Raiffeisen Bank International

Willkommen zur Hauptversammlung
Welcome to the Annual General Meeting

21 June 2018

First Agenda Item

Presentation of the approved annual financial statements and management report, the consolidated financial statements and consolidated management report, each as at 31 December 2017, and the report of the Supervisory Board for the 2017 financial year as well as the Management Board's corporate governance report

Management Board Report

Johann Strobl – CEO

Management Board

Johann Strobl
CEO

Martin Grüll
CFO

Andreas Gschwenter
COO/CIO

Łukasz Januszewski
Markets & Investment Banking

Peter Lennkh
Corporate Banking

Hannes Mösenbacher
CRO

Andrii Stepanenko
Retail Banking

Developments 2017

- Consolidated profit more than doubled to EUR 1.1 bn
- CET1 ratio at 12.7% (fully loaded)
- NPL ratio actively managed down to 5.7% through NPL sales and write-offs
- Exceptionally low risk costs driven by positive market environment
- Loans to customers increased 1.8% despite NPL sales and write-offs
- NIM stable at 2.48%
- Rating upgrades at Moody's (two notches to A3) and S&P (one notch to BBB+, positive outlook)
- Merger with RZB completed and new Management Board appointed

Overview of 2017 Income Statement

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In EUR mn	2017	2016 pro forma[1]	y-o-y
Net interest income	3,208	3,197	0.3%
Net fee & commission income	1,719	1,599	7.5%
Net trading income	244	220	11.3%
Operating income[2]	**5,228**	**5,112**	**2.3%**
General admin. expenses	-3,104	-3,141	-1.2%
Operating result	**2,123**	**1,971**	**7.8%**
Net provisioning for impairment losses	-287	-758	-62.1%
Profit/loss before tax	**1,612**	**946**	**70.4%**
Consolidated profit/loss	**1,116**	**520**	**114.6%**

Net interest income virtually stable, posting a small increase of EUR 11 mn to EUR 3,208 mn. The net interest margin was unchanged year-on-year at 2.48%.

Net provisioning for impairment losses: Individual loan loss provisioning of EUR 322 mn; net releases of portfolio-based loan loss provisions of EUR 24 mn. Gains from loan termination or sale of EUR 11 mn.

General administrative expenses were down EUR 37 mn year-on-year to EUR 3,104 mn, despite currency appreciation. The average exchange rate of the Russian rouble in particular rose 12% year-on-year.

1) As of January 2017, RZB contributed business is fully included in RBI. Current RBI figures refer to the Combined Bank; unless otherwise specified, the historical pro forma data is based on the Combined Bank (taking the merger into account)
2) Excl. goodwill impairments and bank levies

Key Figures 2017

- **59.4% Cost/Income Ratio**
  (down 2.1 percentage points versus 2016)
- **5.7% NPL ratio**
  (down 3 percentage points versus 2016)
- **67% NPL coverage ratio**
  (down 8.1 percentage points versus 2016)
- **EUR 81.2 bn loans to customers**
  (up 2% versus 2016)
- **12.7% common equity tier 1 ratio (fully loaded)**
  (up 0.3 percentage points versus 2016)
- **12.9% common equity tier 1 ratio (transitional)**
  (up 0.2 percentage points versus 2016)

Segment Contribution to 2017 Profit before Tax

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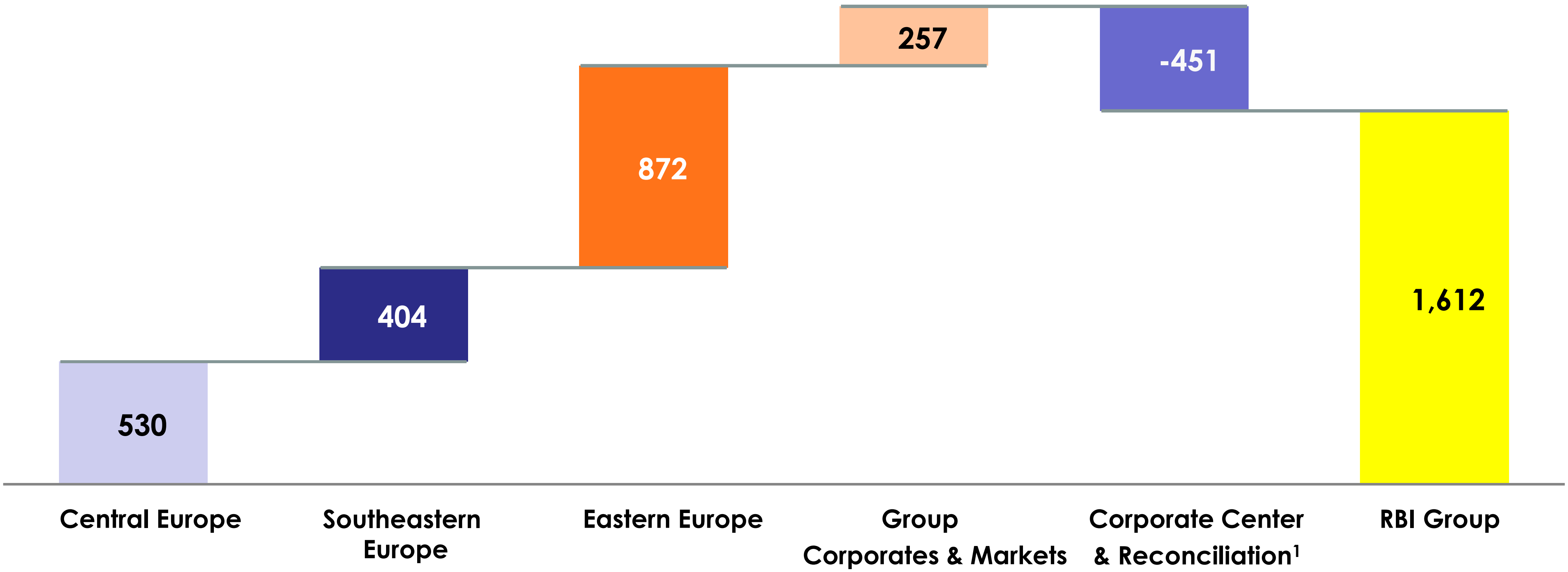
In EUR mn



1) Due to the mostly internal nature of Corporate Center, amount netted with Reconciliation for illustrative purposes

Balance Sheet Overview

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In EUR mn	31/12/2017	31/12/2016	y-o-y
Total assets	135,146	134,804	0.3%
Loans and advances to banks	14,358	10,981	31%
Loans and advances to customers	81,232	79,769	2%
Deposits from banks	22,291	24,060	-7%
Deposits from customers	84,831	80,325	6%
Equity	11,241	9,752	15%

Assets

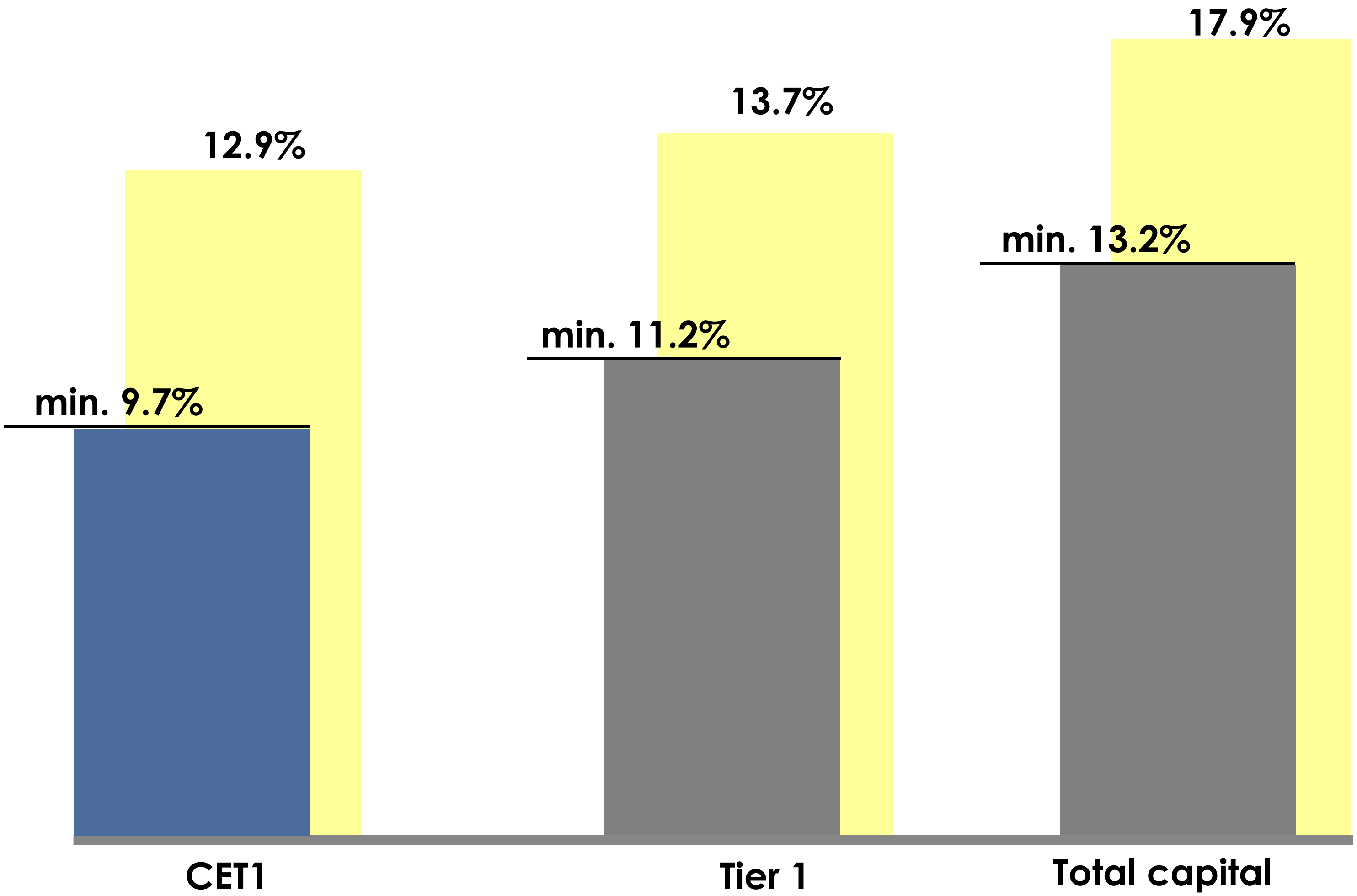
- Increase in **loans to banks** driven by repo and securities lending business, mainly in Czech Republic and Russia
- **Loans and advances to customers** up EUR 1.5 bn YTD; loan growth in several markets (Czech Republic, Slovakia, Russia), predominantly mortgage loans, partly offset by write-offs and NPL sales; retail loans up EUR 1.5 bn while corporate loans remained stable

Liabilities

- Decrease in **deposits from banks** driven by short-term interbank business
- **Deposits from customers:** retail deposits up EUR 2.7 bn (Czech Republic, Slovakia, Romania, Russia); corporate deposits up EUR 1.3 bn (Slovakia, Czech Republic, Russia); sovereign deposits up EUR 0.6 bn

Capital Ratios well above Requirements

Regulatory Capital Requirements



Note: ratios on transitional basis at 31/12/2017; minimum requirements at 1/1/2018

NPL Development

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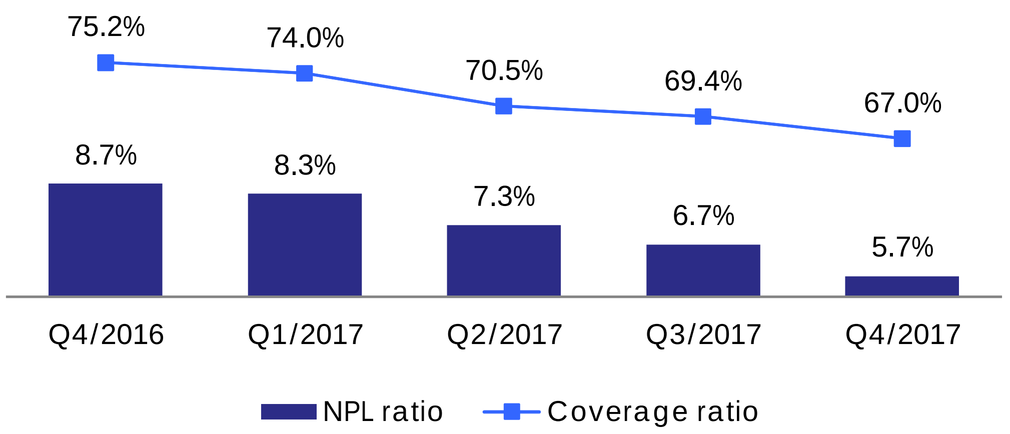
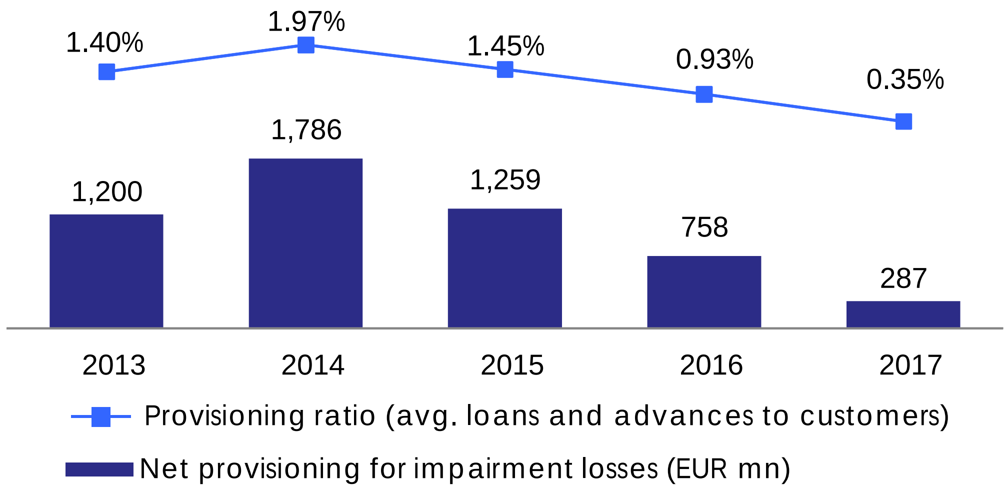
NPL as % of Customer Loans and NPL Coverage Ratio



Development of Provisioning Ratio (y-o-y)



Comments

- Strong improvement in **risk costs and NPL ratio** due to NPL sales, recoveries and write-offs
- **NPL ratio** down by 3.0PP YTD to 5.7%; largest decrease in Eastern Europe by 8.3PP and Southeastern Europe by 3.0PP
- **NPL coverage ratio** down by 8.1PP YTD to 67.0%, due to NPL sales of EUR 1,010 mn and write-offs of EUR 1,635 mn
- **Loan loss provisioning** decreased 62% y-o-y or EUR 471 mn to EUR 287 mn due to improved risk environment across most markets, supported by gains from sales of NPL
- **Main developments:** lower individual loan loss provisioning (down EUR 449 mn y-o-y to EUR 322 mn); releases in portfolio-based loan loss provisions of EUR 24 mn (2016: EUR 4 mn)

Poland

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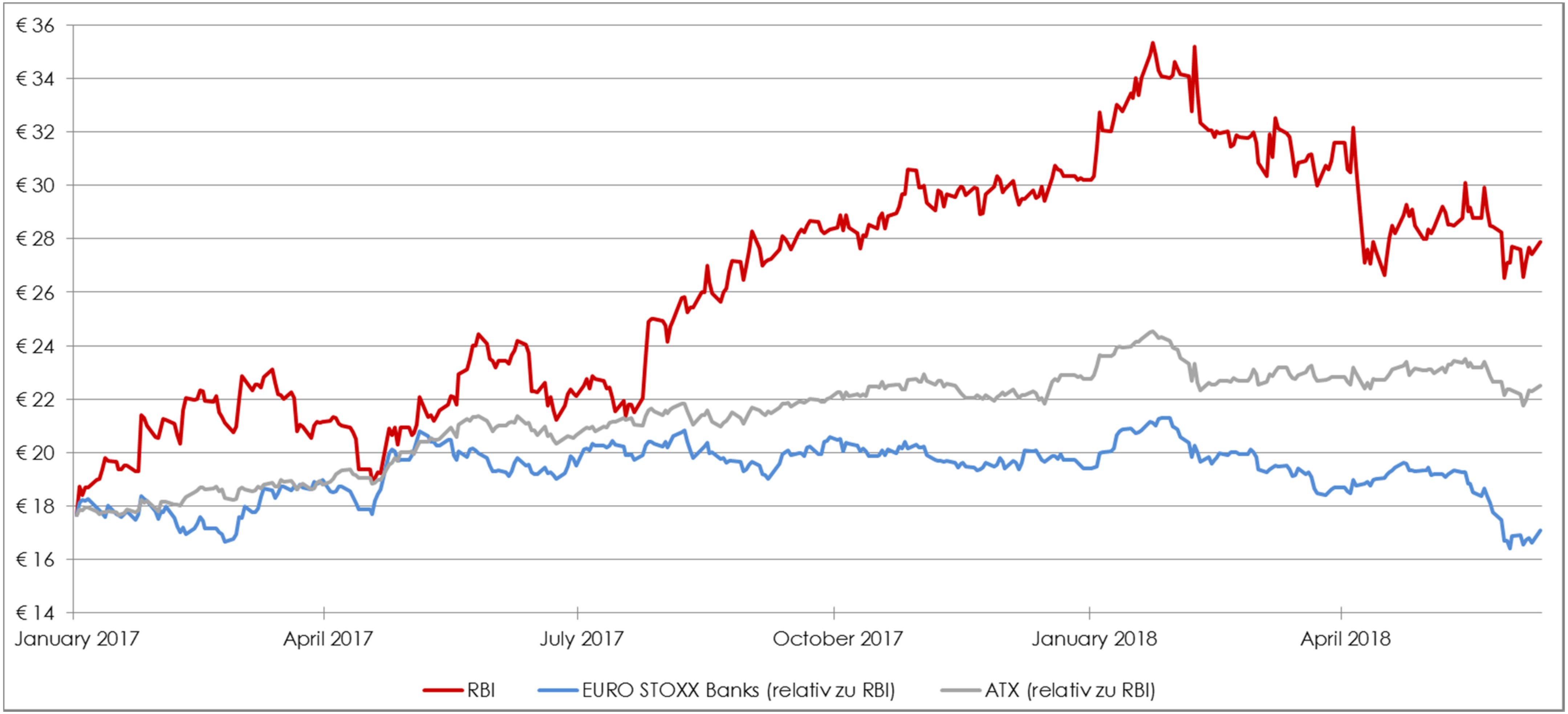
- Agreement to sell core banking operations of Raiffeisen Bank Polska S.A. by way of demerger to Bank BGZ BNP Paribas S.A., a subsidiary of BNP Paribas S.A.
- Sales price approximately EUR 775 million; preliminary price/tangible book value multiple of around 0.95 times
- A positive impact of approximately 90 basis points on the RBI Group‘s CET 1 ratio (fully loaded) based on 31 December 2017 figures is expected as a result of the sale
- The direct impact of the sale on the RBI Group‘s consolidated profit is expected to be around minus EUR 120 million (excluding any potential effects from deconsolidation)
- Total assets of approximately EUR 9.5 billion and total risk-weighted assets of approximately EUR 5.0 billion as of 31 December 2017 have been allocated to the core banking operations
- Total assets of approximately EUR 3.5 billion and total risk-weighted assets of approximately EUR 5.0 billion as of 31 December 2017 have been allocated to the remaining operations
- RBI intends to transfer these assets to a Polish branch of RBI AG; portfolio to be run down

Russia

- We will look to grow across all business segments while maintaining our prudent risk approach
- Corporate market: diversifying the large corporate segment and expanding the coverage of mid-caps with focus on low risk, fee generating and capital-light products
- Retail market: expanding the private individual customer base and SME business; increase our geographical reach in both segments through a new digital sales and service model
- Russia remains an important market, where we are focusing on high quality customer service through the combination of our physical presence and digital capabilities
- Total exposure to sanctioned companies amounts to approximately 0.1% of RBI's total assets
- Limited impact on CET1 ratio from RUB depreciation

Share Price Development



Index basis: EUR 17.38

On 12 February 2018, the Management Board resolved to propose payment of a dividend for the 2017 financial year of EUR 0.62 per share to the Annual General Meeting.

Financial Highlights Q1/2018 (1/2)

- **EUR 829 million net interest income**
  (up 4% y-o-y)
- **EUR 1,291 million operating income**
  (up 3% y-o-y)
- **EUR 740 million general administrative expenses**
  (down 1% y-o-y)
- **EUR 83 million net releases of loan loss provisions**
  (Q1 2017: net impairment losses of EUR 82 million)
- **EUR 529 million profit before tax for the period**
  (up 60% y-o-y)
- **EUR 399 million consolidated profit**
  (up EUR 179 million y-o-y)

Financial Highlights Q1/2018 (2/2)

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- **5.4% of loans to customers non-performing**
  (down 0.3 percentage points versus end-2017)
- **69.7% NPL coverage ratio**
  (up 2.7 percentage points versus end-2017)
- **EUR 80.2 billion loans to customers**
  (up 3% versus end-2017)
- **12.8% common equity tier 1 ratio (transitional incl. results)**
  (down 0.1 percentage point versus end-2017)
- **12.8 % common equity tier 1 ratio (fully loaded incl. results)**
  (up 0.1 percentage point versus end-2017)
- Impact from IFRS 9 adoption: minus 10 basis points on CET1 ratio (fully loaded)

Outlook and Targets

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- We will pursue **loan growth** with an average **yearly percentage increase in the mid-single digit** area
- **Impairment losses on financial assets (risk costs)** in 2018 are expected to be around **the 2017 level**
- We anticipate that the **NPL ratio will further reduce** in the medium term
- We aim to achieve a **cost/income ratio of below 55 percent** in the medium term
- We target a **consolidated return on equity of approximately 11 percent** in the medium term
- We target a **CET1 ratio (fully loaded) of around 13 percent** post dividend in the medium term
- Based on this target, we intend to **distribute between 20 and 50 percent** (dividend payout ratio) of the consolidated profit

Growth across the Group

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Targeted Loan Growth[1]

- Albania
- Belarus
- Bosnia & Herzegovina
- Bulgaria
- Croatia
- Czech Republic
- Hungary

Targeted Loan Growth[1]

- Kosovo
- Romania
- Russia
- Serbia
- Slovakia
- Ukraine

1) Based on targeted medium-term growth rate

Second Agenda Item

Resolution on the appropriation of net profit reported in the annual financial statements as of 31 December 2017

Third Agenda Item

Resolution on the release of the members of the Management Board from liability for the 2017 financial year

Fourth Agenda Item

Resolution on the release of the members of the Supervisory Board from liability for the 2017 financial year

Fifth Agenda Item

Resolution on the amount of remuneration to be paid to members of the Supervisory Board for the 2017 financial year

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Sixth Agenda Item

Appointment of an auditor (bank auditor) for the audit of the annual financial statements and consolidated financial statements for the 2019 financial year

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Seventh Agenda Item

Election of one person to the Supervisory Board

Eighth Agenda Item

Resolution on authorization to purchase own shares and to retire them if appropriate and authorization, with the approval of the Supervisory Board, to sell own shares by means other than the stock exchange or a public offering with exclusion of shareholders' subscription rights

Ninth Agenda Item

Resolution on authorization to purchase own shares for the purpose of securities trading

Q&A

Contact and Financial Calendar

Contact

Susanne E. Langer
Head of Group Investor Relations
Spokesperson

Raiffeisen Bank International AG

Am Stadtpark 9
1030 Vienna
Austria

Tel.: +43 1 71 707 2089
Fax: +43 1 71 707 2138

ir@rbinternational.com

www.rbinternational.com

Financial Calendar

Date	Event
26 July 2018	Start of Quiet Period[1]
09 August 2018	Semi-Annual Report, Conference Call
31 Oct. 2018	Start of Quiet Period[1]
14 Nov. 2018	Third Quarter Report, Conference Call

1) Quiet Period: Two-week period before the publication of the quarterly financial statements and preliminary financial results and a four-week period before the publication of the annual report. During these periods we do not hold investor or analyst meetings.

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