

RBI: First Quarter Report 2022

Consolidated profit at EUR 442 million with prudent approach to risk costs

- Net interest income up 1% quarter-on-quarter, benefiting from higher rates across the region
- Net fee and commission income up 22% quarter-on-quarter, driven primarily by increased customer activity in FX business in Russia
- Net trading income at EUR 184 million, mainly from hedging instruments and own credit spreads relating to certificates business
- Year-to-date provisioning ratio increased significantly to 0.97%, largely driven by macro downgrades and special risk factors due to war in Ukraine
- Loans grew 1% in the first quarter, new lending in Russia has largely been stopped
- Consolidated profit improved 39% quarter-on-quarter to EUR 442 million
- CET1 ratio at 12.3% (transitional, including year-to-date result), reflecting RWA increases from rating downgrades in Russia, Ukraine, and Belarus
- Outlook has been updated to reflect lower loan growth and higher risk cost assumptions

Income Statement in EUR million	Q1/2022	Q1/2021	Q4/2021
Net interest income	986	736	976
Net fee and commission income	683	420	561
Net trading income and fair value result	184	4	24
General administrative expenses	(792)	(672)	(856)
Operating result	1,089	543	763
Other result	(102)	(38)	(175)
Governmental measures and compulsory contributions	(159)	(123)	(32)
Impairment losses on financial assets	(319)	(76)	(150)
Profit/loss before tax	508	306	406
Profit/loss after tax from continuing operations	440	229	329
Profit/loss from discontinuing operations	18	14	24
Consolidated profit	442	216	317

Balance Sheet in EUR million	31/03/2022	31/12/2021
Loans to customers	101,966	100,832
Deposits from customers	113,652	115,153
Total assets	192,624	192,101
Total risk-weighted assets (RWA)	104,017	89,928

Key ratios	31/03/2022	31/12/2021
NPE ratio	1.6%	1.6%
NPE coverage ratio	61.8%	62.5%
CET1 ratio (incl. result)	12.3%*	13.1%
Total capital ratio (incl. result)	15.9%*	17.6%

*transitional

Key ratios	Q1/2022	Q1/2021	Q4/2021
Net interest margin (average interest-bearing assets)	2.21%	1.92%	2.22%
Cost/income ratio	42.1%	55.3%	52.9%
Provisioning ratio (average loans to customers)	0.97%	0.36%	0.55%
Consolidated return on equity	13.2%	6.5%	10.1%
Earnings per share in EUR	1.27	0.59	0.90

Due to the planned sale of the Bulgarian subsidiary bank and its participation there has been a change in the statements according to IFRS 5. This business operation is classified as a disposal group held for sale and reported separately in the statement of financial position. The prior year figures have not been adapted. The income statement of the Bulgarian subsidiary bank and its participation is reported under profit/loss from discontinued operations. The prior year 2021 figures have been adapted accordingly in the income statement, as were the key ratios.

Outlook

In 2022, net interest income is expected to increase by high single digit per cent and net fee and commission income by mid-single digit per cent.

We expect stable loan volumes in 2022, with mid-single digit growth in core CE and SEE markets. We expect high single digit per cent OPEX growth plus an additional approximately EUR 100 million integration cost for acquisitions in Czech Republic (Equa bank) and Serbia (Crédit Agricole Srbija).

Cost/income ratio is expected around 55 %.

The provisioning ratio for 2022 is expected to be up to 100 basis points.

Consolidated return on equity is expected in the 8 to 10 per cent range.

In 2022, we expect the CET1 ratio to recover close to our 13 per cent target.

Medium term return on equity and payout ratio targets are suspended due to current uncertainties in Eastern Europe.

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