Annual General Meeting of Raiffeisen Bank International AG

Reports by Herbert Stepic and Martin Grüll

June 20, 2012

Raiffeisen Bank International

Report by the CEO Herbert Stepic

Ladies and Gentlemen, valued shareholders!

I thank you for your great interest and am delighted to welcome you to the ordinary Annual General Meeting of Raiffeisen Bank International AG, or RBI for short, our second Annual General Meeting since the merger. I read somewhere that over 1,500 shareholders attended the AGM of a competitor. We don't have quite that many here, but I don't believe this means there is any difference in the level of interest.

In any event, I consider myself fortunate not to have to apologise for there being no dividends for 2011. I can only apologise for the fact that the consolidated profit is 11 per cent lower than the value for last year and that we did not reach the billion mark this time around. I also regret that, but given the underlying conditions, I am very satisfied with our result for 2011. And I hope you are, too!

The American magazine Forbes has identified RBI as the company with the highest profit in Austria in 2011. While we haven't verified this, we also are not aware of any complaints from other companies, so we assume this ranking is correct.

We are not only proud of this ranking, but also see it as a triple endorsement:

1. firstly, that we embarked on the right and important course with the merger of RZB and Raiffeisen International in 2010.
2. secondly, that our business model based on diversification is enjoying lasting success.
3. and thirdly, that the region of Central and Eastern Europe continues to remain attractive and will remain **the** region for growth in Europe.

But first things first.
The year 2011 was characterised by the sovereign debt crisis, especially in the peripheral countries of the eurozone, which unfortunately remains the dominating topic this year as well. The dramatic developments surrounding the sovereign debt crisis in Greece, the divisions within the EU over how to solve the problem and the vulnerability of other, much larger states such as as Spain and Italy, have led to considerable uncertainty and volatility on the markets. Close economic ties mean that the countries of Central and Eastern Europe have been unable to decouple themselves from this uncertainty, although many markets, such as those in Poland and Russia, have coped very well with the situation.

The spoken word counts.
Note: This speech was originally held in German. The English version is only a translation.

Then, in the second half of the year, there were also a few complications in Hungary and on a regulatory level. Here are some of these negative highlights:

- At the beginning of September, the **Hungarian government presented its loan conversion programme** based on fixed exchange rates. In our eyes this was a clear state intervention in private business contracts, which we condemn and object to, and which initially cost us a lot of money and frayed nerves.

- On 10 October, the anniversary of our official merger completion, a competitor announced that we would all have to wrap up warmly and that they would have to carry out a large **balance sheet pruning exercise**. That led to great uncertainty in the market and questions from the media, analysts and shareholders subsequently put us in a spin, although we didn't have to do any pruning of our balance sheet whatsoever. All of a sudden there is an unusually large number of experts who think that all banks are faced with something similar and that the most courageous bank has taken the first step. Suddenly, Eastern Europe is also caught in the crossfire of the criticism again.

- At the end of October, the EU decided that around 70 of the banks that are of systemic relevance to their countries have to fulfil an **equity ratio of 9 per cent** by 30 June. For us, this affects the RZB Group and not RBI, which was audited as part of the stress test earlier. Raiffeisen is suddenly the Austrian institute with the biggest capital needs and Austria's banks are disproportionately affected. In general, the banking industry is faced with the challenge of having to raise far in excess of EUR 100 billion in capital at a time when capital increases are not an attractive option because investors have an aversion to bank risk and prices are far below book value. Neither is it possible to foresee the effects of this decision on the otherwise weakening economic prospects. Instead of seven years, as provided for under Basel III, the banks now have just eight months left to boost their equity.

- In the meantime, those who number amongst the causers of the financial crisis – namely the **rating agencies** – keep on fanning the flames by downgrading countries or banks lock, stock and barrel. Unfortunately, the latter has also happened to Austria's banks recently. Please spare me from any further commentary on this, as it would sound somewhat cynical.

- Between these negative highlights are any number of **EU summits**, minor cruelties such as the introduction of a **banking tax in Slovakia** as well as - and these are the real tragedies - the **death from cancer of our young CEO in Russia**, Pavel Gurin.

If we have still managed to give a solid impression despite these adverse events, then it is based on the conviction of

- having a sustainable business model,
- being active in the right markets and
- having the right employees for the job.

Our business model, our markets and our employees are the factors behind our success!

My dear ladies and gentlemen!

I would now like to move on to the financial highlights of 2011.

- **Net interest income** rose to EUR 3,667 million, which corresponds to an increase of 2.5 per cent in comparison with 2010.

- **Operating income** (excluding impairment losses) rose to EUR 5,475 million, corresponding to a slight rise of 1.3 per cent in comparison with 2010.

- Our **general administrative expenses** rose to EUR 3,120 million. This is an increase of nearly 5 per cent in comparison with 2010. That also means the we managed to reign in the growth dynamic by half, because costs rose by around 10 per cent from 2009 to 2010. For this year, we have resolved not to account for any growth in costs, although this excludes the recently acquired Polbank.

- **Net provisioning for impairment losses** fell to EUR 1,064 million and were thus almost 11 per cent lower than in 2010.

Let me give you a few explanations about the value adjustments, because the way in which we address this topic also explains why we did not need to "wipe the slate clean" in 2011. We have actually made the necessary value adjustments continuously, and already used the fourth quarter of 2008 – which marked the beginning of the financial crisis in Eastern Europe – to have a proper

„clean up". Since then, RBI has – quarter by quarter – performed the necessary steps and value adjustments. Therefore, RBI did not have to follow with similar measures.

The sovereign exposure of RBI to the peripheral countries of the eurozone is traditionally low. We have been reporting on this for many months. We have no sovereign exposure on our books with regard to Greece, Ireland, Spain and Portugal. Even Italy, with around EUR 25 million, is not really of any consequence.

The CDS portfolio - Credit Default Swaps are a kind of credit insurance - of RBI has always been assessed at market value, so RBI had no reason to carry out a revaluation.

In the fourth quarter of last year, we performed depreciations of goodwill totalling EUR 187 million. We did this on the basis of changed underlying conditions and corresponding adjustments to our business plans. The value adjustment of the Ukrainian holding alone was EUR 183 million and we depreciated the remaining EUR 4 million at our banks in Hungary and Slovenia down to zero. We now have goodwill of only around EUR 400 million in relation to equity of around EUR 10 billion. In other words, 4 per cent, which is a very, very low figure in comparison with many other European banks – especially those that are involved in Eastern Europe.

Further significant measures under this heading are therefore not to be expected because RBI – unlike other banks – acquired its subsidiary banks in favourable times for favourable prices.

- **Profit before tax** reached EUR 1,373 million, which was around 7 per cent more than in 2010.

We thus recorded the highest pre-tax profit since the crisis began. What is even more important to me personally is the fact that we have managed to get through the entire crisis since the middle of 2008 without a single quarterly loss.

- In contrast, **consolidated profit fell** by 11 per cent to EUR 968 million. Responsible for this was an opposite development of latent taxes, which had led to a disproportionately low tax burden in 2010 due to special effects.

- The **return on equity before tax** was stable at 13.7 per cent.

- The **share of non-performing loans** improved to 8.6 per cent, which is 0.3 percentage points lower than in 2010.

- The **coverage ratio**, i.e. the ratio of provisions for impairment losses to non-performing loans, improved to 68.4 per cent, which is 2.1 percentage points higher than in 2010.

- **Customer loans** rose to EUR 81,576 million, which is a rise of 7.8 per cent compared to 2010, and proves that we have fulfilled our task as financier for the real economy.

- The **Core Tier 1 ratio (total)** rose to 9.0 per cent to end 0.2 percentage points above the ratio for 2010.

- The **Tier 1 ratio (total)** rose to 9.9 per cent to also end 0.2 percentage points above the value for 2010.

Having just shown you some of the developments, which I hope you found pleasing as shareholders, I now come to the development of the share price, which, of course, has brought you less joy. Believe me, I also often find myself at a loss for words when I look at the movements in our share price and compare it with our business performance.

The RBI share recorded its highest closing price in 2011 on 9 February with EUR 45.10, its lowest on 23 November with EUR 14.16. It opened the year with a price of EUR 43.06, while the price on the last day of the year was EUR 20.07.

In total, therefore, the share suffered a price drop of 51 per cent over the year. The ATX recorded a loss of 35 per cent in the same period, the EURO STOXX Banks lost even more ground, with a decline of 38 per cent.

At the end of 2011, the market capitalisation of RBI was EUR 3.9 billion with 195.5 million shares issued. 67.9 million shares of RBI were traded in 2011. This achieved a turnover volume of EUR 2.0 billion and an average daily turnover of 273,679 shares.

It is certainly in the nature of analysts to look for the fly in the ointment and, where possible, to find it. And it is also in the nature of this profession to always look to the future. It is sometimes frustrating, however, to see how continuity and the successful taking

of countermeasures, even in the face of strong headwinds, are so poorly rewarded. Nevertheless, RBI can raise its flag high, not only for not having to record a single quarter of losses, but also for being well positioned in terms of its risk policy and for having massively increased its equity ratio in recent months. Despite this continuity and some good market outlooks, it is only in recent weeks that we have again risen in the estimation of analysts to the point where the number of buy recommendations and sell recommendations is roughly balanced.

I would now like to briefly show you how we reacted to the challenges of the market:

- capital, ladies and gentlemen, is an important key to success in the present and future banking industry. We are in the happy situation of being able to create and build up capital through our profits. In 2011, we increased our core tier 1 ratio from 8.9 per cent at the end of 2010 to 9.0 per cent at the end of 2011. Martin Grüll will later report on a powerful jump in the first quarter of 2012.

- The RZB Group set up around 20 working groups to meet the challenge of the EBA's target ratio of 9 per cent. It is working - as we have reported - on vaulting this hurdle with a margin of safety in ten days.

How did we adapt our business model? Well, fortunately, not too many changes were needed.

- We have retained our diversified business model based on customer relationships with a focus on first-class corporate and private customers.

- We operate strict cost management with the goal of a stable cost base - which I have already talked about.

- And we are placing an even stronger focus on the core business. For example we have significantly rolled back the business we do with financial institutions - for example, with other banks.

- Our strict risk management policy enabled us to achieve a further sharp reduction in our loans to peripheral states of the eurozone, which were in any case at an inherently very low level. At the end of the first quarter of 2012, these debts outstanding amounted to only EUR 26 million and concerned only Italy.

- We have set ourselves the target of reducing our market risk-relevant risk-weighted assets to around 30 per cent, two thirds of which we completed in 2011.

The topics of refinancing and liquidity can also decide on the ups and downs of a bank. Lehman Brothers ultimately collapsed not due to a lack of equity, but because the bank did not receive refinancing from the market anymore.

- We have succeeded in increasing customer deposits by around 16 per cent. Of course, the excellent reputation of the Raiffeisen brand helped us with this. It enabled us to reduce the loan-deposit ratio from 131 per cent to 122 per cent in comparison with the previous year.

- Our ongoing diversification and the "tapping" of a wide range of refinancing sources has reduced our dependence on the financial market. Worth mentioning here is, for example, our direct bank ZUNO, with which we are currently already servicing around 100,000 customers in Slovakia and the Czech Republic.

- We have also further reduced our dependency on the capital markets: Our refinancing needs via the financial market will be around EUR 2.1 billion in 2012. Most of this, EUR 1.9 billion, had already been raised as of the middle of May.

- We have built up a large liquidity buffer of around EUR 25 billion in order to make us more resistant to crises and shocks.

With this measures, we will

1. cope with the regulatory changes,
2. decisively strengthen our resistance and
3. strengthen our operational setup, so that we can use every economic upturn.

Dear shareholders,

To round off, I would like to present our strategy to you.

- In Central and Eastern Europe, RBI sees itself as a **universal bank** with a broad customer base and a comprehensive product platform – while in Austria we are a corporate and investment bank.

- We have chosen to rely on **organic development** in our 18 home markets. That means we are not planning any further regional expansion. In Asia, we are a niche player who not only supports the Austrian export sector very successfully, but also accompanies Asian companies, for instance on their way to Europe. "Small but mighty" is the motto here.

- We rely on unified **risk management** and **diversification** to avoid a concentration risk with, for example, assets or liquidity.

- In RZB, we have a **reliable core shareholder** that many competitors are envious of.

- An **efficient use of capital and liquidity** is also one of our fundamental principles and is key to our success.

The focal points of our business are as follows:

- In addition to Austria, our **home market** is Central and Eastern Europe.

- In **Austria**, we are a leading corporate and investment bank. In **Central and Eastern Europe**, we offer comprehensive financial services for corporate and private customers.

- Our **corporate business** is based on group-wide customer planning that focusses specifically on the sale of capital and liquidity-conserving products in areas such as treasury or cash management.

- In **private customer business**, our focus is on the introduction of further products in the high-end segments, in other words in premium and private banking. In addition, we are continuing to work on the standardisation of mass market products.

- As far as the **capital market business** is concerned, our focus is on capital-conserving products such as stocks, bonds, mergers and acquisitions as well as hedging transactions. We do this for corporate customers and financial institutions; we operate our own business on a heavily restricted basis.

- Having pursued this strategy for many years, we became a **leading bank**, both in Central and Eastern Europe and in Austria.

- We have a **far-flung branch network**, and **Raiffeisen** is the **strongest financial brand** in the entire region.

- Especially pleasing for us is the fact that we are now also strongly positioned in the biggest and strongest market of Central Europe, namely in **Poland**, in addition to the biggest market, **Russia**. What's more, our analysts also view these two markets as the markets with the greatest growth potential in the region. We are also excellently positioned in **Romania**, the biggest market in Southeastern Europe.

- We have therefore created a **diversified and profitable business model** - and done so with convincing success! We have not had a single annual loss with this business model since our initial engagement in Central Europe 25 years ago, nor a single quarterly loss since the IPO in 2005.

I would like to take this opportunity to mention that Hungary, which was a strong earner for many, many years, has given us much reason for concern since 2010 and especially in 2011, and that it will continue to do so for a long time yet. We more than offset the losses in Hungary with the result in Russia last year. In 1998, however, it was Hungary that made a significant contribution to us being able to absorb the losses from the crisis in Russia at the time.

As you can see: Diversification is in principle an old, but very valuable cap, and can work in both directions.

I have already repeatedly mentioned Polbank, and some of you have no doubt wondered why the purchase took 15 months to complete. On the one hand, that has to do with the complexity of the transaction, and on the other with the situation of the seller, the Greek EFG Eurobank, which was supposed to be merged in the interim with the second largest bank in the country, although this was abandoned again.

- The conversion of Polbank EFG into a bank with a local licence was completed in the middle of September 2011. It thus became a separate legal entity, prior to which it was a branch of the large Greek bank EFG.

- We obtained approval for the acquisition of Polbank from the Polish regulatory authority in the middle of April 2012.

- We have already decided on the desired organisational structure for the combined bank, and implementation is under way.

- The acquisition of 70 per cent of Polbank was completed on 30 April.

- By the way, EFG exercised the option to sell the remaining 30 per cent immediately, which ultimately accelerated the integration.

- We were able to reduce the originally agreed purchase price of EUR 490 million by a total of EUR 60 million through a direct and indirect discount on the purchase price.

- The implied price/book value ratio is a maximum of 1.5 times.

- The combined bank will serve more than 900,000 customers and will be the number 6 bank in Poland by customer loans. We have therefore made it into the leading group of the Polish banking industry.

In the future, the new bank will combine Raiffeisen Bank Polska, which is strong in the corporate customer segment, with a strong retail bank. We are expecting this combination to deliver a high cross-selling potential, in other words the possibility to increase the product penetration of our customers through increased sales and a broader product base.

With the new name "Raiffeisen Polbank", we are combining the high recognition value of Polbank with the internationally well-established Raiffeisen brand. In future, we will operate in Poland with more than 400 business outlets. The new bank is currently the number one amongst our network banks in terms of customer loan volumes. That and a planned IPO of the new bank on the Warsaw Stock Exchange in the second half of 2016 underscore the importance of Raiffeisen Polbank.

The next slide again highlights our strong market position by customer loans in the individual markets. We are amongst the top 5 banks in 13 markets.

We offer our products to over 14.6 million customers through more than 3,100 branches. These figures already include Polbank.

Half of the markets shown on this slide are part of the EU. In addition, Croatia will become a member of the EU next year and Serbia has candidate status.

I would now like to take a brief look at the basic economic conditions of the past year and the current year:

- Increasing exports led to a strong recovery in Central and Eastern Europe in 2011, while weaker business activity in Europe also challenges Central and Eastern Europe in the first half of 2012. However, our analysts expect a recovery in the second half of 2012, which should continue in 2013.

- Central and Eastern Europe is in a much better position compared to the crisis of 2008/2009 and has fewer weaknesses. For example, the trade balances are generally much more balanced and the budget positions are also much more stable than in the last crisis. With credit growth far in excess of 10 per cent in some areas, there is no sign of a regional credit crunch, and the dependency on external sources of financing has also been reduced.

- In Central Europe, Poland has recently proven to be relatively robust compared to the eurozone. According to the latest forecasts, this trend should continue.

- Southeastern Europe is characterised by a sluggish economic recovery with ongoing structural adjustments.

- Russia and Ukraine are both supported by robust domestic demand and global demand for raw materials (thanks to stable emerging markets). This can mitigate the weakness of the eurozone.

Overall and despite turbulences, we are seeing robust growth in the region.

- GDP-growth in Central and Eastern Europe as a whole for the years 2012 to 2015 is expected to be 3.4 per cent per year on average in real terms.

- We are therefore expecting a positive growth difference between Central and Eastern Europe and the eurozone of more than two percentage points for the coming years.

- In addition, we are continuing to see strong convergence potential due to low bank intermediation. This also applies to markets with stronger growth, such as Poland, Russia, Romania, the Czech Republic and Slovakia. If one compares the bank intermediation, a yardstick for this are the combined bank balance sheet totals of an economy divided by the gross domestic product, then even the most developed region - which is Central Europe with 103 per cent – does not even reach one third of the eurozone. All other regions, including Russia, do not even add up to 100 per cent - as slide 16 shows.

For legal reasons, I would like to read you our outlook for the financial year 2012 verbatim:

- Over the course of the overall economic development from today's point of view, especially in CEE, we anticipate a **pre-tax return on equity of about 15 per cent** in the medium-term, including the acquisition of Polbank. Future acquisitions, possible capital increases as well as regulatory requirements that are not yet foreseeable today have not been taken into consideration here.

- Due to the economic environment and the restrictive regulatory conditions, we anticipate a **stable business volume** for 2012. In terms of customers, we are planning for the **corporate customer sector** to continue to form the **spine** of our business while the **private customer sector** will take on a **larger share** of the business volume of the company in the medium-term than it has in the past.

- In light of the constantly changing regulatory requirements as well as an additional strengthening of the balance sheet structure, we are continuously **examining** the **amount and structure of our equity** in order to be able to react flexibly and in a timely manner. **Depending on how the markets continue to develop, a capital increase is one possible option.**

- Despite the modest economic growth predicted, we **expect** a **stabilisation of the net provision ratio** with only a **slight increase in the volume of non-performing loans**. Due to the current developments of the financial and political environment, **no precise estimation** in terms of achieving **the turning point** for **non-performing loans** is possible at this time.

- We are assuming **higher banking fees** for 2012 than in the previous year. The banking fees in **Austria and CEE** are likely to result in a **charge on the result of around EUR 160 million** (of which around EUR 100 million is for Austria and around EUR 40 million for Hungary as well as around EUR 20 million for Slovakia).

- For 2012, we are planning a **long-term finance market financing volume** (term of more than 1 year) **of approximately EUR 4.6 billion** for the RBI Group. In terms of the **capital market-related** financing, we calculate a volume of **EUR 2.1 billion**, of which **approximately EUR 1.9 billion** had already been placed by **the middle of May**.

- We will also dedicate **increased attention to the development of costs** in 2012. In doing so, the goal of a **flat cost development** will be made for the **entire group cost reduction programme**. The **number of branches** should **remain fairly stable** for the group in 2012 (without Polbank), although optimisations may be made to the branch networks in individual countries.

My dear ladies and gentlemen!

I hope that with the help of this presentation, but above all on the basis of the achieved results, I have been able to convey to you the conclusiveness of our business model and its continued good prognosis for future success.

I also hope that you, unlike some analysts, value and appreciate the continuity and stability of our company.

I would be pleased, if you still remain loyal to Raiffeisen Bank International.

Thank you very much for your attention. I will now hand over to our Chief Financial Officer Martin Grüll.

The spoken word counts.
Note: This speech was originally held in German. The English version is only a translation.

Report by the CFO Martin Grüll

My dear ladies and gentlemen!

I also wish you "good morning", this time not with the rooster's call of last year, but hopefully with the expression of satisfaction on the part of our shareholders.

- **Net interest income** rose to EUR 3,667 million, which corresponds to an increase of 2.5 per cent in comparison with the previous year.

- The **net interest margin** increased by 10 basis points to 2.61 per cent thanks to higher margins and lower refinancing costs.

- **Operating income** (excluding impairment losses) rose to EUR 5,475 million, which is 1.3 per cent more than in 2010.

- Our **general administrative expenses** rose to EUR 3,120 million as a result of higher wages and social insurance costs to end 4.7 per cent higher than the expenses for the previous year.

- **Net provisioning to impairment losses** fell to EUR 1,064 million, which corresponds to a drop of nearly 11 per cent in comparison with the previous year.

- The **consolidated profit** fell as a result of higher latent taxes and the effects of the losses in Hungary to the minorities by 11 per cent to EUR 968 million.

We're always talking about diversification. This slide shows you how this diversification affects the regional distribution of our pre-tax profit. Despite highly adverse conditions and a sharp loss in Hungary, the markets of Central Europe alone were able to absorb this setback. Not to mention the positive development in Southeastern Europe, where there was a rise of 15 per cent, and CIS Others, where the increase even reached 19 per cent. Truly impressive, however, is the development of Russia, with a rise of 63 per cent, starting from an already high base.

Let me briefly explain a few details of the balance sheet.

- **Customer loans** rose by nearly 8 per cent, with most of the growth taking place in the corporate sector in Austria, Russia and Asia.

- The growth in **private customer loans** was mainly driven by Russia and Slovakia.

- **Customer deposits** rose by nearly 16 per cent. Austria, Russia, the Czech Republic and Poland were the main contributors to this positive development.

- Only for the sake of good order, I would like to mention that we have already repaid the majority of the **government-backed issues** taken up in the crisis year of 2009. Of the originally issued volume in the amount of EUR 4.25 billion, only one government-backed issue in the amount of EUR 1.5 billion with maturity at the beginning of 2014 is outstanding.

I would now like to continue with an overview of the topics of capital and refinancing.

- Our **Core Tier 1 ratio** rose by 0.2 percentage points to 9.0 per cent.

- The **Tier 1 capital** increased by EUR 228 million.

- The calculated proforma effect of **Basel III** on the **core Tier 1 ratio** is around 0.6 percentage points.

- Our **equity**, which is calculated according to IFRS, grew by 5 percent or EUR 532 million in comparison with the previous year.

- We have put our good market access to the test through **successful bond placements**.

- And we have – last, but not least – built up a large **liquidity buffer** of around EUR 25 billion.

Before I talk briefly about the current year and the result for the first quarter, I would like to take a very quick look at the situation of non-performing loans.

- In general terms, we can be very satisfied with developments in this area. After all, we recorded a fall in non-performing loans of 0.3 percentage points between the end of 2010 and the end of 2011.

- The coverage ratio, i.e. the ratio of provisioning for impairment losses to non-performing loans, rose by 2.1 percentage points to 68.4 per cent compared to the end of 2010. Mainly responsible for this was the adequate formation of provisions in Hungary, Austria and Russia.

- The net provisioning ratio improved over the year from 1.66 per cent to 1.38 per cent.

- The net contributions to credit risk provisions finally declined over the year by 11 per cent or EUR 131 million. Reversals occurred in Austria and Russia due to restructuring, sales and a better economic environment. Appreciations occurred mainly in Bulgaria and Croatia, primarily for corporate customers. In Hungary, however, all business areas are affected.

Finally, I come to the financial highlights of the first quarter.

- The **consolidated profit** doubled to EUR 541 million, the increase corresponding to exactly 100.4 per cent in comparison with the previous year. The was due to the very positive development of provisioning for impairment losses and two special effects – the sale of a securities portfolio and the repurchase of hybrid capital – both together totalling around EUR 250 million.

- **Net interest income** remained stable at EUR 875 million with a slight decline of 1.0 per cent in comparison with the previous year.

- **Operating income** fell slightly to EUR 1,295 million, which is 3.4 per cent less than in the previous year.

- **General administrative expenses** remained unchanged at EUR 753 million.

- **Net provisioning for impairment losses** fell to EUR 153 million. That is 26.5 per cent less than in the first quarter of 2011 and made a significant contribution to the improvement in our result.

- **Profit before tax**, at good last, rose by 69.1 per cent to EUR 685 million.

- This jump in profit naturally led to a corresponding effect on the **return on equity**, which rose to 25.1 per cent before tax.

- The **cost/income ratio** rose by 2 percentage points to 58.2 per cent due to the slight decline in income.

- We increased the **Core Tier 1 ratio** (total) to 10.2 per cent, which is a marked increase of 1.2 percentage points compared to the end of 2011. We are especially proud of this increase. And if we had included the profit of the first quarter in the calculation, the figure would have been 10.8 per cent!

- The **share of non-performing loans** rose slightly to 8.9 per cent, which is an increase of 0.2 percentage points in comparison with the position at the end of 2011.

- The **coverage ratio** fell in the first three months of this year by 1.6 percentage points to 66.8 per cent.

My dear ladies and gentlemen!

Thank you very much for your attention. I will now hand over again to Dr. Rothensteiner.