

Ladies and Gentlemen,

At the beginning of 2015, Raiffeisen Bank International announced a review of the corporate strategy which the market received very positively. An emphasis on markets in which RBI can generate sustainable returns due to a strong position is also being welcomed, as is the action taken so far to achieve these goals. The plan to become a more focused universal bank with strong customer relationships by reducing complexity and risk as well as through bolstering the capital buffer is well on track and valued by market participants.

More than ever before, a bank today needs a focus – and RBI's is on CEE and Austria. RBI, therefore, needed to look at all operations unrelated to that focus, even when, in some cases, they have been highly successful in the past. The footprint in CEE was also reviewed at this time. All of this took place against the backdrop of higher regulatory capital ratio requirements, which were taken into account while determining the target CET1 and total capital ratios.

In 2015, RBI significantly strengthened its capital base, with the fully loaded CET1 ratio standing at 11.5 per cent at year-end, and also achieved a consolidated profit of EUR 379 million. The primary reason for the result being so positive was lower net provisioning for impairment losses. Furthermore, general administrative expenses were reduced by 4 per cent compared to 2014, in line with RBI's cost cutting initiative.

The financial results of the Raiffeisen Bank Polska Capital Group have also contributed to this result, despite the unfavourable market environment. The Group performed well in controlling expenses, effectively implementing the initiatives in force at RBI. The Bank efficiently managed the credit policy, reducing the rate of non-performing loans. It also strengthened its liquidity and capital position.

The Supervisory Board welcomed the successful implementation of the bank's new strategy with a stronger focus on retail banking. This was based on the completion of the operational integration of two banks, which formed Raiffeisen Polbank. There was a smooth transition to the phase of business development and customer acquisition, especially in the retail banking segment. The Capital Group of Raiffeisen Bank Polska strengthens and will continue to strengthen its corporate and retail banking as well as in the financial markets area by providing customers with the best financial products and other solutions.

As the owner of one of the system banks in Poland, we note deteriorating conditions of operation for financial institutions. A strong banking sector has secured a dynamic and sustainable economic growth of the country, supported the development of Polish enterprises, including their foreign expansion and household wealth accumulation. In other markets of Central and Eastern Europe, we note more and more signals of economic recovery and it is important that the Polish market remains the leader of change in the region and that Poland will catch up with the wealthiest countries in Europe. A prerequisite would therefore be the renunciation of the hostile attitude towards financial institutions, which undermines the banks' ability to support the economy and the people depending on its well-functioning.

RBI presented the changes in the Group's strategy, which involved finding another investor for the subsidiaries in Poland, however it supported them at all times, and the co-operation of the Capital Group of Raiffeisen Bank Polska with the owner and other banks, members of the RBI Group, brought significant benefits. The ongoing exchange of best practices, sharing of competences, and distribution of products created by other entities of the RBI Group contributed to the strengthening of the business of all parties involved and was conducted in the interest of customers.

I would like to take this opportunity to thank all employees of Raiffeisen Bank Polska Capital Group for their hard work and constant efforts to serve our customers and bring benefits to the entire Raiffeisen Group.

On behalf of the Supervisory Board,
Karl Sevelda
Chairman of the Supervisory Board