

RBI: Semi-Annual Financial Report 2013

- Net interest income of EUR 1,836 mn (up 4.2% y-o-y)
- General administrative expenses of EUR 1,617 mn (up 6.5% y-o-y due to Polbank integration and salary inflation in Russia)
- Net provisioning for impairment losses of EUR 469 mn (up 17.3% y-o-y)
- Negative one-off impact of EUR 20 mn in Q2 due to upfront booking of Hungarian bank levy for H2 2013
- Net income from financial investments of EUR 64 mn (minus EUR 189 mn, primarily due to sale of security portfolio in previous year)
- Net income from derivatives and liabilities of minus EUR 187 mn (down EUR 167 mn, mainly affected by valuation of own liabilities and Hybrid Tier 1 buyback in H1 2012)
- Profit before tax of EUR 467 mn (down 49.6% y-o-y)
- Tax rate of 33% (up 12PP y-o-y) due to valuations and other items which are not fully tax deductible
- Consolidated profit of EUR 277 mn (down 60.5% y-o-y)
- Net interest margin of 3.06% (up 0.42PP y-o-y)
- Core Tier 1 ratio of 10.4% (total risk); including H1 retained earnings 10.5%
- Leverage ratio of 5.5% comfortably surpasses the 3.0% envisaged regulatory ratio

Income Statement in EUR mn	1-6/2013	1-6/2012	4-6/2013	4-6/2012
Net interest income	1,836	1,762	972	886
Net provisioning for impairment losses	(469)	(400)	(249)	(247)
Net interest income after provisioning	1,367	1,362	722	639
Net fee and commission income	785	721	411	375
Net trading income	140	167	60	85
General administrative expenses	(1,617)	(1,518)	(829)	(764)
Net income from derivatives and liabilities	(187)	(20)	(66)	(55)
Net income from financial investments	64	253	(23)	(8)
Profit before tax	467	927	216	243
Profit after tax	311	734	137	160
Consolidated profit	277	701	120	160
Balance Sheet in EUR mn	30/6/13	31/12/12		
Equity	10,428	10,873		
Total assets	130,306	136,116		
NPL ratio	9.9%	9.8%		
NPL coverage ratio	67.3%	67.0%		
Bank Specific Information	30/6/13	31/12/12		
Core tier 1 ratio (total risk)	10.4%	10.7%		
Tier 1 ratio (credit risk)	13.3%	13.6%		
Tier 1 ratio (total risk)	10.9%	11.2%		
Performance	1-6/2013	1-6/2012		
Net interest margin	3.06%	2.64%		
Return on equity before tax	8.6%	17.3%		
Consolidated return on equity	5.4%	14.4%		
Cost/income ratio	60.2%	58.1%		
Earnings per share in EUR	0.91	3.09		
Resources	30/6/13	31/12/12		
Employees	58,831	60,084		
Business outlets	3,056	3,106		

Outlook

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

In 2013, we aim to maintain loans and advances to customers at the level of the previous year. In the current year we expect a slight increase in the net interest margin. From the customer standpoint, we plan to retain our Corporate Customers division as the backbone of our business and in the medium term to expand the proportion of business volume accounted for by our Retail Customers division.

In light of the economic prospects, the situation remains tense in several of our markets. In 2013, we therefore expect a similar net provisioning requirement as in the previous year.

In 2013, we will once again pay increased attention to cost development. We expect a flat or slightly increasing cost base, particularly due to the first-time full year consolidation of Polbank.

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.

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