



Raiffeisen Bank International **Cover Pool Update**

November 2024

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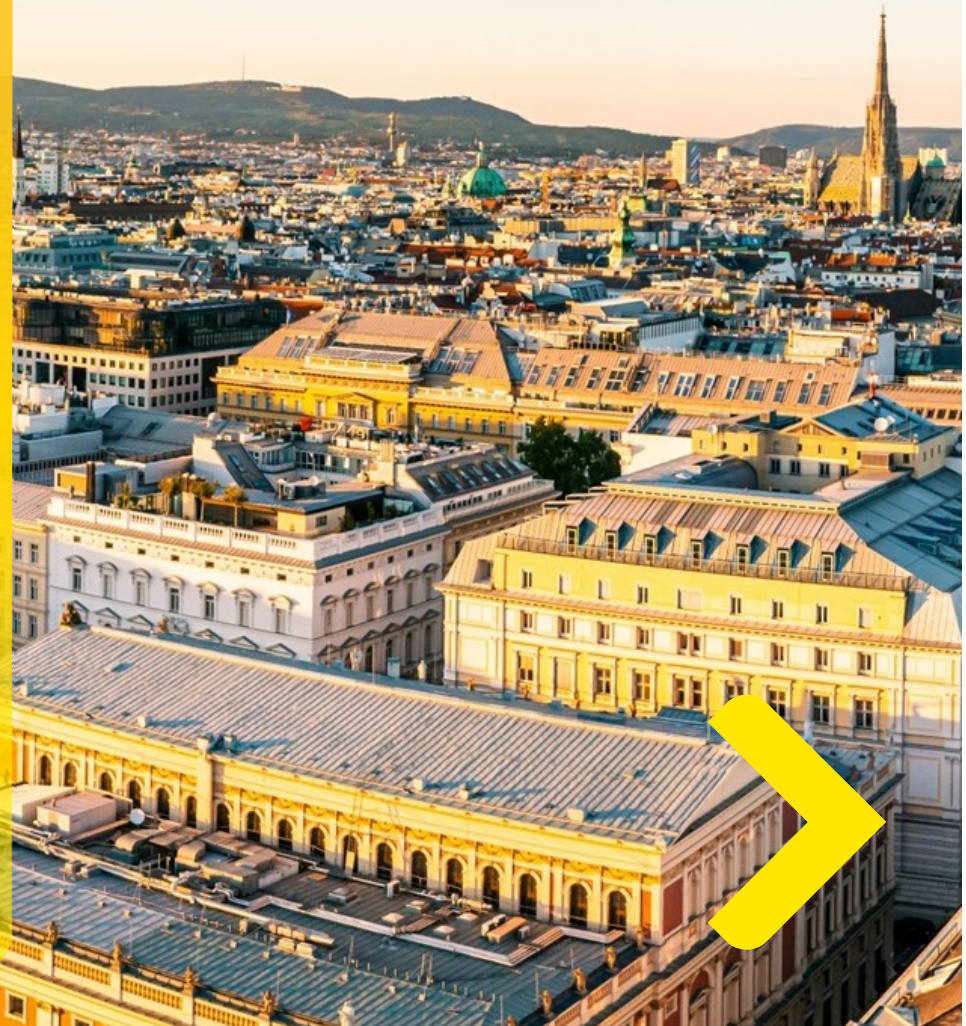
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01 RBI Group Financial Highlights

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

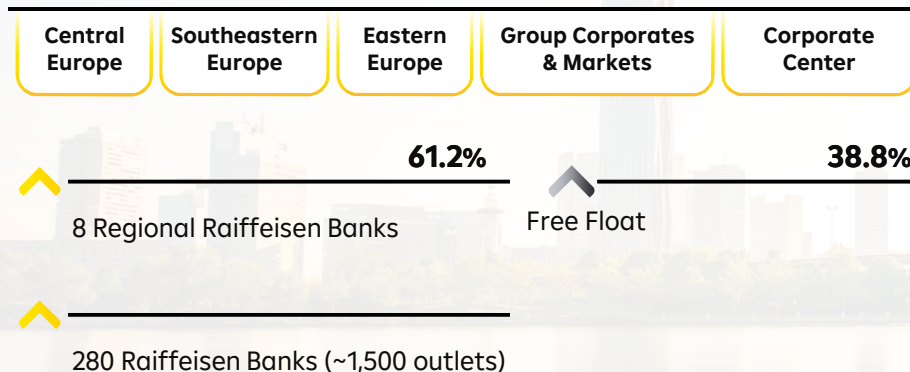
Hard facts Q3/2024

- 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 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:

- 1st tier: 280 independent cooperative 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. 61.2% of the share capital of:
- 3rd 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

2,077

+4%

-12%

y-o-y

Net interest
income

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

1,356

+1%

+4%

y-o-y

NII

NFCI

Opex

EUR **2,404** mn **50.7%**

+6%

y-o-y

+2.7 pp

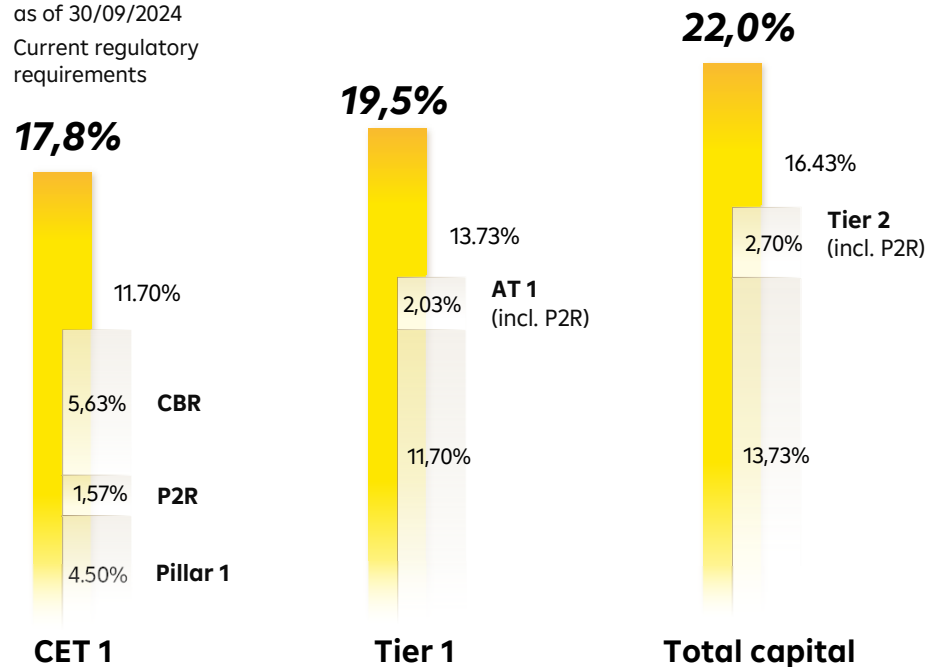
CIR

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

+7 bps

q-o-q

Available distributable items
EUR 5,672 mn

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

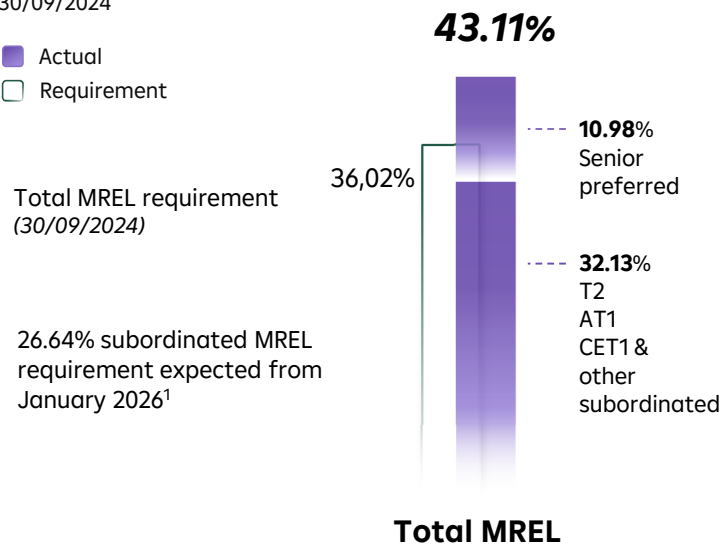
	Q3/'24	1/1/2025
OSII buffer	1.50% ¹	1.75% ¹
Countercyclical capital buffer	0.63%	0.63%
Capital conservation buffer	2.50%	2.50%
Systemic risk buffer	1.00%	1.00%

¹ 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	Requirements	MREL needs	Ranking
	30/09/2024	30/09/2024	2025	
Czech Republic	33.96%	/ 27.45%	~0-100	Senior non-preferred
Slovakia	34.17%	/ 27.77%	~0 - 100	Senior preferred
Hungary	32.56%	/ 27.64%	~0 - 100	Senior non-preferred
Croatia	37.82%	/ 31.84%	~100 - 300	Senior preferred
Romania	35.63%	/ 32.00%	~0 - 200	Senior preferred & non-preferred

Total Exposure

Total exposure by segments Q3/2024

in EUR bn, q-o-q

GC&M -1.9%

102.2

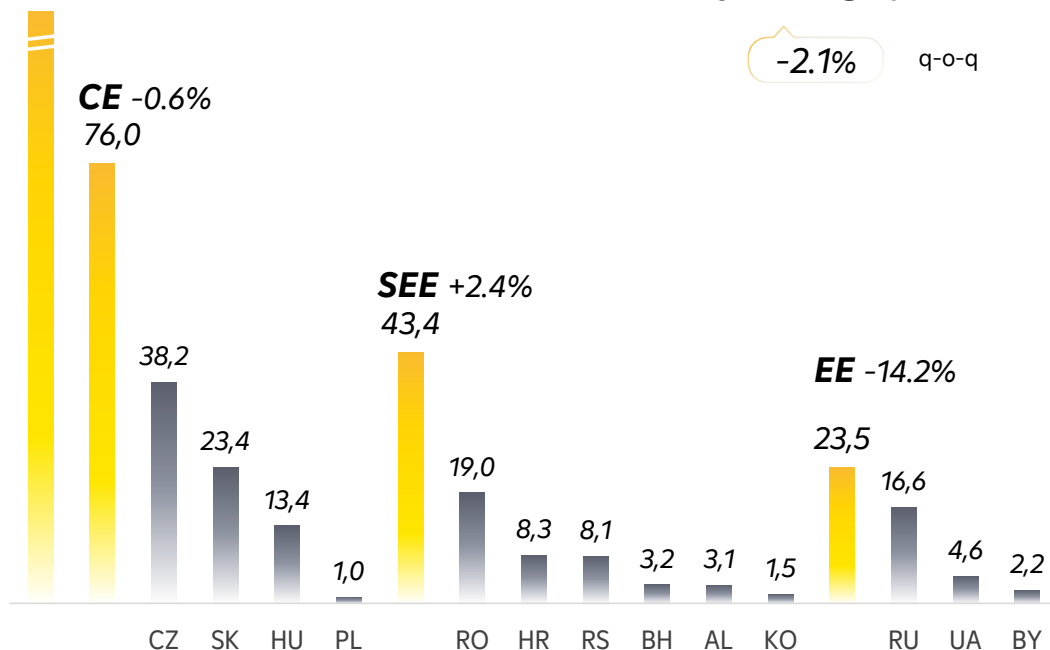
CE -0.6%
76,0

SEE +2.4%
43,4

EE -14.2%

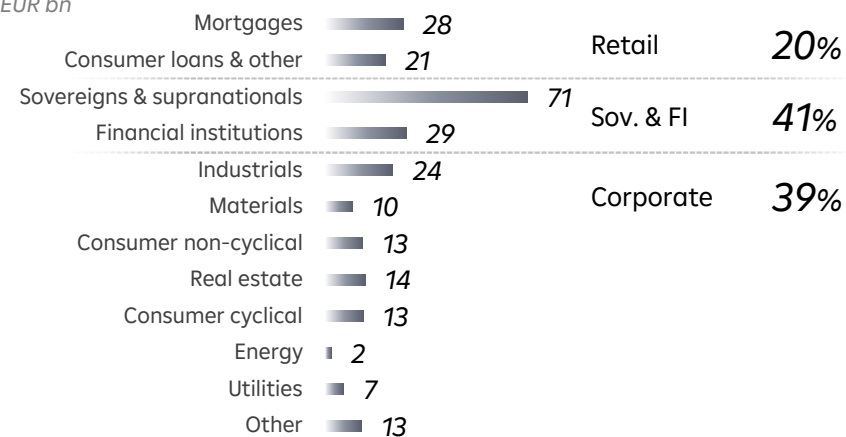
EUR **245** bn

-2.1% q-o-q

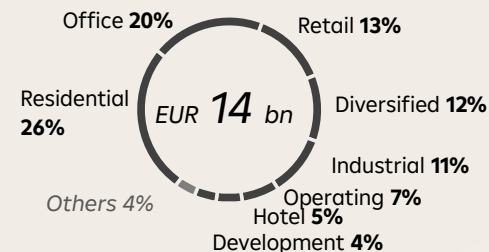


... by sector Q3/2024

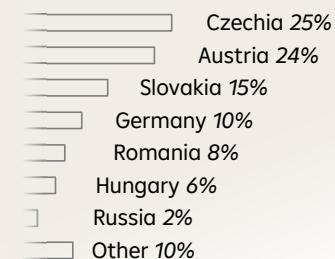
in EUR bn



CRE - Sectors (GICs)



CRE - Country of risk



2024 Guidance

Core Group excluding Russia / Belarus

>	Core revenues & loan growth	<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
>	OPEX & CIR	<i>around EUR 3.3 bn</i>	<i>around 52%</i>	
		OPEX	CIR	
>	Risk costs	Risk cost excluding potential use of overlays	<i>up to 35 bps</i>	
>	Profitability	Consolidated return on equity	<i>around 7.5%</i>	
>	CET 1	'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

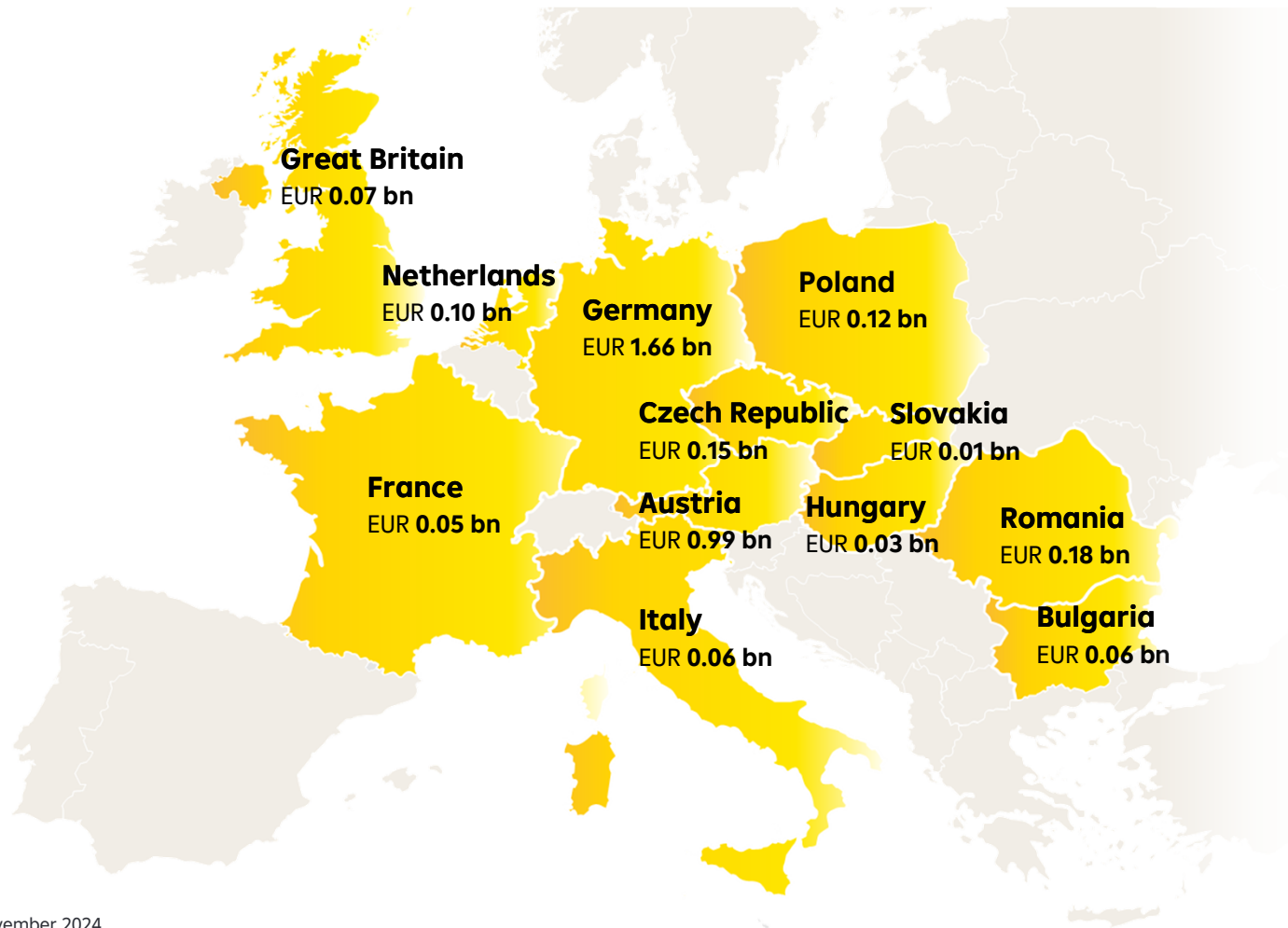
2024 PnL guidance for the Group including Russia and Belarus has been suspended
in light of the accelerated business reduction in Russia

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02 Real Estate Business RBI (AT)

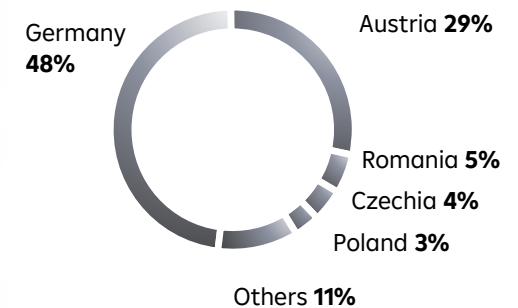
03 Cover Pool





> 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: "Bauträgervertragsgesetz")
 - 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

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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**

Cover Pool – Mortgage – Key Highlights

> 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	56.5%	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

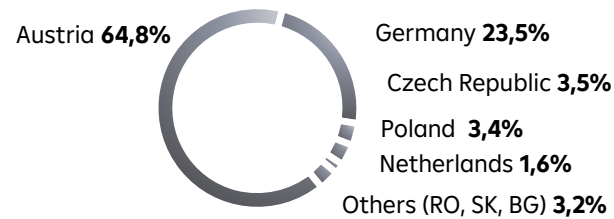
5 Monitoring

Ongoing monitoring and reporting to rating agency and external trustee

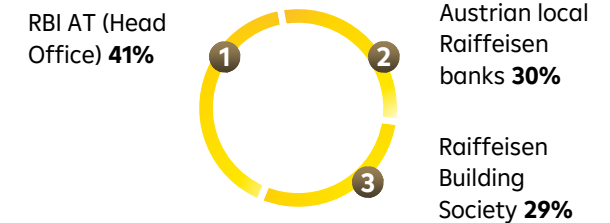
> Cover pool portfolio **by type of property**



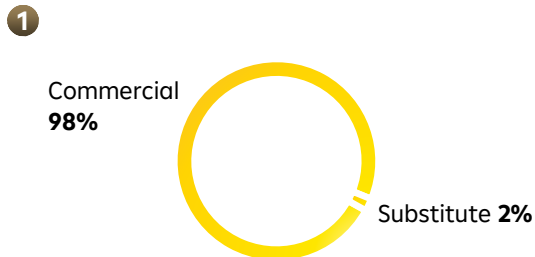
> Cover pool portfolio **by location of property**



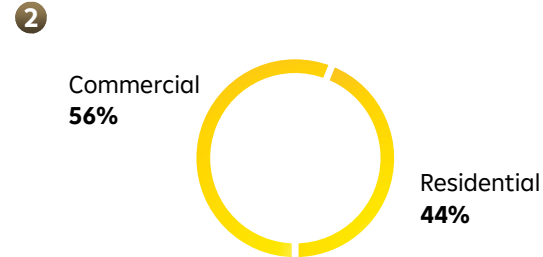
> Cover pool portfolio **by originator**



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



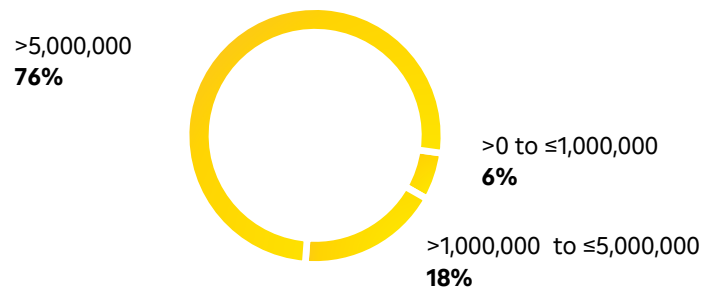
Type of property by originator **Austrian local Raiffeisen Banks**



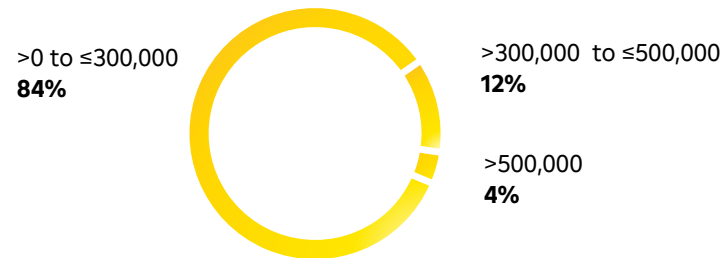
Type of property by originator **Raiffeisen Building Society**



> Cover pool **commercial loan size**

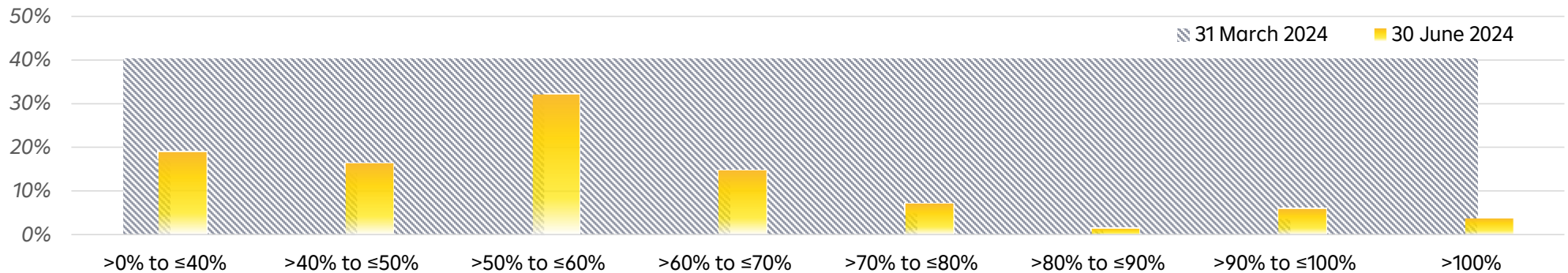


> Cover pool **residential loan size**

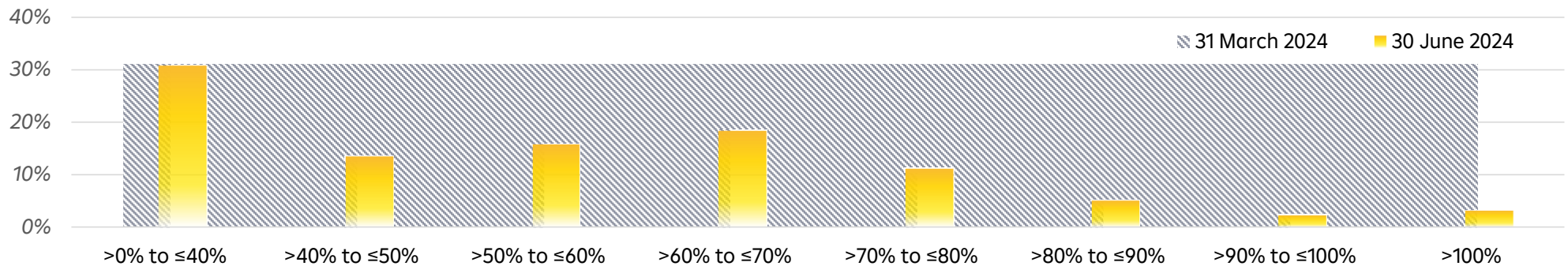


Commercial property use	Share of commercial loans
Retail	4.46%
Office	37.49%
Hotel/Tourism	8.50%
Shopping malls	4.36%
Industry	3.38%
Agriculture	0%
Other commercially used	26.08%
Hospital	0%
School	0%
Other real estate with a social relevant purpose	0%
Property developers / Building under construction	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

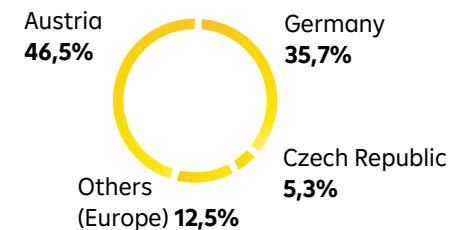
Top Ten largest commercial borrowers in CEE

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

