

RBI – Additional Insights Q1/2018 Results

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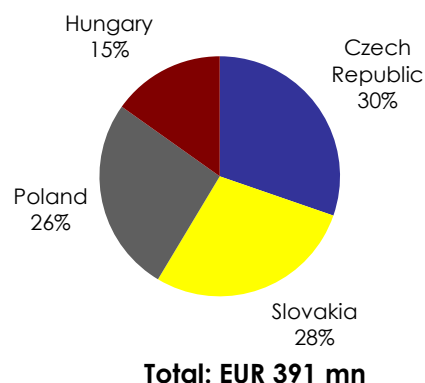
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Overview Segment CE

Operating Income Split by Country (1-3/2018)



Strategic Initiatives

- Resume growth in lending in Czech Republic and Slovakia with focus on prime corporate relationships with cross-selling potential (e.g. cash management, capital markets & investment banking) and generate higher fee income through new pricing models
- Grow primary customer base in retail with focus on Czech Republic and Slovakia and continue growth of secured and unsecured lending, fully exploiting increasing importance of digital channels
- In Hungary: strengthen lending business in retail, tap growth potential in SME and smaller mid-market companies while maintaining portfolio quality with focus on efficient operations

Financials

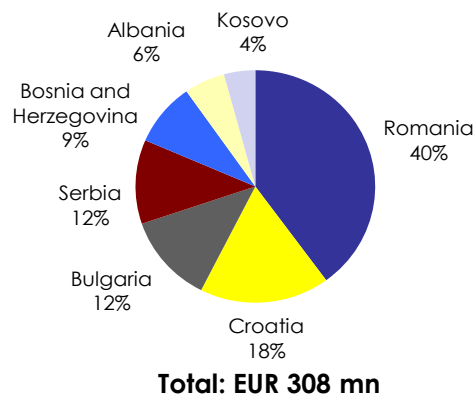
| In EUR mn | Q1/2018 | Q4/2017 | q-o-q | Q1/2018 | Q1/2017 | y-o-y | FY/2017 |
|--|------------|------------|--------------|------------|-----------|--------------|------------|
| Operating income | 391 | 387 | 1.0% | 391 | 385 | 1.7% | 1,571 |
| General admin. expenses | (220) | (235) | (6.2)% | (220) | (225) | (2.0)% | (887) |
| Operating result | 171 | 152 | 12.3% | 171 | 160 | 7.0% | 684 |
| Other results | 1 | (4) | - | 1 | (3) | - | (4) |
| Levies and special governmental measures | (55) | (13) | 324.9% | (55) | (54) | 1.5% | (91) |
| Impairment losses on financial assets | 14 | (11) | - | 14 | (11) | - | (59) |
| Profit/loss before tax | 130 | 124 | 4.8% | 130 | 91 | 43.4% | 530 |
| Profit/loss after tax | 99 | 82 | 20.7% | 99 | 79 | 25.3% | 419 |
| Net interest margin (%) | 2.20% | 2.15% | 0.05PP | 2.20% | 2.13% | 0.07PP | 2.13% |
| RoE before tax (%) | 14.6% | 16.9% | (2.3)PP | 14.6% | 14.9% | (0.3)PP | 17.3% |
| RoE after tax (%) | 11.0% | 11.1% | 0.0PP | 11.0% | 12.9% | (1.8)PP | 13.7% |

Commentary on Financials (y-o-y)

- Operating income:
 - net interest income up EUR 14 mn due to increase in Czech Republic (higher repo interest rates) and Poland thanks to lower interest expenses on customer deposits
 - other net operating income down EUR 7 mn mostly due to deconsolidation of a Hungarian unit in Q3 2017
- General administrative expenses down EUR 5 mn, mostly due to lower office space expenses (branch closures in Poland)
- Impairment losses on financial assets improved EUR 26 mn driven by Poland (down EUR 24 mn; migration from stage 2 to stage 1 resulting in releases)
- Income taxes up EUR 19 mn also triggered by Poland (profit increase in 2018 and deferred tax income recognized in 2017 related to amortization of intangible fixed assets)

Overview Segment SEE

Operating Income Split by Country (1-3/2018)



Financials

| In EUR mn | Q1/2018 | Q4/2017 | q-o-q | Q1/2018 | Q1/2017 | y-o-y | FY/2017 |
|--|------------|-----------|--------------|------------|------------|--------------|------------|
| Operating income | 308 | 295 | 4.2% | 308 | 293 | 5.0% | 1,189 |
| General admin. expenses | (169) | (183) | (7.3)% | (169) | (165) | 2.9% | (678) |
| Operating result | 138 | 112 | 23.0% | 138 | 128 | 7.7% | 511 |
| Other results | 0 | (1) | - | 0 | 0 | (33.2)% | (1) |
| Levies and special governmental measures | (10) | 0 | - | (10) | 7 | - | 6 |
| Impairment losses on financial assets | 14 | (18) | - | 14 | (35) | - | (113) |
| Profit/loss before tax | 142 | 93 | 52.5% | 142 | 100 | 41.6% | 404 |
| Profit/loss after tax | 122 | 82 | 49.6% | 122 | 88 | 38.3% | 346 |
| Net interest margin (%) | 3.45% | 3.45% | (0.01)PP | 3.45% | 3.44% | 0.01PP | 3.44% |
| RoE before tax (%) | 25.5% | 17.7% | 7.8PP | 25.5% | 18.2% | 7.3PP | 19.3% |
| RoE after tax (%) | 21.9% | 15.4% | 6.4PP | 21.9% | 16.0% | 5.9PP | 16.6% |

Strategic Initiatives

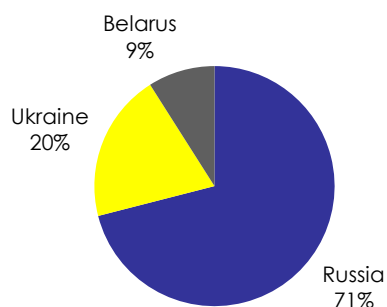
- Continue profitable growth in lending activities in Romania and Bulgaria while other countries maintain very selective underwriting policy
- Program to improve the service and operating model in Croatia launched to make the bank "fit for future" (optimized service model and branch footprint, streamline operating model and updating IT)
- Further strengthen primary customer relationships with premium retail and corporate clients while increasing cross-selling efforts
- Implement multichannel approach through digitalization, testing of self-service zones and new branch models (e.g. Serbia)
- Centralization of services and process optimization to enhance productivity

Commentary on Financials (y-o-y)

- Operating income up EUR 15 mn:
 - net interest income up EUR 9 mn mainly in Romania due to higher interest rates on floating-rate loans and volumes while deposit interest rates stable
 - other net operating income up EUR 3 mn, mainly in Romania (in 2017 higher allocations to provisions related to legal cases)
- General administrative expenses up EUR 5 mn, mostly in Romania (up EUR 4 mn due to higher deposit insurance fees, security expenses and legal and consulting expenses)
- Levies and expenses from governmental measures: release of provisions related to mortgage walkaway law of EUR 22 mn in Q1 2017 in Romania, lower resolution fund fees (down EUR 4 mn) driven by Romania
- Impairment losses on financial assets down EUR 49 mn due to improved risk situation in nearly all countries, Romania (down EUR 34 mn; in 2017 allocations related to voluntary conversion of Swiss franc loans), Croatia (down EUR 9 mn) and Albania (down EUR 8 mn), both as a result of corporate customer defaults in 2017

Overview Segment EE

Operating Income Split by Country (1-3/2018)



Total: EUR 366 mn

Financials

| In EUR mn | Q1/2018 | Q4/2017 | q-o-q | Q1/2018 | Q1/2017 | y-o-y | FY/2017 |
|--|------------|------------|--------------|------------|------------|-------------|------------|
| Operating income | 366 | 353 | 3.8% | 366 | 369 | (0.7)% | 1,468 |
| General admin. expenses | (149) | (157) | (5.0)% | (149) | (152) | (2.0)% | (600) |
| Operating result | 217 | 196 | 10.7% | 217 | 217 | 0.2% | 868 |
| Other results | (0) | (1) | (72.7)% | (0) | 0 | - | (1) |
| Levies and special governmental measures | 0 | 0 | - | 0 | 0 | - | 0 |
| Impairment losses on financial assets | 32 | (13) | - | 32 | 18 | 74.6% | 5 |
| Profit/loss before tax | 248 | 181 | 37.0% | 248 | 235 | 5.6% | 872 |
| Profit/loss after tax | 197 | 144 | 36.5% | 197 | 187 | 5.3% | 689 |
| Net interest margin (%) | 6.60% | 6.97% | (0.36)PP | 6.60% | 6.31% | 0.29PP | 6.68% |
| RoE before tax (%) | 54.8% | 42.0% | 12.8PP | 54.8% | 52.3% | 2.6PP | 51.2% |
| RoE after tax (%) | 43.5% | 33.4% | 10.1PP | 43.5% | 41.6% | 1.9PP | 40.4% |

Strategic Initiatives

- Russia: Focus in corporate remains on multinationals, large Russian corporates and now stronger mid-market; increase transactional capital efficient business share with SME as well as affluent customers; continue targeted growth in secured and unsecured lending to retail customer base; continuously evolve state-of-the-art online banking services for retail customers
- Ukraine: Focus in corporate on multinationals, agro and food business; continue cross-selling to existing retail customer base and selectively restart new customer business; execution of digital transformation program
- Belarus: Focus on cost base for efficiency improvement; in PI portfolio growth primarily through digital, in corporate selective acquisition approach with focus on portfolio quality

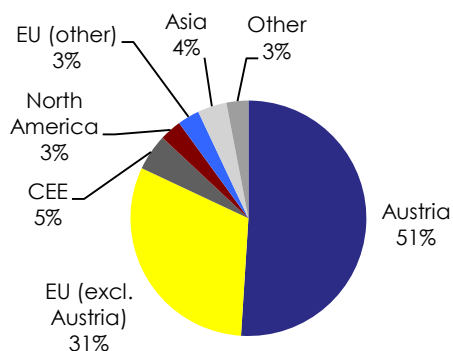
Commentary on Financials (y-o-y)

- Operating income:
 - net interest income up EUR 3 mn: increases in Russia due to lower interest rates on customer deposits and Ukraine due to higher interest rates on customer loans and volumes, decrease in Belarus
 - EUR 5 mn decrease in net fee and commission income due to higher expenses in payment transfer business in Russia
 - net trading income and fair value result down EUR 12 mn mostly due to valuation of derivatives in Russia
 - other net operating income up EUR 9 mn mostly caused by releases of provisions related to legal cases in Russia
- General administrative expenses: depreciation down EUR 6 mn due to change in useful life of licences in Russia in previous year
- Impairment losses on financial assets: Russia down EUR 21 mn (sale of non-performing corporate loans), in Ukraine up EUR 8 mn (higher loan sales in 2017)

Overview Segment Group Corporates & Markets



Exposure by Region (1-3/2018)



Total: EUR 70.4 bn

Financials

| In EUR mn | Q1/2018 | Q4/2017 | q-o-q | Q1/2018 | Q1/2017 | y-o-y | FY/2017 |
|--|------------|------------|----------|------------|-----------|---------------|------------|
| Operating income | 294 | 283 | 3.9% | 294 | 278 | 5.6% | 1,098 |
| General admin. expenses | (160) | (174) | (8.2)% | (160) | (154) | 3.5% | (648) |
| Operating result | 134 | 109 | 23.3% | 134 | 124 | 8.3% | 450 |
| Other results | (0) | (29) | (99.1)% | (0) | 1 | - | (36) |
| Levies and special governmental measures | (7) | (4) | 78.8% | (7) | (7) | (0.8)% | (21) |
| Impairment losses on financial assets | 27 | (83) | - | 27 | (55) | - | (136) |
| Profit/loss before tax | 154 | (7) | - | 154 | 64 | 142.2% | 257 |
| Profit/loss after tax | 121 | (6) | - | 121 | 49 | 148.6% | 209 |
| thereof: | | | | | | | |
| Corporates Vienna | 38 | (6) | - | 38 | (4) | - | 61 |
| Markets Vienna | 62 | 13 | 361.4% | 62 | 22 | 174.1% | 72 |
| Specialized Financial Institution Subsidiaries/Other | 22 | (13) | - | 22 | 30 | (27.2)% | 75 |
| Net interest margin (%) | 1.05% | 1.32% | (0.27)PP | 1.05% | 1.28% | (0.23)PP | 1.27% |
| RoE before tax (%) | 19.9% | - | - | 19.9% | 8.7% | 11.2PP | 8.9% |
| RoE after tax (%) | 15.7% | - | - | 15.7% | 8.6% | 7.1PP | 7.2% |

Strategic Initiatives

- Group-wide service approach for corporate customers and institutional clients including funding and capital light products (e.g. custody, cash management, DCM, ABF, loan syndication, factoring)
- Increase efficiency in distribution of Group products to corporates (e.g. project finance, real estate finance, export finance, cash management)
- Further improve client coverage model for non-bank financial institutions
- Provide services to Raiffeisen Banking Group (e.g. building society, asset management, pension fund)
- Continue conservative trading strategy focused on market making/supporting RBI's customer business with efficient use of capital
- Strict resource discipline across all activities by streamlining processes and increasing efficiency in distribution and product delivery

Commentary on Financials (y-o-y)

- Operating income:
 - net interest income down EUR 20 mn, mostly at RBI AG (lower interest income due to sale of registered notes and early repayments) and reduction in building society business
 - other net operating income up EUR 38 mn: release of provisions of EUR 25 mn related to the termination of litigation with an Icelandic bank and proceeds from sale of registered notes of EUR 10 mn
- General administrative expenses up EUR 5 mn mostly stemming from deposit insurance fees booked in building society business
- Impairment losses on financial assets: release of EUR 27 mn, mostly related to a reversal of an impairment loss relating to an Icelandic bank (EUR 25 mn)

Overview Corporate Center

Financials

| In EUR mn | Q1/2018 | Q4/2017 | q-o-q | Q1/2018 | Q1/2017 | y-o-y | FY/2017 |
|--|--------------|-----------|----------|--------------|--------------|--------------|------------|
| Operating income | (33) | 207 | – | (33) | 15 | – | 1,036 |
| General admin. expenses | (69) | (87) | (21.1)% | (69) | (77) | (11.3)% | (320) |
| Operating result | (102) | 120 | – | (102) | (62) | 63.9% | 715 |
| Other results | 27 | (56) | – | 27 | 24 | 9.0% | (42) |
| Levies and special governmental measures | (60) | (0) | >500.0% | (60) | (65) | (7.4)% | (58) |
| Impairment losses on financial assets | (1) | (0) | 338.7% | (1) | 1 | – | (3) |
| Profit/loss before tax | (137) | 64 | – | (137) | (102) | 34.5% | 612 |
| Profit/loss after tax | (99) | 78 | – | (99) | (89) | 11.2% | 646 |

Following business areas are managed and reported in Corporate Center:

- The expenses related to the shared Group-wide service and control function of the head office in the areas: risk management, finance, legal, funding, capital and asset liability management (ALM), information technology, human resources
- The results from equity participation management related to dividends received and funding of network units
- The results from head office treasury that are not allocated to regional or functional segments from ALM as well as liquidity and liability management
- The result of business with special customers

Commentary on Financials (y-o-y)

- Operating income:
 - net interest income up EUR 28 mn due to lower funding costs
 - dividend income down EUR 49 mn attributable to Group units of other segments (intra-Group dividends)
 - EUR 10 mn increase in net trading income and fair value result mainly from RBI AG due to valuation gains on liquidity investments
 - other net operating income down EUR 37 mn due to allocations to provisions related to legal cases and lower income from intra-Group service charges
- Levies amounted to EUR 60 mn, down EUR 5 mn caused by lower contribution to Resolution Fund allocated to this segment

Reconciliation

Financials

| In EUR mn | Q1/2018 | Q4/2017 | q-o-q | Q1/2018 | Q1/2017 | y-o-y | FY/2017 |
|---------------------------------------|------------|--------------|----------------|------------|-------------|----------------|----------------|
| Operating income | (35) | (248) | (85.9)% | (35) | (87) | (59.7)% | (1,263) |
| General admin. expenses | 27 | 37 | (26.9)% | 27 | 28 | (4.0)% | 122 |
| Operating result | (8) | (210) | (96.3)% | (8) | (58) | (86.8)% | (1,140) |
| Other results | 1 | 61 | (99.1)% | 1 | 0 | 152.8% | 84 |
| Impairment losses on financial assets | (2) | 4 | - | (2) | 0 | >500.0% | (7) |
| Profit/loss before tax | (9) | (145) | (93.7)% | (9) | (58) | (84.4)% | (1,063) |
| Profit/loss after tax | (9) | (145) | (93.7)% | (9) | (58) | (84.4)% | (1,063) |

Commentary on Financials (y-o-y)

- Operating income: main effect from dividend income due to intra-Group dividends
- General administrative expenses reconciliation due to intra-Group charges

Following items are reported in Reconciliation:

- Reconciliation comprises consolidation adjustments to reconcile segments with Group results
- The financials of the reportable segments are shown after intra-segment items have been eliminated. However, the inter-segment items are consolidated and eliminated in the Reconciliation
- The main consolidation bookings carried out between segments are dividend payments to the head office, inter-segment revenues charged and expenses carried by the head office
- All other consolidation bookings that reconcile the totals of reported segments' profit or loss with the RBI Group financials are also eliminated in the Reconciliation
- Offsetting of intra-Group charges resulting in a reduction of operating income and general admin. expenses in the reconciliation

Common equity tier 1 ratio (fully loaded) – Common equity tier 1 as a percentage of risk-weighted assets (total RWA) according to CRR/CRD IV without application of the transitional provisions set out in Part Ten of CRR and the accompanying CRR regulation of the FMA, respectively (425th regulation issued on 11 December 2013).

Common equity tier 1 ratio (transitional) – Common equity tier 1 as a percentage of risk-weighted assets (total RWA) according to CRR/CRD IV methodology.

Consolidated Return on Equity – Consolidated profit in relation to average consolidated equity, i.e. the equity attributable to the shareholders of RBI. Average equity is based on month-end figures excluding non-controlling interests and does not include current year profit.

Cost/income ratio – General administrative expenses in relation to operating income.

Credit exposure – Comprises all exposures on the statement of financial position (loans, debt securities) and all exposures off the statement of financial position (guarantees, commitments) that expose RBI to credit risk.

Interest-bearing assets – Total assets less investments in subsidiaries, joint ventures and associates, intangible fixed assets, tangible fixed assets, tax assets, non-current assets and disposal groups classified as held for sale and other assets.

Leverage ratio – The ratio of tier 1 capital to specific exposures on and off the statement of financial position calculated in accordance with the methodology set out in CRD IV.

Loan/deposit ratio – Loans to non-financial corporations and households in relation to deposits from non-financial corporations and households

Loan to local stable funding ratio (LLSFR) – The sum of total loans and advances to customers less impairment losses on loans and advances to customers, divided by the sum of deposits from non-banks, funding from supranational institutions, capital from third parties and the total outstanding bonds (with an original maturity of at least one year issued by a subsidiary bank to investors outside the bank's consolidated group).

Net interest margin (average interest-bearing assets) – Net interest income (excluding dividend income) in relation to average interest-bearing assets.

NPE coverage ratio – Individual impairment losses on loans and advances to customers and banks and on bonds in relation to non-performing exposure to customers and banks and bonds.

NPE ratio – Non-performing exposure (loans and bonds) in relation to total customer and bank loan portfolio.

NPL coverage ratio – Impairment losses on loans and advances to customers in relation to non-performing loans to customers.

NPL ratio – Non-performing loans in relation to total loans to customers.

Operating income – Comprises net interest income, dividend income, net fee and commission income, net trading income and fair value result, net gains/losses from hedge accounting and other net operating income.

Operating result – Consists of operating income less general administrative expenses.

Other results – Consists of impairment on investments in subsidiaries, joint ventures and associates, impairment on non-financial assets, negative goodwill recognized in profit or loss, current income from investments in subsidiaries, joint ventures and associates, result from non-current assets and disposal groups classified as held for sale and deconsolidation.

Provisioning ratio – Impairment loss on financial assets in relation to average loans and advances to customers (categories: financial assets measured at amortized cost and financial assets at fair value through other comprehensive income).

Risk-weighted assets (total RWA) – Risk-weighted assets (credit risk, CVA risk) plus market risk and operational risk.

RoE – Return on equity. Return on the total equity including non-controlling interests, i.e. profit before tax respectively after tax in relation to average equity on the statement of financial position. Average equity is calculated based on month-end figures including non-controlling interests and does not include current year profit.

Tax rate – Ratio of income taxes to profit before tax.

Tier 1 ratio (transitional) – Tier 1 capital to risk-weighted assets (total RWA).

Total capital ratio – Total capital as a percentage of risk-weighted assets (total RWA).

Contact and Financial Calendar



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Financial Calendar

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|------------------|---------------------------------------|
| 11 June 2018 | Record Date Annual General Meeting |
| 21 June 2018 | Annual General Meeting |
| 28 June 2018 | Ex-Dividend Date |
| 29 June 2018 | Record Date Dividends |
| 2 July 2018 | Dividend Payment Date |
| 26 July 2018 | Start of Quiet Period ¹ |
| 9 August 2018 | Semi-Annual Report, Conference Call |
| 31 October 2018 | Start of Quiet Period ¹ |
| 14 November 2018 | Third Quarter Report, Conference Call |

¹) Quiet Period: Two-week period before the publication of the quarterly financial statements and a four-week period before the publication of the annual report. During this period we do not hold investor or analyst meetings