

## **RBI: Full year results 2018**

- Consolidated profit of EUR 1,270 million (up 14% year-on-year)
- Operating income up 4% year-on-year driven by net interest income and net fee and commission income
- Loans to customers up 4% despite sale of Polish core banking operations
- Disposal of core banking operations in Poland completed on October 31 2018
- CET1 ratio at 13.4% (fully loaded), 85bps positive effect in Q4/2018 from disposal of Polish core banking operations
- Provisioning ratio down to 0.21%, driven by continued write-backs and low new inflows of NPL
- NPL ratio decreased further to 3.8% while NPL coverage ratio improved 10.6PP to 77.6%
- EUR 0.93 dividend per share will be proposed to the AGM on June 13 2019

<b>Income Statement in EUR million</b>	<b>1-12/2018</b>	<b>1-12/2017</b>	<b>Change</b>	<b>Q4/2018</b>
Net interest income	3,362	3,225	4.2%	843
Net fee and commission income	1,791	1,719	4.2%	467
Net trading income and fair value result	17	35	(52.4)%	(3)
General administrative expenses	(3,048)	(3,011)	1.2%	(819)
Other result	(161)	0	-	(74)
Levies and special governmental measures	(170)	(163)	4.0%	(13)
Impairment losses on financial assets	(166)	(312)	(46.9)%	(222)
Profit before tax	1,753	1,612	8.8%	166
Profit after tax	1,398	1,246	12.2%	127
Consolidated profit	1,270	1,116	13.8%	97

<b>Balance Sheet in EUR million</b>	<b>31/12/2018</b>	<b>31/12/2017</b>	<b>Change</b>
Loans to customers	80,866	77,745	4.0%
Deposits from customers	87,038	84,974	2.4%
Total assets	140,115	135,146	3.7%
Risk-weighted assets (total)	72,672	71,902	1.1%

<b>Key ratios</b>	<b>31/12/2018</b>	<b>31/12/2017</b>	<b>Change</b>
NPL ratio (non-banks)	3.8%	5.7%	(1.9)PP
NPL coverage ratio (non-banks)	77.6%	67.0%	10.6PP
CET1 ratio (fully loaded)	13.4%	12.7%	0.6PP
Total capital ratio (fully loaded)	18.2%	17.8%	0.3PP

<b>Key ratios</b>	<b>1-12/2018</b>	<b>1-12/2017</b>	<b>Change</b>	<b>Q4/2018</b>
Net interest margin (average interest-bearing assets)	2.50%	2.48%	0.03PP	2.52%
Cost/income ratio	57.5%	59.1%	(1.5)PP	63.3%
Consolidated return on equity	12.6%	12.2%	0.4PP	3.5%
Earnings per share in EUR	3.68	3.34	0.34	0.25
Dividend proposal per share in EUR	0.93	0.62	0.31	-

2017 figures have been adjusted to reflect impact from FINREP implementation.

### **Outlook**

We will pursue loan growth with an average yearly percentage increase in the mid-single digit area.

The provisioning ratio for FY 2019 is expected to be around 45 basis points.

We anticipate that the NPL ratio will further reduce.

We aim to achieve a cost/income ratio of around 55 per cent in 2021.

In the coming years we target a consolidated return on equity of approximately 11 per cent.

We seek to maintain a CET1 ratio of around 13 per cent in the medium term.

Based on this target, we intend to distribute between 20 and 50 per cent of the consolidated profit.

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