

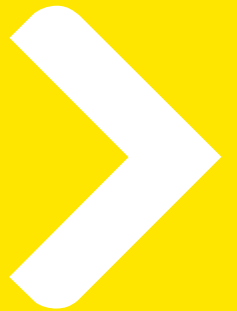


# Raiffeisen Bank International Cover Pool Update

November 2024

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# 01 RBI Group Financial Highlights

02 Real Estate Business RBI (AT)

03 Cover Pool





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



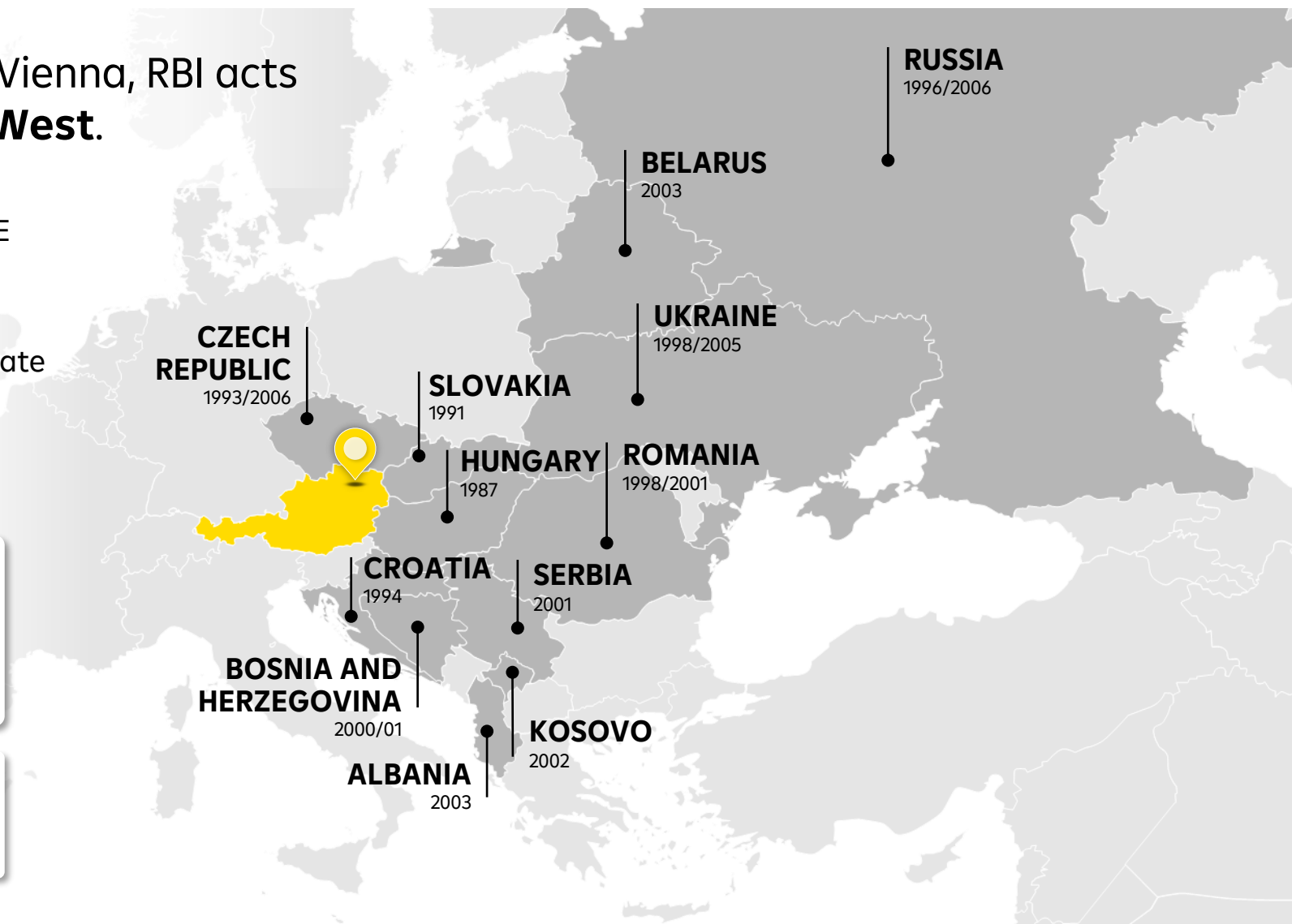
Top-5 market position in 9 countries

#### Hard facts Q3/2024

- 18.7 million customers
- c. 44,500 employees
- c. 1,470 business outlets

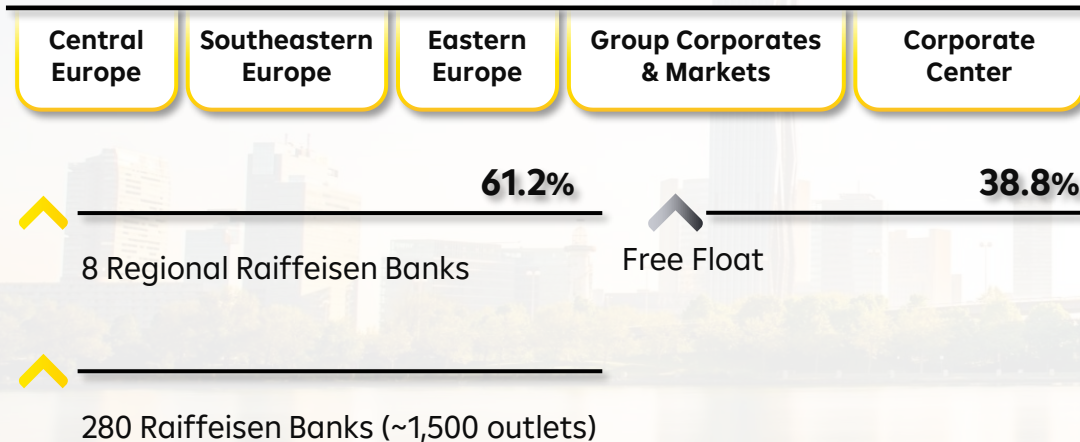
#### Ratings

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





**Raiffeisen Bank**  
International



**Raiffeisen Banking Group (RBG) – largest banking group in Austria** with total assets of EUR 400 bn as of 31/12/2023

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:

- 1<sup>st</sup> tier: 280 independent cooperative Raiffeisen banks focusing on retail banking. They hold shares in:
- 2<sup>nd</sup> tier: 8 independent regional Raiffeisen banks focusing on corporate and retail banking. They hold approx. 61.2% of the share capital of:
- 3<sup>rd</sup> tier: Raiffeisen Bank International AG

### RBG's 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





# 1-9/2024 Executive Summary

## RBI Group

### Consolidated profit

1-9/2024

EUR 2,083 mn

-1%

y-o-y

### Consolidated RoE

1-9/2024

15.9%

-1.5 pp

y-o-y

### CET1 ratio

30/09/2024, transitional, incl. results

17.8%

+0.5 pp

ytd

## Adjusted:

### Consolidated profit

EUR 856 mn

-17%

y-o-y

### Consolidated RoE

8.6%

-2.3 pp

y-o-y

### CET1 ratio

15.3%

excluding **Russia / Belarus**

excluding **Russia**, assuming P/B  
Zero deconsolidation



# 1-9/2024 Executive Summary

## RBI Group

### Loans to customers

30/09/2024

EUR 100,105 mn

+1%

ytd

### Core revenues

1-9/2024, in EUR mn

4,355

+4%

Net interest  
income

2,077

-12%

Net fee &  
commission income

### Opex and Cost/Income Ratio

1-9/2024

EUR 2,893 mn 42.7%

+1%

y-o-y

+1.5 pp

Adjusted:

### Loans to customers

EUR 94,864 mn

+2%

ytd

### Core revenues

3,117

+1%

NII

1,356

+4%

NFCI

### Opex

EUR 2,404 mn 50.7%

+6%

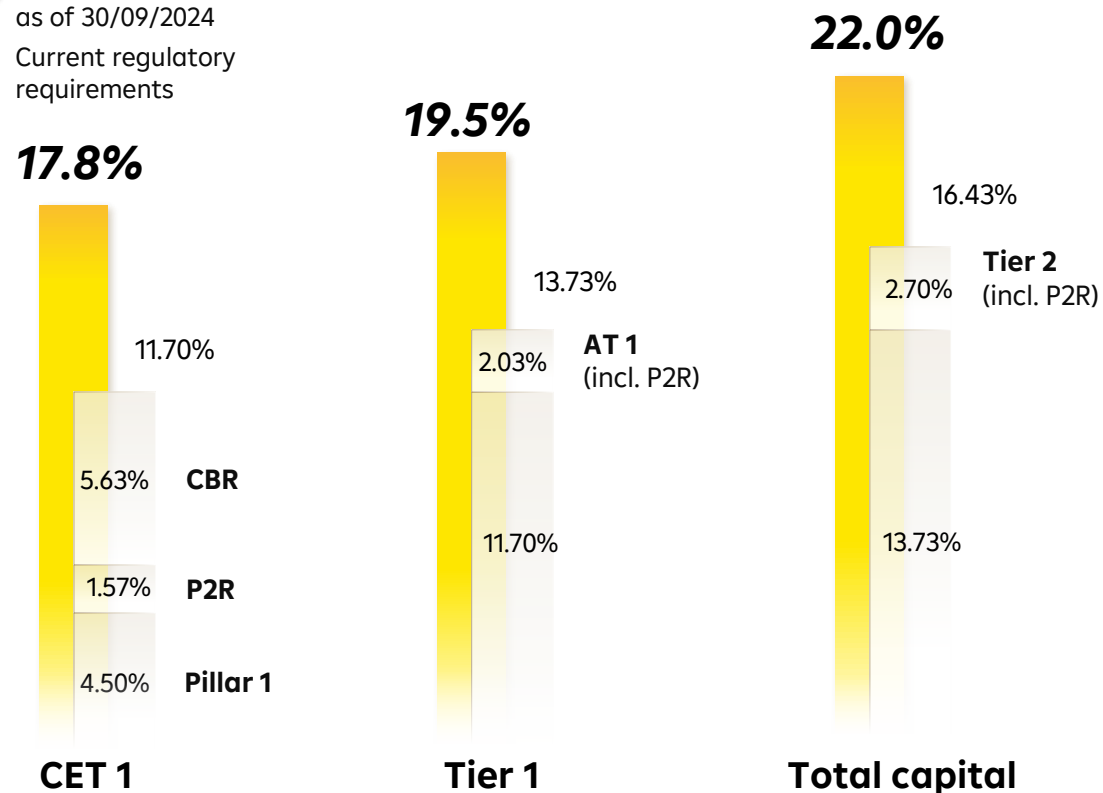
y-o-y

+2.7 pp

excluding Russia  
/ Belarus

# Capital Ratios and SREP

 RBI, transitional, pro forma as of 30/09/2024  
 Current regulatory requirements



MDA trigger  
**12.21%**

MDA buffer  
**555 bps**

Available distributable items  
**EUR 5,672 mn**

**+7 bps** q-o-q

## P2R

2.80%

- 1.57% to be met with CET1
- 53 bps eligible for AT1
- 70 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 563 bps, increasing to 588 bps in 2025

	Q3/'24	1/1/2025
OSII buffer	1.50% <sup>1</sup>	1.75% <sup>1</sup>
Countercyclical capital buffer	0.63%	0.63%
Capital conservation buffer	2.50%	2.50%
Systemic risk buffer	1.00%	1.00%

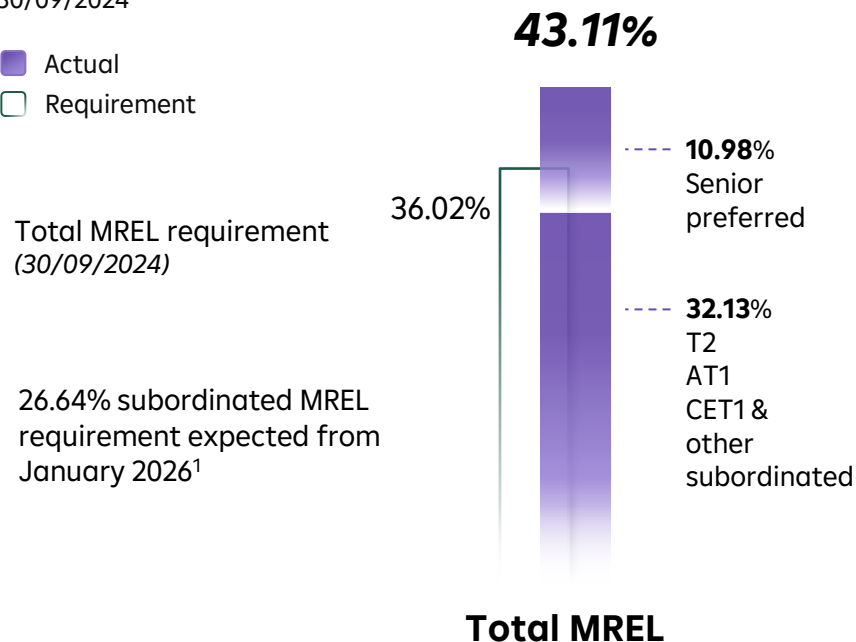
<sup>1</sup> Based on FMSG communication



## Austria resolution group MREL

Including profit  
30/09/2024

Actual  
Requirement



- TREA in AT at EUR 38,410 mn
- MREL requirements for resolution group AT incl. CBR of 5.04% as of 30/09/2024
- Recalibration of eligible liabilities in Q2/2024 had -2.77 pp impact

## Funding plan

- Successfully issued EUR 500 mn Tier 2 note in October 2024 combined with liability management exercise
- For 2025, three benchmarks probable in senior non-preferred and preferred format

## Other resolution groups

	Actual 30/09/2024	Requirements 30/09/2024	MREL needs 2025	Ranking
<b>Czech Republic</b>	33.96%	/ 27.45%	~0-100	Senior non-preferred
<b>Slovakia</b>	34.17%	/ 27.77%	~0 - 100	Senior preferred
<b>Hungary</b>	32.56%	/ 27.64%	~0 - 100	Senior non-preferred
<b>Croatia</b>	37.82%	/ 31.84%	~100 - 300	Senior preferred
<b>Romania</b>	35.63%	/ 32.00%	~0 - 200	Senior preferred & non-preferred



## Total exposure by segments Q3/2024

in EUR bn, q-o-q

**GC&M** -1.9%

102.2

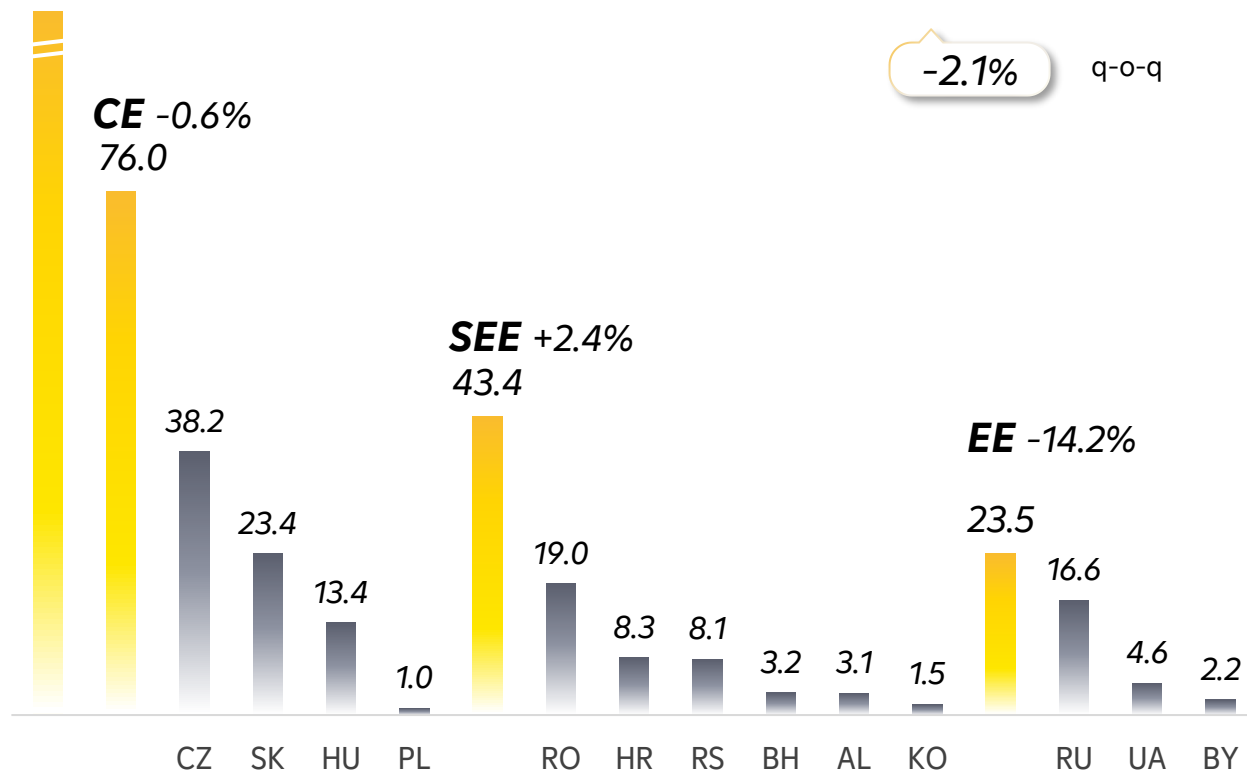
**CE** -0.6%  
76.0

EUR **245** bn

-2.1% q-o-q

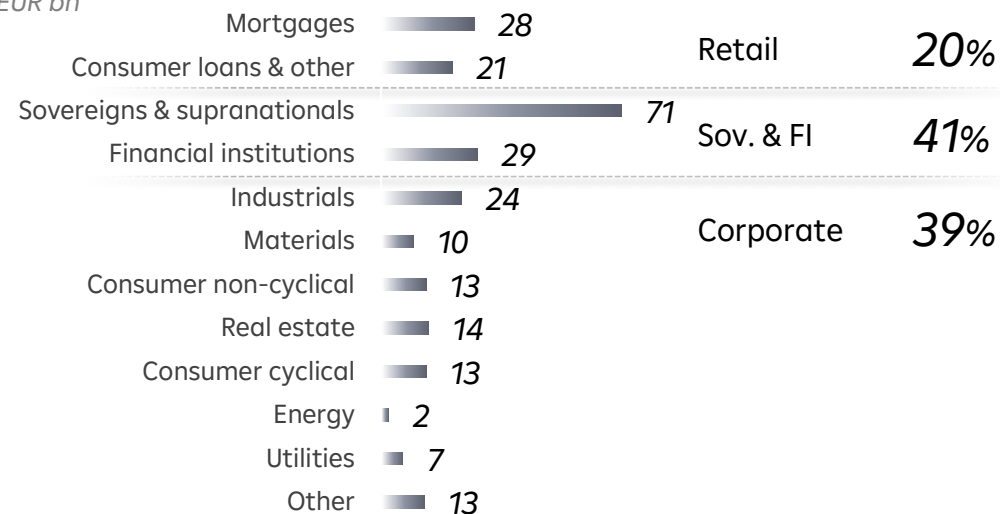
**SEE** +2.4%  
43.4

**EE** -14.2%

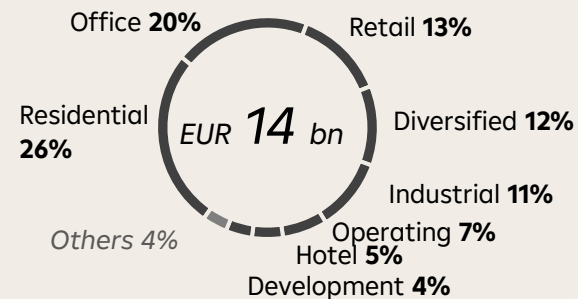


## ... by sector Q3/2024

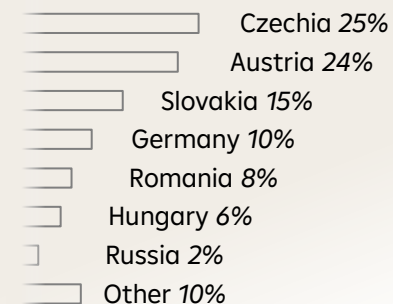
in EUR bn



### CRE – Sectors (GICs)



### CRE - Country of risk





# 2024 Guidance

## Core Group excluding Russia / Belarus

> <b>Core revenues &amp; loan growth</b>	<i>around EUR 4.1 bn</i>	<i>EUR ~1.8 bn</i>	<i>4% to 5%</i>
	Net interest income	Net fee and commission income	Loans to customers
<hr/>			
> <b>OPEX &amp; CIR</b>	<i>around EUR 3.3 bn</i>	<i>around 52%</i>	
	OPEX	CIR	
<hr/>			
> <b>Risk costs</b>	Risk cost excluding potential use of overlays	<i>up to 35 bps</i>	
<hr/>			
> <b>Profitability</b>	Consolidated return on equity	<i>around 7.5%</i>	
<hr/>			
> <b>CET 1</b>	'P/B Zero' Russia deconsolidation scenario	<i>around 14.7%</i>	

Any **decision on dividends** will be based on the capital position of the Group excluding Russia

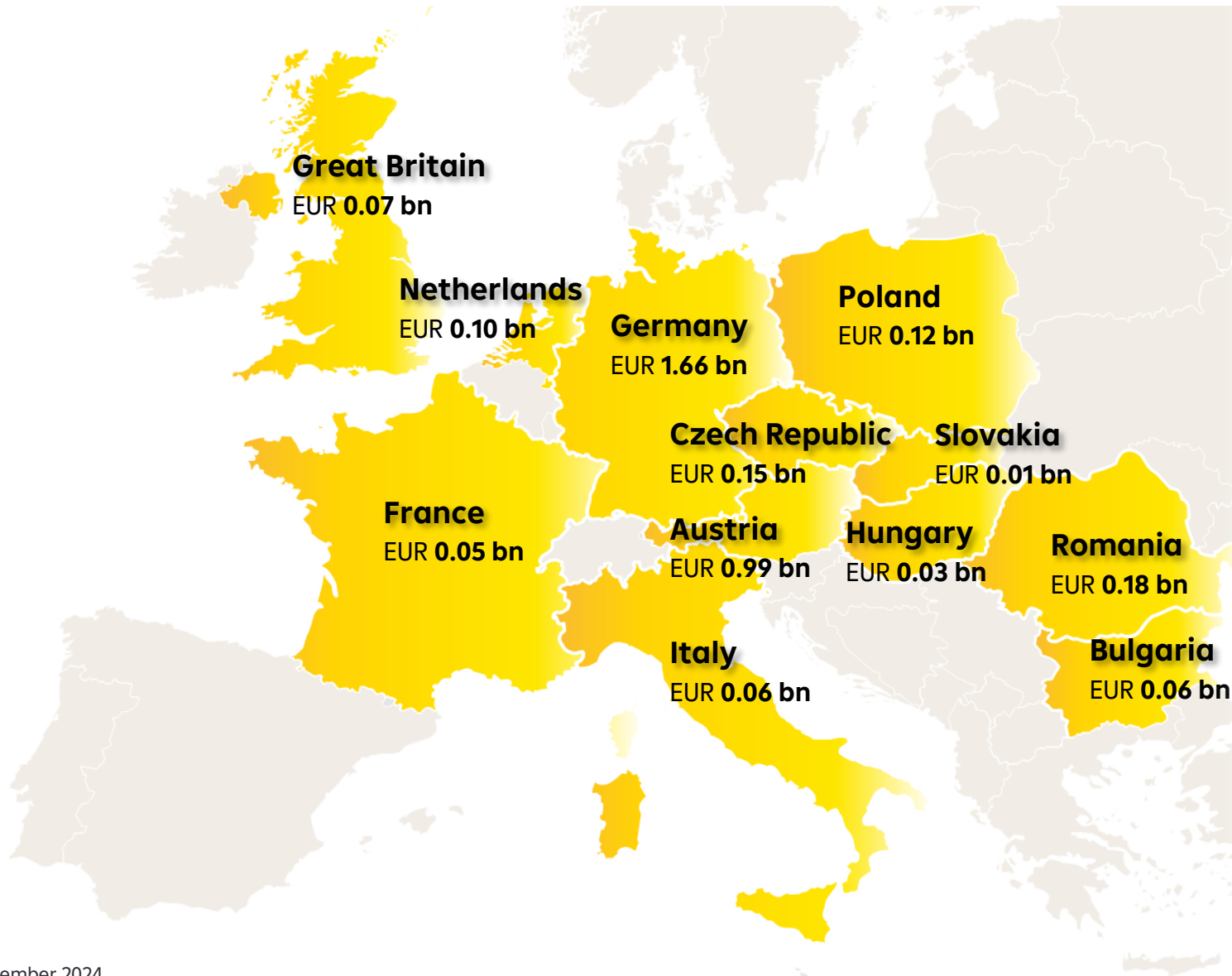
**2024 PnL guidance for the Group including Russia and Belarus has been suspended**  
in light of the accelerated business reduction in Russia

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**02 Real Estate Business RBI (AT)**

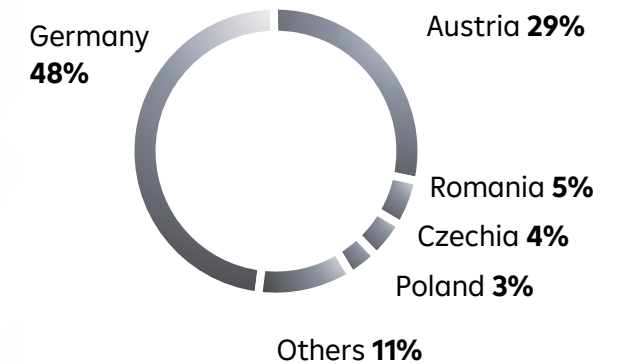
03 Cover Pool





## > Total exposure as of 30 June 2024

*RBI AT (Head Office) per Country of risk (Top 5 + Others)*





## 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

## 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

**01** RBI Group Financial Highlights

**02** Real Estate Business RBI (AT)

**03 Cover Pool**





## > Cover Pool Framework and Governance

- > **RBI AT (Head Office) issues covered bonds under the Austrian Covered Bond Act** ("Pfandbriefgesetz") with dual recourse to the issuer (first) and the cover pool (next).
- > **European Covered Bond (Premium)** – 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** (auditor, "externer Treuhänder")
- > Cover pool **reporting is in accordance with international standards** and published together with the rating reports on RBI's website
- > **No use of RBI network bank assets** in the cover pool. Only assets which are booked in RBI Head Office (Austria), Austrian local Raiffeisen banks and Raiffeisen Building Society (Raiffeisen Bausparkasse GmbH)
- > Increase of Western European properties while reducing share of properties in CEE

### Total Cover Value

as of October 2024

EUR **4,588,552,017**

### Total COVERED BOND - MORTGAGE outstanding

as of October 2024

EUR **3,525,000,000**



## > Portfolio Developments and Risk Mitigants

- > **No minimum over-collateralization** (Moody's)
- > **No FX-risks**, loans exclusively in EUR, no derivatives
- > **No non-performing loans** in the cover pool included
- > **High risk standards**, max. 8% probability of default
- > **Cover value limited** at 60% of market value
- > Amounts above 60% market value serve as **additional buffer** as not included in cover value

	31 March 2024	30 June 2024
Cover pool rating (Moody's)	Aa1	Aa1
Total cover value	EUR 4,485,750,704	EUR 4,398,077,363
Number of loans	10,366	10,545
Number of borrowers	9,387	9,572
Weighted average life of the cover pool	7.4 years	7.5 years
Weighted avg. rem. term commercial	102 months	108 months
Weighted avg. rem. term residential	290 months	290 months
Weighted avg. LTV commercial	56.6%	56.5%
Weighted avg LTV residential	51.0%	51.1%
Total bonds outstanding per 30 June 2024		EUR 3,525,000,000
Min. over-collateralization (Moody's)		0.0%
Nom. over-collateralization per 30 June 2024		24.8%

Source: Moody's Performance Reports available on RBI homepage

# Cover Pool – Mortgage – 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

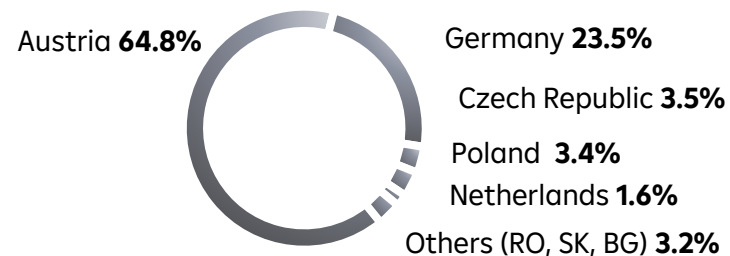
Ongoing monitoring and reporting to rating agency and external trustee



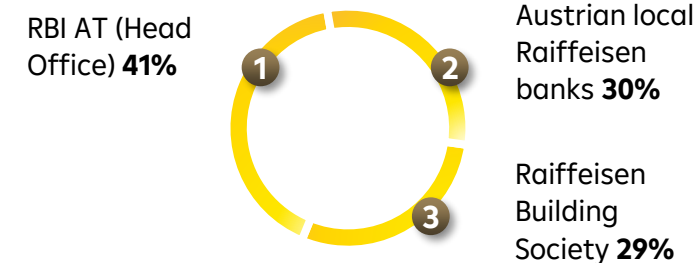
## > Cover pool portfolio **by type of property**



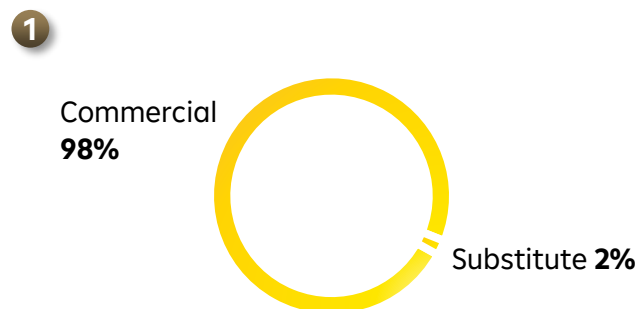
## > Cover pool portfolio **by location of property**



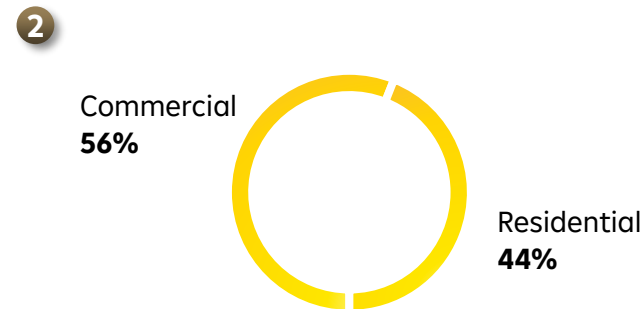
## > Cover pool portfolio **by originator**



### Type of property by originator **RBI AT (Head Office)**



### Type of property by originator **Austrian local Raiffeisen Banks**

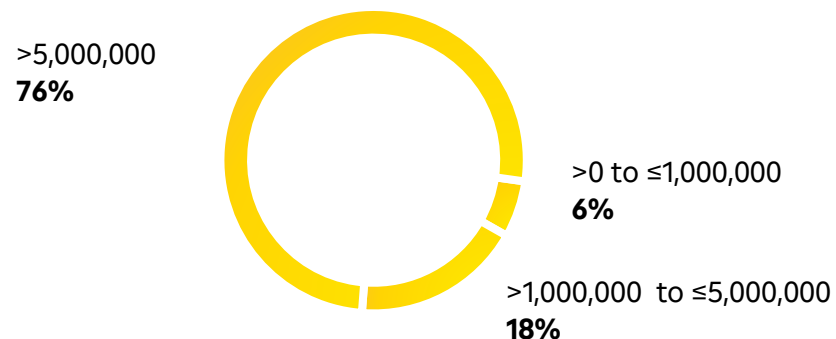


### Type of property by originator **Raiffeisen Building Society**

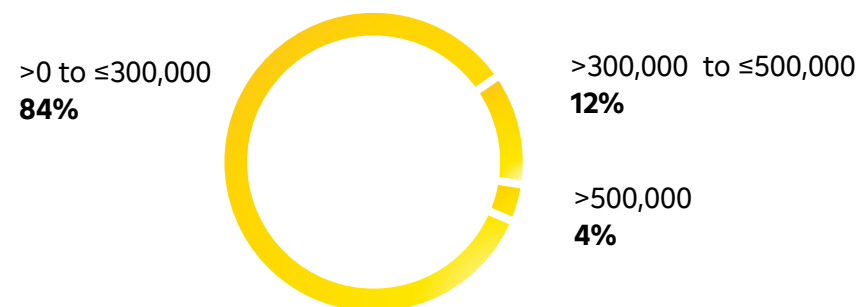




## > Cover pool **commercial loan size**



## > Cover pool **residential loan size**



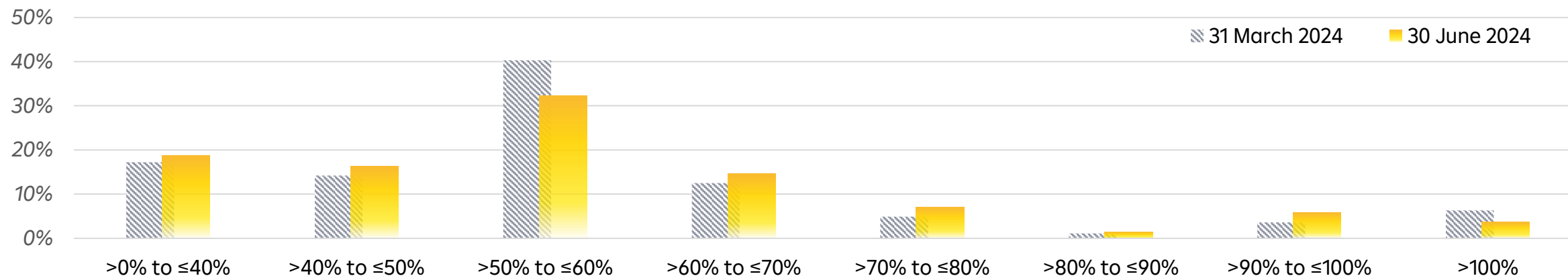
## Commercial property use

## Share of commercial loans

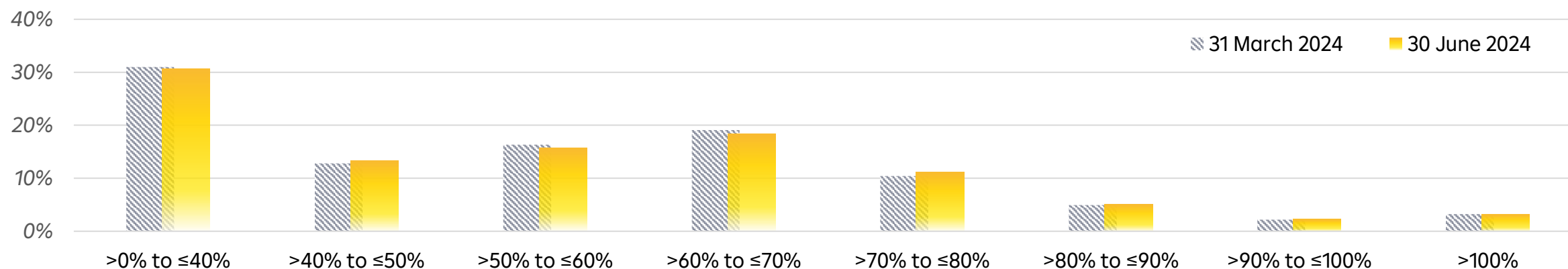
Retail	4.46%
Office	37.49%
Hotel/Tourism	8.50%
Shopping malls	4.36%
Industry	3.38%
Agriculture	0%
Other commercially used	26.08%
Hospital	0%
School	0%
Other real estate with a social relevant purpose	0%
Property developers / Building under construction	0,12%
Other (e.g., commercial residential, non owner occupied)	15.62%



## Customer Loan-to-Value, Whole-LTV commercial loans



## Customer Loan-to-Value, Whole-LTV residential loans



## > Top Ten largest commercial borrowers

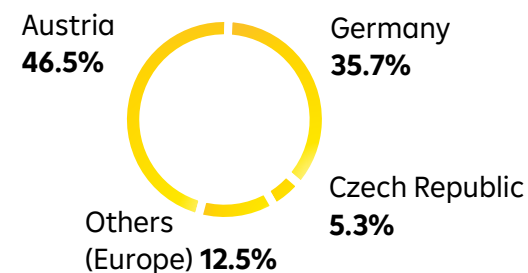
Share of portfolio / Location of property / Type of property					
3.7%	Germany	Office	2.3%	Austria	Industrial building
3.6%	Austria	Office	2.2%	Germany	Office
3.5%	Germany	Nursing home	2.1%	Austria	Office
3.2%	Austria	Office	2.1%	Netherlands	Hotel
2.8%	Germany	Office	2.1%	Czech Republic	Hotel

Top Ten largest commercial borrowers in CEE					
2.1%	Czech Republic	Hotel	0.9%	Bulgaria	Office/Logistic
1.6%	Poland	Office	0.9%	Poland	Office
1.3%	Poland	Logistic	0.9%	Czech Republic	Retail
1.2%	Slovenia	Logistic	0.9%	Czech Republic	Office
1.0%	Bulgaria	Office	0.8%	Czech Republic	Office

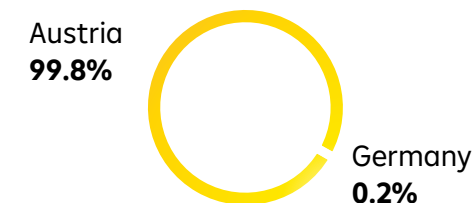
## > ... by type of property

	Commercial	Residential
Asset balance	EUR 2,867,969,064	EUR 1,495,560,017
# of loans	815	9,730
# of borrowers	493	9,079
# of properties	911	9,674
Fixed rate	20.0%	83.2%
Floating rate	80.0%	16.8%
Average LTV	56.5%	51.1%
Weighted avg. remaining term	102 months	290 months

### Commercial assets by Location of Property



### Residential assets by Location of Property





## > 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 Pfandbriefgesetz 2022 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

