

RBI ALLOCATION and IMPACT REPORT 2021

In 2018, RBI launched its green bond issuance program with the aim to promote sustainable lending in Austria and Central and Eastern Europe. With a total volume of nearly € 1.3 billion in Austria, RBI is currently the country's largest green bond issuer and has meanwhile established itself as a regular issuer of green bonds on the international capital markets and in the retail segment in both Austria and Central and Eastern Europe. Our comprehensive Green Bond Framework enables the refinancing of a wide range of environmentally sustainable projects in alignment with the ICMA (International Capital Market Association) Green Bond Principles, including green buildings, renewable energies, water and wastewater management, energy efficiency and clean transportation.



**Raiffeisen Bank
International**

Member of RBI Group

IMPORTANT FACTS AT A GLANCE

as of 30.04.2021

€ 1,286 million Green Bonds outstanding

€ 1,431 million Green Loan Portfolio (€ 1,321bn disbursed,
€ 110mn undisbursed)

€ 1,066 million Green Buildings

€ 262 million Clean Transportation

€ 55 million Energy Efficiency

€ 47 million Renewable Energy

77,100 CO₂ metric tons saved per annum

This comes to 54 CO₂ metric tons saved per annum per
€ 1 million investment



RBI' leading position regarding Green Bonds is not limited to own issues. According to the Bloomberg league tables, the RBI Group ranks first in sustainable bonds arranged for customers *by both volume and number* of transactions in Austria and CEE for the first half of 2021. The volume of sustainable bonds arranged by RBI in the first half of 2021 was already more than twice as high as in the full year 2020. We target to lead-manage the issuance of at least € 2.5 billion in ESG-related bonds and Schuldschein loans by year-end 2021.

A handwritten signature in blue ink, appearing to read 'Peter Lennkh', written in a cursive style.

Peter Lennkh
Board Member for Corporate Banking

INTRODUCTION

RBI's sustainability strategy supports the achievement of the UN Sustainable Development Goals (SDGs), with a particular focus on the following eleven SDGs:



By having established the Sustainable Finance department, RBI bundles its expertise in ESG finance solutions and further enhances its focus on sustainable customers and businesses. The unit's experts will proactively advise and support our customers in making green investments and transforming their businesses towards sustainability. Furthermore, this ESG Group Competence Center will ensure that ESG know-how and experience generated at RBI Head Office is made available throughout our group.

The Sustainable Finance unit has developed an ESG Rulebook to define what is "green" and "social" according to the Technical Screening Criteria of the EU Taxonomy

Delegated Act¹ proposed by the European Commission on Climate Change Mitigation and Adaptation and the ICMA Green and Social Bond Principles. It will serve both as advisory tool in communication with our customers and as a decision-making basis in the credit approval process. The rulebook will regularly be adapted to future EU Taxonomy regulations covering the remaining environmental objectives on sustainable use and protection of water and marine resources, transition to circular economy, pollution prevention and control, protection and restoration of biodiversity and ecosystems as well as social objectives.

RBI'S GREEN BOND PROGRAM

In 2018, RBI issued its first Green Benchmark Bond followed by a second one in 2019, which was accompanied by several smaller green private placements sold to both

institutional and private investors. The € 500 million Green Benchmark Bond issued in June 2021 will be shown in the next Allocation and Impact report.

This report relates to all Green Bonds outstanding as of end of April 2021:

ISIN	Nominal	Currency	Issuance date	Maturity Date	Nominal as of 30.04.2021
XS1852213930	500.000.000	EUR	05.07.18	05.07.21	500.000.000
AT000B014642 ²	4.150.000	EUR	03.06.19	03.06.26	6.250.000
XS2055627538	750.000.000	EUR	25.09.19	25.09.26	750.000.000
AT000B014782 ²	256.740.000	CZK	29.10.19	29.10.24	9.792.546
XS2106853240 ²	250.000.000	RUB	30.01.20	30.01.23	3.514.928
AT000B015052 ²	3.822.000	EUR	02.10.20	02.10.27	3.822.000
AT000B015086 ²	13.022.000	USD	11.12.20	11.12.23	10.660.663
AT000B015136 ²	2.120.000	USD	16.03.21	16.03.25	1.781.812
Total RBI Issuances					1.285.821.949

¹⁾ https://ec.europa.eu/finance/docs/level-2-measures/taxonomy-regulation-delegated-act-2021-2800-annex-1_en.pdf

²⁾ Bond issued with an open issuance period. The initial volume stated above may increase



RBI follows a portfolio approach in its Green Bond program: its Eligible Green Loan Portfolio is allocated pro rata to all Green Bonds issued under the Green Bond Framework published in June 2018.

Below green bond issuances of our Network banks are summarized, they are not subject of this Allocation and Impact reporting:

ISIN	Issuer	Issue date	Maturity date	Amount	Currency
SK4000018925	TBSK	23.04.21	23.04.28	300.000.000	EUR
XS2339508587	RBRO	14.05.21	14.05.26	400.575.000	RON
XS2348241048	RBCZ	09.06.21	09.06.28	350.000.000	EUR
XS2349343256	RBRO	11.06.21	11.06.28	1.207.500.000	RON

OUR CURRENT GREEN LOAN PORTFOLIO CONTRIBUTES TO THE FOLLOWING SDGs

Eligible Category	7 AFFORDABLE AND CLEAN ENERGY	11 SUSTAINABLE CITIES AND COMMUNITIES
Clean Transportation		262
Green Buildings	1,066	1,066
Energy Efficiency	55	
Renewable Energy	47	
Total	1,168	1,328



In 2021, RBI successfully rolled out the green bond program to its subsidiary banks in Central and Eastern Europe (CEE). Tatra banka in Slovakia, Raiffeisen Bank in Romania and Raiffeisenbank in the Czech

Republic issued green bonds with a total volume of nearly € 1 billion making the RBI Group the biggest green bond issuer in CEE among financial institutions. The banks use the issuances' proceeds mainly for financing projects in the areas of green buildings, renewable energy, energy efficiency, clean transportation, water and wastewater management or agriculture and forestry.

Furthermore, RBI Head Office issued the first green Tier 2 Capital bond in Austria, making it a pioneer in that respect as well. These green bond issues are a significant part of and contributor to the RBI Group's overall sustainability strategy.

Michael Höllerer
Chief Financial Officer



RBI'S GREEN JOURNEY SO FAR

2018

- First inaugural Green Benchmark Bond
- Green Bond Committee and internal processes for project selection and management of green bond proceeds established

2019

- Second Green Benchmark Bond € 750 million
- Strategic project: Focus on sustainable customers and businesses
- Retail green bond issuances
- Allocation and Impact Report 2019
- Introduction of internal incentive program for green and social loans

2020

- Group-wide ESG Ambassador Collaboration Network established
- ESG Rulebook for Sustainable Customers and Businesses published
- ESG-based customer score established
- Group-wide sustainable finance trainings established
- Retail green bond issuances
- Start of RBI Group Green Bond Program
- Portfolio assessment for EU Taxonomy, RBI Group Green and Social alignment
- CO₂ emissions of corporate loans and sustainable funds published

2021

- ESG Group Competence Center and ESG Customer Advisory streams established
- More than 1,000 RBI Group employees are trained on Sustainable Finance and ESG topics
- Thermal Coal and Renewable Energy Policies published
- First Austrian bank to sign the UNEP FI Principles for Responsible Banking

HERE ARE SELECTED HIGHLIGHTS TO EMPHASIZE RBI'S COMMITMENT TOWARDS SUSTAINABLE FINANCE PRACTICES

- We established a new policy for thermal coal: no business in the future with companies that generate more than 25 per cent of their revenues from thermal coal mining (by analogy also true for energy and trading companies) and no new financial services for new or existing thermal coal power plants or mines.
- We will increase the share of corporate loans for ESG-compliant investments from around 10 per cent at present to around one-third by 2025.
- We have seen a substantial growth of ESG investments at Raiffeisen Capital Management (+224% from 2018 to 2020), RCM being the #1 player in Austria and one of the first movers on the European level (already in 2014) regarding ESG-related investments. We target Assets under Management (AuM) in ESG-related investment products of at least € 12,5 billion for distribution to Corporate, Institutional and Retail clients by year-end 2021.
- In terms of volume, 10 per cent of the bonds arranged by RBI were green in the period from May 2020 to April 2021. In 2020 we were no. 1 by number of deals and no. 2 by volume of sustainable bonds in Austria and CEE

- according to Bloomberg. Furthermore, according to the Bloomberg league tables, the RBI Group ranks first in sustainable bonds by both volume and number of transactions in Austria and CEE for the first half of 2021.
- With a total volume of € 1.3 billion in Austria, RBI is the largest green bond issuer and intends to continue establishing itself as a regular issuer of green bonds on the international capital markets and in the retail segment in Austria and CEE.
- On the advisory side, we support our clients with ESG rating advisory and in-depth advice on the suitability of different sustainability formats tailored to a client's business and sustainability strategy.
- Raiffeisen Research also plays a vital role with ESG-related research coverage of the CEE markets and Austria, focusing among other things on the impact of regulatory trends on financial markets. Introduction of ESG-scoring to external customers will provide more insightful knowledge of the company's sustainability position to investors.

RBI's Corporate and Markets & Investment Banking divisions ramped up their sustainable finance activities substantially over the past years. Today, RBI is among the leading European banks in supporting and advising clients seeking to have a positive impact on climate change. Corresponding financing is aligned with the best industry practice and benchmarked to the regulatory requirements for carbon-neutral, EU-Taxonomy eligible industry activity. One new product launched is called KPI-Linked Financing. A new product recently launched by RBI is the KPI (key performance indicator)-linked loan, bond or Schuldschein,

a financing instrument that incentivizes the borrower to achieve agreed upon ambitious, predetermined sustainability performance objectives, such as improved KPIs. This provides a financial incentive to companies keen to improve their ESG performance, hence reducing overall debt costs. If the company's performance reaches a certain threshold, the financing margin will be reduced, or vice versa. RBI supports customers with the definition of meaningful ESG KPIs that are consistent with their overall sustainability and ESG strategy.

ALLOCATION REPORT

as of 30.04.2021

As of end of April 2021, the total green loan portfolio amounted to € 1,431 million (+ 5 % from end of February 2020). From this, € 1,321 million has been allocated and disbursed, and a further € 110 million allocated though not yet disbursed. The average asset age in the eligible green portfolio is 1.6 years.

Green buildings € 1,066 million (75 %)

- Thereof 58 % completed,
- 42 % buildings under construction
- With an average life of 1.8 years¹



Energy Efficiency € 55 million (4 %)

- Financing of energy efficient technologies



Clean transportation € 262 million (18 %)

- Thereof 87 % components for electric vehicles
- 13 % electric vehicles



Renewable Energy € 47 million (3 %)

- Production of energy from biomass and photovoltaics



1) Average life of buildings in the portfolio is calculated based on the year of completion of construction with life of buildings under construction being 0 years.

RBI enhanced its Eligible Green Loan Portfolio in the asset categories of green buildings and clean transportation by financing further commercial green buildings and electric

vehicles. In addition, RBI introduced two new categories – energy efficiency and renewable energy – to its green loan portfolio.

GREEN BOND PORTFOLIO ALLOCATION BY ASSET CATEGORY

Asset category		Allocated amount in € million	Number of loans	Allocated amount in %	Green bonds outstanding in € million
Green Buildings	Commercial Buildings*	941	27	66 %	
	Hotel	55	1	4 %	
	Shopping Malls	70	2	5 %	
Clean Transportation	Electric Vehicles	35	1	2 %	
	Electric Batteries	227	2	16 %	
Energy Efficiency	Energy Efficiency	55	1	4 %	
Renewable Energy	Renewable Energy	47	1	3 %	
Total		1,431	35	100 %	1,286

*) Mainly office buildings as well as energy efficient data center and logistic center



GREEN BOND PORTFOLIO ALLOCATION BY ASSET LOCATION

Country of asset allocation	Total in € million	Total in %
Austria	61	4 %
Bulgaria	58	4 %
Brazil	47	3 %
Croatia	43	3 %
Czech Republic	35	2 %
Germany	99	7 %
Hungary	325	23 %
Netherlands	104	7 %
Poland	45	3 %
Portugal	55	4 %
Romania	271	19 %
Serbia	136	10 %
Slovakia	152	11 %
Total	1,431	100 %



THEREOF GREEN BUILDINGS BY CERTIFICATE TYPE (€ 1,066 MILLION)

Green Building Certificate	Total in € million	Total in %
BREEAM Outstanding	93	9 %
BREEAM Excellent	292	27 %
LEED Platinum	139	13 %
LEED Gold	515	48 %
DGNB Gold	27	2 %
Total	1,066	100 %

Green Buildings by property type	Total in € million	Total in %
Commercial*	941	88 %
Hotel	55	5 %
Shopping Mall	70	7 %
Total	1,066	100 %

Clean Transportation	Total in € million	Total in %
Electric vehicles	35	13 %
Components for EV	227	87 %
Total	262	100 %

*) Mainly office buildings as well as energy efficient data center and logistic center



IMPACT REPORT

as of 30.04.2020

In 2021, we contributed to avoiding around 77,100t of CO₂ emissions with our Green Loan portfolio. The number has increased by 28 % year over year mainly due to the financing of energy efficient technologies as well as renewable energy projects.

Asset category		CO ₂ savings per year in metric tons	CO ₂ savings in %	Allocated amount in %
Green Buildings	Green Buildings	24,800	32%	75%
Clean Transportation	Electric Vehicles	2,500	3%	2%
	Components for Electric Vehicles	34,500	45%	16%
Energy Efficiency	Energy Efficiency	2,900	4%	4%
Renewable Energy	Renewable Energy	12,400	16%	3%
Total RBI Green Portfolio		77,100		

CO₂ SAVINGS – RBI GREEN PORTFOLIO

77,100 CO₂ metric tons
 annually saved with the green portfolio of
€ 1,431 million

EQUIVALENT TO ANNUAL GREEN-HOUSE GAS EMISSIONS FROM



16,800
 passenger cars
 average annual
 mileage

or



9,300
 private homes,
 annual energy
 consumption

or



178,600
 barrels of oil
 consumed

Annual CO₂ reduction
 per € 1 million invested

54 metric tons

or

Annual CO₂ reduction
 per € 500 million invested

27,000 tons

Source: <https://www.epa.gov/energy/greenhouse-gas-equivalencies-calculator>



GREEN BUILDINGS

The real estate properties included in the eligible green portfolio have considerably lower energy consumption than the average level for real estate in the respective

country¹. This leads to an annual reduction in greenhouse gas emissions of 24,800 metric tons per year.

Weighted average energy consumption of baseline portfolio	191 kWh/m ² *year
Weighted average energy consumption of RBI green portfolio	102 kWh/m ² *year
Weighted average energy saving per m ² per year	47 %
Total reduction in final energy use	3,381 kWh/m²

CO₂ SAVINGS BASED ON GREEN BUILDINGS

Green buildings	CO ₂ savings per year in metric tons
Commercial ²	21,201
Hotel	424
Shopping Mall	3,216
Total Savings	24,841

CASE STUDY RBRO GREEN BUILDINGS

AFI Brasov, the mixed-use project that brings together a 45,000m² GLA shopping center with a 16,200m² GLA 2 A Class office building, has obtained the LEED Gold Green Certification, as a sustainable project for using technics and technologies for construction, design and execution with minimum impact on the environment.

The Green certificate offers AFI Brasov tenants a series of benefits among which: the efficient use of LED lightning solutions in order to increase energy efficiency and minimize the "heat island" effect, the use of materials with recycled content and low emissions, the re-use of up to 75 % of the construction waste generated on site due to sustainable practices, improved air quality through increased filtering, over 20 % reduction in energy costs over a baseline building or 90 % of regularly occupied area will have access to unrestricted views.



In addition to a modern working environment with natural light and balconies with unique view to the Carpathians Mountains and to the forest, AFI Park Brasov plans to provide preferred parking places for cars having low-emissions and accommodation for electric cars, bicycle racks, showers. All this, together with a the very good access to public transportation will encourage people to leave their

¹) The calculation method can be found on page 12

²) Mainly office buildings as well as energy efficient data center and logistic center



cars at home, thereby reducing pollution.

The project is also adapted for reuse of rainwater for the irrigation of green areas, the use of native and adaptive plants which require no potable water, efficient water fixtures. These measures could lead to at least 40 % of the indoor water as compared to the calculation.

The office building offers the facility to collect and store

materials for recycling, as part of its Green Certification benefits.

The LEED Gold Green Certification obtained by AFI BRASOV follows the quality and green sustainability trends set by all other AFI projects developed with the same recognition.

CARBON IMPACT METHODOLOGY: BUILDINGS

RBI estimates the carbon impact of its Green Loan portfolio on a line by line basis:

$$\text{Carbon Impact (Building b, Country c)} = (\text{Final Energy Demand (b)} - \text{Baseline (c)}) \times \text{Emission Factor (c)}$$

- RBI's business lines collect the real energy consumption data from the tenants when feasible, and otherwise use the Final Energy Demand values documented in the Energy Performance Certificates (or equivalent)

- Green building certifications (including the related energy score), the location and the type of use could be used as a proxy to refine the collected data when necessary
- Energy savings are calculated against baselines of national average energy demand for commercial real estate (source: EU Entranze project, <https://www.entranze.eu/>)
- Energy savings are then converted into carbon savings based on the emission factors from the International Energy Agency (IEA, <https://www.iea.org/>) for gas, oil, coal and biomass, and on the Residual Electricity Mix from the Association of Issuing Bodies (AIB, https://www.aib-et.org/facts/european_residual_mix) for electricity.
- Emission factors for the different energy sources are combined according to the energy mix consumed by buildings locally (source: EU Entranze project, <https://www.entranze.eu/>)

CARBON IMPACT METHODOLOGY: ELECTRIC VEHICLES

RBI estimates the carbon impact of its electric cars on a line by line basis.

The average emission for thermic vehicles and the EU Emission Factor were taken from the EIB Project Carbon Footprint Methodology while the Electricity Consumption

was established for each brand based on the manufacturer's data.

The Annual Distance driven was calculated for each individual vehicle using RBI's internal data.

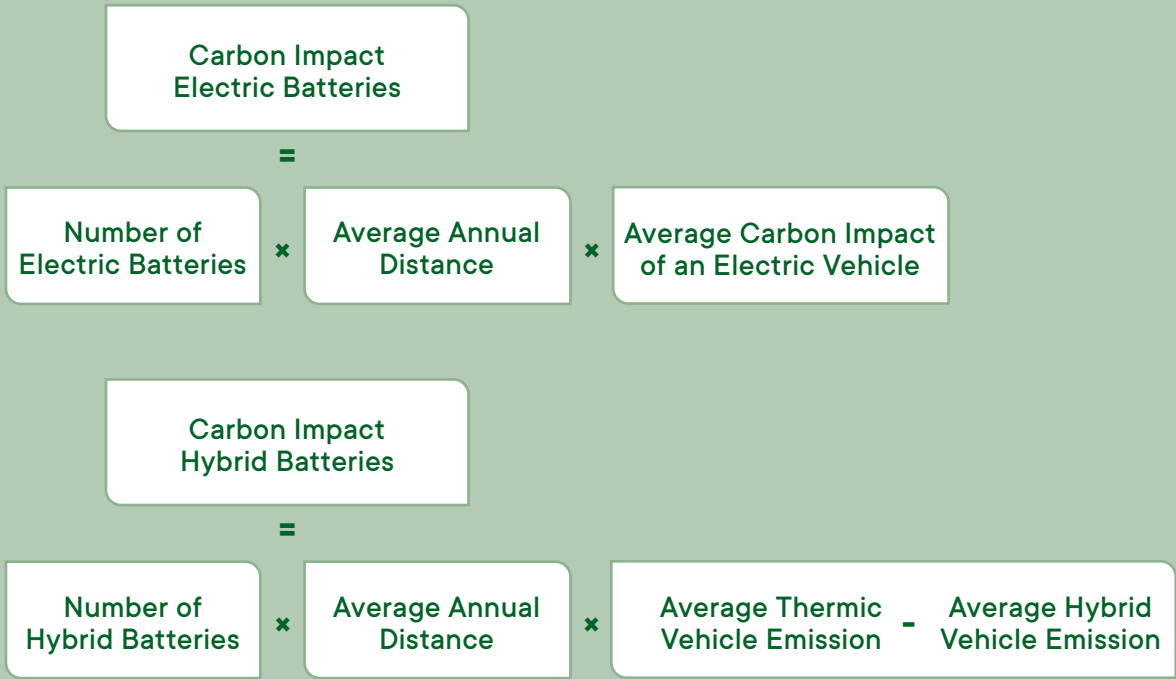
$$\text{Carbon Impact (Vehicle v)} = \text{Annual Distance (v)} \times (\text{Average Thermic Vehicles Emission} - \text{Electricity Consumption (v)} \times \text{EU Emission Factor})$$



CARBON IMPACT METHODOLOGY: BATTERIES FOR ELECTRIC VEHICLES

RBI has developed the following methodology to estimate the total impact of the electric and hybrid batteries factory assuming that each battery is powering a single vehicle. The average emissions factors for thermic vehicles and

hybrid vehicles were taken from the EIB Project Carbon Footprint Methodology while the Annual Distance driven was assumed to be the same as for an average electric car in RBI's portfolio.



CARBON IMPACT METHODOLOGY: ENERGY EFFICIENCY AND RENEWABLE ENERGY

Carbon impact is based solely on the data provided by the customer.



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CONTACT DETAILS

Investor Relations

John Carlson

Co-Head of Investor Relations
Raiffeisen Bank International AG
Am Stadtpark 931030 Vienna
Austria
Tel.: +43 1 71 707 3760
john.carlson@rbinternational.com

Group Sustainability Management

Andrea Sihl-Weber

Head of Group Sustainability Management
Raiffeisen Bank International AG
Am Stadtpark 9, 1030 Vienna
Austria
Tel.: +43 1 71 707 6069
andrea.sihl-weber@rbinternational.com

Green Loan Management and Impact Reporting

Markus Ecker

Head of Sustainable Finance
Raiffeisen Bank International AG
Am Stadtpark 9, 1030 Vienna
Austria
Tel.: 43 1 71 707 2151
markus.ecker@rbinternational.com

Vera Economou

ESG Group Competence Center Lead
Raiffeisen Bank International AG
Am Stadtpark 9, 1030 Vienna
Austria
Tel.: +43 1 71 707 2965
vera.economou@rbinternational.com

PUBLICATION DETAILS

Media owner, publisher

Raiffeisen Bank International AG
Am Stadtpark 9
1030 Vienna
Austria
Phone: +43 1 71 707 0
Fax: +43 1 71 707 1715
www.rbinternational.com

Editorial team/Production

Sustainable Finance:
Markus Ecker, Vera Economou,
Katsiaryna Souvandjiev, Shiwa Zarifi
Content Management:
Martin Schreiber
Head Office Treasury:
Katarzyna Kapeller, Milana Prodanovic
Group Investor Relations:
John Carlson

Editorial deadline

XX/XX/2021

Concept/Design

Gábor Békési
www.bekesi.net

