

Raiffeisen Bank Says Ruble Slide, Slowdown May Hit Russia Profits

By [The Moscow Times](#)

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Raiffeisen Bank said results from its Russian unit could deteriorate because of the devaluation of the ruble.

VIENNA — Raiffeisen Bank International said results from its Russian unit could deteriorate and a review of its mid-term plans there was needed because of the devaluation of the ruble and slower economic growth.

Russia is the Austrian bank's single most profitable market but the country's economy has been hit by Western sanctions over the Ukraine crisis and a plunge in oil prices. This has put pressure on the ruble.

Last month, RBI's chief executive had reiterated previous statements that the lender's Russian business would have "excellent" results in 2014.

"The changed economic environment could lead to a reduction in the future results of the

Russian unit and potentially to a review of the goodwill valuation," RBI said in an emailed statement on Monday.

The goodwill of its Russian unit amounted to 148 million euros (\$177 million) as of Dec 31, RBI said.

"An adjustment of the goodwill valuation would not affect the regulatory capital ratios. While the audit of the Russian unit for the financial year 2014 is not yet final, the profit after tax for the Russian segment will be significantly above 300 million euros (\$359 million)," the statement said.

In 2013, RBI had profit after tax of 469 million euros (\$392 million) in Russia, according to data on its website. It has said it expects an overall RBI loss of up to 500 million euros (\$418 million) for 2014.

RBI shares traded down 5.2 percent at 12.00 euros after hitting record lows last month.

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