;
- instead of the one-year probability of default (including conservatism and stress allowances), a residual term approach and hence a lifetime probability of default is taken into consideration. For fixed-term products, the residual term in the individual product agreements is used. For products without a fixed term, a minimum term of one year is used.
- Not all stress premiums are taken into consideration when determining the lifetime probability of default.
- For positions not measured with internal risk models, provisioning is determined by means of expert estimates.

The Board of Directors of Raiffeisen Switzerland has set the parameters for using value adjustments and provisions for expected losses without immediately replenishing them in the event of a crisis. Any use of existing value adjustments and provisions for expected losses is reviewed and submitted to the relevant bodies for approval if new individual value adjustments for impaired positions recognised in a reporting period exceed half of the balance of value adjustments and provisions for expected losses as at 31 December of the previous year. Impairments and provisions for expected losses used should be replenished as soon as possible and no more than five years after the end of the crisis.

In the period under review, no value adjustments or provisions for expected losses were applied without replenishing them immediately. Value adjustments and provisions for expected losses are not underfunded.

Value of collateral

Mortgage-secured loans

An up-to-date valuation of the underlying collateral is available for every mortgage-secured loan. The valuation method varies depending on property type and use.

The Bank values single-family homes, two-family homes, three-family homes, owner-occupied apartments, holiday homes and holiday apartments using the real value method and a hedonic pricing model. The hedonic regression model compares the price with similar property transactions based on detailed characteristics of the property in question. The Bank relies on region-specific property price information supplied by an external provider. The bank uses the valuations to update the property value periodically or on an ad hoc basis.

For multi-family units, public/private properties, commercial/industrial properties and special-purpose properties, the value of the property is calculated based on the income capitalisation method, which is based on long-term rental income. This model also takes into account market data, location information and vacancy rates. Rental income is reviewed periodically and on an ad hoc basis when there are indications of significant changes in the level of rental income or vacancies. The Bank updates valuations periodically or as required by events.

For agricultural properties, the maximum loan-to-value ratio under the Swiss Rural Land Rights Act applies.

In addition, Raiffeisen Switzerland's appraisal unit or external accredited assessors must be involved if a property's collateral value exceeds a certain amount or if a property has specific risk features. The liquidation value is also calculated in the event of impaired loans/receivables.

When financing property purchases or financing properties following a change of ownership, the lower of cost or market value principle generally applies. The lower of collateral value or purchase price is taken as the collateral value. This principle applies to all types of property for at least 24 months from the change of ownership. It does not apply for increases in loans where the amount of the increase to invest in adding to the value of the collateral property is taken into account. Derogation from the lower of cost or market value principle is possible in instances where ownership changes hands at preferential prices between economically and/or legally related individuals or legal entities.

Loans against securities

The Bank primarily accepts transferable, liquid and actively traded financial instruments (such as bonds and equities) as collateral for Lombard loans and other loans against securities. The Bank also accepts transferable structured products for which there is regular share price information and a market maker.

The Bank discounts market values to account for the market risk associated with marketable securities and to determine the collateral value. The settlement period for structured products and products with a long remaining term may be considerably longer, so they are discounted more heavily than liquid instruments. Discounts on life insurance policies or guarantees are dictated by the product.

Business policy on the use of derivative financial instruments and hedge accounting

Business policy on the use of derivative financial instruments

Derivative financial instruments are used for trading and hedging purposes.

Derivative financial instruments are only traded by specially authenticated traders. Raiffeisen trades standardised and OTC instruments for its own and clients' accounts, particularly interest and currency instruments, equity/index securities and commodities.

Hedges in the banking book are created by means of internal deposits and loans with the trading book; the Treasury and Structured Products & FX Advisory units do not take out hedges directly in the market. Hedges in the trading book are largely executed through offsetting trades with external counterparties.

The Raiffeisen banks trade or hedge derivative financial instruments as a commission agent solely to meet clients' needs.

Use of hedge accounting

The Raiffeisen banks do not use hedge accounting in the meaning of the financial reporting regulations.

Types of hedged items and hedging instruments

Raiffeisen Switzerland uses hedge accounting predominantly for the following types of transactions:

Underlying transaction	Hedged using
Risks associated with fluctuating interest rates from interest-rate-sensitive receivables and liabilities in the banking book	Interest rate and currency swaps
Price risk of foreign currency positions	Currency future contracts

Composition of the groups of financial instruments

Interest-rate-sensitive positions in the banking book are grouped into various time bands by currency and hedged accordingly using macro hedges. Macro hedges are risk-minimising hedging transactions across the entire portfolio. The Bank also uses micro hedges.

Economic connection between hedged items and hedging instruments

At the time a financial instrument is classified as an hedging item, Raiffeisen Switzerland documents the relationship between the hedging instrument and the hedged item. The documentation covers things such as the risk management goals and strategy for the hedging instrument and the methods used to assess the effectiveness of the hedge. Effectiveness testing constantly and prospectively assesses the economic relationship between the hedged item and the hedging instrument by actions such as measuring offsetting changes in the value of the hedged item and the hedging instrument and determining the correlation between these changes.

Effectiveness testing

A hedge is deemed to be highly effective if the following criteria are essentially met:

- The hedge is determined to be highly effective both at inception and on an ongoing basis (micro hedges).
- There is a close economic connection between the hedged item and the hedging instrument.
- The changes in the value of the hedged item offset changes in the value of the hedging instrument with respect to the hedged risk.

Ineffectiveness

When entered into, hedging transactions are effective over the entire term. If a hedge no longer meets the effectiveness criteria over time, it is treated as a trading portfolio asset and any gain or loss from the ineffective part is recognised in the income statement.

Consolidation, accounting and valuation principles

General principles

Accounting, valuation and reporting conform to the requirements of the Swiss Code of Obligations, the Swiss Federal Act on Banks and Savings Banks (plus the related ordinance) and the FINMA Accounting Ordinance (FINMA AO) as well as FINMA Circular 2020/1 "Accounting – banks". The detailed positions shown for a balance sheet item are valued individually. The consolidated annual financial statements represent a true and fair view of the Raiffeisen Group's assets, finances and earnings.

Consolidation principles

General

The consolidation of the banking institutions that make up the Raiffeisen Group, Raiffeisen Switzerland and the Group companies associated with it differs fundamentally from conventional consolidation based on a holding company structure. The individual Raiffeisen banks, as owners of Raiffeisen Switzerland, function as parent companies. Raiffeisen Switzerland is legally a subsidiary even though it acts as the central coordinator, liquidity pool and safety net. The management and regulatory powers of Raiffeisen Switzerland are governed by its Articles of Association and the regulations based on the latter. Consolidation is not based on Raiffeisen Switzerland as a parent company, but represents an aggregation of the annual financial statements of the Raiffeisen banks and the participations held in the Raiffeisen Group. The equity capital in the Consolidated Annual Financial Statements is thus the total of the cooperative capital of the individual Raiffeisen banks.

Scope of consolidation and consolidation method

The consolidated accounts of the Raiffeisen Group comprise the annual financial statements of the individual Raiffeisen banks, Raiffeisen Switzerland and major Group companies in which the Group directly or indirectly holds more than 50% of the voting shares. Consolidation may be waived for Group companies that are immaterial for the purposes of financial reporting and the risk situation. We refer in this respect to the section entitled "Non-consolidated participations". The fully consolidated Group companies and the shareholdings valued according to the equity method are listed in note "Companies in which the Bank holds a permanent direct or indirect significant participation".

Under the full consolidation method, the assets and liabilities, off-balance-sheet transactions, and income and expenses are all recorded in full. Consolidation is carried out using the purchase method. All material amounts receivable and payable, off-balance-sheet transactions, and income and expenses between consolidated companies are offset. Any material intercompany profits that are generated are eliminated in the consolidation.

Minority participations of 20–50% are included in the Consolidated Financial Statements using the equity method. Participations of less than 20%, those with little materiality in terms of capital or income, and those of a non-strategic nature are not consolidated but are instead accounted for at acquisition cost less any operationally required value adjustments.

Consolidation cut-off date
The closing date for the annual financial statements of all consolidated companies is 31 December.

Accounting and valuation principles

Recording of business events
All business transactions that have been concluded by the balance sheet cut-off date are recorded on a same-day basis in the balance sheet and the income statement in accordance with the relevant valuation principles. Spot transactions that have been concluded but not yet settled are posted to the balance sheet on the trade date.

Foreign currencies
Assets and liabilities, as well as cash positions in foreign currencies, are converted at the exchange rate prevailing on the balance sheet cut-off date. Exchange rate gains and losses arising from this valuation are reported under the "Result from trading activities and the fair value option" item. Foreign currency transactions during the year are converted at the rate prevailing at the time the transaction was carried out.

If the annual financial statements of Group companies abroad are denominated in foreign currencies, the balance sheet and off-balance sheet are converted at the rates prevailing on the balance sheet cut-off date, while the income statement is converted at the average rate for the year. The conversion difference is recognised directly in equity capital as a currency translation difference with no impact on profit and loss.

Foreign currency conversion rates

	31.12.2021	31.12.2022
EUR	1.037	0.988
USD	0.912	0.925

Liquid assets and borrowed funds
These are reported at nominal value. Precious metal liabilities on metal accounts are valued at fair value if the relevant metal is traded on a price-efficient and liquid market.

Discounts and premiums on the Group's own bond issues and central mortgage institution loans are accrued over the period to maturity.

Amounts due from banks and clients, mortgage loans and value adjustment
These are reported at nominal value less any value adjustment required. Precious metal assets on metal accounts are valued at fair value if the relevant metal is traded on a price-efficient and liquid market. Interest income is reported on an accruals basis.

Receivables are deemed to be impaired where the Bank believes it improbable that the borrower will be able to completely fulfil their contractual obligations. Impaired loans – and any collateral that may exist – are valued on the basis of the liquidation value.

All leased objects are reported in the balance sheet as "Amounts due from clients" in line with the present-value method.

Individual value adjustments for impaired loans

Impaired loans are subject to provisions based on regular analyses of individual loan commitments, while taking into account the creditworthiness of the borrower, the counterparty risk and the estimated net realisable sale value of the collateral. If recovery of the amount receivable depends solely on the collateral being realised, full provision is made for the unsecured portion.

If a loan is impaired, it may be possible to maintain an available credit limit as part of a continuation strategy. If necessary, provisions for off-balance-sheet transactions are recognised for these kinds of unused credit limits. For current account overdrafts, which typically show high, frequent volatility over time, initial and subsequent provisions are recognised for the total amount (i.e. individual value adjustments for effective drawdowns and provisions for available limits) under "Changes in value adjustments for default risks and losses from interest operations. If drawdowns change, a corresponding amount is transferred between individual value adjustments and provisions in equity. Reversals of individual value adjustments or provisions are also recognised under "Changes in value adjustments for default risks and losses from interest operations".

Interest and related commissions that have been due for more than 90 days but have not been paid are deemed to be non-performing. In the case of current account overdrafts, interest and commissions are deemed to be non-performing if the specified overdraft limit has been exceeded for more than 90 days. Non-performing and impaired interest (including accrued interest) and commissions are no longer recognised as income but reported directly under value adjustments for default risks.

A receivable is written off at the latest when completion of the realisation process has been confirmed by legal title.

However, impaired loans are written back up in full, i.e. the value adjustment is reversed, if payments of outstanding principal and interest are resumed on schedule in accordance with contractual provisions and additional creditworthiness criteria are fulfilled.

Individual value adjustments for credit items are calculated per item on a prudential basis and deducted from the appropriate receivable.

Value adjustments for expected losses on unimpaired loans

Value adjustments for expected losses are recognised using a risk-based method and applying historical default parameters, bearing in mind the residual term (see "Steps involved in determining value adjustments and provisions" on page 155).

Receivables and liabilities from securities financing transactions

Securities lending and borrowing

Securities lending and borrowing transactions are reported at the value of the cash collateral received or issued, including accrued interest. Securities which are borrowed or received as collateral are only reported in the balance sheet if the Raiffeisen Group takes control of the rights associated with them. Securities which are loaned or provided as collateral are only removed from the balance sheet if the Raiffeisen Group forfeits the rights associated with them. The market values of the borrowed and loaned out securities are monitored daily to enable any additional collateral to be provided or requested as necessary. Fees received or paid under securities lending and repurchase transactions are booked to commission income or commission expenditure on an accruals basis.

Repurchase and reverse repurchase transactions

Securities purchased with an agreement to resell (reverse repurchase transactions) and securities sold with an agreement to buy back (repurchase transactions) are regarded as secured financing transactions and are recorded at the value of the cash collateral received or provided, including accrued interest.

Securities received and delivered are only recorded in/removed from the balance sheet if control of the rights which these securities include is acquired or transferred. The market values of the securities received or delivered are monitored daily so that any additional collateral can be provided or requested as necessary.

Interest income from reverse repurchase transactions and interest expense from repurchase transactions are accrued over the term of the underlying transaction.

Trading portfolio assets and trading portfolio liabilities

The trading portfolio assets and trading portfolio liabilities are valued and recognised at fair value. Positions for which there is no representative market are valued according to the lower of cost or market value principle. Both the gains and losses arising from this valuation and the gains and losses realised during the period in question are reported under "Result from trading activities and the fair value option". This also applies to interest and dividend income on trading positions. The funding costs for holding trading positions are charged to trading profits and credited to interest income. Income from firm commitments to securities issues is also reported under trading profits.

Positive and negative replacement values of derivative financial instruments

Reporting

The replacement values of all contracts concluded on the Bank's own account are recognised in the balance sheet regardless of their income statement treatment. The replacement values of exchange-traded contracts concluded on a commission basis are reported only to the extent that they are not covered by margin deposits. The replacement values of over-the-counter contracts concluded on a commission basis are always reported.

All hedging transactions of the Treasury and Structured Products & FX Advisory units are executed via the trading book, i.e. the Treasury and Structured Products & FX Advisory units do not participate in the market themselves. Only the replacement values of contracts with external counterparties are reported. The "Derivative financial instruments" note shows the replacement values and contract volume with external counterparties under "Hedging instruments", calculated using the replacement values and contract volume of the internal hedging transactions by Treasury and Structured Products & FX Advisory.

In the case of structured products issued by Raiffeisen Switzerland that include a debt security, the derivative is split from the underlying contract and valued separately. The debt securities (underlying contracts) are reported at nominal value under "Bond issues and central mortgage institution loans". Discounts and premiums are reported under the item "Accrued expenses and deferred income" or "Accrued income and prepaid expenses", as the case may be, and realised against the interest income over the remaining life. Issued structured products that do not include a debt security and the derivative portions of the structured products that include a debt security are recognised at fair value under "Positive replacement values of derivative financial instruments" and "Negative replacement values of derivative financial instruments".

The structured products issued by Raiffeisen Switzerland B.V. Amsterdam are valued at fair value. These products are recognised at market value under "Liabilities from other financial instruments at fair value".

Treatment in the income statement

The derivative financial instruments recorded in the trading book are valued on a fair-value basis.

Derivative financial instruments used to hedge risk associated with fluctuating interest rates as part of managing balance sheet structure are valued in accordance with the accrual method. Interest-related gains and losses arising from the early realisation of contracts are accrued over their remaining lives.

The net income from self-issued structured products and the net income from the commission-based issue of structured products by other issuers are booked under "Commission income from securities trading and investment activity".

Financial investments

Fixed-income debt instruments and warrant bonds are valued according to the lower of cost or market value principle if there is no intention to hold them to maturity. Debt securities acquired with the intention of holding them to maturity are valued according to the accrual method with the discount or premium accrued over the remaining life. Equity securities are valued according to the lower of cost or market value principle. Properties and equity securities acquired through lending activities and other properties and equities intended for disposal are reported under "Financial investments" and valued at the lower of cost or market value. The lower of cost or market value principle refers to the lower of the acquisition cost or the liquidation value. Precious metals held to cover liabilities from precious metals accounts are carried at market value as at the balance sheet cut-off date. In cases where fair value cannot be determined, they are valued according to the lower of cost or market value principle.

Where reclassifications take place between financial investments and equity interests, the financial instruments reclassified are transferred at book value in accordance with Article 17 FINMA AO.

Value adjustments for expected losses

FINMA AO requires value adjustments for expected losses to be recognised on the item "Financial investments (debt securities held to maturity)". These value adjustments for expected losses are recognised using a risk-based method and applying historical default parameters, bearing in mind the residual term (see "Steps involved in determining value adjustments and provisions" on page 155).

Non-consolidated participations

Non-consolidated participations include minority holdings of between 20% and 50% as well as the immaterial majority interests (RAInetworks Pte. Ltd, Valyo AG, Quichet AG, Sedunimmo SA), which are reported and valued according to the equity method.

This balance sheet item also includes holdings of less than 20% and all holdings of an infrastructural nature. These are valued in accordance with the principle of initial value, i.e. initial value less operationally required value adjustments. They are tested for impairment as at each balance sheet cut-off date.

Tangible fixed assets

Tangible fixed assets are reported at their purchase cost plus value-enhancing investments and depreciated on a straight-line basis over their estimated useful life, as follows:

Estimated useful life of tangible fixed assets	years
Real estate	66 years
Alterations and fixtures in rented premises	full rental term, maximum 15 years
Furniture and fixtures	8 years
Other tangible fixed assets	5 years
Internally developed or purchased core banking software	10 years
IT systems and remaining software	3 years

Immaterial investments are booked directly to operating expenses. Large-scale, value-enhancing renovations are capitalised, while repairs and maintenance are recorded as expenses. Expenditure incurred in connection with the implementation and continued development of the new core banking systems is recognised as an asset through "Other ordinary income". Properties, buildings under construction and core banking systems are not depreciated until they come into use. Undeveloped building land is not depreciated.

The value of tangible fixed assets is reviewed as at every balance sheet cut-off date whenever events or circumstances give reason to suspect that the book value is impaired. Any impairment is recognised in profit or loss under "Value adjustments on participations and depreciation and amortisation of tangible fixed assets and intangible assets". If the useful life of a tangible fixed asset changes as a result of the review, the residual book value is depreciated over the new duration.

Intangible assets
Goodwill: If the cost of acquiring a company is higher than the value of the net assets acquired based on standard Group accounting guidelines, the difference is reported as goodwill. Goodwill is amortised on a straight-line basis over its estimated useful life. The amortisation period is usually five years. In justifiable cases, it may be as high as 10 years.

Other intangible assets: Acquired intangible assets are recognised where they provide the Group with a measurable benefit over several years. Intangible assets created by the Group itself are not capitalised. Intangible assets are recognised at acquisition cost and amortised on a straight-line basis over their estimated useful life within a maximum of five years.

Impairment testing: The value of intangible fixed assets is reviewed as at every balance sheet cut-off date whenever events or circumstances give reason to suspect that the book value is impaired. Any impairment is recognised in profit or loss under "Value adjustments on participations and depreciation and amortisation of tangible fixed assets and intangible assets". If the useful life of an intangible asset changes as a result of the review, the residual book value is amortised over the new duration.

Provisions
Provisions are recognised on a prudential basis for all risks identified at the balance sheet cut-off date that are based on a past event and will probably result in an obligation. With regard to provisions for available overdraft limits, we refer to the chapter "Amounts due from banks and clients, mortgage loans, value adjustments".

Reserves for general banking risks
Reserves may be allocated for general banking risks. These are reserves created as a precautionary measure in accordance with accounting standards to hedge against latent risks in the business activities of the Raiffeisen Group.

Taxes
Taxes are calculated and booked on the basis of the profit for the year under review. Deferred tax of 16.1% (previous year: 16.2%) was calculated on untaxed reserves and reported as a provision for deferred taxes.

Contingent liabilities, irrevocable commitments, obligations to make payments and additional contributions
These are reported at their nominal value under "Off-balance-sheet transactions". Provisions are created for foreseeable risks.

Provisions for expected losses on contingent liabilities and irrevocable commitments are recognised using a risk-based method and applying historical default parameters, bearing in mind the residual term (see "Steps involved in determining value adjustments and provisions" on page 155).

Changes as against previous year

The previously fully consolidated companies RAInetworks Pte. Ltd, Valyo AG, Quichet AG and Sedunimmo SA have been deconsolidated with effect from 31 December 2022 as they are immaterial. These participations are now reported under the balance sheet item "Non-consolidated participations" and valued according to the equity method. The impact on the consolidated annual financial statements is insignificant. For this reason, an adjustment to the previous year's figures (restatement) within the meaning of Art. 87 in conjunction with Art. 69 of the FINMA Accounting Ordinance is waived.

Events after the balance sheet cut-off date

No events with a measurable effect on the operating result occurred after the balance sheet date.

Information on the balance sheet

1 – Securities financing transactions (assets and liabilities)

Securities financing transactions (assets and liabilities)

in 1,000 CHF	31.12.2021	31.12.2022
Book value of receivables from cash collateral delivered in connection with securities borrowing and reverse repurchase transactions [1]	–	–
Book value of obligations from cash collateral received in connection with securities lending and repurchase transactions [1]	7,450,837	35,007
Book value of securities lent in connection with securities lending or delivered as collateral in connection with securities borrowing as well as securities in own portfolio transferred in connection with repurchase agreements	7,512,176	392,271
with unrestricted right to resell or pledge	7,512,176	392,271
Fair value of securities received and serving as collateral in connection with securities lending or securities borrowed in connection with securities borrowing as well as securities received in connection with reverse repurchase agreements with an unrestricted right to resell or repledge	165,629	307,238
of which, repledged securities	–	–
of which, resold securities	156,043	289,112

1 Before netting agreements.

2 – Collateral for loans/receivables and off-balance-sheet transactions, as well as impaired loans/receivables

Collateral for loans/receivables and off-balance-sheet transactions

in 1,000 CHF		Secured by mortgage	Other collateral	Unsecured	Total
Loans (before netting with value adjustments)					
Amounts due from clients		1,766,341	2,328,315	6,972,882	11,067,537
Mortgage loans		204,063,926	11,980	150,681	204,226,587
Residential property		187,669,384	8,194	65,446	187,743,025
Office and business premises		3,732,842	71	6,460	3,739,372
Commercial and industrial premises		6,571,137	944	6,660	6,578,742
Other		6,090,564	2,771	72,114	6,165,449
Total loans (before netting with value adjustments)	**31.12.2022**	**205,830,267**	**2,340,295**	**7,123,563**	**215,294,125**
	31.12.2021	**198,427,967**	**2,731,885**	**5,918,441**	**207,078,294**
Total loans (after netting with value adjustments)	**31.12.2022**	**205,383,954**	**2,334,766**	**6,846,589**	**214,565,308**
	31.12.2021	**197,958,223**	**2,722,092**	**5,675,013**	**206,355,329**
Off-balance-sheet					
Contingent liabilities		66,563	133,325	468,533	668,421
Irrevocable commitments		10,268,998	430,570	2,736,778	13,436,347
Obligations to pay up shares and make further contributions		–	–	133,966	133,966
Total off-balance-sheet	**31.12.2022**	**10,335,561**	**563,896**	**3,339,278**	**14,238,735**
	31.12.2021	**9,614,641**	**621,160**	**3,156,498**	**13,392,299**

Impaired loans/receivables

in 1,000 CHF		Gross debt amount	Estimated liquidation value of collateral	Net debt amount	Individual value adjustments
Impaired loans	**31.12.2022**	**789,818**	**517,752**	**272,066**	**247,820**
	31.12.2021	**802,947**	**557,411**	**245,536**	**242,976**

The difference between the net amount borrowed and the individual value adjustments is attributable to the fact that prudent estimates have been made of the amounts Raiffeisen expects to receive based on the creditworthiness of individual borrowers.

3 – Trading portfolio and other financial instruments at fair value (assets and liabilities)

3.1 – Trading portfolio and other financial instruments at fair value (assets)

Trading portfolio and other financial instruments at fair value (Assets)

in 1,000 CHF	31.12.2021	31.12.2022
Trading portfolio assets		
Debt securities, money market securities/transactions	2,005,273	2,213,262
of which stock exchange listed [1]	1,920,648	1,881,917
of which traded on a representative market	37,590	283,549
Equity securities	40,340	26,182
Precious metals	445,876	593,368
Other trading portfolio assets	82,089	56,497
Other financial instruments at fair value		
Debt securities	–	–
Structured products	–	–
Other	–	–
Total assets	**2,573,578**	**2,889,309**
of which, determined using a valuation model	37,590	283,549
of which, securities eligible for repo transactions in accordance with liquidity requirements	299,884	676,924

1 Stock exchange listed = traded on a recognised stock exchange.

3.2 – Trading portfolio and other financial instruments at fair value (liabilities)

Trading portfolio and other financial instruments at fair value (liabilities)

in 1,000 CHF	31.12.2021	31.12.2022
Trading portfolio assets		
Debt securities, money market securities/transactions [2]	154,395	282,145
of which, listed [1]	154,395	282,145
Equity securities [2]	1,648	4,888
Precious metals [2]	–	–
Other trading portfolio liabilities [2]	–	2,079
Other financial instruments at fair value		
Structured products	2,229,268	1,740,581
Other	–	–
Total liabilities	**2,385,311**	**2,029,693**
of which, determined using a valuation model	2,229,268	1,740,582

1 Stock exchange listed = traded on a recognised stock exchange.
2 For short positions (booked using the trade date accounting principle).

4 – Derivative financial instruments (assets and liabilities)

Derivative financial instruments

in 1,000 CHF	Trading instruments			Hedging instruments		
	Replacement values			Replacement values		
	Positive	Negative	Contract volume	Positive	Negative	Contract volume
Interest rate instruments						
Forward contracts incl. FRAs	–	–	–	–	–	–
Swaps	1,171,858	1,066,695	52,424,974	2,939,378	1,699,627	71,075,950
Futures	–	–	825,915	–	–	–
Options (OTC)	1,137	1,208	1,871,823	–	–	–
Options (exchange traded)	–	–	–	–	–	–
Total interest rate instruments	**1,172,996**	**1,067,904**	**55,122,712**	**2,939,378**	**1,699,627**	**71,075,950**
Foreign exchange						
Forward contracts	521,607	449,750	38,695,190	41,445	236,445	14,774,953
Comb. interest rate/currency swaps	–	–	–	–	1,435	494,000
Futures	–	–	–	–	–	–
Options (OTC)	11,397	9,339	836,405	–	–	–
Options (exchange traded)	–	–	–	–	–	–
Total foreign exchange	**533,004**	**459,089**	**39,531,596**	**41,445**	**237,880**	**15,268,953**
Precious metals						
Forward contracts	14,640	10,090	1,130,549	–	–	–
Swaps	–	–	–	–	–	–
Futures	–	–	–	–	–	–
Options (OTC)	7,674	6,757	506,436	–	–	–
Options (exchange traded)	–	–	–	–	–	–
Total precious metals	**22,314**	**16,847**	**1,636,985**	**–**	**–**	**–**
Equity securities/indices						
Forward contracts	–	–	–	–	–	–
Swaps	4,930	132,568	1,169,084	–	–	–
Futures	–	–	21,335	–	–	–
Options (OTC)	117,592	124,453	1,749,478	–	–	92,927
Options (exchange traded)	10	141	1,350	–	–	–
Total equity securities/indices	**122,532**	**257,162**	**2,941,248**	**–**	**–**	**92,927**
Credit derivatives						
Credit default swaps	1,185	4,038	586,444	–	–	–
Total return swaps	–	–	–	–	–	–
First-to-default swaps	–	–	–	–	–	–
Other credit derivatives	–	–	–	–	–	–
Total credit derivatives	**1,185**	**4,038**	**586,444**	**–**	**–**	**–**
Other						
Forward contracts	–	–	–	–	–	–
Swaps	19	243	10,396	–	–	–
Futures	–	–	–	–	–	–
Options (OTC)	19,590	19,094	257,681	–	–	–
Options (exchange traded)	–	–	–	–	–	–
Total other	**19,609**	**19,337**	**268,077**	**–**	**–**	**–**
Total 31.12.2022	**1,871,640**	**1,824,376**	**100,087,061**	**2,980,823**	**1,937,507**	**86,437,830**
of which determined using a valuation model	1,871,630	1,824,236	–	2,980,823	1,937,507	–
Total 31.12.2021	**807,508**	**845,811**	**146,898,701**	**548,910**	**770,493**	**65,017,889**
of which determined using a valuation model	806,358	845,143	–	548,910	770,493	–

Derivative financial instruments by counterparty and time remaining to maturity

in 1,000 CHF	Replacement values		Contract volume			
	Positive	Negative	up to 1 year	1 to 5 years	over 5 years	Total
Banks and securities firms	971,182	1,091,274	55,966,198	13,684,664	2,332,838	71,983,700
Other clients	118,680	69,798	3,194,948	1,482,182	164,129	4,841,259
Stock exchanges	10	141	808,600	40,000	–	848,600
Central clearing houses	3,762,591	2,600,670	35,459,079	43,196,116	30,196,138	108,851,333
Total 31.12.2022	**4,852,463**	**3,761,883**	**95,428,825**	**58,402,962**	**32,693,105**	**186,524,892**
Total 31.12.2021	**1,356,418**	**1,616,304**	**133,567,959**	**48,093,806**	**30,254,825**	**211,916,590**

No netting contracts are used to report the replacement values.

Quality of counterparties
Banks and securities firms: the derivative transactions were conducted primarily with counterparties with a very good credit rating. 89.2% of the positive replacement values are with counterparties with an upper-medium grade rating or better (Moody's or comparable rating agency).

Clients: in transactions with clients, the required margins were secured by assets or free credit lines.

5 – Financial investments

5.1 – Breakdown of financial investments

Breakdown of financial investments

in 1,000 CHF	Book value		Fair value	
	31.12.2021	31.12.2022	31.12.2021	31.12.2022
Debt securities	8,495,191	15,057,305	8,704,326	14,318,744
of which, intended to be held until maturity	8,495,191	15,057,305	8,704,326	14,318,744
of which, not intended to be held to maturity (available for sale)	–	–	–	–
Equity securities	3,788	51,829	5,443	53,783
of which qualified participations [1]	–	31	–	31
Precious metals	–	–	–	–
Real estate	49,790	41,823	51,246	42,549
Total financial investments	**8,548,769**	**15,150,957**	**8,761,016**	**14,415,076**
of which securities for repo transactions in line with liquidity requirements	8,439,884	15,002,197	–	–

1 At least 10% of the capital or the votes.

5.2 – Breakdown of counterparties by rating

Breakdown of counterparties by rating

31.12.2022 in 1,000 CHF	Book value Very safe investment	Safe investment	Average to good investment	Speculative to highly speculative investment	Highest-risk investment/ default	Unrated investment [1]
Debt securities [1]	9,403,159	19,669	–	–	–	5,634,477

1 The item "Unrated asset" mainly includes money market securities issued by the Swiss National Bank (SNB bills).

Ratings are assigned based on Moody's rating classes. The Raiffeisen Group uses the ratings of all three major international rating institutions.

6 – Non-consolidated participations

Non-consolidated participations

in 1,000 CHF	Acquisition cost	Accumulated value adjustments and changes in book values (equity method)	2021 Book value 31.12.2021	Changes to the consolidated Group [1]	Reclassifications	Additions	Disposals	Value adjustments	Changes in book value in the case of participations valued using the equity method	Book value 31.12.2022	2022 Market value 31.12.2022
Participations valued using the equity method	**315,262**	**296,442**	**611,704**	**–**	**–**	**28,403**	**–**	**–687**	**58,593**	**698,013**	
with market value	128,663	104,070	232,733	–	–	–1	–	–	19,714	252,446	241,311
without market value	186,599	192,372	378,971	–	–	28,404	–	–687	38,879	445,567	–
Other non consolidated participations	**136,208**	**–23,799**	**112,409**	**977**	**–**	**891**	**–2,687**	**–1,406**	**–**	**110,185**	
with market value	636	–4	632	–	–	–	–	–	–	632	898
without market value	135,572	–23,795	111,777	977	–	891	–2,687	–1,406	–	109,553	–
Total non consolidated participations	**451,470**	**272,643**	**724,113**	**977**	**–**	**29,294**	**–2,687**	**–2,093**	**58,593**	**808,198**	

1 The companies held until now under non-consolidated participations, Quichet AG and Sedunimmo SA, will be valued using the equity method from this financial year onwards, and will now be reported in the notes under "Participations valued using the equity method".

7 – Companies in which the bank holds a permanent direct or indirect significant participation

Companies in which the bank holds a permanent direct or indirect significant participation

in 1,000 CHF, share in %	Registered office	Business activity	31.12.2021 Equity interest in %[1]	31.12.2021 Voting share in %[1]	31.12.2022 Capital	31.12.2022 Equity interest in %[1]	31.12.2022 Voting share in %[1]
7.1 Group companies							
Raiffeisen Switzerland Cooperative[2]	St. Gallen	Central bank, association services	100.0	100.0	2,497,800	100.0	100.0
Raiffeisen Unternehmerzentrum AG	Gossau SG	Advisory services for SMEs	100.0	100.0	5,000	100.0	100.0
Raiffeisen Immo Ltd	St. Gallen	Brokering and advisory services	100.0	100.0	5,000	100.0	100.0
KMU Capital Ltd[3]	St. Gallen	Financial services	100.0	100.0	2,566	100.0	100.0
KMU Capital Holding Ltd[4]	Herisau	Affiliated company	60.0	60.0	10,000	60.0	60.0
Raiffeisen Switzerland B.V. Amsterdam	Amsterdam NL	Financial services	100.0	100.0	1,000	100.0	100.0
7.2 Participations valued using the equity method							
Liiva Ltd	Zurich	Real estate brokerage and consulting services	50.0	50.0	100	–	–
Leonteq Ltd[5]	Zurich	Financial services	29.0	29.0	18,934	29.0	29.0
Viseca Payment Services Ltd.	Zurich	Financial services	25.5	25.5	25,000	25.5	25.5
Pfandbriefbank schweizerischer Hypothekarinstitute AG[2]	Zurich	Pfandbriefbank	21.7	21.7	1,100,000	21.7	21.7
of which not paid up					616,000		
7.3 Other non-consolidated participations[6]							
responsAbility Participations AG	Zurich	Financial services	14.4	14.4	13,888	14.4	14.4
Swiss Bankers Prepaid Services Ltd	Grosshöchstetten	Financial services	16.5	16.5	10,000	16.5	16.5
Cooperative Olma Messen St. Gallen	St. Gallen	Organisation of fairs	11.2	11.2	30,213	10.5	10.5
Twint Ltd	Zurich	Financial services	4.0	4.0	12,750	4.0	4.0
SIX Group Ltd	Zurich	Financial services	5.5	5.5	19,522	5.5	5.5

1 The level of equity capital and voting shares is always stated from the perspective of the directly controlling company.
2 The Raiffeisen banks directly own Raiffeisen Switzerland Cooperative and 18.7% of Pfandbriefbank schweizerischer Hypothekarinstitute AG.
3 Controlled by KMU Capital Holding AG.
4 In 2018, Raiffeisen Switzerland Cooperative initially terminated the shareholders' binding agreement in relation to KMU Capital Holding AG (formerly Investnet Holding AG) for good cause and subsequently, where necessary, challenged the agreements in the context of "Investnet". On the basis of the challenge, Raiffeisen Switzerland is claiming all the shares in KMU Capital Holding AG, which is entirely controlled by KMU Capital AG. The dispute is still ongoing. In connection with the challenge of agreements, Raiffeisen Switzerland also wrote off liabilities of CHF 30 million and contingent liabilities amounting to CHF 30 million in 2018. Raiffeisen Switzerland assumes that there will be no more payments. If, contrary to the expectations of Raiffeisen Switzerland, neither the challenge to the agreements nor the validity of the termination are confirmed, minority shareholders might be entitled to tender shares in KMU Capital Holding AG to Raiffeisen Switzerland according to the shareholders' binding agreement of 2015 and based on a contractually agreed valuation method (put option). Similarly, the above-mentioned written-off liabilities and contingent liabilities could become relevant again. Due to the aforementioned challenges to agreements and the termination of the shareholders' binding agreement, the put option will not be valued as of 31 December 2022.
5 Raiffeisen Switzerland Cooperative sold in 2015 call option on Leonteq founding partner for 2.4% of the share capital in Leonteq AG. The strike price is CHF 210 per share (adjusted for dividend payments) and the term is 10 years (until October 2025).
6 Majority interests that are immaterial for accounting purposes are valued according to the equity method but not listed separately.
7 All participations in cooperation partners and joint ventures by the banks are listed here. Other participations are listed if the shareholding represents more than 10% of the voting share or equity and the shareholding is worth either > CHF 2 million of the equity or the book value is > CHF 15 million.

8 – Tangible fixed assets

8.1 – Tangible fixed assets

Tangible fixed assets

in 1,000 CHF	Acquisition cost	Accumulated depreciation	2021 Book value 31.12.2021	2022 Impact of any changes in the scope of consolidation	Reclassi-fications	Additions	Disposals	Depreciation	Book value 31.12.2022
Bank buildings	2,489,164	−633,896	1,855,268	−4,395	−35,855	137,764	−14,012	−39,709	1,899,061
Other real estate	635,419	−161,720	473,699	–	8,009	49,601	−15,741	−9,726	505,842
Proprietary or separately acquired software	653,703	−264,704	388,999	−3,761	46	8,511	–	−61,706	332,089
thereof self-developed	463,435	−139,196	324,239	−219	–	283	–	−44,137	280,166
Other tangible fixed assets	1,230,543	−981,766	248,777	−5	27,800	50,676	−883	−74,584	251,781
Objects in finance leasing	45	−45	–	–	–	–	–	–	–
Total tangible assets	**5,008,874**	**−2,042,131**	**2,966,743**	**−8,161**	**–**	**246,552**	**−30,636**	**−185,725**	**2,988,773**

8.2 – Operating leases

Operating leases

in 1,000 CHF	31.12.2021	31.12.2022
Non-recognised lease commitments		
Due within 12 months	1,320	1,122
Due within 1 to 5 years	721	1,541
Due after 5 years	–	–
Total non-recognised lease commitments	**2,041**	**2,663**
of which obligations that can be terminated within one year	2,041	2,663

9 – Intangible assets

Intangible assets

in 1,000 CHF	Cost value	Accumulated depreciation	2021 Book value 31.12.2021	2022 Changes to the consoli-dated Group	Additions	Disposals	Amortisation	Book value 31.12.2022
Goodwill	–	–	–	–	–	–	–	–
Other intangible assets	–	–	–	–	7,536	–	−1,005	6,531
Total intangible assets	**–**	**–**	**–**	**–**	**7,536**	**–**	**−1,005**	**6,531**

10 – Other assets and other liabilities

Other assets and liabilities

in 1,000 CHF	31.12.2021	31.12.2022
Other assets		
Settlement accounts for indirect taxes	985,869	1,205,638
Other settlement accounts	29,914	29,095
Employer contribution reserves with pension plans	135,395	145,474
Deferred income taxes recognised as assets	–	6,945
Miscellaneous other assets	11,545	13,882
Total other assets	**1,162,723**	**1,401,034**
Other liabilities		
Compensation account	30,623	1,195,440
Due, unredeemed coupons and debt instruments	3,879	2,600
Levies, indirect taxes	47,253	50,159
Other settlement accounts	52,797	64,581
Miscellaneous other liabilities	17,273	17,799
Total other liabilities	**151,825**	**1,330,579**

11 – Assets pledged or assigned to secure own commitments and assets under reservation of ownership

Assets pledged or assigned to secure own commitments and of assets under reservation of ownership [1]

	31.12.2021		31.12.2022	
in 1,000 CHF	Book value	Effective commitments	Book value	Effective commitments
Amounts due from banks	573,856	573,856	740,433	740,433
Amounts due from clients	1,495,221	1,420,009	394,593	303,652
Mortgage loans	35,997,410	26,510,552	37,391,422	27,851,842
Financial investments	912,901	179,396	1,016,954	160,638
Total pledged or assigned assets	**38,979,388**	**28,683,813**	**39,543,402**	**29,056,566**

1 Without securities financing transactions (see separate presentation of the securities financing transactions in table 1).

12 – Pension schemes

Most employees of the Raiffeisen Group are covered by the Raiffeisen Pension Fund Cooperative. The statutory retirement age is set at 65. Members have the option of taking early retirement from the age of 58 with a corresponding reduction in benefits. The Raiffeisen Pension Fund Cooperative covers at least the mandatory benefits under Swiss occupational pension law.

The Raiffeisen Employer Foundation manages the individual employer contribution reserves of the Raiffeisen banks and the companies of the Raiffeisen Group. Two Raiffeisen banks and one Group company are insured outside the Raiffeisen Group's pension schemes (other collective foundations, collective insurance contracts, etc.), compared with three in the previous year.)

12.1 – Liabilities to own pension schemes

Liabilities to own social insurance institutions

in 1,000 CHF	31.12.2021	31.12.2022
Amounts due in respect of customer deposits	223,336	231,553
Negative replacement values of derivative financial instruments	29,714	–
Bonds	20,000	20,000
Accrued expenses and deferred income	264	264
Total liabilities to own social insurance institutions	**273,314**	**251,817**

12.2 – Employer contribution reserves

Employer contribution reserves arise for the Raiffeisen Employer Foundation (Raiffeisen) and for pension schemes outside the Raiffeisen Group (Others). These are solely employer-funded pension schemes.

Employer contribution reserves

			2021			2022
in 1,000 CHF	Raiffeisen	Others	Total	Raiffeisen	Others	Total
As at 01.01	**128,529**	**1,301**	**129,830**	**134,347**	**1,048**	**135,395**
+ Deposits	14,893	–	14,893	19,376	–	19,376
– Withdrawals	–9,100	–253	–9,353	–8,762	–548	–9,310
+ Interest paid [1]	25	–	25	13	–	13
As at 31.12	**134,347**	**1,048**	**135,395**	**144,974**	**500**	**145,474**

1 Interest paid on the employer contribution reserves is recorded as interest income.

The employer contribution reserves correspond to the nominal value as calculated by the pension scheme. The individual employer contribution reserves of the affiliated companies cannot be offset against each other. The balance of the employer contribution reserves is recorded in the balance sheet under "Other assets". The employer contribution reserves are subject neither to waiver of use (conditional or unconditional), nor to other necessary value adjustments. Any discounting effect is not considered.

12.3 – Economic benefit/obligation and retirement benefit expenditure

According to the audited annual reports for the year under review and the previous year (in accordance with Swiss GAAP FER 26) of the Raiffeisen Pension Fund Cooperative, the coverage ratio is:

Raiffeisen Pension Fund Cooperative

percent	31.12.2021	31.12.2022
Coverage ratio	118.5	107.1

The target level of the value fluctuation reserve of the Raiffeisen Pension Fund Cooperative was 117% as at 31 December 2022. As at the end of 2022, the coverage ratio was below this target level and therefore there were no uncommitted funds. The Assembly of Delegates of the Raiffeisen Pension Fund Cooperative decides how uncommitted funds will be used. In general, the "principles for the use of uncommitted funds (profit participation)" which it issues are applied. The Board of Directors of Raiffeisen Switzerland assumes that even if uncommitted funds are available, no economic benefits will accrue to the employer until further notice; uncommitted funds are to be used to benefit pension scheme members.

The affiliated employers have no economic benefits or economic obligations for which allowance would have to be made in the balance sheet and income statement.

Pension expenses with significant influencing factors

in 1,000 CHF	2021	2022
Pension expenditure according to separate financial statements	127,789	137,625
Deposits/withdrawals employer contribution reserves (excl. interest paid)	–5,540	–10,066
Employer contributions reported on an accruals basis	**122,249**	**127,559**
Change in economic benefit/obligation as a result of surplus/insufficient cover in the pension plan	–	–
Pension expenses (see note 27 "Personnel expenses")	**122,249**	**127,559**

13 – Issued structured products

Issued structured products

31.12.2022 in 1,000 CHF	Book value				Total
	Valued as a whole		Valued separately		
	Booked in trading portfolio	Booked in other financial instruments at fair value	Value of the host instrument	Value of the derivative	
Underlying risk of the embedded derivative					
Interest rate instruments	**–**	**10,089**	**7,014**	**343**	**17,447**
With own debenture component (oDC)	–	10,089	7,014	343	17,447
Without oDC	–	–	–	–	–
Equity securities	**–**	**1,454,506**	**861,111**	**–72,428**	**2,243,190**
With own debenture component (oDC)	–	1,454,434	861,111	–73,933	2,241,612
Without oDC	–	72	–	1,505	1,577
Foreign currencies	**–**	**–**	**–**	**–**	**–**
With own debenture component (oDC)	–	–	–	–	–
Without oDC	–	–	–	–	–
Commodities/precious metals	**–**	**24,555**	**125,419**	**3,467**	**153,442**
With own debenture component (oDC)	–	24,555	125,419	3,467	153,442
Without oDC	–	–	–	–	–
Credit derivatives	**–**	**251,431**	**30,443**	**–206**	**281,668**
With own debenture component (oDC)	–	251,431	30,443	–206	281,668
Without oDC	–	–	–	–	–
Total	**–**	**1,740,581**	**1,023,988**	**–68,823**	**2,695,746**

Structured products of Raiffeisen Switzerland Cooperative

In the case of issued structured products that include a debt security, the derivative is split from the underlying contract and valued and presented separately. Underlying instruments are recognised at their nominal value in "Bonds and central mortgage institution loans". The derivative components of the products are recognised at market value in "Positive replacement values of derivative financial instruments" or "Negative replacement values of derivative financial instruments", respectively.

Structured products of Raiffeisen Switzerland B.V. Amsterdam

Issued structured products are carried at market value and included in "Liabilities from other financial instruments at fair value".

14 – Outstanding bond issues and central mortgage institution loans

Outstanding bonds and central mortgage institution loan

31.12.2022 in 1,000 CHF	Year of issue	Interest rate	Maturity	Early redemption possibility	Bond principal
Bonds of Raiffeisen Switzerland					
non subordinated	2010	2.000	21.09.2023		250,000
	2011	2.625	04.02.2026		127,545
	2016	0.300	22.04.2025		375,000
	2016	0.750	22.04.2031		97,860
	2018	0.350	16.02.2024		400,000
	2019	0.125	07.05.2024		100,000
	2021	0.000	19.12.2031		29,550
	2022	0.000	15.07.2032		39,334
subordinated with PONV clause [2]	2018	2.000	Perpetual [2]	02.05.2023	328,495
	2020	0.1825	11.11.2025	11.11.2024	150,000
	2020	0.500	11.11.2028	11.11.2027	166,100
	2020	1.500	23.11.2034	23.11.2033	175,000
	2020	2.000	Perpetual [2]	16.04.2026	510,130
	2021	0.1775	15.01.2027	15.01.2026	116,300
	2021	0.405	28.09.2029	28.09.2028	119,100
	2021	0.570	15.01.2031	15.01.2030	186,000
	2021	2.250	Perpetual [2]	31.03.2027	296,755
	2022	5.230 [3]	01.11.2027	–	494,000
Underlying instruments from issued structured products [4]	diverse	0.776 [5]	2023		738,431
		0.417 [5]	2024		155,083
		0.596 [5]	2025		17,596
		0.447 [5]	2026		41,500
		0.490 [5]	2027		68,918
		4.149 [5]	after 2027		2,459
Total bonds of Raiffeisen Switzerland					**4,985,156**
Loans from Pfandbriefbank schweizerischer Hypothekarinstitute AG	div.	0.87 [5]	div.		**27,017,300**
Total outstanding bond issues and central mortgage institution loans					**32,002,456**

1 PONV clause = point of non-viability/time of imminent insolvency.
2 Subordinated perpetual Additional-Tier-1 bond with contingent write-down. With FINMA's consent, the bond can be terminated on a unilateral basis by Raiffeisen Switzerland (no earlier than five years following issue).
3 The higher interest rate is attributable to the fact that the bond was issued in EUR.
4 In the case of issued structured products that include a debt security, the derivative is split from the underlying contract and valued and presented separately. Underlying instruments are recognised at their nominal value in "Bond issues and central mortgage institution loans". The derivative components of the products are recognised at market value in "Positive replacement values of derivative financial instruments" or "Negative replacement values of derivative financial instruments".
5 Average weighted interest rate (volume-weighted).

15 – Value adjustments, provisions and reserves for general banking risks

Value adjustments, provisions and reserves for general banking risks

in 1,000 CHF	2021 Balance at 31.12.2021	2022 Use in conformity with designated purpose	Reclassifications	Currency differences	Past due interest, recoveries	New creations charged to income	Releases to income	Balance at 31.12.2022
Provisions								
Provisions for deferred taxes	797,242	–	–	–	–	33,717	–6,554	824,405
Provisions for default risks	51,398	–36	–4,119	–10	–	13,031	–2,447	57,817
of which provisions for expected losses [1]	31,579	–	–	–8	–	1,723	–	33,294
Provisions for other business risks [2]	55,688	–12,339	–	–	–	1,412	–1,117	43,644
Provisions for restructuring	7,251	–2,857	–	–	–	1,300	–	5,694
Other provisions [3]	21,485	–6,072	–	–	–	330	–161	15,582
Total provisions	**933,064**	**–21,304**	**–4,119**	**–10**	**–**	**49,790**	**–10,279**	**947,142**
Reserves for general banking risks	**200,000**	**–**	**–**	**–**	**–**	**–**	**–**	**200,000**
Value adjustments for default and country risks								
Value adjustments for default risks in respect of impaired loans/receivables	242,976	–24,990	4,119	–37	8,590	74,702	–57,540	247,820
Value adjustments for expected losses [1]	482,259	–	–	–127	–	1,456	–	483,588
Total value adjustments for default and country risks	**725,235**	**–24,990**	**4,119**	**–164**	**8,590**	**76,158**	**–57,540**	**731,408**

1 The changes in provisions and value adjustments for expected losses taken through the income statement are shown as net figures. As product rollovers during the year and rating changes during the year can have a material impact on releases and new allocations if shown gross, the decision was made to report them net.
2 The provisions of CHF 44 million for other business risks include provisions of CHF 30 million, which resulted from the repurchase of the now-liquidated ARIZON Sourcing Ltd at the end of 2018.
3 Other provisions include provisions for legal expenses.

16 – Cooperative capital

Cooperative capital

in 1,000 CHF	Number of members	Nominal amount per share	Cooperative capital
Cooperative capital at 1.1.2022			
Cooperative capital	1,963,593		413,539
Cooperative capital (additional cooperative shares) [1]			2,278,565
Total cooperative capital at 1.1.2022	**1,963,593**		**2,692,104**
+ Payments from new cooperative members	79,158	200	15,832
	125	300	37
	237	400	95
	36,020	500	18,010
+ Payments of cooperative shares (additional cooperative shares)			440,626
Total payments from new cooperative members	**115,540**		**474,600**
– Repayments to departing cooperative members	–74,751	200	–14,950
	–96	300	–29
	–188	400	–75
	–2,599	500	–1,300
– Repayments of cooperative shares (additional cooperative shares)			–80,462
Total repayments to departing cooperative members	**–77,634**		**–96,816**
Total cooperative capital at 31.12.2022			
Cooperative capital	1,894,599	200	378,920
	3,108	300	932
	5,892	400	2,357
	97,900	500	48,950
Cooperative capital (additional cooperative shares)			2,638,730
Total cooperative capital at 31.12.2022	**2,001,499**		**3,069,889**

1 To avoid double counting, the number of members is shown only under the position "Cooperative capital".
Number of cooperative shares, number of shares: year under review 14,430,908, previous year 13,106,612.

Interest-bearing cooperative capital:

– Year under review: CHF 3,069,889,000
– Previous year: CHF 2,692,104,000

Paid-up cooperative capital:

– Year under review: CHF 3,069,889,000
– Previous year: CHF 2,692,104,000

Non-distributable statutory or legal reserves based on individual financial statements as at 31 December 2022: CHF 4,752,766,000, previous year: CHF 4,554,350,000

No cooperative member holds more than 5% of voting rights.

17 – Related parties

Amounts due from/to related parties

in 1,000 CHF	Amounts due from 31.12.2021	Amounts due from 31.12. 2022	Amounts due to 31.12. 2021	Amounts due to 31.12. 2022
Members of the Board of Directors of Raiffeisen Switzerland and associated persons and companies	6,801	7,053	5,599	4,778
Members of the Executive Board and Head of internal Auditing of Raiffeisen Switzerland and associated persons and companies	8,192	4,219	7,409	8,629
Other related parties [1]	5,026,465	5,723,786	26,308,189	27,612,617
Total amounts due from/to related parties	**5,041,458**	**5,735,058**	**26,321,197**	**27,626,024**

1 Includes particularly receivables from and liabilities to non-consolidated participations with a participating interest between 20% and 50%, or a participating interest of less than 20% if significant influence can be exercised otherwise.

Material off-balance-sheet transactions with related parties

Contingent liabilities to related parties amount to CHF 104.6 million (previous year: CHF 142.3 million). There were irrevocable commitments of CHF 18.5 million (previous year: none) and call-in obligations amounted to CHF 134.0 million (previous year: CHF 121.8 million).

Transactions with related parties

On and off-balance-sheet transactions with related parties are allowed under market conditions, with the following exceptions:

– The Executive Board and the Head of Internal Auditing of Raiffeisen Switzerland enjoy industry-standard preferential terms, as do all other personnel.
– Liabilities to other related parties of CHF 27.6 billion include an item of CHF 7.6 million, which bears interest at 2.75%.

Special provisions apply to the processing and monitoring of loans to executive bodies to ensure that staff remain independent at all times.

18 – Maturity structure of financial instruments

Maturity structure of financial instruments (Assets/financial instruments)

in 1,000 CHF	At sight	Cancellable	Due within 3 months	Due within 3 to 12 months	Due within 1 to 5 years	Due after 5 years	Total
Liquid assets	35,441,687	–	–	–	–	–	35,441,687
Amounts due from banks	914,290	–	1,252,252	29,983	–	–	2,196,525
Amounts due from clients	167,003	1,402,942	2,352,686	1,204,771	3,334,959	2,447,037	10,909,398
Mortgage loans	21,009	3,865,620	8,456,814	20,523,202	112,520,699	58,268,566	203,655,910
Trading portfolio assets	2,889,309	–	–	–	–	–	2,889,309
Positive replacement values of derivative financial instruments	4,852,463	–	–	–	–	–	4,852,463
Financial investments [1]	7,908	48,774	2,201,193	4,000,404	3,264,980	5,627,697	15,150,957
Total 31.12.2022	**44,293,669**	**5,317,335**	**14,262,945**	**25,758,361**	**119,120,638**	**66,343,300**	**275,096,249**
Total 31.12.2021	**61,483,697**	**5,337,766**	**13,203,045**	**23,799,126**	**109,170,665**	**66,360,246**	**279,354,545**

Maturity structure of financial instruments (Debt capital/financial instruments)

in 1,000 CHF	At sight	Cancellable	Due within 3 months	Due within 3 to 12 months	Due within 1 to 5 years	Due after 5 years	Total
Amounts due to banks	1,047,478	239,807	11,673,192	956,849	73,000	–	13,990,326
Liabilities from securities financing transactions	–	–	35,007	–	–	–	35,007
Amounts due in respect of customer deposits	91,099,801	97,405,602	6,315,226	3,363,448	4,936,526	1,664,032	204,784,635
Trading portfolio liabilities	289,112	–	–	–	–	–	289,112
Negative replacement values of derivative financial instruments	3,761,882	–	–	–	–	–	3,761,882
Liabilities from other financial instruments at fair value	1,740,581	–	–	–	–	–	1,740,581
Cash bonds	–	–	14,932	38,716	112,274	43,873	209,795
Bond issues and central mortgage institution loans	–	–	966,674	1,768,952	8,958,628	20,308,201	32,002,456
Total 31.12.2022	**97,938,854**	**97,645,409**	**19,005,031**	**6,127,965**	**14,080,428**	**22,016,106**	**256,813,794**
Total 31.12.2021	**90,461,054**	**100,593,862**	**29,740,459**	**7,717,436**	**13,536,739**	**21,390,120**	**263,439,670**

1 Financial assets include CHF 41,823,000 of real estate (previous year: CHF 49,790,000).

19 – Balance sheet by currency

Balance sheet by currency

31.12.2022
in 1,000 CHF

	CHF	EUR	USD	Other	Total
Assets					
Liquid assets	35,168,867	209,237	16,734	46,849	35,441,687
Amounts due from banks	464,339	459,201	780,141	492,845	2,196,525
Amounts due from clients	10,458,193	303,224	135,545	12,436	10,909,398
Mortgage loans	203,655,568	343	–	–	203,655,910
Trading portfolio assets	1,040,156	617,135	564,088	667,930	2,889,309
Positive replacement values of derivative financial instruments	4,852,463	–	–	–	4,852,463
Financial investments	15,147,936	–	3,022	–	15,150,957
Accrued income and prepaid expenses	326,537	6,270	461	570	333,838
Non-consolidated participations	808,198	–	–	–	808,198
Tangible fixed assets	2,988,773	–	–	–	2,988,773
Intangible assets	6,531	–	–	–	6,531
Other assets	1,401,029	5	0	–	1,401,034
Total assets shown in the balance sheet	**276,318,589**	**1,595,414**	**1,499,991**	**1,220,630**	**280,634,623**
Delivery entitlements under spot exchange, forward exchange and currency option contracts	17,559,227	16,475,847	18,167,577	3,303,094	55,505,745
Total assets	**293,877,815**	**18,071,261**	**19,667,568**	**4,523,724**	**336,140,368**
Liabilities					
Amounts due to banks	4,163,218	2,545,255	5,887,458	1,394,396	13,990,326
Liabilities from securities financing transactions	6,000	19,760	9,247	–	35,007
Amounts due in respect of customer deposits	198,269,238	4,883,767	1,179,992	451,638	204,784,635
Trading portfolio liabilities	250,627	38,485	–	–	289,112
Negative replacement values of derivative financial instruments	3,761,882	–	–	–	3,761,882
Liabilities from other financial instruments at fair value	639,689	565,270	466,476	69,146	1,740,581
Cash bonds	209,795	–	–	–	209,795
Bond issues and central mortgage institution loans	31,451,925	520,632	16,959	12,940	32,002,456
Accrued expenses and deferred income	879,566	9,931	22,349	4,865	916,710
Other liabilities	1,329,429	999	4	145	1,330,579
Provisions	946,984	158	0	–	947,142
Reserves for general banking risks	200,000	–	–	–	200,000
Cooperative capital	3,069,889	–	–	–	3,069,889
Retained earnings reserve	16,221,420	–	–	–	16,221,420
Currency translation reserve	–	–	–	–	–
Group profit	1,181,898	–	–	–	1,181,898
Minority interests in equity	–46,809	–	–	–	–46,809
of which minority interests in group profit	–118	–	–	–	–118
Total liabilities shown in the balance sheet	**262,534,749**	**8,584,258**	**7,582,486**	**1,933,129**	**280,634,623**
Delivery obligations from spot exchange, forward exchange and currency option contracts	31,515,035	9,472,115	11,968,397	2,624,137	55,579,685
Total liabilities	**294,049,784**	**18,056,373**	**19,550,883**	**4,557,267**	**336,214,307**
Net position per currency	**–171,969**	**14,888**	**116,685**	**–33,542**	**–73,939**

Information on off-balance-sheet transactions

20 – Contingent assets and liabilities

Contingent assets and liabilities

in 1,000 CHF	31.12.2021	31.12.2022
Contingent liabilities		
Guarantees to secure credits and similar	325,853	274,471
Performance guarantees and similar [1]	226,846	250,045
Other contingent liabilities	156,094	143,905
Total contingent liabilities	**708,793**	**668,421**
Contingent assets		
Total contingent assets	**–**	**–**

1 The performance guarantees include a guaranteed open amount vis-a-vis third parties that applies to derivative transactions, whose underlying replacement values vary according market conditions. The guarantee is evaluated with a scenario-based risk model and at 31 december 2022 amounted to CHF 100 million (previous year: CHF 100 million).

21 – Fiduciary transactions

Fiduciary transactions

in 1,000 CHF	31.12.2021	31.12.2022
Fiduciary investments with third-party banks	62	–
Total fiduciary transactions	**62**	**–**

22 – Assets under management

22.1 – Breakdown of assets under management

Breakdown of managed assets

in 1,000 CHF	31.12.2021	31.12.2022
Assets in collective investment schemes managed by the bank [1]	–	–
Assets under discretionary asset management agreements	5,989,805	7,237,474
Other managed assets	235,236,544	235,002,229
Total managed assets (including double counting) [2]	**241,226,349**	**242,239,703**
of which, double counting	–	–

1 The fund management is used as the criterion for the reporting of self-administered collective investment instruments.
2 The reported client assets include the custody account assets as well as liabilities arising from customer deposits. The category "Liabilities arising from customer deposits" also includes customer deposits that are not of an investment nature. Funds in trust and custody-only client relationships are not included. Custody-only client relationships are considered to be banks and institutional clients for which Raiffeisen serves solely as a custodian bank. Nor are assets of institutional investors part of the reported client assets if the business activity is comprised of liquidity or repo investments. Reclassifications between assets under management and unreported assets (or custody-only) are shown as a change in net new money.

22.2 – Change in managed assets

Presentation of the development of managed assets

in 1,000 CHF	2021	2022
Total managed assets (including double counting) [1] at 01.01.	**224,042,178**	**241,226,349**
net new money inflow/outflow	14,508,562	8,158,560
price gains/losses, interest, dividends and currency gains/losses	2,675,609	–7,145,206
other effects	–	–
Total managed assets (including double counting) [1] at 31.12.	**241,226,349**	**242,239,703**

1 Net new money changes are calculated by means of the direct method, i.e. the cash inflows and outflows are calculated at client level based on transactions on the level of managed assets. Exchange rate fluctuations, interest and dividend payments, as well as commission and expenses, are excluded in the case of net new money changes.

Information on the income statement

23 – Result from commission business and service transactions

Net income from commission business and service transactions

in 1,000 CHF	2021	2022
Commission income		
Commission income from securities trading and investment activities		
Custody account business	77,647	91,779
Brokerage	81,732	54,549
Fund business and asset management business	171,175	187,276
Other securities trading and investment activities	75,558	61,343
Commission income from lending activities	28,706	30,617
Commission income from other services		
Payments	147,948	217,823
Account maintenance	41,873	63,001
Other services	38,024	39,707
Total commission income	**662,663**	**746,095**
Commission expense		
Securities business	–55,366	–37,849
Payments	–57,526	–103,050
Other commission expense	–13,697	–13,844
Total commission expense	**–126,589**	**–154,743**
Total results from commission business and service transactions	**536,074**	**591,352**

24 – Result from trading activities and the fair value option

24.1 – Breakdown by business area

Result from trading activities and the fair value option
Breakdown by business area

in 1,000 CHF	2021	2022
Raiffeisen Switzerland Cooperative	86,634	76,182
Raiffeisen banks	144,322	173,426
Group companies	13,674	4,706
Total result from trading activities and the fair value option	**244,630**	**254,314**

24.2 – Breakdown by underlying risk and based on the use of the fair value option

Result from trading activities and the fair value option
Breakdown by underlying risk and based on the use of the fair value option

in 1,000 CHF	2021	2022
Foreign exchange trading	161,584	179,515
Precious metals and foreign notes and coins trading	35,026	49,320
Equities trading	5,814	13,452
Fixed income trading	42,206	12,027
Other	–	–
Total result from trading activities and the fair value option	**244,630**	**254,314**
of which, from fair value option	14,226	5,723
of which, from fair value option on assets	3,110	−13,037
of which, from fair value option on liabilities	11,116	18,760

25 – Income from participations

Income from participating interests

in 1,000 CHF	2021	2022
Participations valued according to the equity method	62,665	84,912
Other non-consolidated participations	10,649	8,068
Total income from participating interests	**73,314**	**92,980**

26 – Information on material refinancing income in interest and discount income, plus material negative interest

Result from interest operations and negative interest

in 1,000 CHF	2021	2022
Interest and dividend income		
Interest income from amounts due from banks	–2,523	87,713
Interest income from securities financing transactions	–16	444
Interest income from amounts due from clients	113,657	124,918
Interest income from mortgage loans	2,501,569	2,523,480
Interest and dividend income from financial investments	25,306	39,873
Other interest income	19,528	280,618
Total interest and dividend income	**2,657,521**	**3,057,046**
of which negative interest on the lending business [1]	–107,082	–161,164
Interest expense		
Interest expense from amounts due to banks	61,079	–129,954
Interest expense from securities financing transactions	51,616	–5,116
Interest expense from amounts due to clients	–74,913	–105,771
Interest expense from cash bonds	–2,289	–1,457
Interest expense from bond issues and central mortgage institution loans	–238,756	–244,127
Other interest expense	–52,358	–1,243
Total interest expense	**–255,621**	**–487,668**
of which negative interest on the borrowing business [1]	237,784	157,654
Gross result from interest operations	**2,401,900**	**2,569,378**

1 Negative interest relates primarily to hedging transactions and transactions with banks.

Information on material refinancing income

No material refinancing income was generated in the year under review, or in the previous year.

27 – Personnel expenses

Personnel expenses

in 1,000 CHF	2021	2022
Meeting attendance fees and fixed compensation to members of the banking authorities	24,297	25,824
Salaries and benefits for staff	1,107,189	1,126,956
AHV, IV, ALV and other social benefits	109,697	117,512
Contributions to staff pension plans	122,249	127,559
Other personnel expenses	28,278	31,155
Total personnel expenses	**1,391,710**	**1,429,006**

28 – General and administrative expenses

General and administrative expenses

in 1,000 CHF	2021	2022
Office space expenses	80,881	83,849
Expenses for information and communications technology	112,217	116,237
Expenses for vehicles, equipment, furniture and other fixtures, as well as operating lease expenses	23,921	23,912
Fees of audit firms	7,454	7,447
of which, for financial and regulatory audits	7,181	7,250
of which, for other services	273	197
Other operating expenses	278,493	311,582
Total general and administrative expenses	**502,966**	**543,027**

29 – Explanations of material losses, extraordinary income and expenses, reserves for general banking risks, and value adjustments and provisions released

Year under review

- The extraordinary income of CHF 33.6 million consists of income from the sale of tangible fixed assets (CHF 5.7 million) and participations worth CHF 26.5 million (of which CHF 18.0 million came from the sale of the participation in responsAbility Investments AG and CHF 8.5 million from the sale of Liiva AG).
- Extraordinary expenses of CHF 9.8 million include losses from the disposal of tangible fixed assets totalling CHF 3.9 million and from the deconsolidation of a participation in the amount of CHF 5.5 million.
- There were no material value adjustments or provisions released.

Previous year

- The extraordinary income of CHF 8.6 million includes profits from the sale of tangible fixed assets of CHF 7.5 million.
- The extraordinary expenses of CHF 0.9 million include losses from the sale of tangible fixed assets of CHF 0.7 million.
- There were no material value adjustments or provisions released.

30 – Current and deferred taxes

Current and deferred taxes

in 1,000 CHF	2021	2022
Creation of provisions for deferred taxes	52,513	33,717
Release of provisions for deferred taxes	–13,238	–6,554
Capitalisation of deferred taxes on loss carry-forwards	–	–6,945
Expenses for current taxes	143,717	175,940
Total tax expenses	**182,992**	**196,158**
Average tax rate weighted on the basis of the operating result	14.4%	14.5%

Tax loss carry-forwards exist at Raiffeisen Switzerland and some Group companies. The taxable net profit for 2022 was partially offset against unused tax loss carry-forwards. In the year under review, deferred taxes in the amount of CHF 6.9 million were capitalised.

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To the General Meeting of
Raiffeisen Switzerland Cooperative, St. Gallen

Basle, 19 April 2023

Report of the statutory auditor

Report on the audit of the consolidated financial statements

Opinion
We have audited the consolidated financial statements of Raiffeisen Group and its subsidiaries (the Group), which comprise the consolidated balance sheet as of 31 December 2022, the consolidated income statement, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements (pages 14 to 53) give a true and fair view of the consolidated financial position of the Group as of 31 December 2022 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Swiss accounting principles for banks and comply with Swiss law.

Basis for opinion
We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the “Auditor's responsibilities for the audit of the consolidated financial statements” section of our report. We are independent of the Group in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters
Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the “Auditor's responsibilities for the audit of the consolidated financial statements” section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address

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the matters below, provide the basis for our audit opinion on the consolidated financial statements.

Recoverability of customer loans and measurement of value adjustments and provisions for default risks	
Audit Matter	Raiffeisen Group reports customer loans, consisting of amounts due from clients and mortgage loans, at nominal value less any value adjustments required. The determination of a value adjustment or provision on impaired credit items is carried out on an individual basis and is based on the difference between the carrying amount of the receivable or any higher limit and the amount likely to be recoverable, considering the creditworthiness of the borrower and the net realizable sale value of any collateral. In accordance with the accounting requirements for banks (FINMA Accounting Ordinance and FINMA-Circ. 2020/1 "Accounting – Banks"), Raiffeisen Group also recognizes value adjustments and provisions for expected losses on non-impaired credit items. When calculating value adjustments and provisions for default risks, estimates must be made, which involve significant judgments and may vary depending on the assessment. Raiffeisen Group reports amounts due from clients of CHF 10.9 billion and mortgage loans of CHF 203.7 billion. In this context, as of the balance sheet date, there were value adjustments and provisions for impaired credit items of CHF 271.3 million and value adjustments and provisions for expected losses on non-impaired credit items of CHF 515.3 million. Since customer loans represent with 76.5% a major part of the assets in Raiffeisen Group's consolidated financial statements, we consider the recoverability of customer loans and the calculation of value adjustments and provisions for default risks as a key audit matter. Raiffeisen Group describes its accounting and valuation principles for customer loans and value adjustments in the notes to the consolidated financial statements on pages 159 and 160. Further explanations on the identification of default risks, the calculation of the valuation adjustments and the valuation of the collaterals can be found in the notes to the consolidated financial statements on the pages 155 to 157.
Our audit response	Our audits included assessing the design and effectiveness of the processes and controls associated with granting and monitoring credit, as well as identifying and measuring valuation allowances and provisions on impaired items. In addition, we assessed the Raiffeisen Group's approach to the recognition of valuation allowances and provisions for expected losses on non-impaired items in accordance with Article 25 of the FINMA Accounting Ordinance in the consolidated financial statements.

In addition, we tested the recoverability of credit exposures based on a sample and assessed the methods and assumptions used in the calculation individual value adjustments and provisions for default risks. Our sample included both random and risk-oriented selected credit items. The risk-oriented sample included in particular unsecured loans to commercial customers and financing of investment properties.

Further audit procedures included the assessment of compliance with and implementation of the accounting and valuation principles of the Raiffeisen Group as well as the appropriateness of the explanations for the identification of default risks, for the calculation of the value adjustments and for the valuation of the collateral in the consolidated financial statements.

Our audit procedures did not result in any reservations regarding the recoverability of customer loans and the calculation of value adjustments and provisions for default risks.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report but does not include the consolidated financial statements and our auditor's reports thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Board of Directors' responsibilities for the consolidated financial statements

The Board of Directors is responsible for the preparation of the consolidated financial statements, which give a true and fair view in accordance with Swiss GAAP FER and the provisions of Swiss law, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements
Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

A further description of our responsibilities for the audit of the consolidated financial statements is located on EXPERTsuisse's website at: https://www.expertsuisse.ch/en/audit-report. This description forms an integral part of our report.

Report on other legal and regulatory requirements

In accordance with Art. 728a para. 1 item 3 CO and PS-CH 890, we confirm that an internal control system exists, which has been designed for the preparation of the consolidated financial statements according to the instructions of the Board of Directors.

We recommend that the consolidated financial statements submitted to you be approved.

Ernst & Young Ltd

Prof. Dr. Andreas Blumer	Philipp de Boer
Licensed audit expert	Licensed audit expert
(Auditor in charge)	

Regulatory disclosure

The Raiffeisen Group, in its capacity as the central organisation, is obligated to comply with capital adequacy rules and is thus subject to disclosure requirements under supervisory law. Information is published in line with the regulations laid down in the Capital Adequacy Ordinance (CAO) and FINMA Circular 2016/1 "Disclosure – banks".

The metrics in the following tables are presented in accordance with the provisions under the regime of non-systemic importance. For this reason, they also include capital elements that are reclassified under the systemic importance regime for gone-concern funds.

The systemic importance regime makes a distinction between going-concern capital for the continued orderly operation of the bank and additional loss-absorbing capital reserved for emergencies (gone-concern).

For information on metrics based on the provisions for systemically important banks, please refer to "Note 3: Disclosures for systemically important banks" in the regulatory disclosure.

Disclosure obligations

The Raiffeisen Group, in its capacity as the central organisation, is obligated to comply with capital adequacy rules and is thus subject to disclosure requirements under supervisory law. Information is published in line with the regulations laid down in the Capital Adequacy Ordinance (CAO) and FINMA Circular 2016/1 "Disclosure – banks".

On 16 June 2014, the Swiss National Bank (SNB) issued an order classifying the Raiffeisen Group as systemically important. Under FINMA Circular 2016/1 "Disclosure – banks", systemically important banks have special quarterly disclosure obligations. The corresponding information on risk-weighted capital adequacy and unweighted capital adequacy (leverage ratio) is available on Raiffeisen's website, raiffeisen.ch.

On the following pages, the annual report includes a selection of tables that have to be disclosed pursuant to FINMA Circular 2016/1 "Disclosure – banks". Complete disclosure with the qualitative and quantitative information on risks, equity capital base and liquidity is published on the Raiffeisen website, report.raiffeisen.ch/en-downloads.

Quantitative information has been disclosed in accordance with the requirements laid down in the Capital Adequacy Ordinance. Some of this information cannot be directly reconciled with that provided in the consolidated accounts, which is reported in line with the accounting requirements for banks laid down in FINMA Circular 2020/1 "Accounting – banks" and the FINMA Accounting Ordinance. Capital adequacy calculations are based on the same group of consolidated companies as the consolidated accounts.

Key regulatory metrics

Key metrics [1]

	in CHF million (unless stated otherwise)	a 31.12.2022	b 30.09.2022	c 30.06.2022	d 31.03.2022	e 31.12.2021
	Available capital (amounts)					
1	Common Equity Tier 1 (CET1)	20,575	19,415	19,375	19,183	19,109
2	Tier 1	21,710	20,544	20,501	20,376	20,323
3	Total capital	22,877	21,295	21,227	21,125	21,142
	Risk-weighted assets (amounts) [2]					
4	Total risk-weighted assets (RWA)	92,899	92,238	93,215	92,493	91,187
4a	Minimum capital requirement	7,432	7,379	7,457	7,399	7,295
	Risk-based capital ratios as a percentage of RWA					
5	Common Equity Tier 1 ratio (%)	22.1%	21.0%	20.8%	20.7%	21.0%
6	Tier 1 ratio (%)	23.4%	22.3%	22.0%	22.0%	22.3%
7	Total capital ratio (%)	24.6%	23.1%	22.8%	22.8%	23.2%
	Additional CET1 buffer requirements as a percentage of RWA					
8	Capital buffer in accordance with Basel Minimum Standards (as of 2019 2.5%) (%)	2.5%	2.5%	2.5%	2.5%	2.5%
9	Countercyclical buffer (Article 44a CAO) in accordance with the Basel Minimum Standards (%)	0.0%	0.0%	0.0%	0.0%	0.0%
10	Additional capital buffer due to national or international systemic importance (%)	0.0%	0.0%	0.0%	0.0%	0.0%
11	Overall buffer requirements in accordance with the Basel Minimum Standards in CET1 quality (%)	2.5%	2.5%	2.5%	2.5%	2.5%
12	Available CET1 to cover buffer requirements in accordance with Basel Minimum Standards (after deducting CET1 from the cover of the minimum requirements and possibly to cover the TLAC requirements) (%) [3]	10.8%	13.1%	12.8%	12.9%	13.7%
	Target capital ratios in accordance with note 8 of the CAO [4]					
12b	Countercyclical buffer (Articles 44 and 44a CAO)	1.4%	1.4%	0.0%	0.0%	0.0%
	Basel III Leverage Ratio					
13	Total exposure [5]	282,758	302,632	303,824	303,608	289,393
14	Basel III leverage ratio (%)	7.7%	6.8%	6.7%	6.7%	7.0%
	Liquidity Coverage Ratio					
15	Total HQLA	55,270	55,356	61,586	61,369	60,763
16	Total net cash outflow	32,828	34,194	35,608	34,840	32,769
17	LCR ratio (%)	168.4%	161.9%	173.0%	176.1%	185.4%
	Net Stable Funding Ratio					
18	Total available stable funding	227,260	226,680	225,902	224,565	223,094
19	Total required stable funding	161,313	160,307	158,805	156,113	153,975
20	NSFR ratio (%)	140.9%	141.4%	142.3%	143.8%	144.9%

1 The figures in this statement are calculated according to the provisions of the Capital Adequacy Ordinance (CAO) for non-systemically important banks.
2 The adoption of the IRB approach as of 30.09.2019 reduced the risk-weighted assets (RWAs). After the transitional provisions have expired, an IRB floor of 80% is taken into account as from 30.09.2022.
3 Due to the early fulfillment of the full 2026 TLAC requirements as of 31.12.2022 and the resulting higher reclassification of excess CET1 capital, this figure is reduced as of 31.12.2022. In return, the aggregate requirements for additional loss-absorbing funds (gone-concern funds) applicable as of 2026 have already been fully built up as of 31.12.2022.
4 Systemically important banks can refrain from publishing rows 12a, 12c, 12d, 12e (note 8 of the CAO not applicable).
5 The decrease in total exposure in the fourth quarter 2022 is due to the decrease in money market transactions.

Overview of risk-weighted assets

OV1: Overview of risk-weighted assets [1]

		a	b	c
		RWA	RWA	Minimum Capital Requirement [2]
in CHF million		31.12.2022	31.12.2021	31.12.2022
1	**Credit risk (excluding counterparty credit risk) (CCR)**	**82,355**	**76,371**	**6,588**
2	of which: standardised approach (SA)	12,395	9,874	992
3	of which: foundation internal ratings-based (F-IRB) approach	27,041	25,745	2,163
4	of which: supervisory slotting approach	–	–	–
5	of which: advanced internal ratings-based (A-IRB) approach [3]	42,919	40,752	3,434
6	**Counterparty credit risk (CCR)** [4]	**403**	**1,470**	**32**
7	of which: standardised approach for counterparty credit risk	356	297	28
8	of which: Internal Model Method (IMM)	–	–	–
9	of which: other CCR	47	1,173	4
10	**Credit valuation adjustment (CVA)**	**110**	**122**	**9**
11	**Equity positions under the simple risk weight approach**	**364**	**371**	**29**
12	**Equity investments in funds – look-through approach**	**–**	**–**	**–**
13	**Equity investments in funds – mandate-based approach**	**–**	**–**	**–**
14	**Equity investments in funds – fall-back approach**	**38**	**47**	**3**
15	**Settlement risk**	**1**	**–**	**–**
16	**Securitisation exposures in banking book**	**–**	**–**	**–**
17	of which: securitisation internal ratings-based approach (SEC-RBA)	–	–	–
18	of which: securitisation external ratings-based approach (SEC-ERBA, including internal assessment approach (IAA)	–	–	–
19	of which: securitisation standardised approach (SEC-SA)	–	–	–
20	**Market risk** [5]	**1,650**	**2,414**	**132**
21	of which: standardised approach (SA)	1,650	2,414	132
22	of which: internal model approaches (IMA)	–	–	–
23	**Capital charge for switch between trading book and banking book**	**–**	**–**	**–**
24	**Operational risk**	**6,173**	**5,839**	**494**
25	**Amounts below the thresholds for deduction (subject to 250% risk weight)**	**1,806**	**1,592**	**144**
26	**Floor adjustment** [6]	**–**	**2,961**	**–**
27	**Total**	**92,899**	**91,187**	**7,432**

1 The figures in this statement are calculated according to the provisions of the Capital Adequacy Ordinance (CAO) for non-systemically important banks.
2 The required capital for all items amounts to 8% of the risk-weighted assets (RWA).
3 Raiffeisen uses the foundation IRB approach (F-IRB). As for the IRB segment retail only the advanced IRB approach (A-IRB) exists, the RWA and minimum capital requirements for the IRB segment retails are disclosed here.
4 Counterparty credit risk decreased sharply as a result of lower SFT transactions compared with the previous period.
5 The capital requirement for market risks decreased compared with the previous period, in particular due to lower foreign exchange and precious metal risks.
6 After the transitional provisions have expired, an IRB floor of 80% is taken into account as from 30.09.2022.

Composition of regulatory capital

Presentation of regulatory eligible available capital[1]

in CHF million (unless stated otherwise)

		30.06.2022	31.12.2022
Common equity Tier 1 capital (CET1)			
1	Issued and paid-in capital, eligible in full	2,970	3,070
2	Statutory reserves / retained earnings reserves / retained earnings (losses) / profit (loss) for the period	16,421	17,524
	of which retained earnings reserves	16,421	16,421
	of which capital reserves and reserves for foreign currencies	–	–
	of which profit (loss) for the period[2]	–	1,103
5	Minority interests, eligible as CET1	–	–
6	**= Common Equity Tier 1, prior to regulatory adjustments**	**19,391**	**20,594**
Regulatory adjustments of CET1			
7	Prudential value adjustments	–6	–5
8	Goodwill	–0	0
9	Other intangibles	–7	–7
12	"IRB shortfalls" (difference between the expected losses and value adjustments)	–2	–8
28	**= Total , CET1 adjustments**	**–16**	**–19**
29	**= Common Equity Tier 1 capital (net CET1)**	**19,375**	**20,575**
Additional Tier 1 capital (AT1)			
30	Issued and paid in instruments, eligible in full	1,225	1,225
31	of which: regulatory-capital instruments according to financial statements	–	–
32	of which: debt instruments according to financial statements	1,225	1,225
36	**= Total, Additional Tier 1 capital, prior to regulatory adjustments**	**1,225**	**1,225**
37	Net long positions in own AT1 instruments	–99	–90
43	**= Total of AT1 regulatory adjustments**	**–99**	**–90**
44	**= Additional Tier 1 capital (net AT1)**	**1,126**	**1,135**
45	**= Tier 1 capital (net Tier 1 = net CET1 + net AT1)**	**20,501**	**21,710**
Tier 2 capital (T2)			
46	Issued and paid in instruments, eligible in full	726	1,167
47	Issued and paid in instruments, recognized as accruals (phase-out)	–	–
51	**= Tier 2 capital before regulatory adjustments**	**726**	**1,167**
57	= Total T2 adjustments	–	–
58	**= Tier 2 capital (net T2)**	**726**	**1,167**
59	**= Regulatory capital (net T1 & net T2)**	**21,227**	**22,877**
60	**Sum of risk-weighted positions**	**93,215**	**92,899**
Capital ratios			
61	**CET1 ratio (no. 29 in % of risk-weighted positions)**	**20.8%**	**22.1%**
62	**T1 ratio (no. 45 in % of risk-weighted positions)**	**22.0%**	**23.4%**
63	**Ratio regarding the regulatory capital (no. 59 in % of risk-weighted positions)**	**22.8%**	**24.6%**
64	CET1 buffer capital requirements specific to the institution according to Basel Minimum Standards (capital buffer + counter-cyclical buffer according to Article 44a CAO + capital buffer for systemically important banks) (in % of the risk-weighted positions)	2.5%	2.5%
65	of which, capital buffers according to Basel minimum standards (in % of risk-weighted positions)	2.5%	2.5%
66	of which, counter-cyclical buffer according to Basel minimum standards (Article 44a CAO in % of the risk-weighted positions)	0.0%	0.0%
67	of which, capital buffers for systemically important banks according to Basel minimum standards (in % of risk-weighted positions)	0.0%	0.0%
68	Available CET1 to cover buffer requirements according to Basel Minimum Standards (after deducting CET1 to cover the minimum requirements and possibly to cover the TLAC requirements) (in % of risk-weighted positions)[3]	12.8%	10.8%
Amounts below the thresholds for deduction (before risk-weighting)			
72	Non-qualifying equity interests in the financial sector and other TLAC investments	89	90
73	Other qualifying interests in companies active in the financial sector (CET1)	643	722

1 The figures in this statement are calculated according to the provisions of the Capital Adequacy Ordinance (CAO) for non-systemically important banks.
2 Net profit minus interest on the cooperative capital.
3 Due to the early fulfillment of the full 2026 TLAC requirements as of 31.12.2022 and the resulting higher reclassification of excess CET1 capital, this figure is reduced as of 31.12.2022. In return, the aggregate requirements for additional loss-absorbing funds (gone-concern funds) applicable as of 2026 have already been fully built up as of 31.12.2022.

Liquidity coverage ratio

Art. 12 of the Liquidity Ordinance requires the Raiffeisen Group and Raiffeisen Switzerland to comply with the liquidity coverage ratio (LCR). The LCR is intended to ensure that banks always hold sufficient high-quality liquid assets (HQLA) to cover the net cash outflow that could be expected in a standard stress scenario for 30 days, as defined by outflow and inflow assumptions. The LCR metrics published are based on the daily closing averages of all business days in the corresponding reporting quarters.

Information on the liquidity coverage ratio

			Q3 2022 [1]		Q4 2022 [1]
	in CHF million (unless stated otherwise)	Unweighted values	Weighted values	Unweighted values	Weighted values
A.	**High-quality liquid assets (HQLA)**				
1	Total high-quality liquid assets (HQLA)		55,356		55,270
B.	**Cash outflows**				
2	Retail deposits	121,439	12,063	123,084	12,237
3	of which stable deposits	6,000	300	6,000	300
4	of which less stable deposits	115,439	11,763	117,084	11,937
5	Unsecured business-client or wholesale funding	30,470	18,168	28,999	17,015
6	of which operational deposits (all counterparties) and deposits with the central institution of a cooperative bank network	–	–	–	–
7	of which non-operational deposits (all counterparties)	28,976	16,674	28,325	16,342
8	of which unsecured debt securities	1,494	1,494	673	673
9	Secured business client or wholesale funding and collateral swaps		260		263
10	Other cash outflows	15,180	3,395	15,111	3,328
11	of which cash outflows related to derivative exposures and other transactions	1,940	1,738	1,879	1,687
12	of which cash outflows related to loss of funding on asset-backed securities, covered bonds, other structured finance, asset-backed commercial paper, conduits, securities investment vehicles and other such financing facilities	122	122	87	87
13	of which cash outflows from committed credit and liquidity facilities	13,118	1,535	13,145	1,554
14	Other contractual funding obligations	3,832	2,222	4,602	2,513
15	Other contingent funding obligations	1,666	83	1,590	79
16	**Total cash outflows**		**36,192**		**35,437**
C.	**Cash inflows**				
17	Secured funding transactions (e.g. reverse repo transactions)	418	89	416	115
18	Inflows from fully performing exposures	3,472	1,697	4,495	2,231
19	Other cash inflows	213	213	262	262
20	**Total cash inflows**	**4,102**	**1,998**	**5,172**	**2,609**
	Adjusted value				
21	**Total high-quality liquid assets (HQLA)**		**55,356**		**55,270**
22	**Total net cash outflows**		**34,194**		**32,828**
23	**Liquidity coverage ratio (LCR) (%)**		**161.9%**		**168.4%**

1 Average daily closing averages of all business days in the reporting quarters.

Of the portfolio of high-quality liquid assets (HQLA), 87% consist of category 1 assets, 81% of which are held as liquid funds. The remaining category 1 assets are mainly public sector bonds with a minimum rating of AA–. Of the category 2 assets, which account for 13% of the HQLA portfolio, 89% consist of Swiss mortgage bonds. The remaining 11% are primarily public-sector bonds and covered bonds rated at least A–.

The HQLA portfolio (No. 21) decreased in comparison to the last reporting period, especially in the third quarter. Net cash outflows (No. 22) have also declined compared to the last reporting period. The result was a decrease in the short-term liquidity coverage ratio (No. 23) to 161.9% in the third quarter and an increase to 168.4% in the fourth. This change is mainly attributable to a reduction in the portfolio of deposits from business clients and key accounts (line 5) and the increase in inflows from fully recoverable receivables (line 18). The remaining positions moved steadily in line with the growth in total assets.

Key figures

Raiffeisen is the third-largest banking group in Switzerland, has strong local roots, and is a leader in the retail business. The Group consists of 220 legally independent Raiffeisen banks with a cooperative structure. Raiffeisen serves 3.64 million clients at 803 locations throughout Switzerland. More than 2 million cooperative members hold at least one share certificate of a local Raiffeisen bank and help shape it.

Group companies compared

Income statement and balance key figures

in million CHF	Raiffeisen banks 2021	Raiffeisen banks 2022	Raiffeisen Switzerland 2021	Raiffeisen Switzerland 2022	Other Group companies 2021	Other Group companies 2022	Consolidation effects 2021	Consolidation effects 2022	Raiffeisen Group 2021	Raiffeisen Group 2022
Income statement										
Net interest income	2,121	2,324	283	229	–8	1	18	–4	2,414	2,550
Result from commission business and service transactions	420	486	122	100	4	5	–10	–	536	591
Result from trading activities	144	173	87	76	14	4	–1	1	244	254
Other result from ordinary activities	71	71	363	392	91	18	–336	–347	189	134
Operating income	**2,756**	**3,054**	**855**	**797**	**101**	**28**	**–329**	**–350**	**3,383**	**3,529**
Personnel expenses	–960	–1,020	–420	–411	–22	–16	10	18	–1,392	–1,429
General and administrative expenses	–577	–630	–258	–250	–13	–8	345	345	–503	–543
Operating expenses	**–1,537**	**–1,650**	**–678**	**–661**	**–35**	**–24**	**355**	**363**	**–1,895**	**–1,972**
Value adjustments on participations and depreciation and amortisation of tangible fixed assets and intangible assets	–167	–169	–61	–43	–4	–1	15	24	–217	–189
Value adjustments, provisions and losses	8	–10	–7	–16	–	–	–4	12	–3	–14
Operating profit	**1,060**	**1,225**	**109**	**77**	**62**	**3**	**37**	**49**	**1,268**	**1,354**
Extraordinary income	21	30	34	27	0	0	–46	–23	9	34
Extraordinary expenses	–553	–559	–	–	–	–	552	549	–1	–10
Changes in reserves for general banking risks	–130	–236	–92	–32	–	–	222	268	–	–
Taxes	–138	–172	–3	–3	–6	–1	–36	–20	–183	–196
Group profit (including minority interests)	**260**	**288**	**48**	**69**	**56**	**2**	**729**	**823**	**1,093**	**1,182**
Minority interests in Group profit	–	–	–	–	–	–	24	–0	24	–0
Group profit	**260**	**288**	**48**	**69**	**56**	**2**	**705**	**823**	**1,069**	**1,182**
Key balance sheet figures										
Total assets	238,603	251,271	86,897	69,557	2,543	2,146	–43,554	–42,339	284,489	280,635
Amounts due from clients	6,875	7,184	3,090	3,711	91	181	–60	–167	9,996	10,909
Mortgage loans	185,323	198,857	11,040	4,799	–	–	–3	–	196,360	203,656
Amounts due in respect of customer deposits	185,058	194,879	17,277	10,043	–	–	–606	–137	201,729	204,785

Five-year overviews

Balance sheet in the five-year overview

Balance sheet

in million CHF	2018	2019	2020	2021	2022
Assets					
Liquid assets	19,188	29,643	36,661	57,275	35,442
Amounts due from banks	2,225	7,677	4,037	3,245	2,197
Amounts due from securities financing transactions	5	250	–	–	–
Amounts due from clients	8,135	8,160	10,041	9,996	10,909
Mortgage loans	179,558	185,291	190,317	196,360	203,656
Trading portfolio assets	3,455	3,201	3,044	2,574	2,889
Positive replacement values of derivative financial instruments	1,337	1,898	1,645	1,356	4,852
Financial assets	6,613	7,194	8,829	8,549	15,151
Accrued income and prepaid expenses	259	263	281	281	334
Non-consolidated participations	683	708	683	724	808
Tangible fixed assets	2,933	2,998	2,981	2,967	2,989
Intangible assets	54	10	7	–	7
Other assets	888	1,053	1,127	1,163	1,401
Total assets	**225,333**	**248,345**	**259,653**	**284,489**	**280,635**
Liabilities					
Amounts due to banks	6,463	12,280	10,559	15,912	13,990
Liabilities from securities financing transactions	2,925	6,327	4,181	7,451	35
Amounts due in respect of customer deposits	165,701	176,179	190,425	201,729	204,785
Trading portfolio liabilities	70	198	148	156	289
Negative replacement values of derivative financial instruments	1,928	2,318	2,099	1,616	3,762
Liabilities from other financial instruments at fair value	2,300	2,497	2,192	2,229	1,741
Cash bonds	591	459	354	284	210
Bond issues and central mortgage institution loans	26,864	28,725	29,391	34,062	32,002
Accrued expenses and deferred income	855	840	865	832	917
Other liabilities	121	107	100	152	1,331
Provisions	1,035	998	967	933	947
Reserves for general banking risks	200	200	200	200	200
Cooperative capital	2,172	2,351	2,519	2,692	3,070
Retained earnings reserve	13,611	14,092	14,864	15,219	16,221
Group profit	541	835	861	1,069	1,182
Total equity capital (without minority interests)	**16,524**	**17,478**	**18,444**	**19,180**	**20,673**
Minority interests in equity	−44	−62	−71	−47	−47
of which Minority interests in group profit	−44	−11	−9	24	–
Total equity capital (with minority interests)	**16,480**	**17,416**	**18,373**	**19,133**	**20,626**
Total liabilities	**225,333**	**248,345**	**259,653**	**284,489**	**280,635**

Income statement in the five-year overview

Income statement

in million CHF	2018	2019	2020	2021	2022
Interest and discount income	2,895	2,819	2,734	2,632	3,017
Interest and dividend income from financial investments	49	43	33	25	40
Interest expense	–653	–595	–417	–256	–488
Gross result from interest operations	**2,291**	**2,267**	**2,350**	**2,402**	**2,569**
Changes in value adjustments for default risks and losses from interest operations	–63	–13	–52	12	–19
Subtotal net result from interest operations	**2,228**	**2,254**	**2,297**	**2,414**	**2,550**
Commission income from securities trading and investment activities	374	343	363	406	395
Commission income from lending activities	21	22	25	29	31
Commission income from other services	224	230	224	228	320
Commission expense	–168	–178	–161	–127	–155
Result from commission business and service transactions	**451**	**416**	**451**	**536**	**591**
Result from trading activities and the fair value option	**210**	**228**	**215**	**245**	**254**
Income from sale of financial assets	5	13	13	70	1
Income from participations	76	64	32	73	93
Income from real estate	21	22	21	21	23
Other ordinary income	129	65	33	27	27
Other ordinary expenses	–42	–10	–2	–2	–10
Other result from ordinary activities	**189**	**153**	**97**	**189**	**134**
Operating income	**3,078**	**3,052**	**3,060**	**3,383**	**3,529**
Personnel expenses	–1,390	–1,332	–1,337	–1,392	–1,429
General and administrative expenses	–606	–538	–480	–503	–543
Operating expenses	**–1,996**	**–1,870**	**–1,817**	**–1,895**	**–1,972**
Value adjustments on participations and depreciation and amortisation of tangible fixed assets and intangible assets	–259	–227	–274	–217	–189
Changes to provisions and other value adjustments, and losses	–124	–24	–2	–3	–14
Operating result	**699**	**930**	**967**	**1,268**	**1,354**
Extraordinary income	82	10	6	9	34
Extraordinary expenses	–8	–3	–2	–1	–10
Changes in reserves for general banking risks	–120	–	–	–	–
Taxes	–156	–112	–119	–183	–196
Group profit (including minority interests)	**497**	**824**	**852**	**1,093**	**1,182**
Minority interests in Group profit	–44	–11	–9	24	0
Group profit	**541**	**835**	**861**	**1,069**	**1,182**

Appropriation of profit in the five-year overview

Appropriation of profit

in million CHF	2018	2019	2020	2021	2022
Retained earnings reserve	481	772	796	1,002	1,103
Distribution to cooperative members	60	63	65	67	79
Distribution ratio in %[1]	12%	8%	8%	7%	7%

1 This year, the proposal for appropriation of profit is provisional.

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