



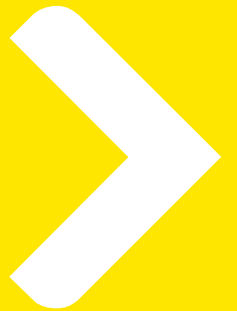
Raiffeisen Bank
International

Raiffeisen Bank International **Covered Bond Update**

September 2023

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Raiffeisen Bank
International

01 RBI Group/Financial Highlights

02 Cover Pool

03 Appendix





With its headquarters located in Vienna, RBI acts as a **bridge between East and West.**



More than 30 years of experience in CEE



Covering Austria and 12 CEE-markets (o/w five are EU member states);
Albania, Serbia and Bosnia have candidate status



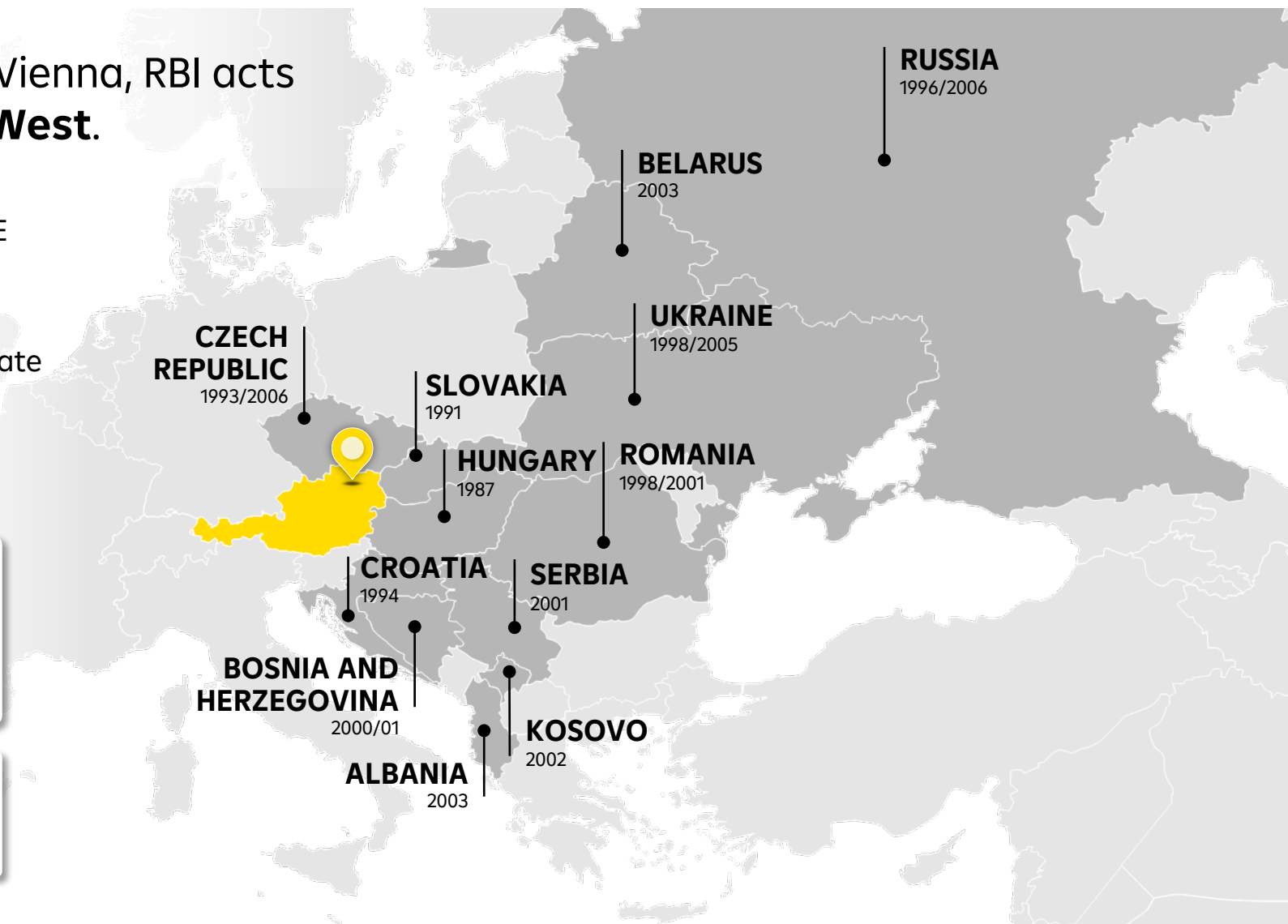
Top-5 market position in 11 countries

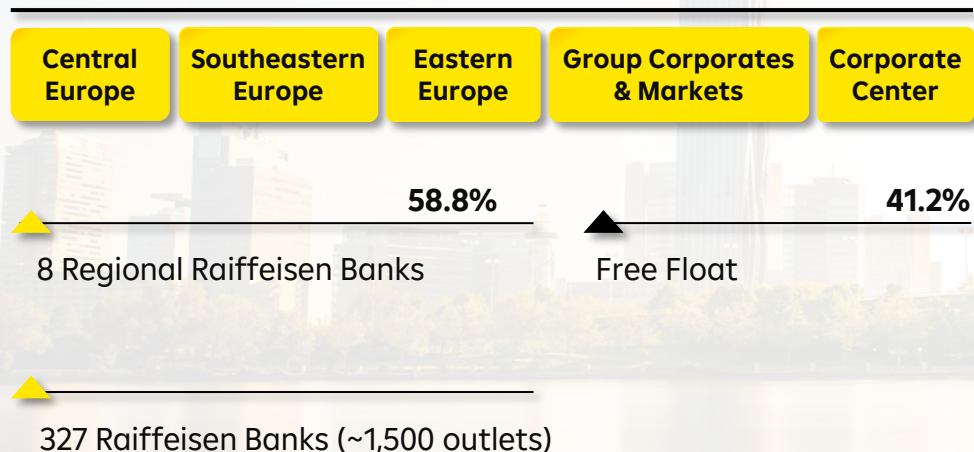
Hard facts Q2/2023

- 17.8 million customers
- c. 44,559 employees
- c. 1,570 business outlets

Ratings

- Moody's *A1/stable/P-1*
- Standard & Poor's *A-/negative/A-2*





Raiffeisen Banking Group (RBG) – largest banking group in Austria with total assets of EUR 411bn as of 30/06/2022

Solid funding profile of RBG based on a domestic market share of around 34% of total customer deposits, not least due to superior brand recognition

Three-tier structure of RBG:

- 1st tier 327 independent cooperative local Raiffeisen banks focusing on retail banking. They hold shares in:
- 2nd tier: 8 independent regional Raiffeisen banks focusing on corporate and retail banking. They hold approx. 58.8% of the share capital of:
- 3rd tier: Raiffeisen Bank International AG

RBG's New* Institutional Protection Schemes (IPS):

- Protection schemes designed pursuant to CRR to ensure the liquidity and solvency of participating members. RBI and all Raiffeisen banks have formed a new IPS, merging the former regional and federal schemes
- IPS members contribute to an ex-ante fund and make ex-post contributions of necessary
- IPS fund target volume is c. EUR 1.1bn based on FY/2022 figures (regulator expected to set the target volume at 0.5% of consolidated IPS RWA each year); fund size at Q2/23 was EUR 878mn

*RBI and the Raiffeisen banks have formed a new IPS, merging former regional and federal schemes; approved as a deposit guarantee scheme in May 2021 by the ECB and Austrian FMA



Focusing on ESG for +10 years

2010

- Signing of UN Global Compact
- First Sustainability report published

2018 - 2020

- Inaugural Green Benchmark Bond EUR 500mn (2018)
- First Allocation and Impact Report published (2019)
- CO₂ emissions of corporate loans and sustainable funds published (2020)
- Cross-functional ESG Governance established (including ESG Ambassadors networks in CEE)
- NWBs introducing Retail ESG KPIs (2020)

2021

- First Austrian bank to sign the UNEP Finance Initiative
- Largest Green Bond issuer in CEE and AT
- Network Unit Banks launch their first green bonds in CEE
- Awarded by Global Finance
 - Outstanding Leadership in Sustainable Finance
 - Outstanding Leadership in Green Bonds
 - Outstanding Leadership in Sustainable Bonds

2022

- Publication of Retail Green & Social Loans Framework
- Initiation of ESG Industry/ Sector Policies
- RBI Group ESG rulebook becomes group policy
- Greenhouse gas emission reduction targets approved by the Science Based Target initiative
- First Non-EU NWB, RBBH publishes a Sustainability Bond Framework

2023

- Cross-functional ESG Competence Center established across all Business lines
- EUR 3.8bn Green Bonds total value in RBI Group



The Leading Sustainable Financial Institution in Austria & CEE

RBI has been committed to the **UN Global Compact**, since 2010 and signed up to the **UNEP FI Principles for Responsible Banking** In January 2021. Since then, a comprehensive portfolio impact analysis was performed, and a progress report was published.

RBI is further committed to promoting environmentally friendly technologies and further strengthening its focus on **renewable energy**. RBI has set firm targets in connection with the **exit from coal**.

Ratings, Rankings and Indices

- **"Prime Status" and Level "C+" by ISS-ESG (September 2022)**
- Sustainalytics: "Low risk"; Low risk experiencing material financial impacts from ESG factors; 24th out of 406 in the diversified banks subindustry (November 2022)
- MSCI ESG Rating: Level "AA" (July 2022)
- Moody's ESG Solutions: Assessed as "Robust", relative performance 22 of 99 (July 2022)
- RBI is included the FTSE4Good Index Series (June 2022), and the Austrian VÖNIX Index (June 2022)
- **In December 2022, RBI was again on CDP's climate leadership list**; it is recognized as one of Austria's top seven companies included in the ranking and, for the 8th time in a row, the highest-ranking domestic company in the financial sector

Signatory of:



PRINCIPLES FOR
RESPONSIBLE
BANKING





RBI Group

Loans to customers

30/06/2023

EUR 101,806 mn

-1%

ytd

Core revenues

1-6/2023

2,749

+25%

Net interest
income

1,698

+8%

y-o-y

Net fee &
commission income

Opex and Cost/Income Ratio

1-6/2023

EUR 1,995 mn 42.9%

+21%

y-o-y

+3 pp

Adjusted:

Loans to customers

EUR 94,300 mn

+0%

ytd

excluding Russia
/ Belarus

Core revenues

2,036

+34%

NII

846

+1%

y-o-y

NFCI

Opex

EUR 1,520 mn 50.4%

+12%

y-o-y

-1 pp

CIR

Loans and Deposits to/from Customers in Q2/2023

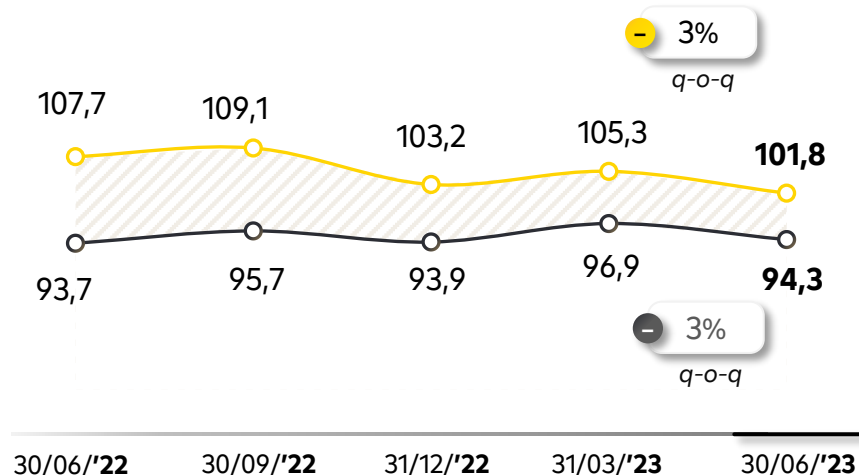
Loans to customers

in EUR bn

Group

Core

Excluding
Russia/ Belarus



- In Core RBI Group, decrease largely driven by reduction of Repo and other short-term business in GC&M, modest growth in Slovakia (up 2%) and Czech Republic (up 1% in CZK)
- Slow demand and selective underwriting expected for remainder of 2023

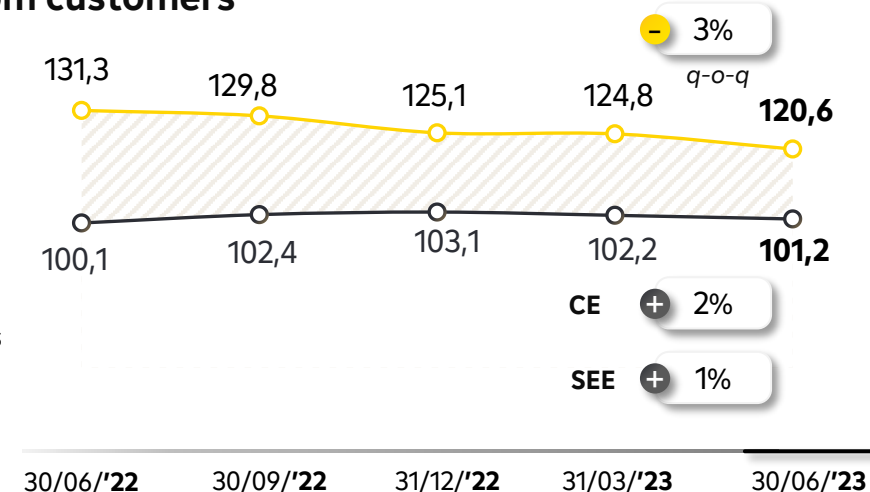
Deposits from customers

in EUR bn

Group

Core

Excluding
Russia/ Belarus



- Stable deposits across Core RBI Group
- Deposits growing in local currency terms q-o-q in the Czech Republic (up 4% in CZK) and Romania (up 3% in RON)
- Further optimization of short-term corporate deposits with low liquidity value in GC&M

Assets (EUR 206.1 bn -2% q-o-q)

(30/06/2023, in EUR bn, % q-o-q)

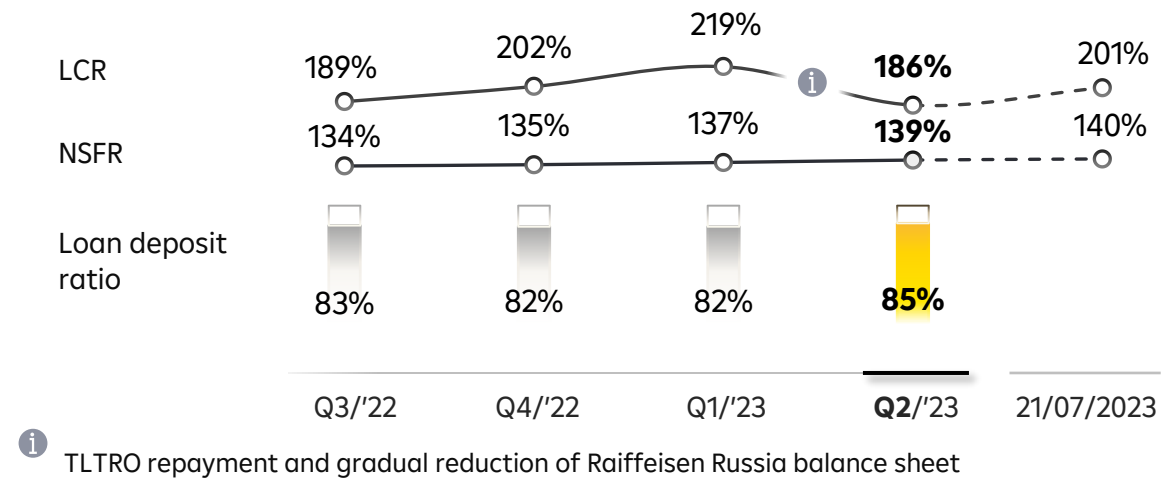
Loans to customers	101.8	-3%	Securities	28.2	+7%
Loans to banks	17.4	-0%	Cash and other assets	58.7	-5%

Liabilities (EUR 206.1 bn -2% q-o-q)

(30/06/2023, in EUR bn, % q-o-q)

Deposits from customers	120.6	-3%	Debt issued and other liab.	32.6	+2%
Deposits from banks	33.7	-4%	Equity	19.3	+1%

RBI Group - Liquidity ratios



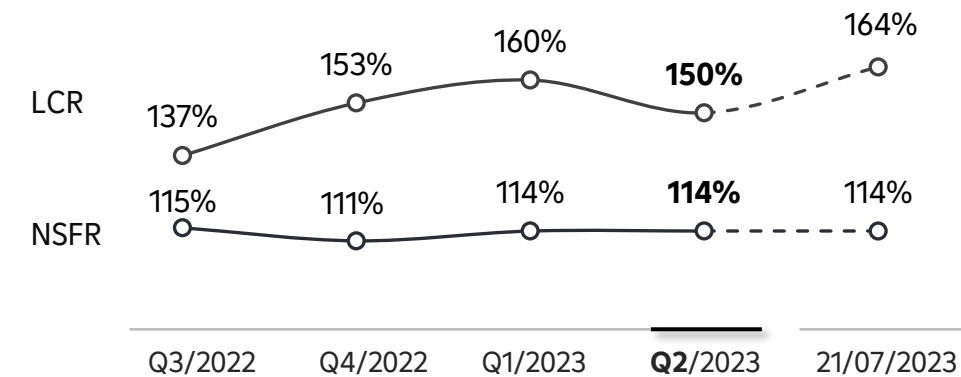
Key network units - Liquidity ratios

	LCR 21/07/2023	Share of retail deposits Q2/2023	... of which <i>insured</i>
Czech Republic	244%	79%	74%
Slovakia	199%	72%	69%
Hungary	179%	54%	71%
Romania	225%	77%	82%
Serbia	353%	71%	62%



RBI head office: conservative liquidity profile

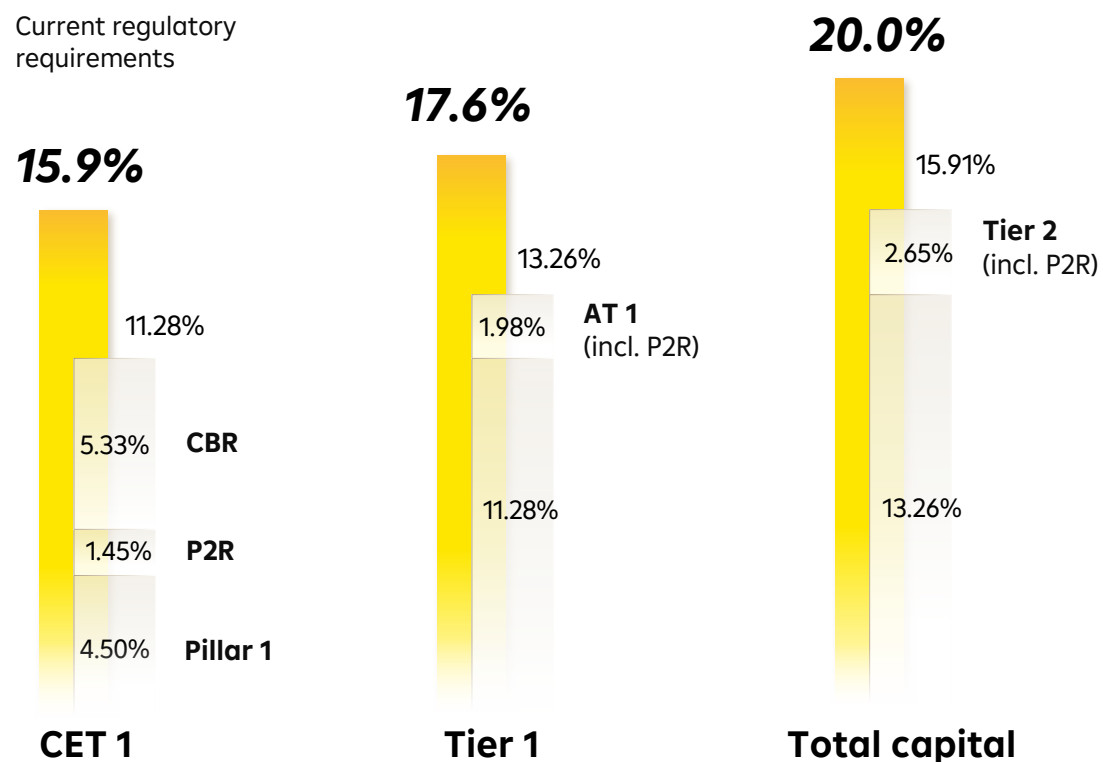
- LCR at 164% on 21 July 2023
- Head office with sufficient liquidity to cover all deposits and maturing funding for over one year
- Long-term funding in excess of >1 year customer loans

Head office – Liquidity ratios



Capital Ratios and SREP

 RBI, transitional
as of 30/06/2023
 Current regulatory
requirements



MDA trigger
11.84%

MDA buffer
411 bps

Available distributable items
EUR 6,334 mn

-23 bps q-o-q

P2R
 2.58%

- 1.45% to be met with CET1
- 48 bps eligible for AT1
- 65 bps eligible for T2

P2G
 1.25%

- To be solely covered by CET1 but applicable to all capital layers

CBR
 Combined buffer requirement composition

- CBR currently at 533 bps and increases to 568 bps by year-end 2023

	Q2/'23	Q1/'24
OSII buffer	1.25%	1.50% ¹
Countercyclical capital buffer	0.58%	0.68%
Capital conservation buffer	2.50%	2.50%
Systemic risk buffer	1.00%	1.00%

¹ Based on FMSG communication

P/B Zero Deconsolidation Scenario in Russia

Landing point¹:

13.9%

> Group CET1 ratio above 13.5% following "P/B Zero deconsolidation" of Russia

Assumptions:

CET1 EUR 4.0 bn IFRS equity partially offset by deduction items
Deconsolidated

RWA EUR 14.5 bn Net consolidated Russia RWAs and other effects
Deconsolidated

Intra-group subordinated instruments issued by Raiffeisen Russia have been repaid in full

Operational Risk from Russia to be phased out with an impact of circa +40 bps

CET 1

30/06/2023e

P/B Zero Russia deconsolidation

¹ Assuming dividend of EUR 0.80 per share for FY/2022 and H1/2023 accruals

Capital stack under P/B Zero deconsolidation scenario

2.86% T2 2.65%

1.96% AT 1 1.98%

13.9% CET 1 11.31%

RBI ex-Russia

Regulatory requirements

Capital stack

30/06/2023e

P/B Zero Russia deconsolidation

> With Russia deconsolidated at P/B Zero, AT1 and T2 buckets are adequately supplied

> MDA trigger drops to 11.34% and MDA buffer to 258 bps

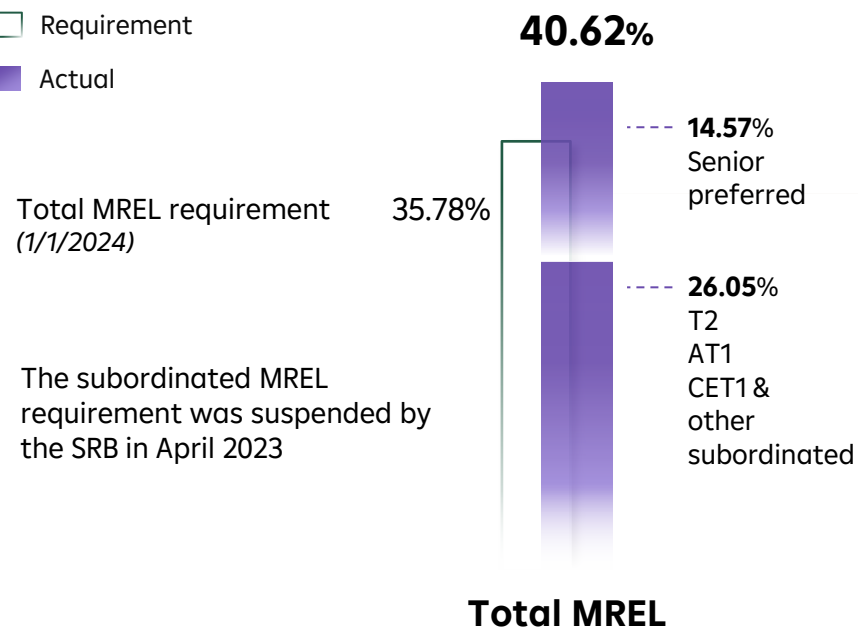


Austria resolution group MREL

Including profit
30/06/2023

□ Requirement

■ Actual



- Buffer to M-MDA at 484 bps as of 30/06/2023
- TREA in AT at EUR 43,969 mn
- MREL requirements for resolution group AT incl. CBR of 4.79% as of 30/06/2023

Funding plan 2023

- Funding, liquidity and MREL needs largely fulfilled for 2023
- Senior non-preferred issuances to maintain loss absorbing capacity and support credit ratings

Other resolution groups

	Actual	Requirements	MREL needs		Ranking
	30/06/2023	01/01/2024	until YE 2023	2024	
Czech Republic	31.05%	/ 25.85%	none	~300 - 600	Senior non-preferred
Slovakia	31.38%	/ 27.80%	none	~200 - 300	Senior preferred
Hungary	32.44%	/ 27.64%	none	~400 - 600	Senior preferred & non-preferred
Croatia	37.82%	/ 29.92%	none	none	Senior preferred
Romania	30.61%	/ 32.48%	~300 - 500	~100 - 300	Senior preferred & non-preferred

Total exposure by segments Q2/2023

in EUR bn

GC&M -2.4%

102.7

CE +1.3%

75,6

EUR **244** bn

-1.6%

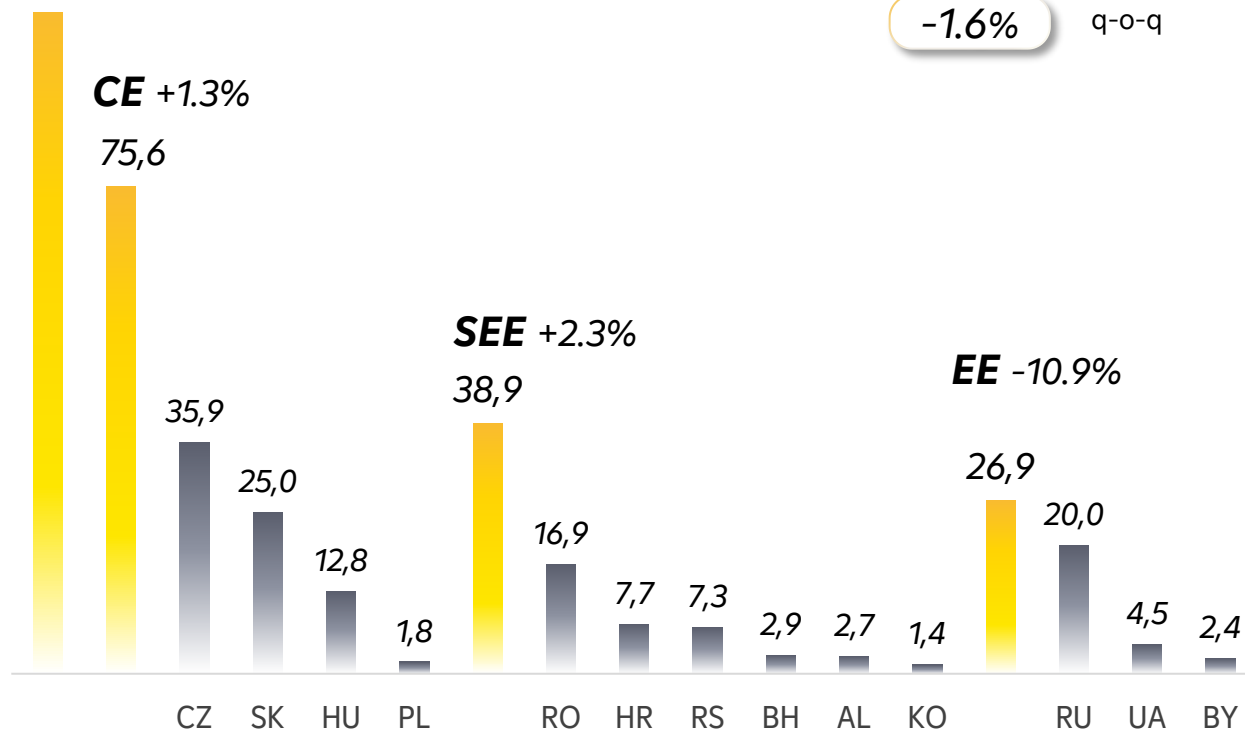
q-o-q

SEE +2.3%

38,9

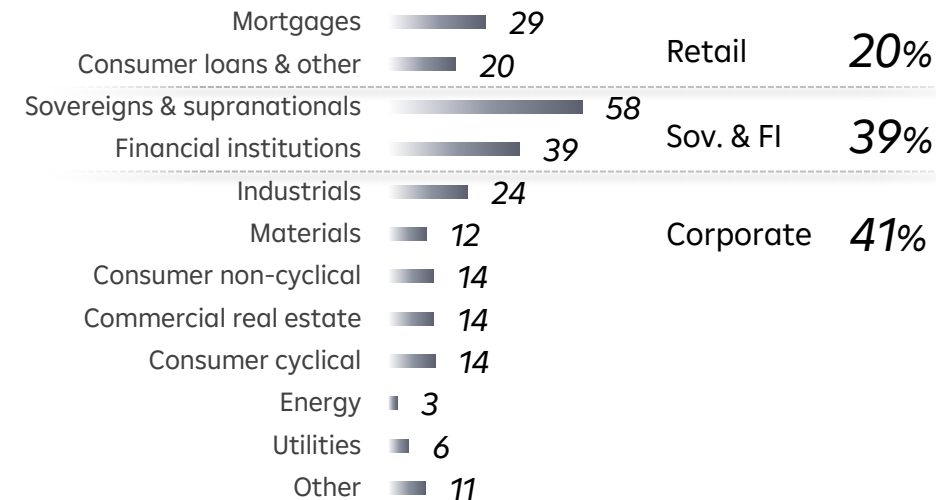
EE -10.9%

26,9



... by sector Q2/2023

in EUR bn



CRE - Sectors

Residential 25%

Retail 13%

Office 21%

EUR 14 bn

Diversified 12%

Industrial 9%

Hotel 5%

Development 5%

Operating 4%

Others 4%

CRE - Country of risk

Czechia 25%

Austria 24%

Slovakia 14%

Germany 9%

Romania 8%

Hungary 6%

Russia 4%

Other 9%

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Cover Pool Framework and Governance

- RBI issues covered bonds under the newly established Austrian Covered Bond Act (Pfandbriefgesetz) with dual recourse to the issuer (first) and the cover pool (next)
- Premium Covered Bond (European Covered Bond) – Cover Pool is fully compliant with Article 129 CRR
- The cover pool is managed by a dedicated RBI team and monitored by an *external trustee (externer Treuhänder)*
- Cover pool reporting is in accordance with international standards and published together with the rating reports on RBI's website
- Total cover value per 31 August 2023 EUR 4,467,479,506
- Total COVERED BOND - MORTGAGE outstanding per September 2023 EUR 3,525,000,000

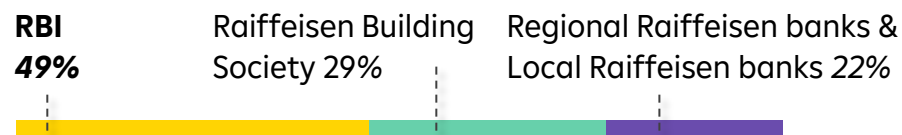
Portfolio Developments and Risk Mitigants

- Increase of Western European properties while reducing share of properties in CEE
- No minimum over-collateralization (Moody's)
- No FX risks, loans exclusively in EUR, no derivatives
- No non-performing loans
- Cover value limited at 60% of market value
- Amounts above 60% market value serve as additional buffer as not included in cover value

Source: Moody's Performance Reports available on RBI homepage		31 March 2023	30 June 2023
Cover pool rating (Moody's)		Aa1	Aa1
Total cover value		EUR 4,457,080,011	EUR 4, 530,610,402
Number of loans		10,457	10,296
Number of borrowers		9,460	9,309
Weighted average life of the cover pool		7.8 years	7.1 years
Weighted avg. rem. term commercial		83 months	76 months
Weighted avg. rem. term residential		300 months	295 months
Weighted avg. LTV commercial		55.1%	59.4%
Weighted avg LTV residential		49.6%	50.4%
Total bonds outstanding per 31 Dec 2022			EUR 3,525,000,000
Min. over-collateralization (Moody's)			0.0%
Nom. over-collateralization per 31 Dec 22			28.5%



Cover Pool Portfolio by Originator



Top Ten Largest Commercial Borrowers ²⁾

Share of Portfolio / Location of property / Type of property					
4.85%	Western Europe	Office	3.16%	Western Europe	Office
3.92%	Western Europe	Office	2.82%	Western Europe	Hotel
3.68%	Western Europe	Mixed use	2.63%	Western Europe	Nursing home
3.35%	Western Europe	Nursing home	2.58%	Western Europe	Office
3.18%	Western Europe	Office	2.21%	Western Europe	Office

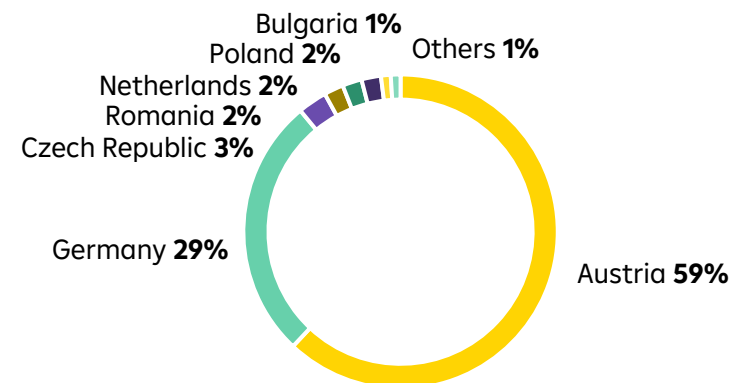
... Top Ten Largest Commercial Borrowers in CEE

1.81%	SEE	Hotel	0.86%	CE	Office
1.69%	CE	Hotel	0.82%	CE	Office
1.55%	CE	Office	0.41%	CE	Office
0.99%	SEE	Office	0.39%	CE	Office
0.91%	SEE	Office/Logistic	0.38%	CE	Office

1) Source: RBI Austrian Transparency Template available on [RBI homepage](#)

2) Source: Moody's Performance Report available on [RBI homepage](#)

by Location of Property ¹⁾

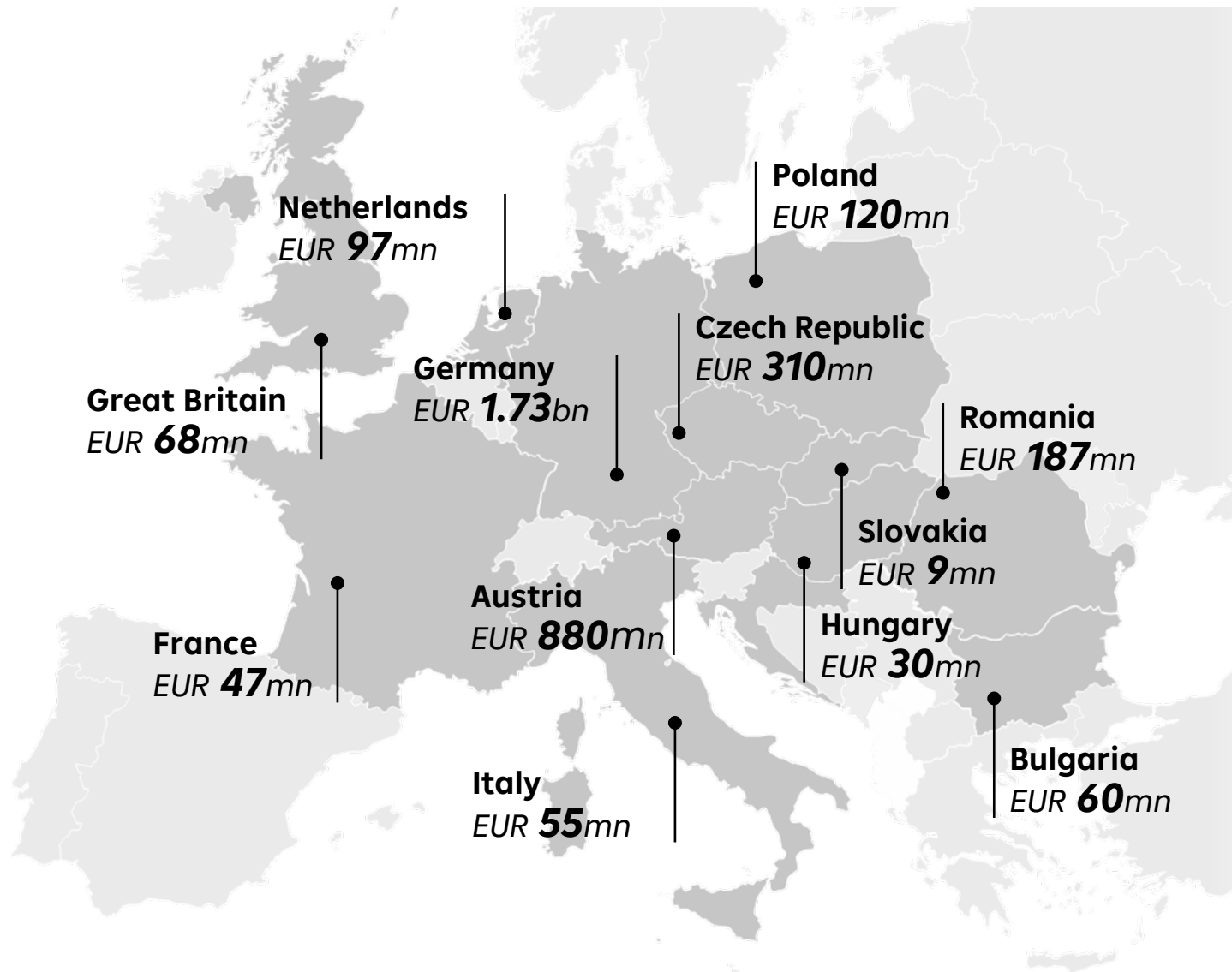


by Type of Property ²⁾

	Commercial	Residential
Asset balance	EUR 3,047,005,747	EUR 1,483,604,654
# of loans	757	9,539
# of borrowers	444	8,865
# of properties	905	9,444
Fixed rate	11.50%	78.30%
Floating rate	88.50%	21.80%
Average LTV	59.4%	50.4%
WA remaining term	76 months	295 months
Geographic distribution	42.7% Germany 39.5% Austria 4.5% Czechia 13.3% Countries in Europe	99.7% Austria 00.3% Germany



Cover Pool – Mortgage – Update H1/2023

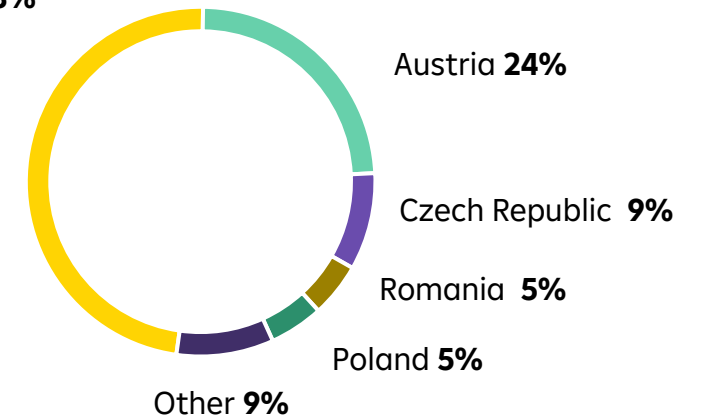


Portfolio

Gross assets per Country of risk booked in Head Office

Top 5 & Others

Germany 48%





Focus on RBI's core markets and large transactions

- RBI's commercial real estate portfolio amounts to EUR 3.59bn as of 30 June 2023; thereof EUR 2.55bn are included in the Cover Pool
- RBI has traditionally been a key player in the big ticket CRE business with leading real estate developers and managers
- Combination of local market access with an international franchise
- Capacity to underwrite and syndicate large financing transactions in RBI's core markets

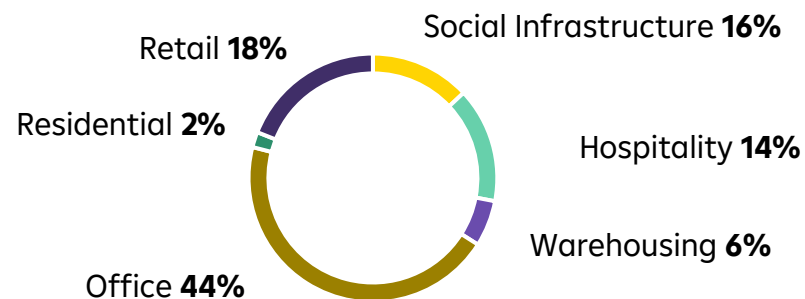
Well diversified portfolio across sub-industries with focus on office and mixed-use

- Largest exposures to Office (44%)
- Further portfolio development especially in residential and social infrastructure assets are envisaged
- Retail (shopping centers) and hotel focused on prime locations only

Historical performance

- Declining trend in defaults over the past 5 years
- Very low amount of stressed exposure and COVID impact
- Average Portfolio Loan-to-Value <55%
- Combination of experienced valuation team in dedicated departments with unique access to local expertise in RBI's core markets

RBI's Real Estate Portfolio





Cover Pool Management Process

1 Origination

- Assets are originated by:

a

Raiffeisen Bank International

Standard credit and collateral process

b

Austrian regional Raiffeisen banks and local Raiffeisen banks

Standard credit and collateral process

Each is responsible for ongoing monitoring of customers and collateral



2 Eligibility Check

- Eligibility of RBI and Raiffeisen bank assets is checked by the RBI Team Cover Pool Management



3 Registration

- Eligible assets are included in the cover pool by entry in the cover pool register followed by notification to an external trustee
- Registered cover assets are flagged in the core banking system of RBI and in the systems of the local Raiffeisen Banks



4 Issuance

- Issuance of covered bonds only after external trustee approval based on sufficient coverage



5 Monitoring

- Ongoing monitoring and reporting to rating agency and external trustee

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RBI Commercial Real Estate Lending Criteria (1/2)

Investment Volume



Location



Properties



Minimum Criteria



Office

- Individual properties starting from approx. EUR 20mn

- Prime locations in first and second tier cities
- Good access to local infrastructure and public transport
- Adequate parking facilities

- Maximum 10 years old (or last renovation not more than 5 years ago)
- No maintenance backlog
- Secondary usability or long-term lease contract with tenants of excellent credit standing

Rental agreements

- Minimum term of 5 years, average remaining lease term of at least 3 years for multi-tenant properties
- Occupancy rate of at least 80% for existing buildings, adequate pre-lease status for greenfield projects
- Tenants with high creditworthiness
- Market-indexed rents

Retail (shopping centers, retail parks, highstreet etc.)

- Individual properties starting from approx. EUR 20mn

- Downtown and suburban locations in first and second tier cities
- Established retail locations (pedestrian zones, clusters of retailers, residential areas)
- Good access to local infrastructure and public transport
- Adequate parking facilities

- Maximum 10 years old (or last renovation not more than 5 years ago)
- No maintenance backlog

Rental agreements

- Minimum term of 10 years for anchor tenants, average of at least 7 years for multi-tenant properties and remaining average of 5 years for existing properties
- Occupancy rate of at least 90%, adequate pre-lease status for greenfield projects
- Tenants with high creditworthiness
- Market-indexed rents

Social Infrastructure (healthcare, school, clinics, etc.)

- Individual properties starting from approx. EUR 20mn (Austria EUR 5mn)

- A-locations in first & second tier cities (stand alone)
- Suitable locations also in third tier cities (on portfolio basis; for Health-Care only)

- Maximum 10 years old (or last renovation not more than 5 years ago)
- Not maintenance backlog
- Asset shall be in accordance with applicable laws and regulations

Lease agreements:

- Remaining term of min. 10 years
- Reputable Operator



RBI Commercial Real Estate Lending Criteria (2/2)

Investment Volume



Location



Properties



Minimum Criteria



Hospitality (hotels, serviced apt., student housing)

- Individual properties starting from approx. EUR 20mn

- Prime business hotel locations (CBD, airports, convention centers)
- Good access to local infrastructure and public transport

- Minimum 120 rooms
- Maximum 10 years old (or last renovation not more than 5 years ago)
- No maintenance backlog

Lease or management agreements:

- Minimum term of 10 years
- International hotel operator
- Hotel agreements on market standard

Warehousing (logistics, storage, data centers. etc.)

- Individual properties starting from approx. EUR 20mn

- Classic logistics locations and key distribution centers
- Good access to transportation networks (motorways, rail, airports, ports (inland and sea))

- Modern logistics and storage centers
- Maximum 5 years old
- No maintenance backlog/technically up-to-date
- Dataware houses, light industrial

Rental agreements

- Minimum term of 5 years
- Occupancy rate of at least 85%
- Tenants with high creditworthiness
- Market-indexed rents

Residential (for sale / for lease)

- Individual properties starting from approx. EUR 20mn

- Downtown and suburban locations in first and second tier cities
- Good access to local infrastructure and public transport
- Suitable parking facilities

- Residential for sale and/or rent
- Zoning to (re)build (new) residential properties must be in place

Sale/lease agreements

- Sale via a trustee according to applicable law (in Austria: "Bauvertragsgesetz")
- Sales revenues must be used to redeem loan
- In some cases (e.g. luxury residential projects) – certain pre-sale status required
- Certain lease criteria according to market standard



Covered Bond Directive (CBD) – Austrian implementation

Austria amongst the early adopters

- On 10 Dec 2021, the CBD was implemented into Austrian law
- Issuers work with the new rules from 8 July 2022.

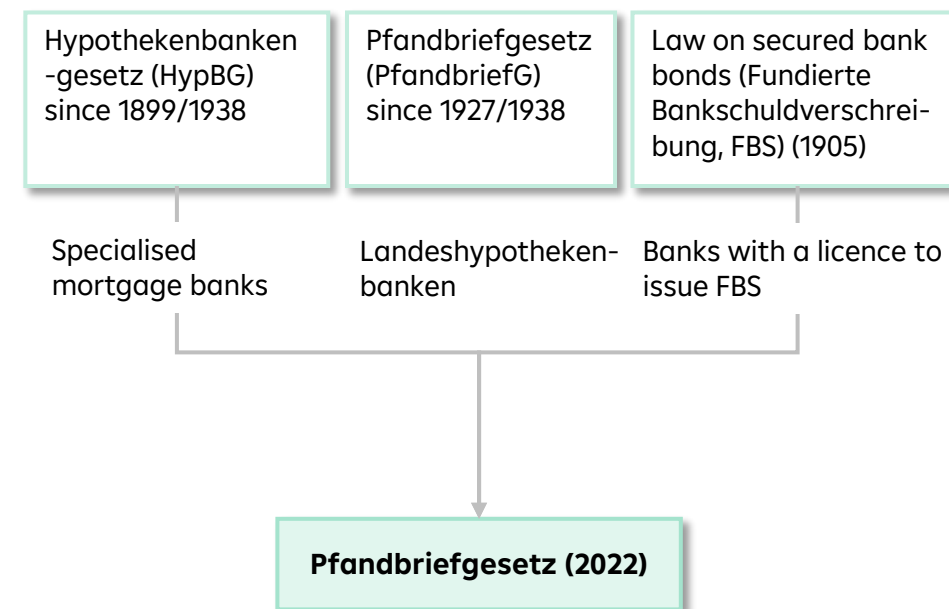
From three to one

- Austria used to have three different covered bond laws that were fairly similar in substance but served different issuer groups. The new Pfandbrief law merges the previous three laws into one.

Main changes to the old law(s)

- Eligible assets:** Primary assets remain mortgages and public sector assets. The new law allows issuers to create pools with other high-quality assets too (separate from their CRD/CRR compliant programs, though).
- Valuation of assets:** Max LTVs in line with CRR (80% residential, 60% commercial).
- Maturity extensions:** Issuers are allowed to issue bonds with maturity extensions (soft bullets). However, similar to Germany, extension can only be done by the administrator post the issuer default ensuring there is no issuer discretion.
- Liquid asset buffer:** Issuers need to hold a 180-day liquid asset buffer going forward. The sizing of the buffer can only be done on the extended maturity dates after an extension has taken place. Hence, pre issuer default, liquidity buffers are sized on the scheduled maturity.

One Covered Bond Law for Austria



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Links

RBI Covered Bonds Website

- [English](#)
- [German](#)

Financial Calendar

24 October 2023	Start of Quiet Period
3 November 2023	Third Quarter Report, Conference Call
24 January 2024	Start of Quiet Period
31 January 2024	Preliminary Results 2023, Conference Call
22 February 2024	Annual Financial Report 2023
25 March 2024	Record Date Annual General Meeting
4 April 2024	Annual General Meeting
9 April 2024	Ex-Dividend Date
10 April 2024	Record Date Dividend
11 April 2024	Dividend Payment Date
24 April 2024	Start of Quiet Period
2 May 2024	First Quarter Report, Conference Call
23 July 2024	Start of Quiet Period
30 July 2024	Semi-Annual Report, Conference Call
23 October 2024	Start of Quiet Period
30 October 2024	Third Quarter Report, Conference Call



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