Ad-hoc Release

Raiffeisen Bank International

Raiffeisen Bank International: Full Year Result 2011

- Net interest income increased to EUR 3,667 mn (up 2.5% y-o-y)
- Operating income (goodwill impairment excluded) increased to EUR 5,475 mn (up 1.3% y-o-y)
- General administrative expenses increased to EUR 3,120 mn (up 4.7% y-o-y)
- Net provisioning for impairment losses dropped to EUR 1,064 mn (down 10.9% y-o-y)
- Impairment of goodwill of EUR 187 mn mainly in Ukraine
- Profit before tax up to EUR 1,373 mn (up 6.7% y-o-y), considerably influenced by valuation gains on own issues and macro hedges
- Consolidated profit decreased to EUR 968 mn (down 11.0% y-o-y)
- NPL ratio improved to 8.6% (down 0.3PP compared to FY 2010)
- Coverage ratio improved to 68.4% (up 2.1PP compared to FY 2010)
- Core tier 1 ratio (total risk) increased to 9.0% (up 0.2PP compared to FY 2010)

Income Statement in EUR mn	**1-12/2011**	**1-12/2010**	**10-12/2011**	**10-12/2010**
Net interest income	3,667	3,578	943	871
Net provisioning for impairment losses	(1,064)	(1,194)	(282)	(281)
Net interest income after provisioning	2,603	2,384	661	590
Net fee and commission income	1,490	1,491	365	403
Net trading income	363	328	70	70
General administrative expenses	(3,120)	(2,980)	(834)	(827)
Profit before tax	1,373	1,287	342	290
Profit after tax	974	1,177	214	324
Consolidated profit	968	1,087	222	304
Balance Sheet in EUR mn	**31/12/11**	**31/12/10**		
Equity	10,936	10,404		
Total assets	146,985	131,173		
Bank Specific Information	**31/12/11**	**31/12/10**		
Core tier 1 ratio (total risk)	9.0%	8.9%		
Tier 1 ratio (credit risk)	12.2%	12.2%		
Tier 1 ratio (total risk)	9.9%	9.7%		
Own funds ratio	13.5%	13.3%		
Performance	**1-12/2011**	**1-12/2010**		
Return on equity (ROE) before tax	13.7%	13.7%		
Consolidated return on equity	10.8%	13.0%		
Cost/income ratio	57.0%	55.1%		
Earnings per share in EUR	3.95	4.56		
Resources	**31/12/11**	**31/12/10**		
Number of staff	59,261	59,782		
Business outlets	2,928	2,961		

The outlook was adapted to the changed environment and is summarized as follows:

- In the context of expected overall economic developments, particularly in CEE, we are aiming, with the inclusion of the acquisition of Polbank, for a return on equity before tax of around 15 per cent in the medium term. This is excluding future acquisitions, any capital increases, as well as unexpected regulatory requirements from today’s perspective.

- In 2012, we expect a stable business volume due to the economic environment and restrictive regulatory requirements.
- Against the backdrop of a permanently changing regulatory environment and further strengthening of our balance sheet structure we are continuously evaluating the level and structure of our regulatory capital to be able to act promptly and flexibly. Depending on market developments, a capital increase also continues to be a possible option.
- Despite the cautious economic growth forecast, we expect to see a stabilization of the net provisioning ratio along with only a marginal increase in non-performing loan volumes. Due to current developments on the economic and political fronts, it is not possible to accurately predict when we will reach a turning point as far as non-performing loans are concerned.
- In 2012, we expect higher bank levies than in the previous year. In Austria and CEE this will presumably result in a negative earnings effect of some EUR 160 mn (of which approximately EUR 100 mn in Austria, EUR 40 mn in Hungary and EUR 20 mn in Slovakia).
- We plan to raise around EUR 4.6 bn in long-term wholesale funding (maturity of more than one year) for the RBI Group in 2012. In the capital markets we intend to raise EUR 2.1 bn in wholesale funding, of which around EUR 1.3 bn had already been placed as of mid-March.
- We have implemented group-wide cost efficiency programs in order to achieve a flat cost development.

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