

Raiffeisen Bank International: Full Year Results 2016

Unless stated otherwise, all numbers are for RBI pre-merger with RZB.

- Consolidated profit of EUR 463 mn
- Transformation program completed ahead of schedule: CET1 ratio (fully loaded) of 13.6%, significantly above 12% target
- NPL ratio significantly reduced to 9.2%
- Substantially improved risk costs across all markets
- Net interest margin levelled out in 2016
- Significantly increased profit contribution from Southeastern and Eastern Europe
- EGM approved RZB/RBI merger with 99.4%
- Merger expected to be entered in the commercial register on 18 March 2017
- Pro forma CET1 ratio (fully loaded) of combined bank at 12.4%

Income Statement in EUR mn	1-12/2016	1-12/2015	Q4/2016	Q3/2016
Net interest income	2,935	3,327	748	732
Net provisioning for impairment losses	(754)	(1,264)	(251)	(100)
Net interest income after provisioning	2,181	2,063	497	632
Net fee and commission income	1,497	1,519	400	378
Net trading income	215	16	78	52
General administrative expenses	(2,848)	(2,914)	(749)	(687)
Other results	(204)	(40)	(82)	(103)
Profit/loss before tax	886	711	140	296
Profit/loss after tax	574	435	94	212
Consolidated profit/loss	463	379	69	184

Balance Sheet in EUR mn	31/12/16	31/12/15
Equity	9,232	8,501
Total assets	111,864	114,427
NPL ratio	9.2%	11.9%
NPL coverage ratio	75.6%	71.3%
Risk-weighted assets (total RWA)	60,061	63,272

Ratios	31/12/16	31/12/15
Common equity tier 1 ratio (fully loaded)	13.6%	11.5%
Common equity tier 1 ratio (transitional)	13.9%	12.1%
Total capital ratio (fully loaded)	18.9%	16.8%
Total capital ratio (transitional)	19.2%	17.4%

Ratios	1-12/2016	1-12/2015	Q4/2016	Q3/2016
Net interest margin	2.78%	3.00%	2.83%	2.77%
Return on equity before tax	10.3%	8.5%	6.4%	13.8%
Consolidated return on equity	5.8%	4.8%	3.4%	9.2%
Cost/income ratio	60.7%	59.1%	61.2%	57.9%
Earnings per share in EUR	1.58	1.30	0.24	0.63

Resources	31/12/16	31/12/15
Employees (full-time equivalents)	48,556	51,492
Business outlets	2,506	2,705

Outlook

As a result of the merger with RZB, to be entered in the commercial register on 18 of March 2017, the following outlook applies to the combined bank.

RBI reached the 12 per cent CET1 ratio target one year ahead of schedule with a fully loaded CET1 ratio of 13.6 per cent at 31 December 2016 (12.4 per cent for the pro forma combined bank). In the medium term we strive to achieve a CET1 ratio (fully loaded) of around 13 per cent.

After stabilizing loan volumes, we look to resume growth with an average yearly percentage increase in the low single digit area.

We expect net provisioning for impairment losses for 2017 to be below the level of 2016 (EUR 754 million).

We look to reach an NPL ratio of around 8 per cent by the end of 2017, and over the medium term we expect this to reduce further.

We further aim to achieve a cost/income ratio of between 50 and 55 per cent in the medium term, unchanged from our previous target.

Our medium term return on equity before tax target is unchanged at approximately 14 per cent, with a consolidated return on equity target of approximately 11 per cent.

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