Investor Relations Release

Raiffeisen Bank International

RBI: First Quarter Report 2018

- Consolidated profit of EUR 399 mn (up 81% year-on-year) driven by strong positive contribution from risk costs
- Exceptionally high net releases of loan loss provisions led to positive impairment losses on financial assets (risk costs). Despite the positive result, risk costs for 2018 are expected to be around the level of the previous year
- NPL ratio decreased further to 5.4%
- NIM stable at 2.49%, with improvements in Czech Republic and Romania
- IFRS 9 impact on equity of EUR 130 mn; minus 10 bps on CET1 ratio (fully loaded)
- CET1 ratio at 12.8% (fully loaded, incl. YTD results and IFRS 9 impact)
- Disposal of core banking assets in Poland, with expected positive impact of 90 bps on Group CET1 ratio (fully loaded) on closing

Income Statement in EUR million	**Q1/2018**	**Q1/2017**	**Q4/2017**
Net interest income	829	797	818
Net fee and commission income	410	409	446
Net trading income and fair value result	(1)	2	10
General administrative expenses	(740)	(745)	(798)
Other result	27	24	(31)
Levies and expenses from special governmental measures	(132)	(120)	(17)
Impairment losses on financial assets	83	(82)	(121)
Profit before tax	529	330	311
Profit after tax	430	255	234
Consolidated profit	399	220	206

Balance Sheet in EUR million	**31/03/2018**	**31/12/2017**
Loans and advances to customers	80,226	77,745
Deposits from customers	87,229	84,974
Total assets	140,033	135,146
Risk-weighted assets (total)	73,102	71,902

Key ratios	**31/03/2018**	**31/12/2017**
NPL ratio	5.4%	5.7%
NPL coverage ratio	69.7%	67.0%
CET1 ratio (fully loaded, incl. YTD results)	12.8%	12.7%
CET1 ratio (fully loaded)	12.2%	12.7%
CET1 ratio (transitional, incl. YTD results)	12.8%	12.9%
CET1 ratio (transitional)	12.2%	12.9%

Key ratios	**Q1/2018**	**Q1/2017**	**Q4/2017**
Net interest margin	2.49%	2.44%	2.55%
Consolidated return on equity	16.6%	9.6%	8.9%
Cost/income ratio	57.3%	59.5%	62.5%
Earnings per share in EUR	1.17	0.67	0.60

Vienna, 15 May 2018

Outlook

We will pursue loan growth with an average yearly percentage increase in the mid-single digit area. Impairment losses on financial assets (risk costs) in 2018 are expected to be around the 2017 level. We anticipate that the NPL ratio will further reduce in the medium term.
We aim to achieve a cost/income ratio of below 55 per cent in the medium term.
We target a consolidated return on equity of approximately 11 per cent in the medium term.
We target a CET1 ratio (fully loaded) of around 13 per cent post dividend in the medium term.
Based on this target, we intend to distribute between 20 and 50 per cent (dividend payout ratio) of the consolidated profit.

The targets in this outlook include the impact from IFRS 9 and FINREP; the sale of the core banking operations in Poland is not reflected.

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