

# Annual General Meeting Raiffeisen Bank International

**13 June 2019**

Wiener Stadthalle

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# Welcome

**Erwin Hameseder**  
Chairman of the Supervisory Board

## First Agenda Item

Presentation of the approved annual financial statements, including the management report, the consolidated financial statements and consolidated management report, each as at 31 December 2018, and the proposal for the utilization of profit, the independent consolidated non-financial report, the report of the Supervisory Board for the 2018 financial year, as well as the Management Board's Corporate Governance Report.

# Supervisory Board Report

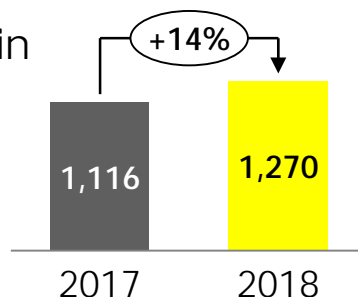
**Erwin Hameseder**  
Chairman of the Supervisory Board

# Management Board Report

Johann Strobl  
CEO

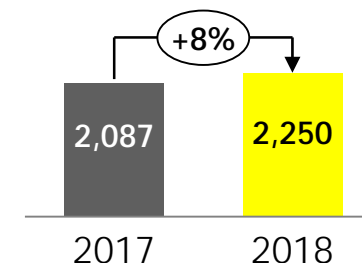
## Consolidated Profit

- One of the best results in RBI's history
- Low risk costs



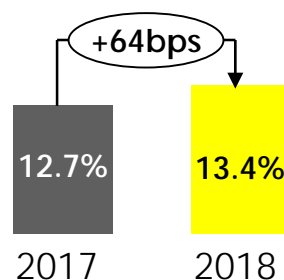
## Operating Result

- Improved net interest income driven by loan growth
- Increased fee and commission income



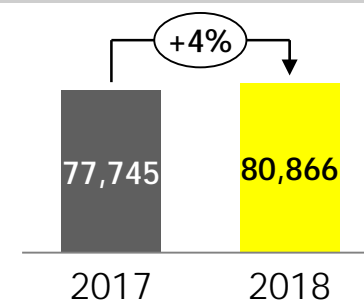
## CET 1 Ratio

- Increase of CET1 driven by consolidated profit and sale of core banking operations in Poland



## Loans to customers

- Loans to customers increased in almost all markets

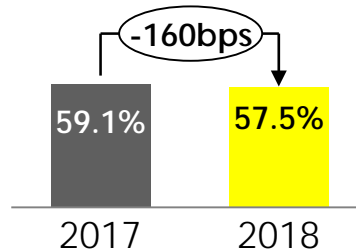


Dividend proposal to the AGM of EUR 0.93 per share

NB: 2017 figures have been adjusted to reflect impact from FINREP implementation

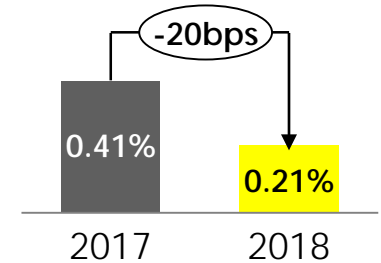
## Cost/Income Ratio

- Stronger growth in operating income than in OPEX led to an improved cost/income ratio



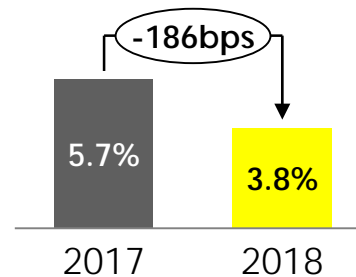
## Provisioning Ratio

- Provisioning ratio substantially reduced



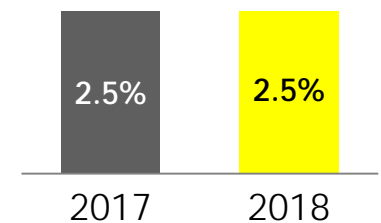
## NPL Ratio

- 130 bps** NPL reduction
- 37 bps** from loan growth
- 19bps** from Polish disposal



## Net Interest Margin

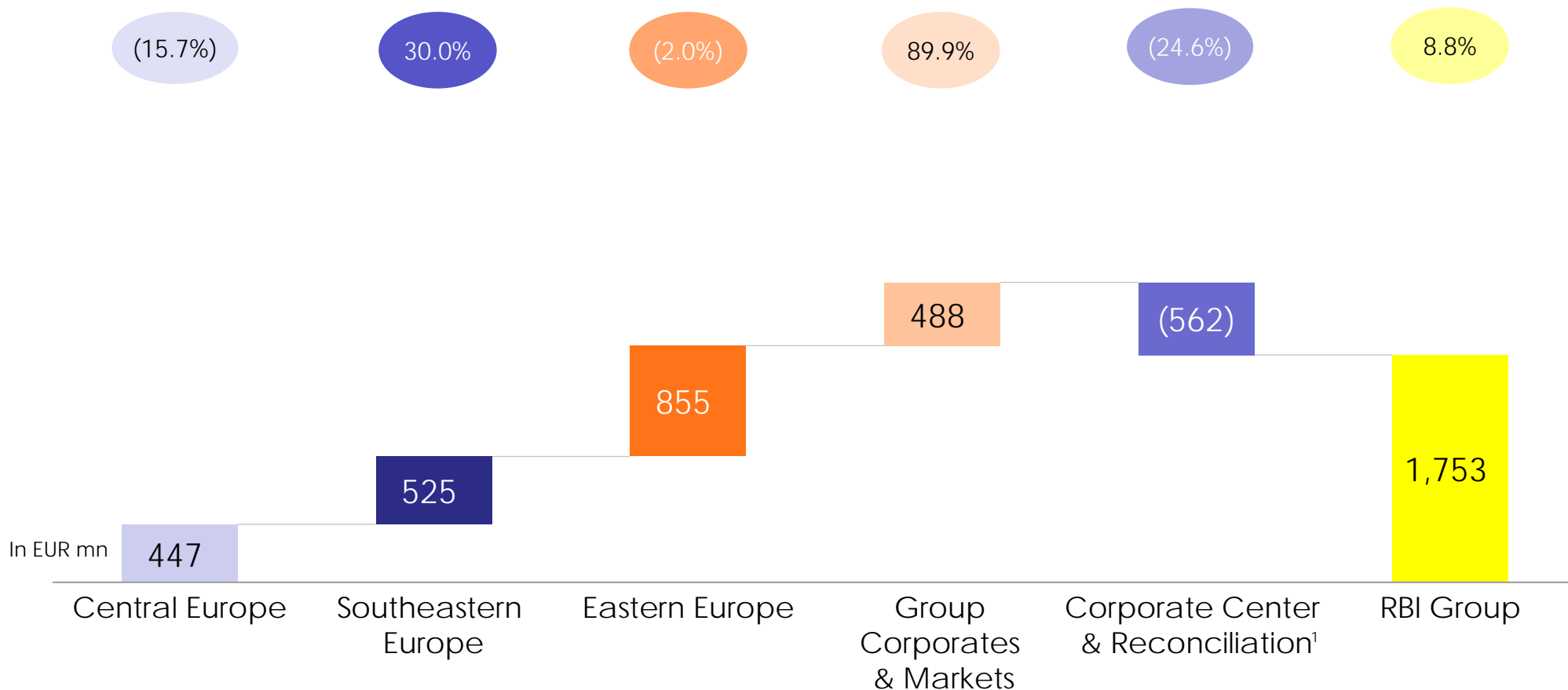
- Net interest margin stable at 2.5%



NB: 2017 figures have been adjusted to reflect impact from FINREP implementation

# Distribution of Profit before Tax – FY 2018

Change y-o-y



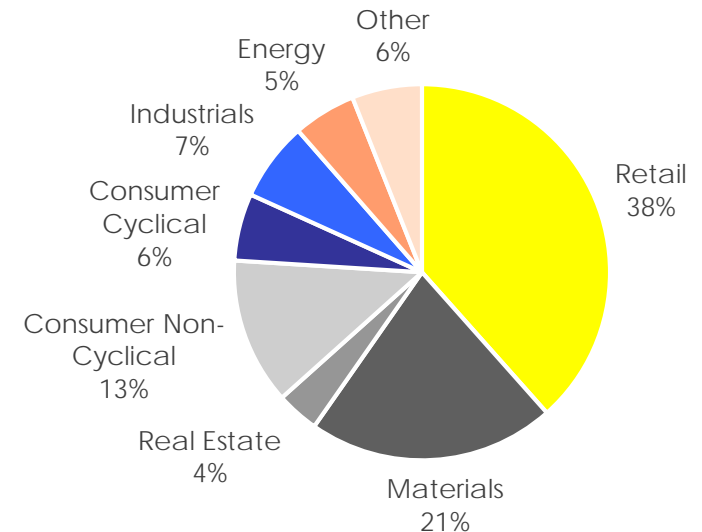
1) Due to the mostly internal nature of Corporate Center, amount netted with Reconciliation for illustrative purposes



## Most important developments 2018

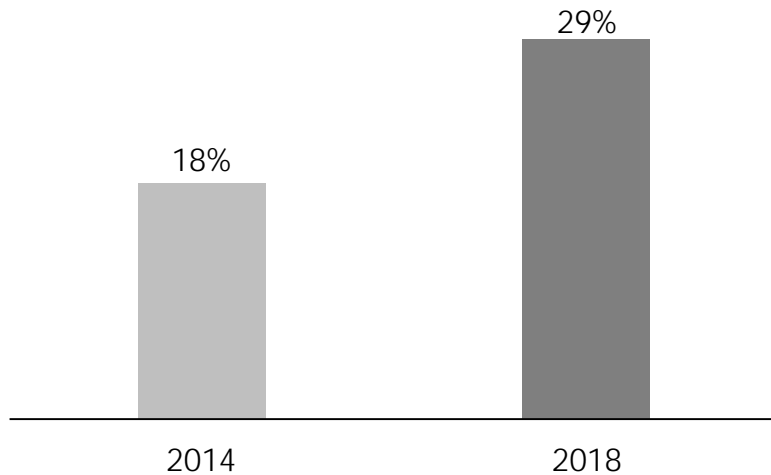
- Profit after tax EUR 455 mn
- Net interest income increased by 3%,  
Net interest margin 5.77%
- Loan growth in EUR 7%
- NPL ratio 3.0%; NPL coverage ratio 76.9%

## Loan book exposure by category

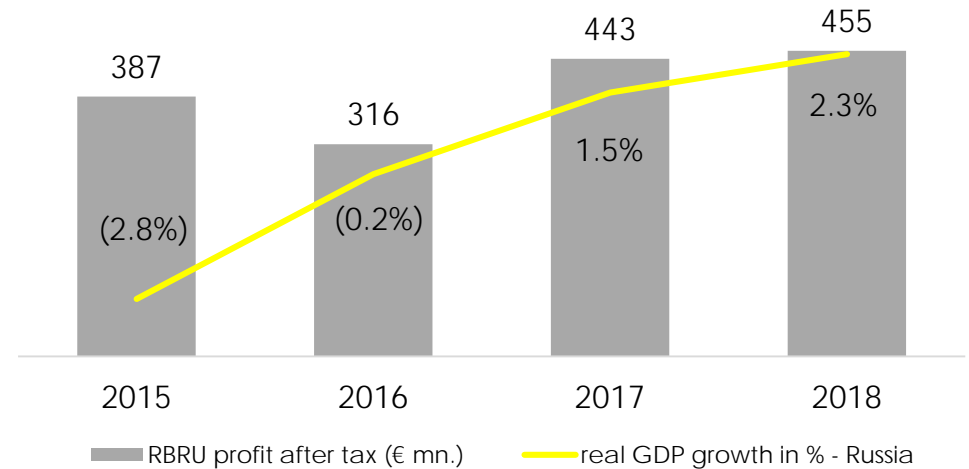


# RBI in Russia: a robust business model

**26% RoE**  
(after tax, average 2014-2018)



**~ EUR 1.6 bn cumulative profit after tax since 2015**



# Balance Sheet Overview 2018



in EUR millions	31/12/2018	31/12/2017	Change
Total assets	140,115	135,146	3.7%
Loans to banks	9,998	10,741	(6.9%)
Loans to customers	80,866	77,745	4.0%
Deposits from banks	23,980	22,378	7.2%
Deposits from customers	87,038	84,974	2.4%
Equity	12,413	11,241	10.4%

## Assets

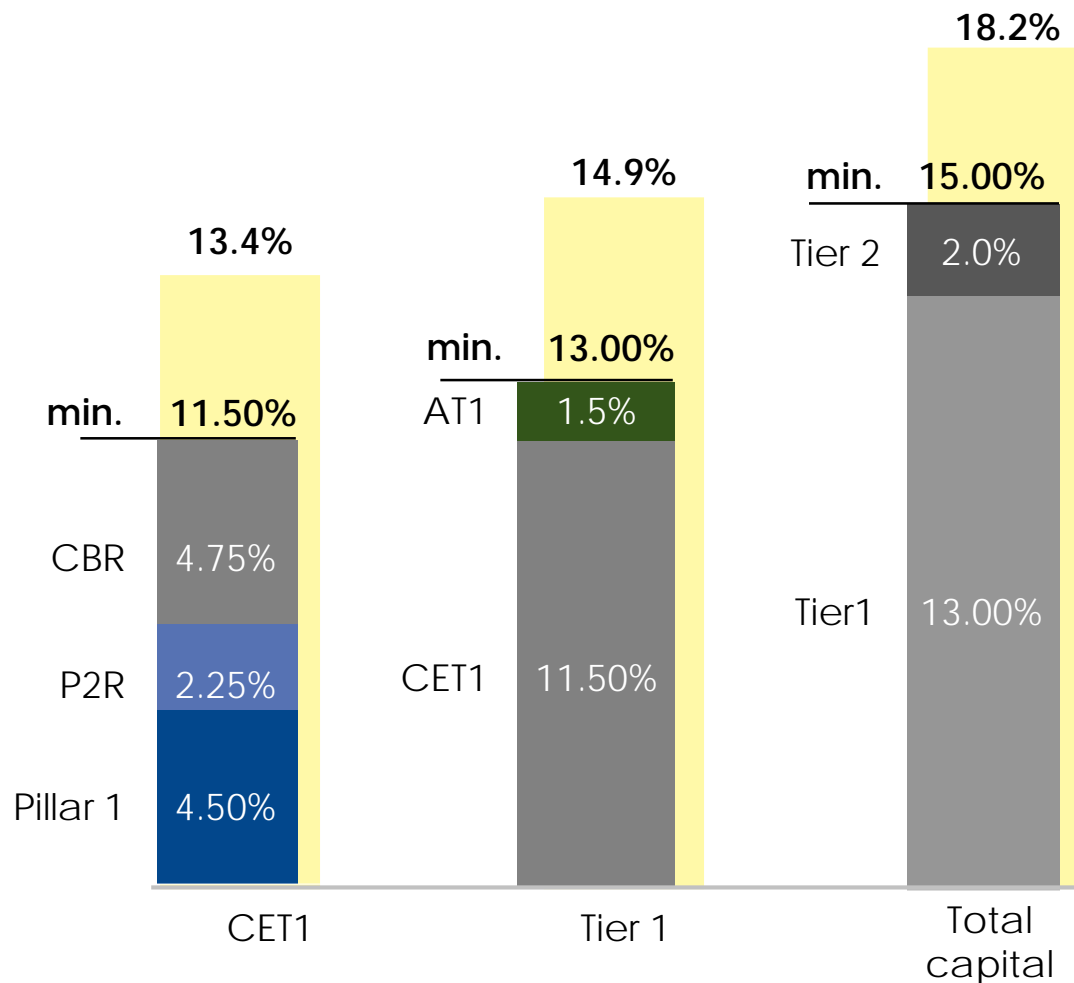
- **Loans to customers** up 4%: mainly in Austria, Czech Republic, Romania, Slovakia and Russia
- **Cash balances** up, mainly driven by head office deposits at Austrian National Bank

## Liabilities

- **Deposits from customers** up 2%: increases mainly in Austria, Russia, Slovakia, Czech Republic and Romania
- **Deposits from banks** up 7%, mostly driven by short-term refinancing at head office

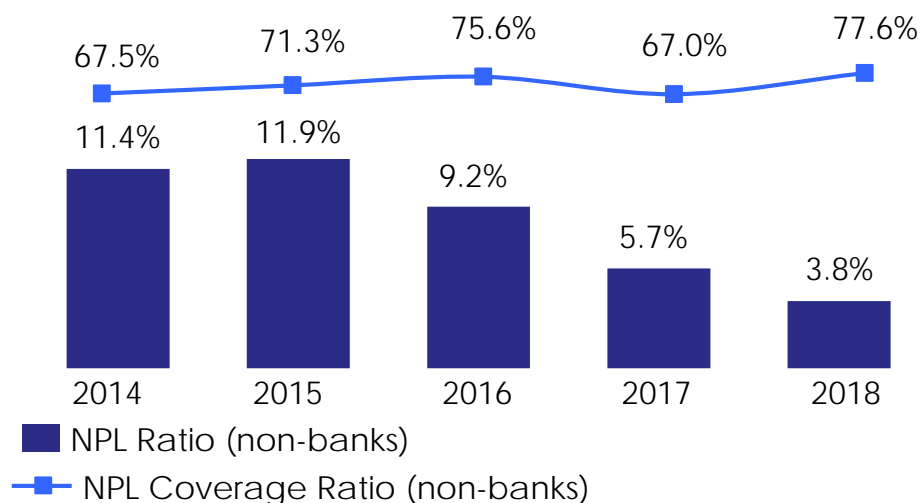
# Capital ratios well above requirements

## 2019 Regulatory Capital Requirements

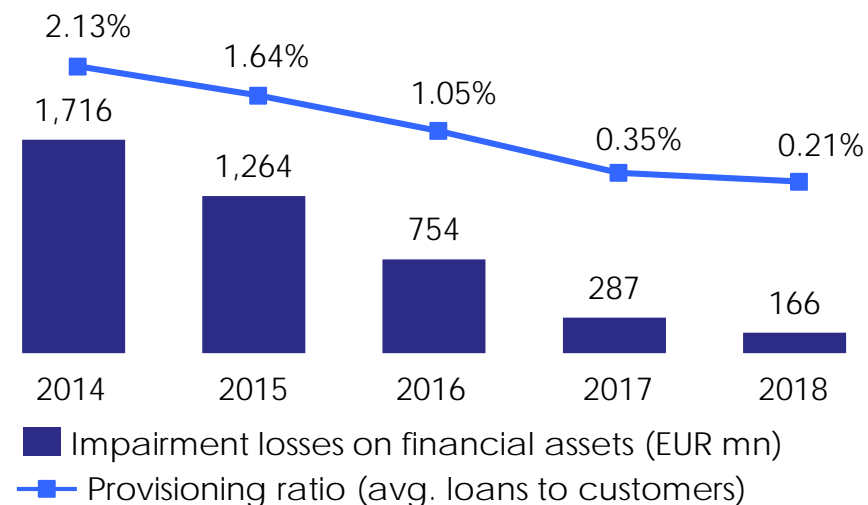


NB: ratios on transitional basis at 31/12/2018; Minimum requirements at 1/1/2019

### NPL as % of customer loans and NPL coverage ratio



### Development of provisioning ratio

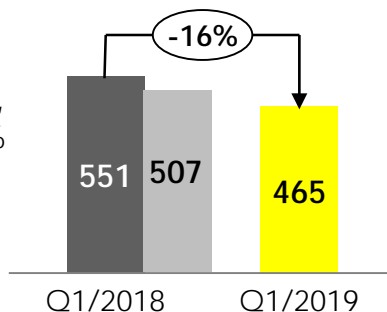


- Substantially improved **risk costs and NPL ratio**
- **NPL ratio** decreased by 1.9 PP to 3.8%; largest reduction in SEE (by 2.4PP) and EE (2.1PP)
- **NPL coverage ratio** increased in 2018 by 10.6 PP to 77.6%
- Workout is very much focused on value preserving approach (e.g. selective sale of NPLs)

# Summary of Q1/2019

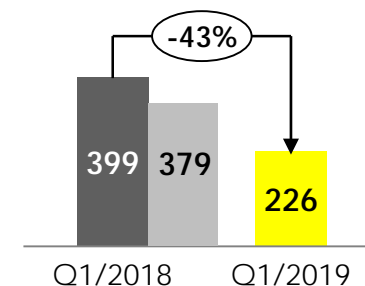
## Operating Result (EUR mn)

- NII up ~7.5% y-o-y excluding Poland, fee and commission income up ~6% excluding Poland
- Also impacted by Poland and hedge valuations



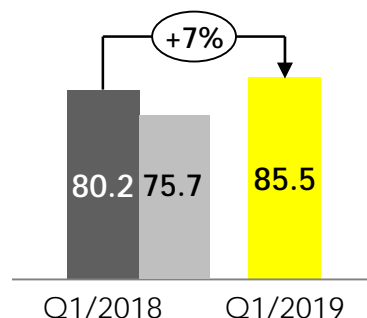
## Consolidated Profit (EUR mn)

- Risk costs remain very low
- Booking of contributions to resolution fund and bank levy payments predominantly in Q1



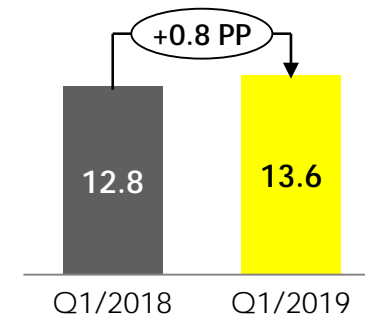
## Loans to customers (EUR bn)

- Strong loan growth despite sale in Poland
- Loans up 6% YTD



## CET1 Ratio (%)

- Capital ratio remains well above target level
- CET1 ratio proforma, incl. Q1 results

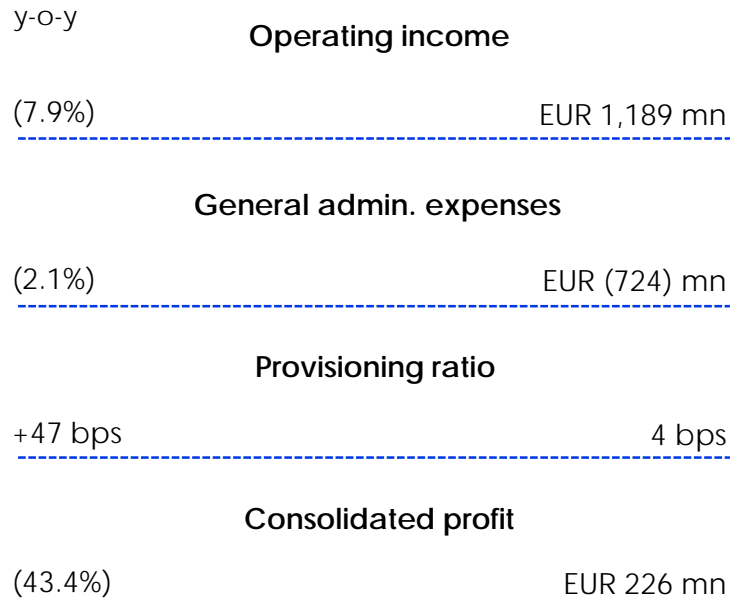


- ✓ Resilient and well-diversified core revenue streams
- ✓ Sound risk position

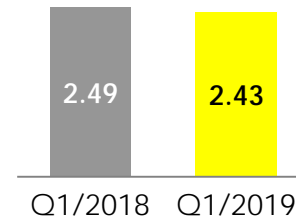
- ✓ Macroeconomic environment remains supportive
- ✓ Well positioned to capitalize on growth opportunities

■ Q1/2018 excl. Poland / Polish core banking operations

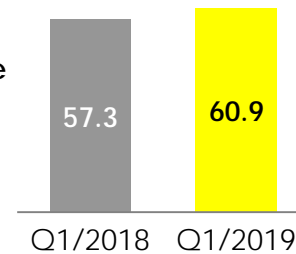
# Financial Performance Q1/2019



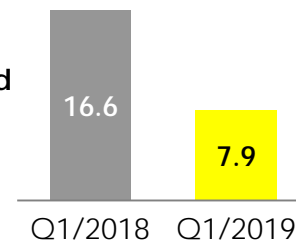
Net Interest  
Margin (%)



Cost/Income  
Ratio (%)



Consolidated  
Return on  
Equity (%)



**EUR 0.64**  
Earnings per share

**EUR 33.36**  
Book value per share

## Modern transaction monitoring system Norkom (BAE Systems)

- ✓ One standard system across the Group
- ✓ Internal and external verification and optimization
- ✓ Full compliance with legal requirements

Fully automated transaction screening using a common-standard monitoring system

**All alerts** are manually reviewed

Full compliance with internal regulations and local legal requirements

Regular reviews by the regulator

### Internal and External verification

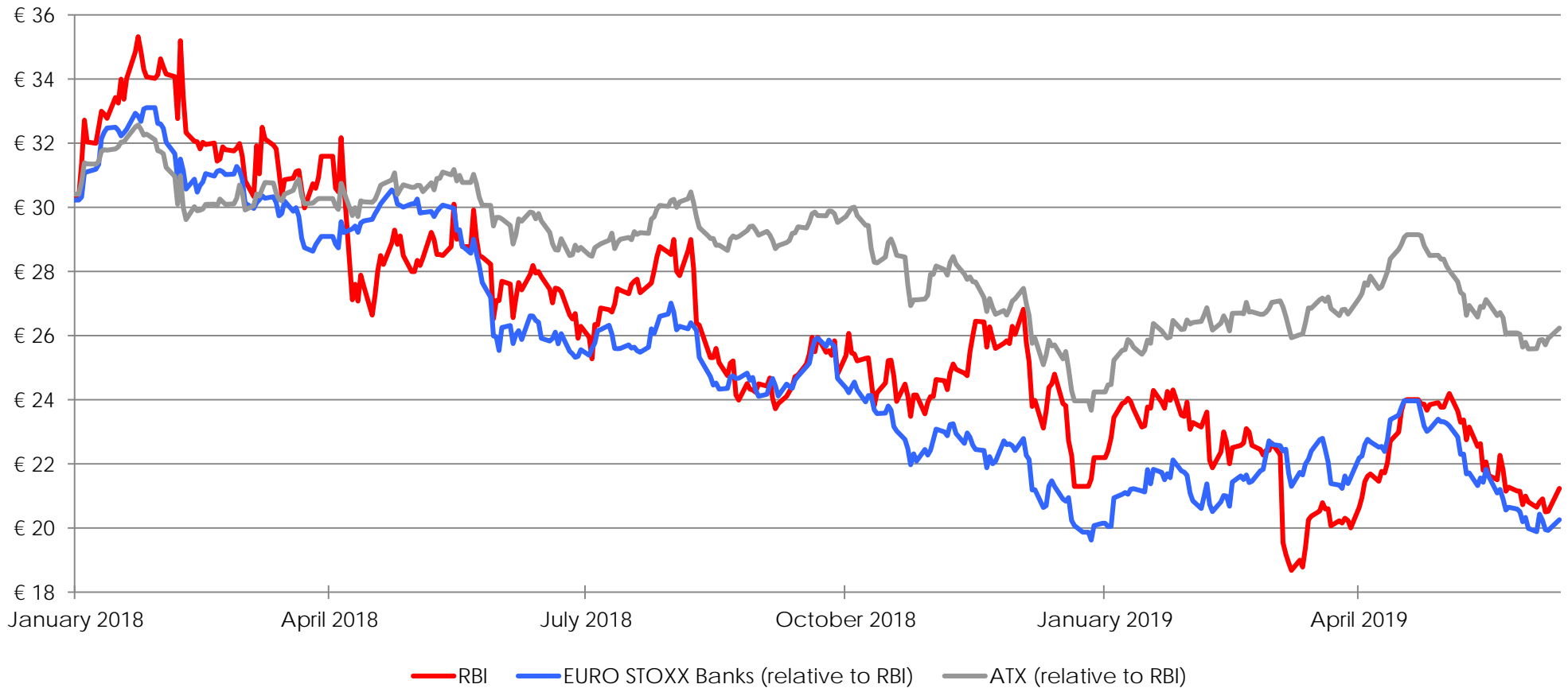
- Ongoing assessment of transaction monitoring indicators to further optimize the system
- Regular meetings with large US banks to demonstrate framework, methodology, resources, calibration and critical countries

### AML staffing (incl. support functions)

- ~80 FTEs in head office
- Over 300 FTEs in the network units



# Share price development



Index base: EUR 30.20

# Strategic Initiative in retail and corporate business

31/12/2018 Customer loans (y-o-y)	Strategic Focus		31/12/2018 Customer loans (y-o-y)	Strategic Focus	
	Retail	Corporate		Retail	Corporate
 <b>Corporates Vienna</b> EUR 18,163 mn (+25%)		✓ ✓	 <b>Croatia</b> EUR 2,361 mn (0%)	✓	✓
 <b>Czech Republic</b> EUR 11,131 mn (+10%)	✓ ✓	✓ ✓	 <b>Ukraine</b> EUR 1,525 mn (+35%)	✓ ✓	✓
 <b>Slovakia</b> EUR 10,075 mn (+8%)	✓ ✓	✓	 <b>Serbia</b> EUR 1,354 mn (+11%)	✓ ✓	✓
 <b>Russia</b> EUR 8,519 mn (+7%)	✓ ✓	✓	 <b>Bosnia &amp; Herzegovina</b> EUR 1,292 mn (+9%)	✓ ✓	✓
 <b>Romania</b> EUR 5,702 mn (+19%)	✓ ✓	✓ ✓	 <b>Belarus</b> EUR 1,073 mn (+13%)	✓	✓
 <b>Hungary</b> EUR 3,354 mn (+13%)	✓ ✓	✓ ✓	 <b>Albania</b> EUR 705 mn (+4%)	✓	✓
 <b>Bulgaria</b> EUR 2,595 mn (+15%)	✓ ✓	✓ ✓	 <b>Kosovo</b> EUR 624 mn (+12%)	✓	✓

# Five Pillars of Digitalization

We create an exceptional experience for our customers...

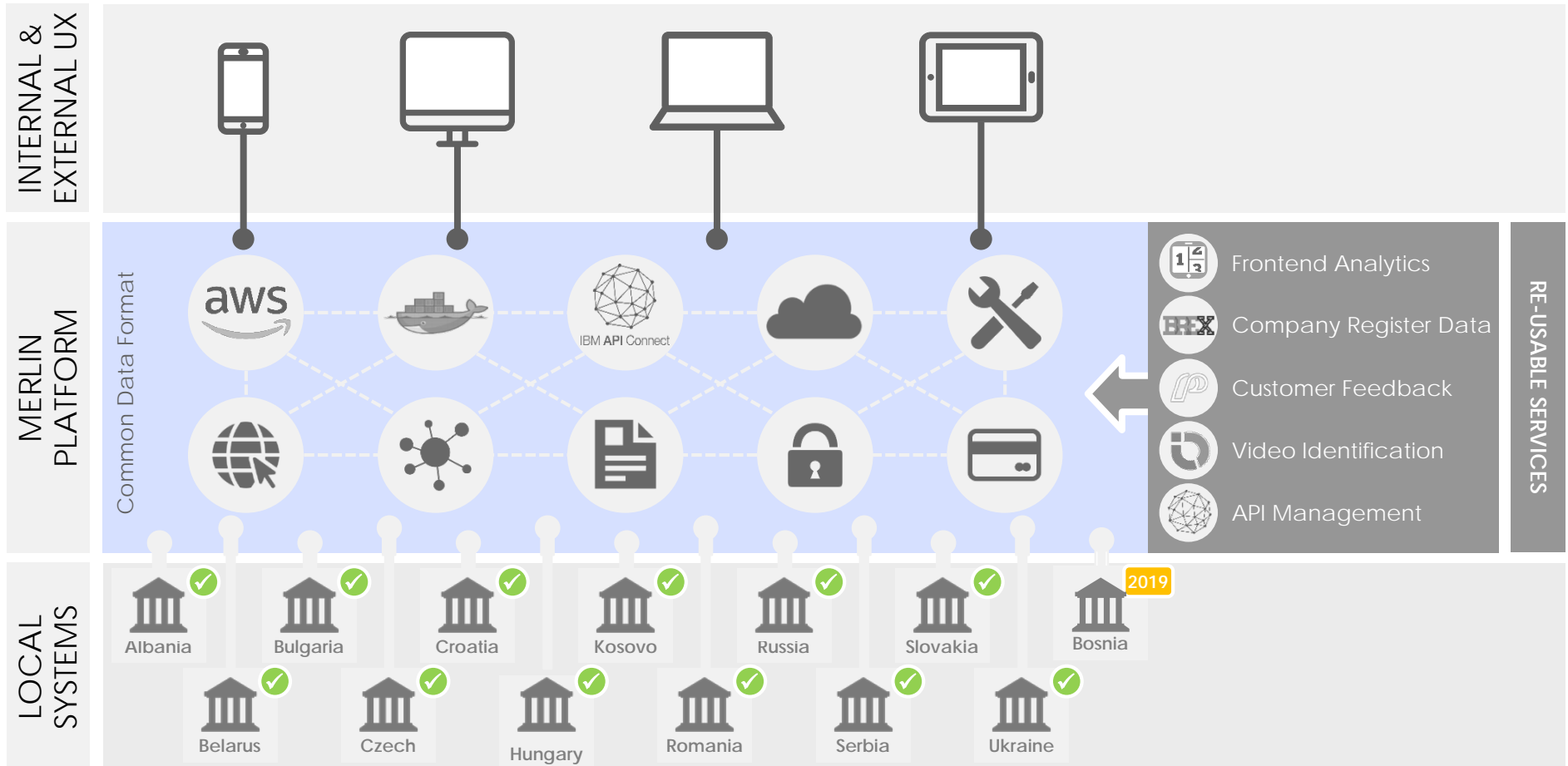


...foster innovation and develop new business models

# Merlin platform: integrating RBI Group

## CLOUDBASED PLATFORM

Connecting Units Groupwide | Enabling Usage of Joint Products | Development of New Services



# RBI developing towards an adaptive organization in the course of the digital transformation



- -30% of staff at RBI head office operating in agile teams, also high portion of employees working agile in Russia
  - Innovation activities transferred to agile product teams

# Innovation vehicles facilitate new solutions and partnerships



## INNOVATION GARDEN

### EMPLOYEE INITIATIVES

DEVELOPED IN A START-UP PROCESS

7,428



Members on  
Ideas Platform

1,300



Client  
Interviews

1,328



Fresh  
Ideas

2



Internal  
Start-Ups



## ELEVATOR LAB

### FINTECH PARTNERSHIP PROGRAM

GLOBAL HUNT FOR INNOVATIVE START-UPS  
WHICH PROVE VIABLE FOR RBI

10

Elevator Lab  
Challenges

12

Continued  
Co-operations



- We will pursue loan growth with an average yearly percentage increase in the mid-single digit area
- The provisioning ratio for FY 2019 is expected to be around 45 basis points
- We anticipate that the NPE ratio will further reduce
- We aim to achieve a cost/income ratio of around 55 per cent in 2021
- In the coming years we target a consolidated return on equity of approximately 11 per cent
- We seek to maintain a CET1 ratio of around 13 per cent in the medium term
- Based on this target, we intend to distribute between 20 and 50 per cent of the consolidated profit

# Second Agenda Item

Resolution on the utilization of net profit, as shown in the annual financial statements as at 31 December 2018.



## Third Agenda Item

Resolution on the release of the members of the Management Board from liability for the 2018 financial year.

## Fourth Agenda Item

Resolution on the release of the members of the Supervisory Board from liability for the 2018 financial year.

## Fifth Agenda Item

Appointment of an auditor (bank auditor) for the audit of the annual financial statements and consolidated financial statements for the 2020 financial year.

# Sixth Agenda Item

Election of one person to the Supervisory Board.

## Seventh Agenda Item

Resolution on the revocation of the authorization granted to the Management Board pursuant to §169 of the Austrian Stock Corporation Act (authorized capital), and the creation of new authorized capital in return for contributions in cash and/or in kind with the possibility to exclude subscription rights, and on the corresponding amendment to § 4 (5) of the Articles of Association.

# Eighth Agenda Item

Resolution on the amendments to § 4 and § 15 of the Articles of Association.

# Q & A



# Contact and Financial Calendar

## Contact Details

### Group Investor Relations

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## Financial Calendar

19 June 2019	Ex-Dividend Date
21 June 2019	Record Date Dividends
24 June 2019	Dividend Payment Date
25 July 2019	Start of Quiet Period <sup>1</sup>
8 August 2019	Semi-Annual Report, Conference Call
31 October 2019	Start of Quiet Period <sup>1</sup>
14 November 2019	Third Quarter Report, Conference Call

<sup>1</sup>)Quiet Period: two-week period before the publication of the quarterly financial statements. During these periods we do not hold investor or analyst meetings



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