

**Willkommen zur außerordentlichen
Hauptversammlung**

**Welcome to the Extraordinary General
Meeting**

24 January 2017

Agenda

1. Resolution on

- a) the Merger of Raiffeisen Zentralbank Österreich Aktiengesellschaft, FN 58882t, as the Transferring Company, by transferring the assets in their entirety as of the Effective Date of 30 June 2016, at 24:00 hours, and on the basis of the closing balance sheet of the Transferring Company as of 30 June 2016, by way of universal succession, to Raiffeisen Bank International AG, FN 122119 m, as the Acquiring Company, with a capital increase for the Acquiring Company and consent to the Merger Agreement

Agenda

1. Resolution on

- b) the increase of EUR 109,679,778.15 in the share capital of Raiffeisen Bank International AG from EUR 893,586,065.90 to EUR 1,003,265,844.05 by issuing 35,960,583 new no-par-value bearer shares (ordinary shares) to carry out the Merger with Raiffeisen Zentralbank Österreich Aktiengesellschaft. Pursuant to sec. 223 para. 1 of the Stock Corporation Act (Aktiengesetz - AktG), subscription rights will not be granted

Agenda

1. Resolution on

- c) the changes to secs. 2 (Purpose of the company), 4 (Capital and shares), 9 (Supervisory Board) and 12 (Responsibilities of the Supervisory Board) of the Articles of Association necessitated by the registration of the Merger (including the capital increase) with the commercial register

- On **10 May 2016** the Management and Supervisory Boards of RZB and RBI resolved to examine a potential consolidation of RZB and RBI
- On **5 October 2016** the Management and Supervisory Boards of RZB and RBI passed in principle a resolution to merge RZB and RBI and published a preliminary valuation range
- On **16 December 2016** the merger exchange ratio on which a resolution was passed by the Boards of RZB and RBI was published. The shareholding of the current RBI free float shareholders will be 34.9% of total shares outstanding in the Combined Bank¹ after the transaction
- The fairness of the merger exchange ratio was examined by an independent court appointed merger auditor and by the Supervisory Boards of RZB and RBI. Fairness Opinions were prepared by three Investment Banks
- Providing the merger is approved by the EGM, the **closing** is planned **by end of Q1/2017** (commercial register entry)

1) Compared to RBI's current free float shareholding of 39.2% of total shares outstanding (excl. 509,977 treasury shares as of 31 December 2016)

Management Board after the merger

Johann Strobl
CEO



Klemens Breuer
Deputy CEO,
Retail Banking & Markets



Martin Grüll
CFO



Andreas Gschwenter
COO/CIO



Peter Lennkh
Corporate Banking



Hannes Mösenbacher
CRO



Key Objectives of Transaction (1/2)

Improved Overall Capitalization of Ultimate Group

- Optimization of capital planning and allocation
- Elimination of current and future minority deductions on RZB level (which also constrain RBI)

Increased Transparency

- Alignment of shareholder (RBI-centric) and regulatory (RZB-centric) views
- Improved transparency for all stakeholder groups through reduction of structural complexity

Improved Governance

- More efficient organizational and governance structure
- Faster and more focused decision making processes within the organization
- Elimination of overlapping functions

**Limited Adaptation of
Proven Business Model**

Strengths of Combined Bank (1/2)

Attractive Geographic Footprint

- Higher interest rates and better growth prospects in CEE compared to Western Europe – present in 14 markets with Top 5 positions in 9
- Stable business in Austria complemented by distribution channels of Austrian Raiffeisen Banks – strong market positions with CEE-focused corporates and through specialized subsidiaries

Proven Customer Coverage

- Focus on locally serviced long term customer relationships with retail and corporate customers and selected institutional clients
- Retail: comprehensive multi-channel offering in CEE
- Corporate clients: customer oriented solutions through use of extensive network and local market access

Strengths of Combined Bank (2/2)

Continued Emphasis on Efficiency

- Execution of Transformation Program ongoing
- Ongoing focus on costs remains a top priority
- Streamlined organizational structure to improve efficiency and transparency

Sustainable Value Creation

- At least 12% CET1 ratio (fully-loaded) by end of 2017; to be further increased in the medium term
- Consolidated return on equity of approximately 11% in the medium term
- Cost/income ratio between 50 and 55% in the medium term

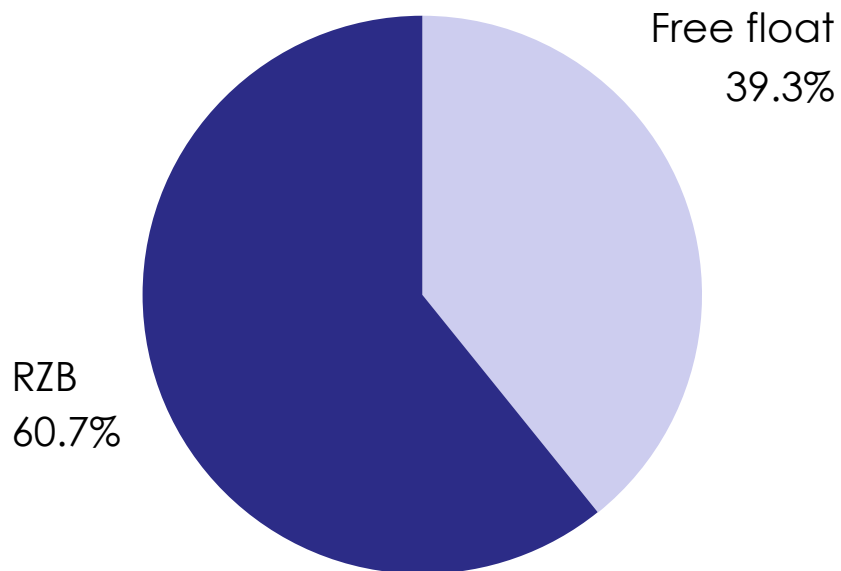
Free Float

- Based on the agreed merger exchange ratio the shareholding of the current RBI free float shareholders in the Combined Bank will be 34.9% of total shares outstanding
- This exchange ratio was determined based on valuations conducted by BDO and EY, which were engaged by RZB and RBI respectively
- In addition, three international investment banks provided fairness opinions on the relative valuation of the two entities
- Number of shares issued will increase from 292,979,038 RBI shares to 328,939,621 in the Combined Bank

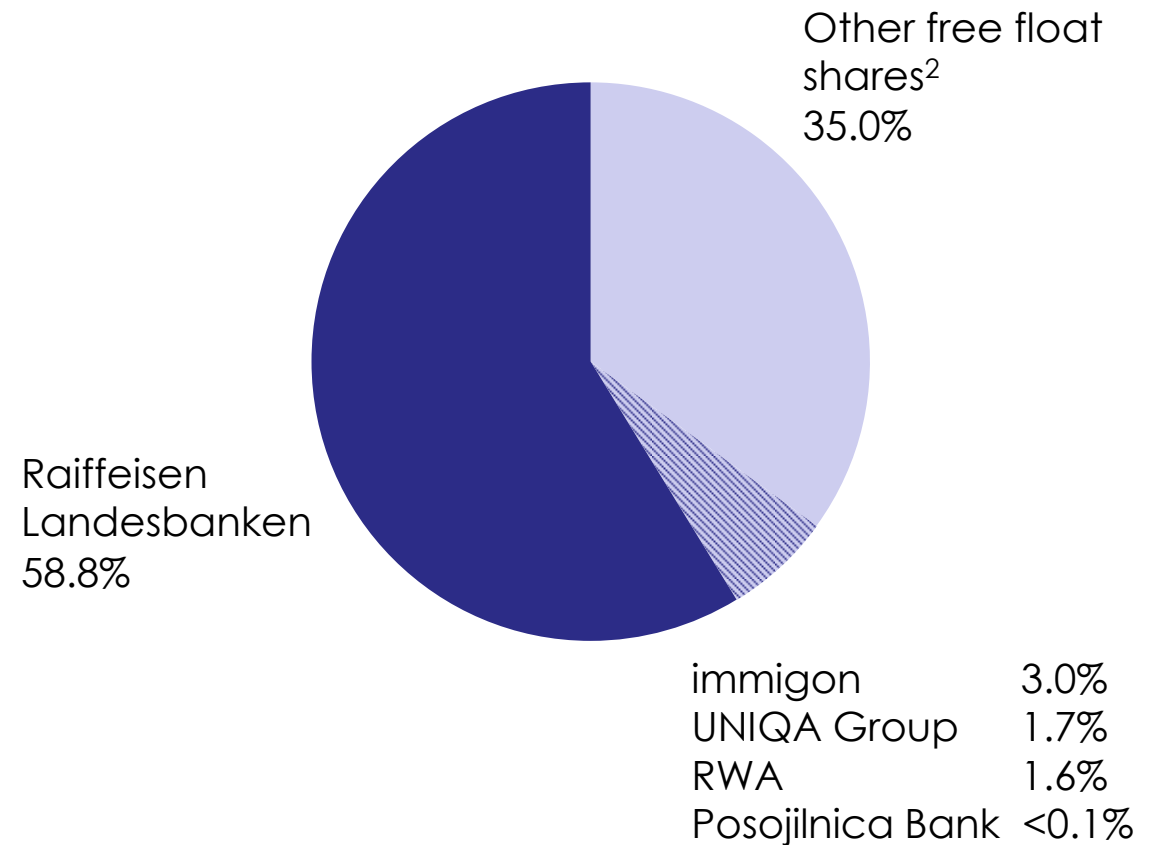
Shareholder Structure Combined Bank (2/2)



Shareholder Structure pre transaction¹



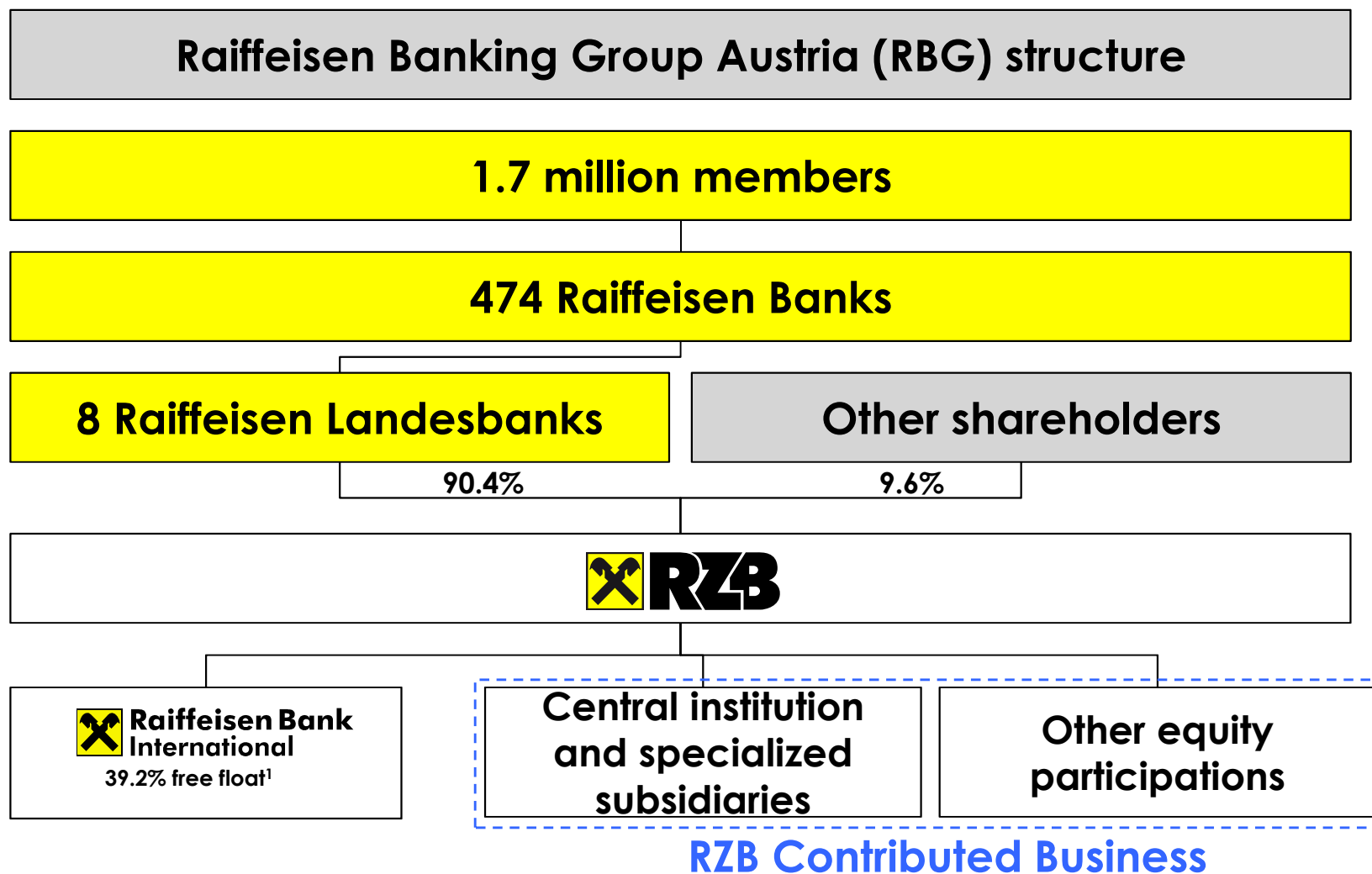
Shareholder Structure post transaction¹



1) Based on shares issued (which includes 509,977 treasury shares as of 31 December 2016)

2) RBI free float considering the capital increase in order to execute the merger; excluding: immigon, UNIQA Group, RWA, Posojilnica Bank

Overview Raiffeisen Banking Group Austria



Note: Data as of 12/2015

1) Based on shares outstanding (which excludes 509,977 treasury shares as of 31 December 2016)

Central institution

- RZB is the **lead institution** of RBG
- Key responsibilities include **RBG business** and **liquidity management**
- Centralized management of **RBG wide projects**
- **Participation management**
- Centralized **service functions** provided for RBG (e.g. management of the Raiffeisen brand)
- EUR 8.5 bn liquidity reserve pool

Note: All figures per 30 September 2016

Specialized Subsidiaries

**Raiffeisen
Bausparkasse** 

- Savings products and credit facilitation for housing, educational and care purposes in AT, CZ, SK and RO
- EUR 8.0 bn total assets
- 100.0% stake

**Raiffeisen
Capital Management** 

- Umbrella brand for RBG asset management activities
- Present in Austria and in Western and Eastern Europe
- Approx. EUR 27.0 bn¹ Assets under Management
- 100.0% stake

**Raiffeisen
Factor Bank** 

- Specialist provider of factoring solutions and receivables financing
- EUR 165 mn total assets
- 100.0% stake

Note: All figures per 30 June 2016
1) Approx. EUR 29 bn incl. Advisory AuM

Specialized Subsidiaries

Raiffeisen Leasing

- Vehicle, movable asset, aircraft and real estate leasing; vehicle fleet management and real estate development
- EUR 2.1 bn total assets
- 100.0% stake

Raiffeisen Wohnbaubank

- Issuer of residential construction bonds with favorable tax treatment for distribution via RBG
- EUR 1.8 bn total assets
- 100.0% stake

Valida Vorsorge Management

- Employee retirement benefits provider (employee benefits, pension funds, corporate advisory services for employee retirement plans)
- EUR 8.5 bn Assets under Management
- 57.4% stake

Note: All figures per 30 June 2016

Overview of RZB Contributed Business (4/4)

UNIQA	LLI	R-IT	Other ¹
<ul style="list-style-type: none"> ▪ UNIQA is one of the leading insurance groups in Austria and CEE ▪ EUR 423 mn pre-tax profit in FY 2015 ▪ 10.9% stake to be held by Combined Bank ▪ Preferred Partnership remains unaffected 	<ul style="list-style-type: none"> ▪ Leipnik-Lundenburger Invest (LLI) is a holding company, comprising the main segments Flour & Milling and Vending ▪ EUR 1.0 bn group revenues and EUR 37.2 mn group profit after tax in FY 2014/15 ▪ 33.1% stake 	<ul style="list-style-type: none"> ▪ Expert IT services for large customers domestically and overseas with focus on provision of services to companies within the RBG ▪ EUR 2.1 bn group revenues and EUR 36.6 mn post-tax group profit in FY 2015 ▪ 47.0% stake 	<ul style="list-style-type: none"> ▪ card complete (25.0%) ▪ Medicur (25.0%) ▪ NOTARTREUHAND-BANK (26.0%) ▪ Österreichische Hotel- und Tourismusbank (27.5%) ▪ Oesterreichische Kontrollbank (8.1%)

1) Other Equity Participations selected based on size/relevance for RZB Group

Note: All figures per 30 June 2016

The Institutional Protection Scheme (IPS)

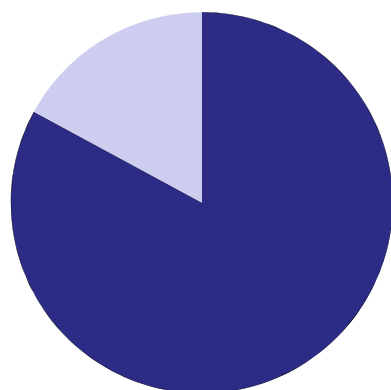
- RZB and the Landesbanks are members of a federal IPS, and it is planned that the Combined Bank will become a member
- The IPS aims to support the solvency and liquidity of its members in case of need; it is in addition to statutory deposit insurance protection; main purpose is the prevention of insolvency or default
- All IPS members are obliged to contribute to an ex ante fund and to make additional ex post contributions if the resources of the fund are exhausted
- The federal IPS ex ante fund current target volume is EUR 827 mn, to be reached by end-2022; current fund size is EUR 186.6 mn as of Dec. 31st 2016
- RZB's 2016 contribution to the IPS was EUR 75 mn. The contribution is booked as an asset, but deducted from regulatory capital under CRR
- Support is provided in the first instance from the IPS fund assets. In the event that further resources in addition to the fund assets are necessary, ad hoc support measures may be decided upon. Support provided is not permitted to put the adequate capitalization of IPS members at risk

Key Financials of Combined Bank (1-6/2016) Raiffeisen Bank International

Total Assets (in EUR bn)

RZB Contributed
Business

17%



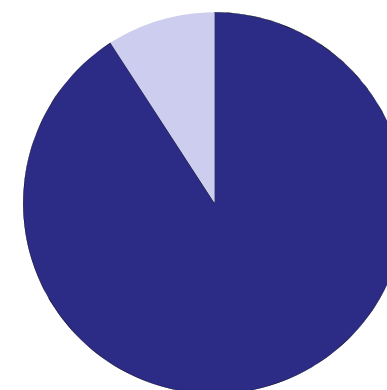
RBI
83%

Total: EUR 138 bn

Consolidated Profit (in EUR mn)

RZB Contributed
Business

11%



RBI
89%

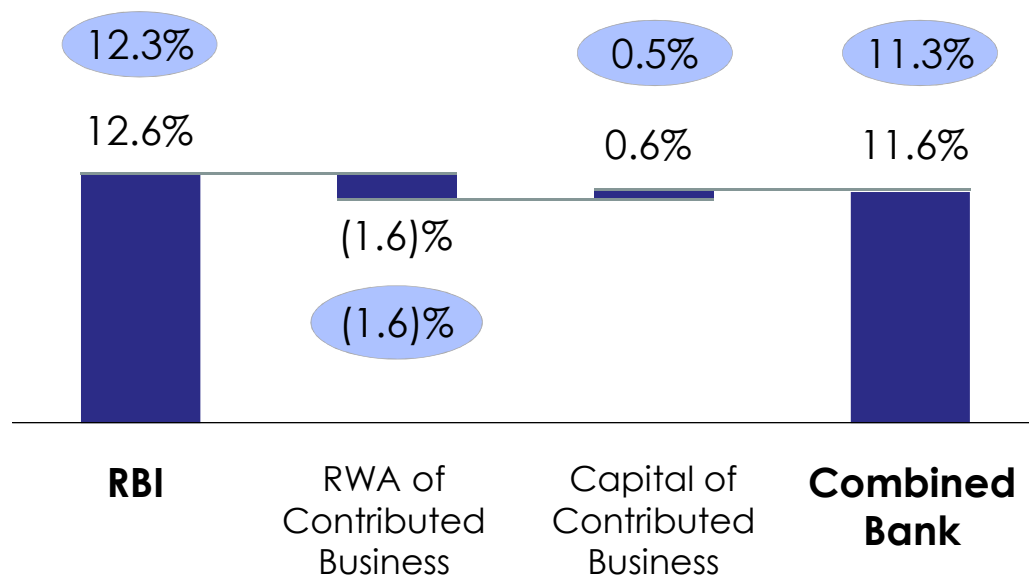
Total: EUR 236 mn

Note:

- Pro forma figures; income statement figures adjusted to exclude impact from 15.4% net reduction of UNIQA stake and any related contribution
- Figures differ from those published on 05 October 2016, due to announced pooling of UNIQA shares in RZB and the sale of Raiffeisen evolution

Impact of Merger on CET1 Ratio of RBI

Impact on transitional und fully loaded ratio as of 30 September 2016



● Fully loaded basis

Minority deduction effect for RZB's shareholding in RBI is 0.0% on a fully loaded basis at Q3 2016.

In the present corporate group structure minority deduction effects on RZB level would however again increase with future capital generation of RBI.

Note: Pro forma figures of Combined Bank include impact from 15.4% net reduction of UNIQA stake

Capital Ratios

- We target a **CET1 ratio (fully loaded)** of **at least 12%** and a **total capital ratio (fully loaded)** of **at least 16%** by the end of 2017; both ratios to be further increased in the medium term

Return on Equity

- We aim for a **return on equity before tax** of **approximately 14%** and a **consolidated return on equity** of **approximately 11%** in the medium term

Cost/Income Ratio

- We further aim to achieve a **cost/income ratio** of **between 50 and 55%** in the medium term

RBI Targets

RBI Group	Actual 12/2015	Actual 09/2016	Phase I 2017- 2019	Phase II 2020- 2021
Total assets in EUR mn	114,427	113,838	3.4% ⁽¹⁾	3.1% ⁽¹⁾
Operating income/Total assets at year-end	4.3% ⁽²⁾	4.1% ⁽²⁾	4.0% ⁽²⁾	3.9% ⁽²⁾
Net provisioning for impairment losses/Total assets at year-end	(1.1)% ⁽²⁾	(0.6)% ⁽²⁾	(0.6)% ⁽²⁾	(0.5)% ⁽²⁾
Cost/income ratio ⁽³⁾	59.1% ⁽²⁾	60.5% ⁽²⁾	57.3% ⁽²⁾	53.6% ⁽²⁾
Consolidated profit for the year/Total assets at year-end	0.3% ⁽²⁾	0.5% ⁽²⁾	0.7% ⁽²⁾	0.9% ⁽²⁾

(1) CAGR = Compound annual growth rate, in relation to values as of 09/2016 and 2015, respectively

(2) Figures as of interim reporting dates are annualized; figures presented as the arithmetic mean of the individual years in Phase I and Phase II

(3) Operating expenses/Operating income excl. net provisioning for impairment losses

RZB Targets including RBI Contributed Business Targets



RZB Group	Actual 12/2015	Actual 09/2016	Phase I 2017- 2019	Phase II 2020- 2021
Total assets in EUR mn	138,426	137,396	2.6% ⁽¹⁾	2.8% ⁽¹⁾
Operating income/Total assets at year-end	3.9% ⁽²⁾	3.6% ⁽²⁾	3.6% ⁽²⁾	3.6% ⁽²⁾
Net provisioning for impairment losses/Total assets at year-end	(0.9)% ⁽²⁾	(0.5)% ⁽²⁾	(0.5)% ⁽²⁾	(0.4)% ⁽²⁾
Cost/income ratio ⁽³⁾	59.4% ⁽²⁾	61.1% ⁽²⁾	58.6% ⁽²⁾	54.3% ⁽²⁾
Consolidated profit for the year/Total assets at year-end	0.2% ⁽²⁾	0.1% ⁽²⁾	0.4% ⁽²⁾	0.5% ⁽²⁾
Contributed Business	Actual 09/2016	Phase I 2017- 2019	Phase II 2020- 2021	
Risk-weighted assets in EUR mn	8,619	(2.7)% ⁽¹⁾	(4.9)% ⁽¹⁾	

(1) CAGR = Compound annual growth rate, in relation to values as of 09/2016 and 2015, respectively

(2) Figures as of interim reporting dates are annualized; figures presented as the arithmetic mean of the individual years in Phase I and Phase II

(3) Operating expenses/Operating income excl. net provisioning for impairment losses

Dividend Calculation for Valuation

	Profit before tax
less	Corporate tax
equals	Profit after tax
less	Minority interests
equals	Profit after tax and minority interests
plus/less	Change in minimum capital requirements
equals	Distributable profit/dividend

Capitalization Rates

RBI	BDO		EY	
Base interest rate*		1.00%		1.00%
Market risk premium**	7.00%		7.00%	
multiplied by beta coefficient	1.36		1.78	
Gives risk premium		<u>9.52%</u>		<u>12.48%</u>
Capitalization interest rate		10.52%		13.48%

RZB/Contributed Business	BDO		EY	
Base interest rate*		1.00%		1.00%
Market risk premium**	7.00%		7.00%	
multiplied by beta coefficient	1.27		1.00	
Gives risk premium		<u>8.89%</u>		<u>7.00%</u>
Capitalization interest rate		9.89%		8.00%

*Parameter published by Deutsche Bundesbank on 18.11.2016, calculation based on the Svensson method

**Recommendation of the Working Group on Business Valuations of the Austrian Chamber of Professional Accountants and Tax Advisors

Valuation Results

	RZB	RBI	Contributed Business
Valuation range BDO in EUR bn	4.6 – 5.3	6.2 – 7.1	
Valuation range EY in EUR bn		6.4 – 7.0	0.742 – 0.826
Value per share in EUR	620.0 – 784.0	21.32 – 24.37 (BDO) 21.90 – 24.00 (EY)	
Implicit price/book multiple	0.83 – 0.95	0.74 – 0.85 (BDO) 0.80 – 0.88 (EY)	

Q&A Session

24 January 2017

Contact and Financial Calendar



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Financial Calendar

15 February 2017	Start of Quiet Period ¹
15 March 2017	Annual Report 2016, Conference Call
16 March 2017	Investor Presentation, London
03 May 2017	Start of Quiet Period ¹
17 May 2017	First Quarter Report, Conference Call
12 June 2017	Record Date Annual General Meeting
22 June 2017	Annual General Meeting
28 June 2017	Ex-Dividend Date
29 June 2017	Record Date Dividends
30 June 2017	Dividend Payment Date
27 July 2017	Start of Quiet Period ¹
10 August 2017	Semi-Annual Report, Conference Call
31 October 2017	Start of Quiet Period ¹
14 November 2017	Third Quarter Report, Conference Call

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

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These factors include, without limitation, the following: (i) our ability to compete in the regions in which we operate; (ii) our ability to meet the needs of our customers; (iii) our ability to complete acquisitions or other projects on schedule and to integrate our acquisitions; (iv) uncertainties associated with general economic conditions particularly in CEE; (v) governmental factors, including the costs of compliance with regulations and the impact of regulatory changes; (vi) the impact of currency exchange rate and interest rate fluctuations; and (vii) other risks, uncertainties and factors inherent in our business and the transaction as contemplated.

The transaction as contemplated in this document and involving a merger of RZB into RBI is subject to shareholders' approval as well as regulatory approvals. All financial and non-financial information and statistical data relating to RBI after the merger of RZB into RBI ("Combined Bank") (whether or not identified as "pro forma") are based on historical data of RBI and RZB and on the results of the evaluations of the contemplated transaction. Such information and data are presented for illustrative purposes only.

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