First Quarter Report 2022

Raiffeisen Bank International
Member of RBI Group

Overview

Raiffeisen Bank International (RBI)

Monetary values in € million	2022	2021	Change
Income statement	**1/1-31/3**	**1/1-31/3**	
Net interest income	986	736	33.9%
Net fee and commission income	683	420	62.8%
General administrative expenses	(792)	(672)	17.9%
Operating result	1,089	543	100.5%
Impairment losses on financial assets	(319)	(76)	319.1%
Profit/loss before tax	508	306	66.2%
Profit/loss after tax	458	243	88.0%
Consolidated profit/loss	442	216	104.6%
Statement of financial position	**31/3**	**31/12**	
Loans to banks	13,314	16,630	(19.9)%
Loans to customers	101,966	100,832	1.1%
Deposits from banks	34,575	34,607	(0.1)%
Deposits from customers	113,652	115,153	(1.3)%
Equity	15,812	15,475	2.2%
Total assets	192,624	192,101	0.3%
Key ratios	**1/1-31/3**	**1/1-31/3**	
Return on equity before tax	13.2%	8.6%	4.7 PP
Return on equity after tax	11.9%	6.8%	5.1 PP
Consolidated return on equity	13.2%	6.5%	6.6 PP
Cost/income ratio	42.1%	55.3%	(13.2) PP
Return on assets before tax	1.04%	0.73%	0.32 PP
Net interest margin (average interest-bearing assets)	2.21%	1.92%	0.29 PP
Provisioning ratio (average loans to customers)	0.97%	0.36%	0.62 PP
Bank-specific information	**31/3**	**31/12**	
NPE ratio	1.6%	1.6%	0.0 PP
NPE coverage ratio	61.8%	62.5%	(0.7) PP
Total risk-weighted assets (RWA)	104,017	89,928	15.7%
Common equity tier 1 ratio[1]	12.3%	13.1%	(0.9) PP
Tier 1 ratio[1]	13.9%	15.0%	(1.1) PP
Total capital ratio[1]	15.9%	17.6%	(1.6) PP
Stock data	**1/1-31/3**	**1/1-31/3**	
Earnings per share in €	1.27	0.59	116.7%
Closing price in € (31/3)	12.95	18.73	(30.9)%
High (closing prices) in €	28.42	18.81	51.1%
Low (closing prices) in €	10.98	16.17	(32.1)%
Number of shares in million (31/3)	328.94	328.94	0.0%
Marktkapitalisierung in € Millionen (31.3.)	4,260	6,161	(30.9)%
Resources	**31/3**	**31/12**	
Employees as at reporting date (full-time equivalents)	46,621	46,185	0.9%
Business outlets	1,775	1,771	0.2%
Customers in million	18.4	19.0	(2.9)%

1 transitional – including profit

Due to the planned sale of the Bulgarian subsidiary bank and its participation there has been a change in the statements according to IFRS 5. This business operation is classified as a disposal group held for sale and reported separately in the statement of financial position. The income statement of the Bulgarian subsidiary bank and its participation is reported under gains/losses from discontinued operations. The prior year 2021 figures have been adapted accordingly in the income statement, as were the key ratios.

In this report RBI denotes the RBI Group. If RBI AG is used it denotes Raiffeisen Bank International AG. Head office refers to Raiffeisen Bank International AG excluding branches.

Adding and subtracting rounded amounts in tables and charts may lead to minor discrepancies. Changes in tables are not based on rounded amounts. The ratios referenced in this report are defined in the consolidated financial statements under key figures.

Content

Foreword by the CEO

Dear Ladies and Gentlemen,

Even before the fall of the Iron Curtain, Raiffeisen decided to take the first step towards entering CEE by establishing its subsidiary in Hungary in 1986. For over 30 years, with a presence in 13 Central and Eastern European markets, around 47,000 employees and 18.4 million customers, RBI has stood for building bridges, creating prosperity, and further advancing European integration. With the Russian invasion of Ukraine on 24 February of this year, the lives of countless people have changed forever in unimaginable and drastic ways. This senseless war, which is in violation of international law, cannot be justified by any means. It represents a turning point in our lives in the whole of Europe and has already brought immeasurable human suffering and destruction to Ukraine and beyond.

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RBI has long been present with subsidiary banks in Eastern Europe, in Ukraine, Russia and in Belarus and is therefore affected in many respects by the recent events. It is therefore natural for Raiffeisen to support people in Ukraine and those who have fled and are in need, by providing humanitarian aid for refugees, with RBI having already provided more than € 10 million for this purpose. Hundreds of employees of RBI volunteer to help the people affected by the war directly. We already support more than 1.000 families in their relocation to countries where we are active as a bank. We help with transport, emergency aid, food, finding accommodation, medical care and where possible with cash and vouchers. The Stepic CEE Charity, which has been active in Ukraine for a long time, has also been in constant contact with local and international partner organizations since the beginning of the war in order to especially provide children, young people and women in Ukraine with the bare necessities.

Our employees in Ukraine are directly or indirectly affected by the war. Despite these difficulties, they manage to offer basic banking services on a daily basis. This involves the availability of bank accounts, access to cash and contact persons. This can only be achieved under extremely difficult, sometimes unimaginable conditions. Depending on the combat situation, employees work from cellars, subway stations, under-ground car parks. But it goes without saying that the safety of customers and employees has absolute priority. Having said this, I would also like to thank the colleagues of our subsidiary bank in Ukraine on behalf of all Raiffeisen colleagues, the entire Management, and the Supervisory Board for their relentless dedication.

On 17 March, we announced the review of all strategic options for the future of Raiffeisenbank in Russia, including a carefully managed exit from Russia. It is no secret that this process is not easy and depends not only on further political framework conditions in Russia, strict regulatory requirements, but also the obligations towards our customers and employees. Furthermore, be rest assured that the interests of our shareholders also play a central role in this process. All of these factors must be taken into account and carefully weighed, and we therefore ask for understanding that this process may take some time.

Naturally, we did not foresee a military conflict such as the one we are currently witnessing. We have however used the positive results of recent years to strongly capitalize RBI's subsidiaries and have ensured that they are self-financing, allowing only a restricted amount of cross-border financing. In addition, comprehensive risk-strategic measures, such as provisions amounting to € 115 million for sanctions and geopolitical risks in the region had been undertaken as a precautionary measure months before the outbreak of the war. Furthermore, with the outbreak of the war, new business in Russia has largely been stopped. In Ukraine, we try to maintain essential banking services as much as this is possible. This includes, for example, selective lending, especially in the agricultural sector, which plays a significant role not only in feeding the population in Ukraine, but worldwide.

Although the first weeks of the new financial year were still normal, the current developments are already being reflected in the first quarter results. In addition to the volume-related growth in the previous year, net interest income increased significantly due to the rise in interest rates in Russia and Ukraine. Net fee and commission income has also increased considerably due to the forced conversion of foreign currency into Russian ruble stipulated by the Russian state. The temporarily extreme fluctuations of the Russian ruble and the Ukrainian Hryvnia had only a relatively small impact on the results. On the contrary, loan loss provisions increased strongly compared to the previous year. Other factors, such as the slump in economic growth combined with a significant increase in inflation in Eastern Europe, are not expected to be reflected in the results until the coming months. From today's point of view, many developments cannot yet be reliably estimated. We have therefore decided to adjust the outlook for the current financial year accordingly.

Even if 2022 will likely be the year with the greatest challenges for RBI in its history, we are confident that we will overcome them. This assessment is also shared by the two major rating agencies Standard & Poor's and Moody's, which have recently confirmed the stability of our bank with an unchanged rating. Contributing to this is the fact that RBI is part of the Raiffeisen Banking Group Austria with its multi-level safety net which ensures the greatest possible protection of customer deposits. Our confidence is based not least on our stable and reliable shareholder structure as well as the commitment and know-how of our employees, who have already successfully mastered some major challenges in recent years.

Yours,

Johann Strobl

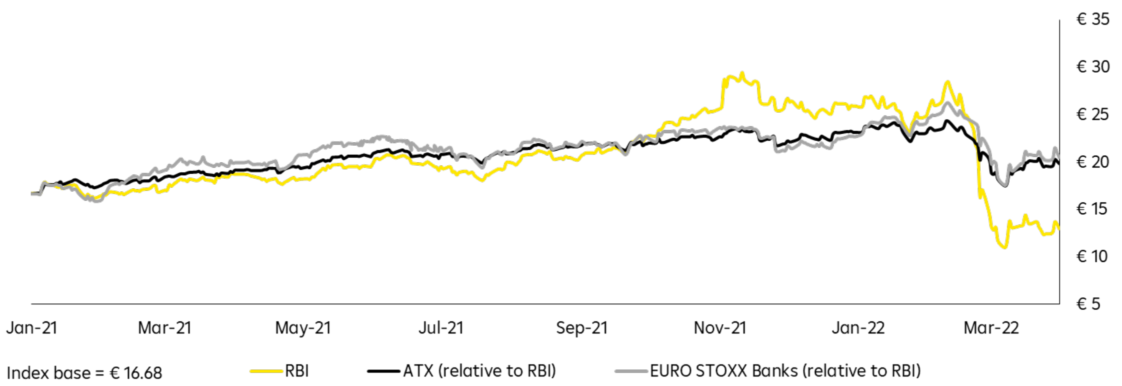
RBI in the capital markets

Performance of RBI stock

The stock markets continued the upward trend from the previous year until the end of February. Once the war in Ukraine began with the Russian invasion, equity prices fell precipitously, particularly in European stock markets. In contrast, investment-grade sovereign bonds, which had previously come under pressure due to expected rate hikes and climbing inflation rates, temporarily experienced high investor demand as safe haven investments. Europe, the US and many other countries responded to the invasion by imposing economic sanctions of unprecedented severity on Russia. Even though it is not currently possible to reliably estimate further developments in Ukraine or the medium- to long-term impact on real economies, the stock markets stabilized and recovered from their interim lows by the end of the first quarter. The war also heavily affected commodity and grain markets, giving a further boost to inflation, which the pandemic had already driven up. This dramatically increased pressure on central banks to respond by raising key interest rates. Bond prices thus fell again after peaking. However, central banks are still shying away from large interest rate hikes since rate increases would jeopardize the economic recovery that has only just begun following the pandemic. Currencies experienced wide fluctuations as well. While the U.S. dollar appreciated against the euro, the Russian ruble shed half its value at the beginning of the war only to bounce back to close to its pre-war level by the end of the quarter.

RBI's share price started 2022 at € 25.80 and marked its year-to-date peak of € 28.42 at the beginning of February. At the end of the quarter, it was trading at € 12.95, having lost 50 per cent in the first quarter. The steep decline is attributable to the aforementioned situation in Ukraine and the currently hard-to-predict trajectory of developments in Russia. RBI has network banks in both countries. All strategic options regarding the future of Raiffeisenbank Russia are currently being assessed, including a carefully managed exit from Raiffeisenbank Russia. The Austrian stock index (ATX) lost 14 per cent year-to-date, while the European bank index (Euro Stoxx Banks) fell 11 per cent.

Price performance since 1 January 2021 compared to ATX and Euro Stoxx Banks



Capital market communication

Preliminary figures were published on 2 February 2022. The RBI Management Board took this opportunity to hold a conference call with around 370 participants. The social distancing rules still in force in Austria at that time made it necessary to replace the otherwise customary personal meetings with members of the press, investors and analysts in Vienna on the financials with conference calls or video conferences. Thanks to the implementation of the fast close project, the 2021 annual report was published on 15 February 2022 and thus much earlier than in previous years.

On 1 March 2022, the RBI Management Board held an unscheduled web conference in which it briefly summarized the current situation, previous developments and sanctions in Ukraine and Russia. CEO Johann Strobl and CRO Hannes Mösenbacher provided detailed answers to additional questions raised by the 1,800-plus participants in the subsequent Q&A session.

RBI's investor relations activities aim to provide maximum transparency for capital market players, even in current times, through flexible and innovative information sessions. Roadshows and conferences remained mainly virtual and consisted of web conferences; however, face-to-face meetings started back up again in venues such as London, Budapest and Prague in mid-March. IR managers and members of the Management Board of RBI attended 20 of these events in the first quarter. In addition, Investor Relations gave analysts and equity and debt investors the opportunity to individually talk to the CEO, CRO and Investor Relations by telephone or video conference.

In addition to the 2021 financials, the main topics that investors and analysts discussed in the first quarter after the end of February were the situation in Ukraine and developments in Russia as well as their potential impact on RBI.

A total of 21 equity analysts and 22 debt analysts (as at 31 March 2022) regularly provide investment recommendations on RBI.

RBI continuously strives to keep market participants fully informed. In the interest of making its communications as easily accessible and widespread as possible, RBI makes conference call presentations and other important events available as online webcasts. These can be viewed online at www.rbinternational.com → Investors → Presentations & Webcasts.

Annual General Meeting

The RBI Annual General Meeting for the 2021 financial year took place on 31 March 2022. After two years of purely virtual events, this year's Annual General Meeting was held in a hybrid format that allowed shareholders to attend physically as well as virtually. Around 61 per cent of the attending shareholders were physically present. The Supervisory Board and Management Board addressed the war and the situation in Ukraine in detail. In response to this situation and the need to exercise prudence, the originally proposed dividend of € 1.15 per share was revised in advance and replaced with a proposal to carry forward the net profit for the year to new account. All proposed resolutions on the agenda were adopted by a large majority.

New issues

RBI successfully launched its first benchmark issue of the year for € 500 million on 19 January 2022. The secured bond has a maturity of 6 years and was issued at a premium of 2 basis points over the mid-swap rate. It carries a 0.125 per cent coupon. The issue was significantly oversubscribed.

RBI rating

In order to ensure an accurate assessment, RBI maintains regular contact with rating agency analysts and informs them about current developments in its business.

RBI is still rated by Moody's Investors Service and Standard & Poor's. At the beginning of March, Standard & Poor's reaffirmed its A- long-term rating and RBI's other ratings despite the war in Ukraine. The rationale for maintaining the rating was that the Raiffeisen Banking Group Austria (RBG), of which RBI is the largest subsidiary, should be able to absorb the financial and economic effects of the conflict and related political interventions. The risks to the network banks in Russia and Ukraine are accounted for by maintaining the negative outlook. Moody's Investors Service also kept the ratings for RBI in its report from the beginning of March. Risks for creditors should stay within narrow limits because RBI is part of RBG with its protection mechanisms.

Rating	Moody's Investors Service	Standard & Poor's
Long-term rating	A2	A-
Outlook	stable	negative
Short-term rating	P-1	A-2
Subordinated (Tier 2)	Baa2	BBB
Additional Tier 1	Ba2(hyb)	BB+

Shareholder structure

The regional Raiffeisen banks' holding was unchanged at approximately 58.8 per cent of RBI's shares, with the remaining 41.2 per cent in free float. The shareholder base is well diversified due to the broad geographic spread and various investment objectives.

Stock data and details

Share price (closing) on 31 March 2022	€ 12.95
Share price high/low (closing) in the first quarter 2022	€ 28.42/€ 10.98
Earnings per share from 1 January to 31 March 2022	€ 1.27
Book value per share as at 31 March 2022	€ 40.09
Market capitalization as at 31 March 2022	€ 4.3 billion
Average daily trading volume (singe count) in the first quarter 2022	1,198,524 shares
Free float as at 31 March 2022	approximately 41.2%
ISIN	AT0000606306
Ticker symbols	RBI (Vienna Stock Exchange)
	RBI AV (Bloomberg)
	RBIV.VI (Reuters)
Market segment	Prime Market
Number of shares issued as at 31 March 2022	328,939,621

Financial calendar 2022

25 July 2022	Start of Quiet Period
2 August 2022	Semi-Annual Report, Conference Call
25 October 2022	Start of Quiet Period
3 November 2022	Third Quarter Report, Conference Call

Interim group management report

Market development

Due to its ties with Russia, Europe is particulary feeling the effects of the sanctions imposed on Russia in response to the war in Ukraine. The USA and China, on the other hand, are less affected due to their relatively lower economic ties with Russia. A global economic crisis (deep recession) is therefore not expected. Larger cyclical effects are therefore assumed for the European countries due to their energy dependency. It is assumed that in addition to steep increases in raw material prices, there will be some volume restrictions on fuels available from Russia, which should have a particularly adverse effect on the industrial sector. This will be exacerbated by renewed friction in supply chains. Industrial value chains were expected to normalize when the pandemic subsided, but this will likely happen later than previously anticipated. The war in Ukraine and the sanctions prompted another wave of price increases for energy, other raw materials and agricultural products. It is safe to assume that the economy will not return to the inflation rates seen in previous years over the short to medium term even after movements in raw material prices have normalized somewhat.

Following large increases in GDP in the summer months as the lockdowns eased, economic growth slowed in the euro area in the final quarter of 2021. However, the trend still remained positive in the fourth quarter. GDP in the monetary union increased 5.3 per cent over the entirety of 2021. Economic growth is expected to slow to 3 per cent in 2022. Higher fuel prices and projected fuel scarcity should weigh on the European economy, especially in the upcoming winter half of the year, and thus affect next year's overall annual growth rate more than the current year's (2023 GDP forecast: 1 per cent). In 2022, the euro area inflation is largely determined by the war in Ukraine and its impact on energy prices. The increase in food prices also contributed to the large surge in inflation at the start of 2022. Even though much of the steep rise in energy prices was already reflected in consumer inflation, energy and food price increases will probably significantly influence overall inflation for some time to come. It is also likely that the elevated energy prices will be increasingly reflected in the prices of other consumer goods and services and thus keep core inflation elevated throughout 2023. The average annual inflation rate will thus probably exceed 6 per cent in 2022 and surpass 3 per cent in 2023.

For the European Central Bank (ECB), 2022 will be the year in which monetary policy begins to normalize. After ending net asset purchases under the pandemic emergency program in March, the central bank has pledged to reduce net asset purchases further. However, net asset purchases will most likely cease entirely in the third quarter and key interest rates are expected to increase later in the year. Nevertheless, the ECB still intends to reinvest the redemption payments that it receives for securities purchased under the asset purchase program for some time to come.

The Austrian economy was dominated by the back-and-forth between lockdowns and easing in 2021. The cyclical swings in the individual quarters were more pronounced in Austria than in the euro area as a whole, largely due to the above-average importance of the tourism sector in Austria. GDP rose 4.5 per cent throughout 2021. Negative growth contributions from the tourism sector were offset by clear positive contributions from industrial production. However, the industrial sector has been hit particularly hard by the actual (energy price increases, friction in supply chains) and expected effects (raw material scarcity) of the war in Ukraine and will likely follow a recessionary trajectory. While this was still masked at the start of the year by the rebound in the tourism sector following the easing of pandemic restrictions, the overall economy should be heavily affected by the expected industrial recession later in 2022, particularly during the 2022/2023 winter half-year. The forecast 2022 GDP growth rate of 2.7 per cent is thus much lower than projected at the start of the year.

The economies in Central Europe (CE) staged a visible recovery in 2021 (GDP increase: 5.3 per cent). As a result, many countries returned to pre-pandemic GDP levels as early as the second half of 2021. The main factors contributing to this recovery were foreign demand, private consumption and fiscal policy. The economy should be characterized by weaker domestic demand in 2022 due to relatively high inflation and tight monetary policy (GDP forecast: 3.2 per cent). Industrial production will probably suffer under higher input costs and potential volume restrictions on raw materials as well as supply chain problems. There are differences between countries in the region since some are more dependent on Russian (energy) imports than others and will thus probably grow more slowly in 2022 (e.g. Slovakia). The positive economic effects of the NGEU funds should vary from country to country as well.

The economy in Southeastern Europe (SEE) rebounded rapidly from the pandemic-induced slump of the previous year, expanding 6.6 per cent in 2021. Private consumption fueled much of the rebound as foreign remittances picked up again and the tourism sector recovered. Since most countries in SEE (except Bulgaria) have limited economic ties to Russia and also very little dependence on Russian energy imports, the negative impact of the war on growth will remain relatively small in 2022 (GDP forecast: 2.6 per cent). The recent disruption of Russian gas supplies will severely affect the Bulgarian economy, reducing growth to around 2 per cent year-on-year, as sourcing gas from other countries is associated with rising prices and short-term disruptions in the industry cannot be completely ruled out. For the rest of the region, however, private consumption is likely to pose the biggest drag on the economy. This is due to high inflation, but also to lower growth in the euro area and the associated decrease in foreign remittances.

Compared to CE and SEE, Eastern Europe (EE) reported a moderate GDP increase of 4.4 per cent in 2021. However, this should also be seen in the context of the less drastic economic slump in 2020. Still, there is no question that the war and its consequences will hit Eastern Europe the hardest. In addition to the devastating consequences for Ukraine, the sanctions (including voluntary embargoes by Western companies) imposed on Russia and Belarus will plunge the entire region into an economic crisis. The expected impact of the (sanction) shock on the Russian economy (GDP to shrink at least 8 per cent in 2022) will surpass that seen in previous crisis-ridden years (e.g. 1998: down 5.3 per cent, 2009: down 7.8 per cent), especially since the recession will probably continue with another decline in GDP in 2023 if the sanctions remain in place for an extended period of time, as is currently expected in the base scenario. At the same time, large-scale government assistance is anticipated to soften the drop in GDP. However, a possible further tightening of the sanctions could – in addition to the damage this would inflict on its own – produce an even more unfavorable scenario in which GDP would decline more than 10 per cent in 2022. In addition, an inflation rate in excess of 20 per cent in 2022 would result in substantial losses of economic prosperity. Much remains unclear about the depth of the economic crisis in Ukraine since it depends quite heavily on how long the war lasts and how damaging it is. External economic aid (from the IMF, World Bank, EU, etc.) will play a critical role in this regard and in the post-war recovery.

Annual real GDP growth in per cent compared to the previous year

Region/country	2020	2021	2022e	2023f
Czech Republic	(5.8)	3.3	2.8	0.9
Hungary	(5.2)	7.1	2.5	2.0
Poland	(2.2)	5.9	3.7	1.8
Slovakia	(4.4)	3.0	2.0	2.0
Central Europe	**(3.7)**	**5.3**	**3.2**	**1.7**
Albania	(3.5)	8.5	3.4	3.6
Bosnia and Herzegovina	(3.1)	7.1	3.2	3.0
Bulgaria	(4.4)	4.2	2.0	3.7
Croatia	(8.1)	10.2	3.5	3.7
Kosovo	(5.3)	10.5	3.7	3.9
Romania	(3.7)	5.9	2.2	3.0
Serbia	(0.9)	7.5	3.3	3.0
Southeastern Europe	**(4.0)**	**6.6**	**2.6**	**3.2**
Belarus	(0.9)	2.3	(4.0)	0.0
Russia	(3.0)	4.6	(8.0)	(2.3)
Ukraine	(3.8)	3.4	(33.0)	9.0
Eastern Europe	**(3.0)**	**4.4**	**(9.6)**	**(1.5)**
Austria	**(6.7)**	**4.5**	**2.7**	**1.5**
Euro area	**(6.5)**	**5.3**	**3.0**	**1.0**

Source: Raiffeisen Research, as of end of April 2022, (e: estimate, f: forecast); subsequent revisions are possible for years already completed

Significant events in the reporting period

RBI assesses strategic options for the future of Raiffeisenbank Russia

The outbreak of war in Ukraine due to Russia's invasion, together with the devastating human consequences, sanctions and uncertain prospects this entails, also has far-reaching implications for RBI due to its presence in Eastern Europe via the subsidiary banks it owns in Russia, Ukraine and Belarus. RBI's subsidiary banks are self-funded, well-capitalized and have insignificant cross-border exposure to Russia. However, given the current situation and foreseeable changes, RBI feels compelled to review its position in Russia. All strategic options regarding the future of Raiffeisenbank Russia are therefore being assessed, including a carefully managed exit from Raiffeisenbank in Russia. New business in Russia has been largely suspended.

Meanwhile, it goes without saying that RBI and its subsidiaries are continuing to operate in compliance with the local and international sanction laws, changing financial market requirements, and in line with its Code of Conduct.

Amendment to the proposal for the utilization of net profit for the 2021 financial year

The uncertainties relating to the war in Ukraine call for a particularly prudent and responsible corporate approach. At the beginning of March, the RBI Management Board therefore decided to amend the proposal for the utilization of net profit and propose to the General Meeting that the net profit for the 2021 financial year (€ 379,999,596.87) is carried forward in full. The Annual General Meeting approved this proposed resolution on 31 March. The originally proposed dividend was € 1.15 per share.

RBI's ratings confirmed by S&P and Moody's

At the beginning of March, Standard & Poor's Financial Services announced that it had confirmed its ratings of A-/negative/A-2 for RBI, while Moody's Investors Service confirmed its ratings of A2/stable/A-2 for RBI. The rating agencies underlined the solid position of RBI and the Raiffeisen Banking Group, while highlighting the robust measures in place for mitigating risk.

Earnings and financial performance

In addition to massive destruction, the war brought disruptions across all areas of life and the economy, and led to significant upheaval in the markets. The markets most severely affected were currencies – the Russian ruble at one point lost around half of its value but then almost regained its pre-war level – and the commodities and grain markets. On top of this came the most comprehensive economic sanctions package against Russia to date, which in turn impacted and will continue to impact financial markets together with procurement markets and supply chains. Russia took various measures in return, relating among other things to the capital market, export bans and foreign exchange controls. All of this has already had an impact on various items of the RBI income statement.

Consolidated profit increased a substantial 105 per cent to € 442 million year-on-year. Net interest income, with an increase of 34 per cent, benefited from the high level of customer loan growth in the second half of the previous year, as well as from rising interest rates, primarily in the Czech Republic, Hungary and Eastern Europe. In Eastern Europe, this was partly due to interest rate rises as a result of the war and sanctions. Net fee and commission income (up 63 per cent) showed a continuous volume-related upward trend over the quarters of the previous year, which was reinforced in the first quarter of this year. Also an important role was played by the geopolitical situation and measures taken by the Russian central bank, with foreign exchange controls and associated mandatory currency conversion leading to increased customer activity in spot foreign exchange business in Russia. The net trading income of € 184 million resulted from foreign currency positions against the Russian ruble and from changes in the Group's own credit spread in the certificates business. This contrasts with significantly higher loan loss provisions of € 319 million (up 319 per cent), including € 316 million in Eastern Europe. The increase in general administrative expenses (up 18 per cent) related to salary rises, higher IT expenses and legal, advisory and consulting expenses, and also to the integration of Equa bank in the third quarter of last year. The other result was affected by the allocation of credit-linked and portfolio-based provisions for litigation in Poland and by impairments on investments in associates valued at equity due to the negative impacts of the war in Ukraine on business in local markets.

Total assets, at € 192,624 million, were up slightly on the end of the year. Customer loans increased by a slight 1 per cent. The largest increases were recorded in the Czech Republic with a loan growth of 7 per cent, Romania with 5 per cent and Slovakia with 3 per cent. This contrasted with a currency-related decline of € 1,014 million in Russia.

Comparison of results with the previous year

in € million	1/1-31/3/2022	1/1-31/3/2021[1]	Change	
Net interest income	986	736	250	33.9%
Dividend income	5	5	0	(3.8)%
Current income from investments in associates	18	16	2	10.3%
Net fee and commission income	683	420	264	62.8%
Net trading income and fair value result	184	4	180	>500.0%
Net gains/losses from hedge accounting	(20)	6	(27)	–
Other net operating income	27	28	(1)	(5.1)%
Operating income	**1,881**	**1,215**	**666**	**54.8%**
Staff expenses	(430)	(370)	(59)	16.1%
Other administrative expenses	(254)	(208)	(46)	22.2%
Depreciation	(109)	(94)	(15)	15.9%
General administrative expenses	**(792)**	**(672)**	**(120)**	**17.9%**
Operating result	**1,089**	**543**	**546**	**100.5%**
Other result	(102)	(38)	(65)	171.5%
Governmental measures and compulsory contributions	(159)	(123)	(36)	29.0%
Impairment losses on financial assets	(319)	(76)	(243)	319.1%
Profit/loss before tax	**508**	**306**	**203**	**66.2%**
Income taxes	(69)	(77)	8	(10.4)%
Profit/loss after tax from continuing operations	**440**	**229**	**211**	**91.9%**
Gains/losses from discontinued operations	18	14	4	25.1%
Profit/loss after tax	**458**	**243**	**214**	**88.0%**
Profit attributable to non-controlling interests	(16)	(28)	12	(42.5)%
Consolidated profit/loss	**442**	**216**	**226**	**104.6%**

1 Previous-year figures adapted due to changed allocation (IFRS 5 discontinued operations). Further information can be found in the notes, chapter principles underlying the consolidated statements under changes to the income statement.

Operating income

Net interest income was up € 250 million to € 986 million. This was mainly due to rising interest rates in numerous Group countries and strong loan growth. The largest increase, of € 92 million, was recorded in the Czech Republic due to higher interest rates, to higher interest income from repo, corporate customer and retail customer business and to the integration of Equa bank. In Russia, higher interest rates and also increased lending volumes with corporate customers led to a € 59 million increase in net interest income. Net interest income in Hungary went up € 29 million, likewise supported by higher market interest rates and positive development of the retail customer business in particular. The increase of € 24 million at head office and of € 14 million in Romania are likewise both interest rate and volume related. In Ukraine, higher lending volumes with corporate customers led to a € 22 million increase in net interest income. The € 11 million increase in Belarus is due to more favorable refinancing in an easing liquidity environment.

Group average interest-bearing assets rose 16 per cent year-on-year, mainly as a result of the high lending growth. The net interest margin widened 29 basis points to 2.21 per cent due to the healthy development of net interest income in numerous Group countries.

The strong rise in net fee and commission income is due to increased activity from both corporate and retail customers in the foreign currency business, primarily in the spot foreign exchange business in Russia. This is due to both the geopolitical situation and the foreign exchange controls imposed by the Russian central bank. There was also growth in clearing, settlement and payment services due to an increase in transactions with corporate customers. Net income from the loan and guarantee business also increased, with the strongest growth at head office. Despite currency fluctuations in Eastern Europe, net fee and commission income consequently increased € 264 million to € 683 million. Russia and head office reported the largest growth here. There were likewise increases on a currency-adjusted basis in the Czech Republic, Hungary and Belarus.

Net trading income and the fair value result increased € 180 million year-on-year to € 184 million. The increase resulted partly from positive valuation effects on foreign currency positions hedged with foreign exchange derivatives, primarily against the Russian ruble at head office, in the amount of € 86 million, and partly, due to an increase in the Group's own credit spread in the certificates business, from valuation gains in the amount of € 87 million on certificate issues measured at fair value.

General administrative expenses

General administrative expenses increased 18 per cent year-on-year, or € 120 million, to € 792 million. Significantly higher core revenues (up 44 per cent) made for a significant year-on-year improvement in the cost/income ratio, from 55.3 per cent to 42.1 per cent. Staff expenses rose € 59 million to € 430 million, mainly due to increases in Russia, in the Czech Republic, in Ukraine and at head office. In addition to the increase in the average headcount, these increases mainly resulted from higher salaries and social security costs in Russia, from the integration of the Equa bank in the Czech Republic and from higher current salary payments in Ukraine and at head office. In addition to higher IT expenses (up € 17 million) – primarily at head office, in the Czech Republic and in Russia – the main drivers of the € 46 million increase in other administrative expenses were higher legal, advisory and consulting expenses (up € 9 million) in the Czech Republic, Romania and Poland and higher advertising expenses (up € 6 million) mainly relating to charitable expenditures in Ukraine. Depreciation and amortization of tangible and intangible fixed assets increased 16 per cent, or € 15 million, to € 109 million, mainly due to the integration of Equa bank in the Czech Republic and the recognition of additional software assets at head office.

The number of business outlets fell 54 year-on-year to 1,775. The largest declines were in Romania (down 29), Belarus (down 12) and Slovakia (down 8), while the Czech Republic recorded an acquisition-driven increase of 29 business outlets. The average headcount increased 874 full-time equivalents year-on-year to 46,101, primarily due to growth in Russia (up 786), the Czech Republic (up 227) and at head office (up 189). The main decreases in the average headcount were in Romania (down 203) and Bulgaria (down 200).

Other result

The other result came to minus € 102 million in the reporting period, compared to minus € 38 million in the comparable period. On the expense side, credit-linked and portfolio-based provisions for litigation were allocated in the amount of € 56 million (previous year's period: € 33 million). This mainly related to mortgage loans in Poland denominated in foreign currencies or indexed to a foreign currency. The € 25 million increase in the credit-linked provisions in Poland to € 54 million was the result of adjustments to modeling parameters. Furthermore, in the reporting period, impairments on shares in investments amounting to € 44 million, primarily, on investments in associates valued at equity (LEIPNIK-LUNDENBURGER INVEST Beteiligungs AG and UNIQA Insurance Group AG) amounting to € 33 million, were recognized due to the deteriorating economic environment, the trend in the prices of commodities and the negative impacts of the war in Ukraine on business in local markets.

Governmental measures and compulsory contributions

Governmental measures and compulsory contributions increased € 36 million to € 159 million. Within this, contributions to the resolution fund increased € 21 million, mostly at head office and in the Czech Republic. The € 11 million increase in deposit insurance fees mainly related to Romania and the Czech Republic. The increases in the Czech Republic resulted from the integration of Equa bank.

Impairment losses on financial assets

The impacts of the dispute between Russia and Ukraine, and in particular the outbreak of war this February, were reflected in significantly higher risk costs in Eastern Europe. Impairment losses in Eastern Europe amounted to € 316 million in the reporting period, an increase of € 306 million due to the deteriorating economic environment, rating downgrades of customers, countries and governments, and in Russia additionally due the consequences of several EU and US sanctions packages. In the first quarter of 2022, impairment losses of € 209 million were recognized in Russia and € 92 million in Ukraine. Group-wide, impairment losses on financial assets amounted to € 319 million, compared to a very moderate € 76 million due to improved conditions in the previous year's period.

In Stage 1 and Stage 2, net impairments of € 284 million were recognized in the reporting period (previous year's period: € 34 million). Within this, a net amount of € 112 million related to loans to non-financial corporations, a net € 52 million to loans to households, a net € 44 million to loans to governments and a net € 25 million to loans to other financial corporations; the remainder related to off-balance-sheet risks. The amount recognized in Stage 1 and Stage 2 was € 195 million in Russia and € 80 million in Ukraine. For defaulted loans (Stage 3), impairments were recognized in a net amount of € 35 million in the reporting period (previous year's period: net € 44 million), of which € 29 million related to loans to households, half of which was in Russia.

At 1.6 per cent, the NPE ratio was unchanged from the year-end and 0.2 percentage points down year-on-year. The NPE coverage ratio was 61.8 per cent at the reporting date, compared to 62.5 per cent at the end of the year.

Income taxes

Income taxes, at € 69 million, were slightly down on the previous year's level despite the higher earnings. The tax rate consequently fell from 25 per cent in the previous year's period – corresponding to the current Austrian corporate income tax rate – to 14 per cent in the reporting period. This was due to the utilization of loss carryforwards as a result of an improved earnings contribution from head office and because low-tax countries accounted for a larger share of profit before tax.

Comparison of results with the previous quarter

Quarterly results

in € million	Q1/2021[1]	Q2/2021[1]	Q3/2021[1]	Q4/2021	Q1/2022
Net interest income	736	773	843	976	986
Dividend income	5	25	4	7	5
Current income from investments in associates	16	6	12	12	18
Net fee and commission income	420	483	521	561	683
Net trading income and fair value result	4	28	(4)	24	184
Net gains/losses from hedge accounting	6	(7)	(3)	1	(20)
Other net operating income	28	26	29	36	27
Operating income	**1,215**	**1,335**	**1,402**	**1,618**	**1,881**
Staff expenses	(370)	(383)	(401)	(425)	(430)
Other administrative expenses	(208)	(237)	(234)	(313)	(254)
Depreciation	(94)	(95)	(101)	(118)	(109)
General administrative expenses	**(672)**	**(714)**	**(736)**	**(856)**	**(792)**
Operating result	**543**	**620**	**666**	**763**	**1,089**
Other result	(38)	(37)	(46)	(175)	(102)
Governmental measures and compulsory contributions	(123)	(31)	(26)	(32)	(159)
Impairment losses on financial assets	(76)	(24)	(44)	(150)	(319)
Profit/loss before tax	**306**	**528**	**550**	**406**	**508**
Income taxes	(77)	(116)	(98)	(77)	(69)
Profit/loss after tax from continuing operations	**229**	**412**	**452**	**329**	**440**
Gains/losses from discontinued operations	14	19	29	24	18
Profit/loss after tax	**243**	**430**	**481**	**353**	**458**
Profit attributable to non-controlling interests	(28)	(34)	(38)	(36)	(16)
Consolidated profit/loss	**216**	**396**	**443**	**317**	**442**

1 Adaption of prior quarters' figures due to changed allocation (IFRS 5 discontinued operation). Further information can be found in the notes, chapter principles underlying the consolidated statements under changes to the income statement.

Development of the first quarter of 2022 compared to the fourth quarter of 2021

Net interest income increased € 10 million to € 986 million. The largest increase of € 38 million was recorded in the Czech Republic due to rising interest rates and higher interest income from the repo, corporate customer and retail customer business. In Russia, higher interest income of banks from repo transactions and futures increased net interest income € 10 million. The increases in net interest income in Hungary (up € 8 million) and Romania (up € 7 million) were driven by higher interest rates and volumes, especially from corporate customers. The increase of € 4 million in Belarus was attributable to more favorable funding in an improving liquidity environment, while the increase of € 3 million in Ukraine was mainly volume related. In contrast, there was a decrease of € 42 million in net interest income at head office and a decrease of € 21 million in Slovakia, primarily due to COVID-19 bonus claims from the TLTRO III program in the fourth quarter.

The net interest margin narrowed marginally by 1 basis point to 2.21 per cent.

Net fee and commission income increased 22 per cent, or € 122 million, to € 683 million. This was mainly driven by extraordinarily high income from the foreign exchange business, particularly from the spot foreign exchange business in Russia. The increase was due to both the geopolitical situation and the foreign exchange controls imposed by the Russian central bank. On the other hand, payment transactions recorded a margin- and volume-related decline, particularly in Ukraine as well as in Russia. Income from customer resources distributed but not managed also decreased following early repayments in the lending business in Russia in the previous quarter.

Net trading income and the fair value result increased € 160 million. The increase resulted from positive valuation effects of € 86 million from hedged foreign exchange positions, mainly against the Russian ruble, as well as valuation gains of € 64 million due to the increase in own credit spreads in the certificate business.

General administrative expenses decreased € 63 million quarter-on-quarter to € 792 million, mainly as a result of seasonal factors. Staff expenses rose a marginal € 5 million to € 430 million, while other administrative expenses fell € 59 million to € 254 million and depreciation decreased € 9 million to € 109 million. The main drivers of the decrease in other administrative expenses were lower advertising expenses, IT expenses and legal, advisory and consulting expenses mainly in Russia (down € 45 million) – they were higher in the fourth quarter due to seasonal factors – and at head office (down € 25 million) due to lower external consulting services. This was offset by higher other administrative expenses in the Czech Republic (up € 8 million) due to higher IT expenses related to the IT integration of Equa bank (up € 6 million).

The decline in the other result was mainly attributable to lower allocations to credit-linked and portfolio-based provisions for litigation (down € 98 million), predominantly in Poland (down € 79 million) and Romania (down € 18 million). In contrast, the valuation of shares in associates valued at equity resulted in an impairment loss of € 33 million in the first quarter following € 8 million in the previous quarter.

Governmental measures and compulsory contributions were € 159 million in the first quarter, compared to € 32 million in the fourth quarter, because they each have to be posted in their entirety in the first quarter in accordance with the underlying provisions (IFRIC 21).

Impairment losses on financial assets increased € 169 million quarter-on-quarter to € 319 million, mainly due to the consequences of the geopolitical dispute between Russia and Ukraine and in particular the war that began in February of the current financial year. In the Eastern Europe region, risk costs rose € 261 million quarter-on-quarter to € 316 million due to rating downgrades of customers, countries and governments as well as macroeconomic parameters, and in Russia also due to several EU and US sanctions packages. Russia accounted for risk costs of € 209 million in the first quarter (previous quarter: € 32 million), while Ukraine accounted for € 92 million (previous quarter: € 26 million). This was offset by decreases at head office due to reversals of overlays (post-model adjustments and other risk factors) that had been recognized in prior periods due to the COVID pandemic for the real estate and hotel industry. In Central Europe, impairment losses also decreased quarter-on-quarter (down € 30 million). In Southeastern Europe, they remained unchanged at a moderate level of € 16 million.

Statement of financial position

Total assets, at € 192,624 million, were up slightly on the end of the year. Currency developments were responsible for an increase of 1 per cent. The appreciation of the US dollar and the Czech koruna by 2 per cent was offset by the depreciation of the Belarusian ruble by 15 per cent, the Russian ruble by 9 per cent and the Ukrainian hryvnia by 5 per cent. Last year, demand for loans – supported by the economic upturn – grew considerably in almost all markets, especially from the second quarter onward. Demand then lost some momentum again in the fourth quarter as the economy weakened. The first quarter of 2022 experienced modest growth overall, supported by the appreciation of some currencies; individual countries such as the Czech Republic, Romania and Slovakia continued to show encouraging growth.

Assets

in € million	31/3/2022	31/12/2021	Change		30/9/2021	30/6/2021	30/3/2021
Loans to banks	13,314	16,630	(3,316)	(19.9)%	16,678	15,983	13,644
Loans to customers	101,966	100,832	1,135	1.1%	100,659	94,052	91,861
hereof non-financial corporations	51,097	50,156	941	1.9%	49,358	46,830	46,202
hereof households	38,348	38,078	270	0.7%	38,638	35,998	34,783
Securities	22,831	22,902	(71)	(0.3)%	22,901	23,155	23,015
Cash and other assets	54,513	51,736	2,776	5.4%	50,371	48,510	47,632
Total	**192,624**	**192,101**	**524**	**0.3%**	**190,610**	**181,700**	**176,152**

As of 31 December 2021, the assets of Raiffeisenbank (Bulgaria) EAD and Raiffeisen Leasing Bulgaria EOOD are shown under cash and other assets, while in the three 2021 quarterly reports, they are shown under the respective items.

The decrease in loans to banks stemmed predominantly from the Czech Republic (down € 1,945 million), mainly due to a lower volume of repo transactions as well as from Hungary and Belarus, particularly for short-term investments at the national bank.

Loans to customers increased slightly from the end of the year, especially in lending to non-financial corporations. The largest overall increases occurred in the Czech Republic, which recorded loan growth of 7 per cent, in Romania, which reported 5 per cent, and in Slovakia, which posted 3 per cent. The loans were extended to both non-financial corporations and households. Moderate loan growth was recorded in all the other countries. In contrast, the decline of € 1,014 million in Russia among non-financial corporations and households and in Ukraine was currency related.

The increase in cash (up € 1,564 million) was attributable to the investment of liquidity – primarily deposits at national banks – at head office and in Russia. Outflows occurred mainly in Slovakia, Hungary, Romania and Croatia. The significantly higher positive fair values of interest rate and foreign exchange derivatives reported under other assets (up € 1,264 million), mainly at head office, resulted primarily from valuation effects.

Equity and liabilities

in € million	31/3/2022	31/12/2021	Change		30/9/2021	30/6/2021	30/3/2021
Deposits from banks	34,575	34,607	(33)	(0.1)%	39,143	36,730	37,242
Deposits from customers	113,652	115,153	(1,502)	(1.3)%	114,651	108,808	104,211
hereof non-financial corporations	44,311	44,523	(212)	(0.5)%	42,808	41,164	41,174
hereof households	55,016	56,690	(1,674)	(3.0)%	58,353	55,184	52,007
Debt securities issued and other liabilities	28,585	26,865	1,720	6.4%	21,384	21,269	20,124
Equity	15,812	15,475	337	2.2%	15,432	14,892	14,576
Total	**192,624**	**192,101**	**524**	**0.3%**	**190,610**	**181,700**	**176,152**

As of 31 December 2021, the liabilities of Raiffeisenbank (Bulgaria) EAD and Raiffeisen Leasing Bulgaria EOOD are shown under debt securities issued and other liabilities, while in the three 2021 quarterly reports, they are shown under the respective items.

The decrease in deposits from customers stemmed mainly from lower deposits from households, particularly in Russia (down € 823 million) and the Czech Republic (down € 688 million). Deposits from non-financial corporations recorded only a slight decline across the Group. In Russia, on the other hand, deposits from non-financial corporations increased significantly (up € 2,153 million), mainly in the short-term sector, which was offset by outflows in Hungary, the Czech Republic, head office, Slovakia and Croatia.

The increase of € 1,229 million in other liabilities was due to valuation effects on interest rate and foreign exchange derivatives, mainly at head office.

For information relating to funding, please refer to note (46) Liquidity management in the risk report section of the consolidated financial statements.

Equity on the statement of financial position

Equity including capital attributable to non-controlling interests rose € 337 million from the start of the year to € 15,812 million.

Total comprehensive income of € 358 million comprised profit after tax of € 458 million and other comprehensive income of minus € 99 million. Currency movements since the beginning of the year had a negative impact of € 207 million. The 9 per cent depreciation of the Russian ruble led to a negative contribution of € 167 million, the 15 per cent depreciation of the Belarusian ruble contributed minus € 50 million and the 5 per cent depreciation of the Ukrainian hryvnia resulted in a loss of € 25 million. This was partially offset by a valuation gain of € 234 million from the hedge of net investments, primarily in Russian rubles.

In addition, adaptations to the cash flow hedge reserve, mainly in Russia, had a negative impact of € 95 million on other comprehensive income.

Total capital pursuant to the CRR/Austrian Banking Act (BWG)

Common equity tier 1 (CET1) after deductions amounted to € 12,156 million, representing an increase of € 344 million compared to the 2021 year-end figure. The main driver of the increase was the suspension of the dividend for the 2021 financial year and the introduction of IFRS 9 transitional arrangements in accordance with article 473a of the CRR. Tier 1 capital after deductions increased € 372 million to € 13,832 million, mainly due to an increase in CET1. There was a reduction of € 190 million in tier 2 capital to € 2,157 million due to the reduced regulatory recognition of the IRB surplus and the regulatory maturing of the outstanding instruments. Total capital amounted to € 15,989 million, representing an increase of € 182 million compared to the 2021 year-end figure.

Total risk-weighted assets (RWA) increased € 14,102 million year-on-year to € 104,029 million. The main drivers were the rating downgrades for Russia, Belarus and Ukraine, which had an impact of € 8.2 billion. There was an increase of € 2.4 billion in operational risk, mainly due to additional loan loss provisions for the CHF loan portfolio in Poland and effects on the Advanced Measurement Approach (AMA model).

This resulted in a (transitional) CET1 ratio of 11.7 per cent (down 1.4 percentage points), a (transitional) tier 1 ratio of 13.3 per cent (down 1.7 percentage points) and a (transitional) total capital ratio of 15.4 per cent (down 2.2 percentage points).

Including the first quarter results, the (transitional) capital ratios were as follows: The CET1 ratio declined 0.9 percentage points to 12.3 per cent while the tier 1 ratio came in at 13.9 per cent (down 1.1 percentage points) and the total capital ratio reached 15.9 per cent (down 1.6 percentage points).

Risk management

For information on risk management, please refer to the risk report in the interim consolidated financial statements.

Outlook

2022 Guidance

In 2022, net interest income is expected to increase by high single digit per cent and net fee and commission income by mid-single digit per cent.

We expect stable loan volumes in 2022, with mid-single digit growth in core CE and SEE markets.

We expect high single digit per cent OPEX growth plus an additional approximately € 100 million integration cost for acquisitions in Czech Republic (Equa bank) and Serbia (Crédit Agricole Srbija).

Cost/income ratio is expected around 55 per cent.

The provisioning ratio for 2022 is expected to be up to 100 basis points.

Consolidated return on equity is expected in the 8 to 10 per cent range.

In 2022, we expect the CET1 ratio to recover close to our 13 per cent target.

Medium term return on equity and payout ratio targets are suspended due to current uncertainties in Eastern Europe.

Segment and country analysis

Segment reporting at RBI is based on the current organizational structure pursuant to IFRS 8. A cash generating unit within the Group is a country. For further information on segmentation, please refer to the chapter segment reporting in the interim consolidated financial statements as well as the RBI website (www.rbinternational.com → Investors → Reports).

Central Europe

in € million	1/1-31/3/2022	1/1-31/3/2021	Change	Q1/2022	Q4/2021	Change
Net interest income	307	184	66.6%	307	283	8.5%
Dividend income	0	0	86.2%	0	2	(99.5)%
Current income from investments in associates	1	2	(56.8)%	1	1	(39.6)%
Net fee and commission income	139	107	29.5%	139	129	7.5%
Net trading income and fair value result	(1)	0	64.6%	(1)	8	–
Net gains/losses from hedge accounting	(1)	(1)	26.5%	(1)	5	–
Other net operating income	7	3	141.9%	7	9	(12.4)%
Operating income	**453**	**296**	**53.2%**	**453**	**438**	**3.4%**
General administrative expenses	(215)	(170)	26.5%	(215)	(227)	(5.0)%
Operating result	**237**	**125**	**89.4%**	**237**	**211**	**12.5%**
Other result	(53)	(29)	84.3%	(53)	(136)	(61.3)%
Governmental measures and compulsory contributions	(59)	(45)	29.5%	(59)	(3)	>500.0%
Impairment losses on financial assets	(24)	(8)	184.8%	(24)	(54)	(55.2)%
Profit/loss before tax	**102**	**43**	**137.5%**	**102**	**18**	**463.0%**
Income taxes	(28)	(18)	55.4%	(28)	(34)	(16.7)%
Profit/loss after tax	**74**	**25**	**197.3%**	**74**	**(16)**	**–**
Return on equity before tax	10.6%	5.0%	5.6 PP	10.6%	2.1%	8.5 PP
Return on equity after tax	7.6%	2.9%	4.8 PP	7.6%	–	–
Net interest margin (average interest-bearing assets)	2.13%	1.61%	0.52 PP	2.13%	2.01%	0.13 PP
Cost/income ratio	47.6%	57.6%	(10.0) PP	47.6%	51.8%	(4.2) PP

The year-on-year rise in profit after tax was driven mainly by the positive development in net interest income (up € 123 million) above all in the Czech Republic and Hungary, as a result of higher market interest rates and the positive trend in corporate and retail customer business. In the Czech Republic, the integration of Equa bank also contributed to the increase. Net fee and commission income also rose € 32 million, driven by higher income above all in foreign exchange business and clearing, settlement and payment services in the Czech Republic, Hungary and Slovakia. General administrative expenses were up € 45 million, notably in the Czech Republic (up € 34 million) due to the integration of Equa bank. The other result was negative in Poland as a result of credit-linked and portfolio-based provisions for litigation of € 54 million (up € 25 million). The increase in expenses relating to governmental measures and compulsory contributions reflected higher contributions in the Czech Republic and Hungary. The higher risk costs (up € 16 million) were attributable exclusively to the increase in the Czech Republic caused by changed economic conditions.

in € million	Poland 1/1-31/3/2022	Poland 1/1-31/3/2021	Slovakia 1/1-31/3/2022	Slovakia 1/1-31/3/2021
Net interest income	3	3	71	69
Dividend income	0	0	0	0
Current income from investments in associates	0	0	1	2
Net fee and commission income	1	1	45	39
Net trading income and fair value result	0	0	1	1
Net gains/losses from hedge accounting	0	0	0	0
Other net operating income	(1)	(3)	1	0
Operating income	**2**	**0**	**119**	**111**
General administrative expenses	(8)	(6)	(58)	(54)
Operating result	**(6)**	**(6)**	**61**	**57**
Other result	(54)	(28)	0	0
Governmental measures and compulsory contributions	(1)	(1)	(11)	(10)
Impairment losses on financial assets	(3)	(3)	(7)	(7)
Profit/loss before tax	**(64)**	**(38)**	**44**	**39**
Income taxes	0	0	(9)	(9)
Profit/loss after tax	**(64)**	**(38)**	**35**	**30**

in € million	Czech Republic 1/1-31/3/2022	Czech Republic 1/1-31/3/2021	Hungary 1/1-31/3/2022	Hungary 1/1-31/3/2021
Net interest income	166	74	67	38
Dividend income	0	0	0	0
Net fee and commission income	49	33	45	35
Net trading income and fair value result	(3)	(1)	2	0
Net gains/losses from hedge accounting	(2)	0	1	(1)
Other net operating income	5	5	2	1
Operating income	**215**	**111**	**117**	**74**
General administrative expenses	(98)	(64)	(51)	(47)
Operating result	**117**	**47**	**66**	**27**
Other result	0	0	0	0
Governmental measures and compulsory contributions	(24)	(16)	(23)	(18)
Impairment losses on financial assets	(11)	6	(3)	(4)
Profit/loss before tax	**82**	**36**	**40**	**5**
Income taxes	(15)	(7)	(5)	(2)
Profit/loss after tax	**67**	**29**	**35**	**4**

Southeastern Europe

in € million	1/1-31/3/2022	1/1-31/3/2021[1]	Change	Q1/2022	Q4/2021	Change
Net interest income	196	180	9.4%	196	190	3.5%
Dividend income	0	0	(40.5)%	0	0	>500.0%
Net fee and commission income	97	81	19.3%	97	105	(7.5)%
Net trading income and fair value result	(3)	5	–	(3)	2	–
Net gains/losses from hedge accounting	0	0	21.1%	0	0	126.5%
Other net operating income	9	4	119.4%	9	(1)	–
Operating income	**299**	**270**	**10.6%**	**299**	**296**	**1.1%**
General administrative expenses	(148)	(135)	9.3%	(148)	(161)	(8.4)%
Operating result	**152**	**135**	**11.9%**	**152**	**135**	**12.5%**
Other result	(1)	(4)	(61.4)%	(1)	(27)	(94.8)%
Governmental measures and compulsory contributions	(22)	(19)	17.0%	(22)	(5)	342.6%
Impairment losses on financial assets	(16)	(8)	107.4%	(16)	(16)	(1.9)%
Profit/loss before tax	**113**	**106**	**6.6%**	**113**	**87**	**29.6%**
Income taxes	(17)	(14)	18.0%	(17)	(18)	(4.7)%
Profit/loss after tax from continuing operations	**96**	**91**	**4.8%**	**96**	**69**	**38.4%**
Gains/losses from discontinued operations	15	11	46.1%	15	18	(13.6)%
Profit/loss after tax	**111**	**102**	**9.1%**	**111**	**87**	**27.8%**
Return on equity before tax	13.3%	11.9%	1.4 PP	13.3%	10.3%	2.9 PP
Return on equity after tax	13.1%	11.4%	1.6 PP	13.1%	10.3%	2.7 PP
Net interest margin (average interest-bearing assets)	3.08%	3.13%	(0.05) PP	3.08%	3.04%	0.04 PP
Cost/income ratio	49.3%	49.9%	(0.6) PP	49.3%	54.5%	(5.1) PP

1 Previous-year figures adapted due to changed allocation (IFRS 5 discontinued operations). Further information can be found in the notes, chapter principles underlying the consolidated statements under changes to the income statement.

The increase in profit after tax from continuing operations was driven by a significant improvement in core revenues. Net interest income was up € 17 million, mostly in Romania (up € 14 million) as a result of higher market interest rates and loan volume growth. Increased transaction volumes in clearing, settlement and payment services and foreign exchange business were responsible for the growth in net fee and commission income. In the case of general administrative expenses, all countries reported an increase both in staff and other administrative expenses. The principal drivers were regular salary increases as well as higher IT expenses, legal, advisory and consulting expenses, and advertising expenses. Despite climbing to € 16 million, risk costs remained at a moderate level.

	Albania		Bosnia and Herzegovina		Kosovo		Croatia	
in € million	1/1-31/3/2022	1/1-31/3/2021	1/1-31/3/2022	1/1-31/3/2021	1/1-31/3/2022	1/1-31/3/2021	1/1-31/3/2022	1/1-31/3/2021
Net interest income	16	13	15	15	12	12	27	29
Dividend income	0	0	0	0	0	0	0	0
Net fee and commission income	4	4	13	10	3	3	20	15
Net trading income and fair value result	2	1	0	1	0	0	(4)	1
Other net operating income	0	0	0	1	0	0	4	1
Operating income	**22**	**17**	**28**	**27**	**16**	**15**	**48**	**46**
General administrative expenses	(10)	(9)	(13)	(11)	(8)	(7)	(28)	(25)
Operating result	**12**	**8**	**15**	**15**	**8**	**8**	**20**	**21**
Other result	0	0	0	0	0	0	0	(4)
Governmental measures and compulsory contributions	(2)	(2)	(1)	(1)	0	0	(1)	(3)
Impairment losses on financial assets	0	2	(7)	(3)	(1)	(1)	(3)	(3)
Profit/loss before tax	**9**	**8**	**7**	**11**	**6**	**6**	**15**	**10**
Income taxes	(1)	(1)	(1)	(1)	(1)	(1)	(3)	(2)
Profit/loss after tax	**8**	**7**	**7**	**11**	**6**	**6**	**13**	**9**

in € million	Romania 1/1-31/3/2022	Romania 1/1-31/3/2021	Serbia 1/1-31/3/2022	Serbia 1/1-31/3/2021	Bulgaria - discontinued operation 1/1-31/3/2022	Bulgaria - discontinued operation 1/1-31/3/2021
Net interest income	105	90	22	21	31	29
Dividend income	0	0	0	0	0	0
Net fee and commission income	41	37	15	12	15	13
Net trading income and fair value result	(3)	2	1	1	0	1
Other net operating income	2	(1)	2	3	0	0
Operating income	**144**	**129**	**41**	**37**	**47**	**42**
General administrative expenses	(70)	(66)	(19)	(17)	(24)	(22)
Operating result	**74**	**63**	**22**	**20**	**24**	**20**
Other result	(1)	1	0	0	0	0
Governmental measures and compulsory contributions	(14)	(10)	(2)	(2)	(7)	(6)
Impairment losses on financial assets	(4)	(1)	(1)	(1)	1	(2)
Profit/loss before tax	**55**	**52**	**19**	**17**	**18**	**12**
Income taxes	(9)	(8)	(2)	(2)	(2)	(1)
Profit/loss after tax	**45**	**44**	**17**	**15**	**15**	**11**

Eastern Europe

in € million	1/1-31/3/2022	1/1-31/3/2021	Change	Q1/2022	Q4/2021	Change
Net interest income	325	234	39.0%	325	308	5.4%
Dividend income	0	0	–	0	0	–
Current income from investments in associates	1	1	13.6%	1	0	115.8%
Net fee and commission income	286	106	169.9%	286	182	57.2%
Net trading income and fair value result	10	3	276.8%	10	(3)	–
Net gains/losses from hedge accounting	(15)	2	–	(15)	(1)	>500.0%
Other net operating income	(1)	1	–	(1)	0	–
Operating income	**606**	**346**	**75.2%**	**606**	**487**	**24.5%**
General administrative expenses	(176)	(140)	25.4%	(176)	(223)	(21.1)%
Operating result	**430**	**206**	**109.1%**	**430**	**264**	**63.0%**
Other result	(1)	(6)	(86.6)%	(1)	10	–
Governmental measures and compulsory contributions	(14)	(11)	26.9%	(14)	(14)	(1.7)%
Impairment losses on financial assets	(316)	(9)	>500.0%	(316)	(55)	472.3%
Profit/loss before tax	**100**	**180**	**(44.5)%**	**100**	**205**	**(51.3)%**
Income taxes	(22)	(38)	(41.3)%	(22)	(28)	(20.9)%
Profit/loss after tax	**77**	**141**	**(45.3)%**	**77**	**177**	**(56.2)%**
Return on equity before tax	16.3%	27.1%	(10.8) PP	16.3%	34.8%	(18.5) PP
Return on equity after tax	12.6%	21.3%	(8.7) PP	12.6%	30.0%	(17.3) PP
Net interest margin (average interest-bearing assets)	5.67%	4.86%	0.80 PP	5.67%	5.53%	0.14 PP
Cost/income ratio	29.0%	40.5%	(11.5) PP	29.0%	45.8%	(16.8) PP

The income statement for the Eastern Europe segment was affected the most by the war in Ukraine. In Russia and Ukraine, volume-related income growth in corporate and retail customer business and interest rate hikes resulted in an increase of € 91 million in net interest income. The growth in net fee and commission income was also above-average in Russia as a result of higher volumes in foreign currency business, primarily in spot transactions. This was largely due to the geopolitical situation and the foreign exchange controls imposed by the Russian central bank. Considerable fluctuations in the yield curve resulted in a net loss from hedge accounting, mostly in Russia. General administrative expenses were up as a result of increased salaries and social security costs as well as higher IT expenses in Russia and charitable expenses in Ukraine. Risk costs rose € 306 million due to the war in Ukraine and a related deterioration in the economic conditions. As a consequence, risk costs of € 209 million were recognized in Russia in the first quarter of 2022; in Ukraine and Belarus, these amounted to € 92 million and € 14 million respectively. The allocations for Stage 1 and Stage 2 totaled € 195 million in Russia and € 80 million in Ukraine.

in € million	Belarus 1/1-31/3/2022	1/1-31/3/2021	Russia 1/1-31/3/2022	1/1-31/3/2021	Ukraine 1/1-31/3/2022	1/1-31/3/2021
Net interest income	28	17	222	163	75	54
Dividend income	0	0	0	0	0	0
Current income from investments in associates	0	0	1	1	0	0
Net fee and commission income	23	13	249	75	14	18
Net trading income and fair value result	10	2	(12)	(5)	11	5
Net gains/losses from hedge accounting	0	0	(15)	2	0	0
Other net operating income	0	2	(2)	(1)	0	0
Operating income	**61**	**35**	**444**	**235**	**101**	**77**
General administrative expenses	(16)	(14)	(107)	(90)	(53)	(36)
Operating result	**45**	**20**	**337**	**145**	**48**	**41**
Other result	0	0	0	(6)	(1)	0
Governmental measures and compulsory contributions	(1)	(1)	(11)	(8)	(2)	(2)
Impairment losses on financial assets	(14)	(2)	(209)	(8)	(92)	1
Profit/loss before tax	**30**	**18**	**117**	**122**	**(48)**	**39**
Income taxes	(7)	(4)	(22)	(27)	7	(7)
Profit/loss after tax	**23**	**13**	**96**	**96**	**(41)**	**32**

Group Corporates & Markets

in € million	1/1-31/3/2022	1/1-31/3/2021	Change	Q1/2022	Q4/2021	Change
Net interest income	148	132	12.5%	148	181	(18.0)%
Dividend income	0	2	(79.1)%	0	2	(74.8)%
Current income from investments in associates	0	1	–	0	2	–
Net fee and commission income	150	119	26.3%	150	145	3.5%
Net trading income and fair value result	24	14	71.0%	24	17	39.9%
Net gains/losses from hedge accounting	(5)	2	–	(5)	(1)	437.1%
Other net operating income	29	32	(9.2)%	29	39	(25.5)%
Operating income	**346**	**302**	**14.7%**	**346**	**385**	**(10.0)%**
General administrative expenses	(180)	(165)	9.2%	(180)	(193)	(6.8)%
Operating result	**167**	**137**	**21.2%**	**167**	**192**	**(13.1)%**
Other result	1	2	(27.4)%	1	(7)	–
Governmental measures and compulsory contributions	(17)	(18)	(2.3)%	(17)	(10)	77.9%
Impairment losses on financial assets	39	(53)	–	39	(31)	–
Profit/loss before tax	**190**	**69**	**176.6%**	**190**	**145**	**31.1%**
Income taxes	(50)	(21)	133.2%	(50)	(29)	69.3%
Profit/loss after tax	**140**	**47**	**196.2%**	**140**	**115**	**21.4%**
Return on equity before tax	19.8%	7.4%	12.4 PP	19.8%	16.2%	3.6 PP
Return on equity after tax	14.6%	5.1%	9.5 PP	14.6%	12.9%	1.7 PP
Net interest margin (average interest-bearing assets)	1.05%	0.97%	0.08 PP	1.05%	1.26%	(0.21) PP
Cost/income ratio	51.9%	54.5%	(2.6) PP	51.9%	50.2%	1.7 PP

The year-on-year increase in profit after tax was primarily due to the rise of € 48 million in core revenues and risk costs. The main driver of the improvement in core revenues was a significant increase in net fee and commission income from loan and guarantee business, foreign exchange business, investment banking at head office and higher income from investment fund management at Raiffeisen Kapitalanlage-Gesellschaft. The increase in net interest income mainly reflected loan growth and slightly higher interest margins at head office. In the reporting period, a net release of impairments of € 39 million on financial assets was recognized after a net allocation of € 53 million in the prior-year period. The decrease in risk costs was mainly attributable to releases of loan loss provisions for non-financial corporations, in particular in the real estate and hotel sectors, and for other financial corporations at head office.

Corporate Center

in € million	1/1-31/3/2022	1/1-31/3/2021	Change	Q1/2022	Q4/2021	Change
Net interest income	(4)	(5)	(30.2)%	(4)	11	–
Dividend income	45	74	(39.4)%	45	358	(87.5)%
Current income from investments in associates	16	12	36.8%	16	8	90.1%
Net fee and commission income	16	9	77.2%	16	1	>500.0%
Net trading income and fair value result	96	(4)	–	96	(3)	–
Net gains/losses from hedge accounting	(1)	0	–	(1)	(1)	10.3%
Other net operating income	16	21	(25.8)%	16	54	(70.9)%
Operating income	**183**	**107**	**71.7%**	**183**	**429**	**(57.4)%**
General administrative expenses	(104)	(92)	12.3%	(104)	(113)	(8.4)%
Operating result	**79**	**14**	**460.0%**	**79**	**316**	**(74.9)%**
Other result	(34)	(1)	>500.0%	(34)	4	–
Governmental measures and compulsory contributions	(48)	(31)	53.7%	(48)	0	>500.0%
Impairment losses on financial assets	(16)	(2)	>500.0%	(16)	7	–
Profit/loss before tax	**(19)**	**(20)**	**(8.4)%**	**(19)**	**326**	**–**
Income taxes	46	15	207.7%	46	32	44.4%
Profit/loss after tax	**28**	**(5)**	**–**	**28**	**359**	**(92.3)%**

The year-on-year improvement in profit after tax was driven primarily by a € 100 million rise in net trading income and fair value result. The increase reflected positive valuation effects of foreign currency positions hedged by currency derivatives, above all in connection with the Russian ruble at head office. In contrast, intra-Group dividend income was down € 29 million. The other result decreased as a result of impairment losses of € 33 million on investments in associates valued at equity. Expenses for governmental measures and compulsory contributions rose due to the increase of € 17 million in contributions to the resolution fund at head office.

Interim consolidated financial statements

(Condensed interim report as at 31 March 2022)

Company

Raiffeisen Bank International AG (RBI AG) is registered in the commercial register of the Commercial Court of Vienna under FN 122119m. Its address is Am Stadtpark 9, 1030 Vienna.

RBI regards Austria, where it is a leading corporate and investment bank, as well as Central and Eastern Europe (CEE) as its home market. 13 markets in the region are covered by subsidiary banks, the Group also comprises numerous other financial services providers, for instance in the field of leasing, asset management, factoring and M&A. RBI not only offers Austrian and international companies a broad range of products in corporate and investment banking, but also a comprehensive coverage in CEE. Through an extensive branch network, local companies of all sizes as well as private customers are supplied with high-quality financial products. RBI maintains representative offices and service branches in selected Asian and Western European locations to support its business activities. In total, RBI's around 47,000 employees serve 18.4 million clients at around 1,800 business outlets located mostly in CEE.

Since the company's shares are traded on a regulated market as defined in § 1 (2) of the Austrian Stock Market Act (BörseG) (prime market of the Vienna Stock Exchange) and numerous RBI AG issues are listed on a regulated market in the EU, RBI AG is required by § 59a of the Austrian Banking Act (BWG) to prepare consolidated financial statements in accordance with the International Financial Reporting Standards (IFRSs). The eight regional Raiffeisen banks are core shareholders that collectively hold approximately 58.8 per cent of the shares, with the remaining shares in free float.

As a credit institution within the meaning of § 1 of the Austrian Banking Act, RBI AG is subject to regulatory supervision by the Financial Market Authority located at Otto-Wagner-Platz 5, A-1090 Vienna (www.fma.gv.at) and the European Central Bank located at Sonnemannstraße 22, D-60314 Frankfurt am Main (www.bankingsupervision.europa.eu).

The condensed interim report as at 31 March 2022 was neither fully audited nor reviewed.

Statement of comprehensive income

Income statement

in € million	Notes	1/1-31/3/2022	1/1-31/3/2021[1]
Net interest income	[1]	986	736
Interest income according to effective interest method		1,223	853
Interest income other		165	139
Interest expenses		(402)	(257)
Dividend income	[2]	5	5
Current income from investments in associates	[3]	18	16
Net fee and commission income	[4]	683	420
Fee and commission income		912	608
Fee and commission expenses		(228)	(188)
Net trading income and fair value result	[5]	184	4
Net gains/losses from hedge accounting	[6]	(20)	6
Other net operating income	[7]	27	28
Operating income		**1,881**	**1,215**
Staff expenses		(430)	(370)
Other administrative expenses		(254)	(208)
Depreciation		(109)	(94)
General administrative expenses	**[8]**	**(792)**	**(672)**
Operating result		**1,089**	**543**
Other result	[9]	(102)	(38)
Governmental measures and compulsory contributions	[10]	(159)	(123)
Impairment losses on financial assets	[11]	(319)	(76)
Profit/loss before tax		**508**	**306**
Income taxes	[12]	(69)	(77)
Profit/loss after tax from continuing operations		**440**	**229**
Gains/losses from discontinued operations	[23]	18	14
Profit/loss after tax		**458**	**243**
Profit attributable to non-controlling interests	[32]	(16)	(28)
Consolidated profit/loss		**442**	**216**

1 Previous-year figures adapted due to changed allocation (IFRS 5 discontinued operations). Further information can be found in the notes, chapter principles underlying the consolidated statements under changes to the income statement.

Other comprehensive income and total comprehensive income

in € million	Notes	1/1-31/3/2022	1/1-31/3/2021
Profit/loss after tax		**458**	**243**
Items which are not reclassified to profit or loss		**(17)**	**1**
Remeasurements of defined benefit plans	[29]	1	0
Fair value changes of equity instruments	[15]	(36)	(3)
Fair value changes due to changes in credit risk of financial liabilities	[26]	32	0
Share of other comprehensive income from companies valued at equity	[20]	(14)	4
Deferred taxes on items which are not reclassified to profit or loss	[22, 30]	0	0
Items that may be reclassified subsequently to profit or loss		**(82)**	**47**
Exchange differences		(207)	83
Hedge of net investments in foreign operations	[19, 28]	234	(30)
Adaptions to the cash flow hedge reserve	[19, 28]	(95)	(3)
Fair value changes of financial assets	[15]	(38)	(7)
Share of other comprehensive income from companies valued at equity	[20]	(1)	3
Deferred taxes on items which may be reclassified to profit or loss	[22, 30]	26	2
Other comprehensive income		**(99)**	**48**
Total comprehensive income		**358**	**292**
Profit attributable to non-controlling interests	[32]	(9)	(30)
hereof income statement	[32]	(16)	(28)
hereof other comprehensive income		6	(3)
Profit/loss attributable to owners of the parent		**349**	**262**

Earnings per share

in € million	1/1-31/3/2022	1/1-31/3/2021
Consolidated profit/loss	442	216
Dividend claim on additional tier 1	(23)	(23)
Profit/loss attributable to ordinary shares	**419**	**193**
Average number of ordinary shares outstanding in million	329	329
Earnings per share in €	**1.27**	**0.59**
Earnings per share from continuing operations in €	**1.22**	**0.55**

As no conversion rights or options were outstanding, no dilution of earnings per share occurred. The dividend on additional tier 1 capital is calculated; the effective payment is based on the decision of the Board at the respective payment date.

Statement of financial position

Assets

Assets in € million	Notes	31/3/2022	31/12/2021
Cash, cash balances at central banks and other demand deposits	[13]	40,121	38,557
Financial assets - amortized cost	[14]	131,055	132,645
Financial assets - fair value through other comprehensive income	[15, 33]	4,246	4,660
Non-trading financial assets - mandatorily fair value through profit/loss	[16, 33]	935	966
Financial assets - designated fair value through profit/loss	[17, 33]	258	264
Financial assets - held for trading	[18, 33]	5,212	4,112
Hedge accounting	[19]	297	352
Investments in subsidiaries and associates	[20]	898	968
Tangible fixed assets	[21]	1,602	1,640
Intangible fixed assets	[21]	923	933
Current tax assets	[22]	84	73
Deferred tax assets	[22]	161	152
Non-current assets and disposal groups classified as held for sale	[23]	5,451	5,531
Other assets	[24]	1,380	1,248
Total		**192,624**	**192,101**

Equity and liabilities

Equity and liabilities in € million	Notes	31/3/2022	31/12/2021
Financial liabilities - amortized cost	[25]	160,572	161,700
Financial liabilities - designated fair value through profit/loss	[26, 33]	1,212	1,323
Financial liabilities - held for trading	[27, 33]	6,645	5,873
Hedge accounting	[28]	501	292
Provisions for liabilities and charges	[29]	1,569	1,454
Current tax liabilities	[30]	99	87
Deferred tax liabilities	[30]	34	46
Liabilities included in disposal groups classified as held for sale	[23]	4,933	4,829
Other liabilities	[31]	1,248	1,021
Equity	[32]	15,812	15,475
Consolidated equity		13,186	12,843
Non-controlling interests		1,017	1,010
Additional tier 1		1,609	1,622
Total		**192,624**	**192,101**

Statement of changes in equity

in € million	Subscribed capital	Capital reserves	Retained earnings	Cumulative other comprehensive income	Consolidated equity	Non-controlling interests	Additional tier 1	Total
Equity as at 1/1/2022	**1,002**	**4,992**	**10,121**	**(3,272)**	**12,843**	**1,010**	**1,622**	**15,475**
Capital increases/ decreases	0	0	0	0	0	0	0	0
Allocation dividend - AT1	0	0	0	0	0	0	0	0
Dividend payments	0	0	0	0	0	0	0	0
Own shares	0	0	0	0	0	0	(13)	(13)
Other changes	0	0	(6)	0	(6)	(3)	0	(8)
Total comprehensive income	0	0	442	(93)	349	9	0	358
Equity as at 31/3/2022	**1,002**	**4,992**	**10,557**	**(3,365)**	**13,186**	**1,017**	**1,609**	**15,812**
Equity as at 1/1/2021	**1,002**	**4,992**	**9,234**	**(3,394)**	**11,835**	**820**	**1,633**	**14,288**
Capital increases/ decreases	0	0	0	0	0	0	0	0
Allocation dividend - AT1	0	0	0	0	0	0	0	0
Dividend payments	0	0	0	0	0	0	0	0
Own shares	0	0	0	0	0	0	(19)	(19)
Other changes	0	0	0	0	0	16	0	16
Total comprehensive income	0	0	216	46	262	30	0	292
Equity as at 31/3/2021	**1,002**	**4,992**	**9,450**	**(3,348)**	**12,096**	**867**	**1,613**	**14,576**

Statement of cash flows

in € million	Notes	1/1-31/3/2022[1]	1/1-31/3/2021
Cash, cash balances at central banks and other demand deposits as at 1/1	**[13]**	**38,557**	**33,660**
Operating activities:			
Profit/loss before tax		508	321
Adjustments for the reconciliation of profit/loss after tax to the cash flow from operating activities:			
Depreciation, amortization, impairment and reversal of impairment on non-financial assets	[8, 9]	107	95
Net provisioning for liabilities and charges and impairment losses on financial assets	[7, 11, 29]	390	115
Gains/losses from the measurement and derecognition of assets and liabilities	[5, 9]	(173)	(57)
Current income from investments in associates	[3]	(18)	(16)
Other adjustments (net)[2]		(148)	(608)
Subtotal		**666**	**(150)**
Changes in assets and liabilities arising from operating activities after corrections for non-cash positions:			
Financial assets - amortized cost	[14]	927	(2,827)
Financial assets - fair value through other comprehensive income	[15, 33]	389	(717)
Non-trading financial assets - mandatorily fair value through profit/loss	[16, 33]	5	(49)
Financial assets - designated fair value through profit/loss	[17, 33]	4	95
Financial assets - held for trading	[18, 33]	802	(13)
Other assets	[24]	(137)	(86)
Financial liabilities - amortized cost	[25]	(1,062)	9,898
Financial liabilities - designated fair value through profit/loss	[26, 33]	(36)	(16)
Financial liabilities - held for trading	[27, 33]	(45)	(206)
Provisions for liabilities and charges	[29]	(81)	(32)
Other liabilities	[31]	357	211
Interest received	[1]	1,221	939
Interest paid	[1]	(331)	(237)
Dividends received	[2]	9	128
Income taxes paid	[12]	(56)	(74)
Net cash from operating activities		**2,631**	**6,864**
Investing activities:			
Cash and cash equivalents from changes in scope of consolidation due to materiality		(7)	(2)
Payments for purchase of:			
Investment securities and shares	[14, 15, 16, 17, 20]	(1,252)	(724)
Tangible and intangible fixed assets	[21]	(74)	(67)
Proceeds from sale of:			
Investment securities and shares	[14, 15, 16, 17, 20]	305	569
Tangible and intangible fixed assets	[21]	11	5
Net cash from investing activities		**(1,016)**	**(217)**
Financing activities:			
Capital decreases		(13)	(19)
Inflows subordinated financial liabilities	[25, 26]	0	0
Outflows subordinated financial liabilities	[25, 26]	(24)	0
Dividend payments		0	0
Cash flows for leases		(18)	(20)
Net cash from financing activities		**(54)**	**(40)**
Effect of exchange rate changes		4	131
Cash, cash balances at central banks and other demand deposits as at 31/3	**[13]**	**40,121**	**40,398**

1 According to IFRS 5.33c the statement of cash flows will not be adapted by discontinued operation. A separate presentation of the statement of cash flows for the disposal group is shown under (23) Non-current assets and disposal groups classified as held for sale.
2 Other (net) adjustments mainly include the deduction of net interest income and dividend income; the corresponding cash flows are shown under the items interest received, interest paid and dividends received.

Segment reporting

As a rule, internal management reporting at RBI is based on the current organizational structure. This matrix structure means that each member of the Management Board is responsible both for individual countries and for specific business activities (country and functional responsibility model). A cash generating unit (CGU) within the Group is a country. The presentation of the countries includes not only subsidiary banks, but all operating units of RBI in the respective countries (such as leasing companies). Accordingly, the RBI management bodies – Management Board and Supervisory Board – make key decisions that determine the resources allocated to any given segment based on its financial strength and profitability, which is why these reporting criteria are an essential component in the decision-making process. Segment classification is therefore also undertaken in accordance with IFRS 8. The reconciliation contains mainly the amounts resulting from the elimination of intra-group results and consolidation between the segments.

This results in the following segments:

- Central Europe: Czech Republic, Hungary, Poland and Slovakia
- Southeastern Europe: Albania, Bosnia and Herzegovina, Croatia, Kosovo, Romania, and Serbia
- Eastern Europe: Belarus, Russia and Ukraine
- Group Corporates & Markets (business booked in Austria): Operating business at head office divided into subsegments: Austrian and international corporate customers, Markets, Financial Institutions & Sovereigns, business with the Raiffeisen Banking Group (RBG), as well as specialized financial institution subsidiaries, e.g. Raiffeisen Centrobank AG, Kathrein Privatbank Aktiengesellschaft, Raiffeisen Leasing Group, Raiffeisen Factor Bank AG, Raiffeisen Bausparkasse Österreich Gesellschaft m.b.H., Valida Group (pension fund business) and Raiffeisen Kapitalanlage-Gesellschaft mit beschränkter Haftung. Furthermore, companies with banking activities valued at equity are allocated to this segment.
- Corporate Center: Central group management functions at head office (e.g. treasury) and other group units (participation companies and joint service companies), minority interests as well as companies with non-banking activities valued at equity.

In November 2021, the Management Board of RBI decided to sell Raiffeisenbank (Bulgaria) EAD and its wholly owned subsidiary Raiffeisen Leasing Bulgaria EOOD to KBC Bank, a wholly owned subsidiary of the Belgian KBC Group NV. This business operation, which is expected to be sold within twelve months, has been classified as disposal group held for sale and presented separately in the statement of financial position. The income statement has been reported in the item gains/losses from discontinued operations. The comparative periods in the income statement have been adjusted accordingly.

1/1-31/3/2022 in € million	Central Europe	Southeastern Europe	Eastern Europe	Group Corporates & Markets
Net interest income	307	196	325	148
Dividend income	0	0	0	0
Current income from investments in associates	1	0	1	0
Net fee and commission income	139	97	286	150
Net trading income and fair value result	(1)	(3)	10	24
Net gains/losses from hedge accounting	(1)	0	(15)	(5)
Other net operating income	7	9	(1)	29
Operating income	**453**	**299**	**606**	**346**
General administrative expenses	(215)	(148)	(176)	(180)
Operating result	**237**	**152**	**430**	**167**
Other result	(53)	(1)	(1)	1
Governmental measures and compulsory contributions	(59)	(22)	(14)	(17)
Impairment losses on financial assets	(24)	(16)	(316)	39
Profit/loss before tax	**102**	**113**	**100**	**190**
Income taxes	(28)	(17)	(22)	(50)
Profit/loss after tax from continuing operations	**74**	**96**	**77**	**140**
Gains/losses from discontinued operations	0	15	0	0
Profit/loss after tax	**74**	**111**	**77**	**140**
Profit attributable to non-controlling interests	(24)	(1)	11	(2)
Profit/loss after deduction of non-controlling interests	**50**	**110**	**88**	**138**
Return on equity before tax	10.6%	13.3%	16.3%	19.8%
Return on equity after tax	7.6%	13.1%	12.6%	14.6%
Net interest margin (average interest-bearing assets)	2.13%	3.08%	5.67%	1.05%
Cost/income ratio	47.6%	49.3%	29.0%	51.9%
Loan/deposit ratio	89.7%	67.9%	65.8%	142.1%
Provisioning ratio (average loans to customers)	0.26%	0.43%	7.01%	(0.41)%
NPE ratio	1.7%	2.3%	1.4%	1.6%
NPE coverage ratio	59.7%	69.6%	70.2%	53.4%
Assets	57,631	33,255	25,942	60,638
Total risk-weighted assets (RWA)	25,212	18,239	26,523	32,218
Equity	4,098	3,623	2,610	4,090
Loans to customers	35,981	15,046	13,782	38,294
Deposits from customers	41,370	22,210	21,190	31,996
Business outlets	370	798	584	23
Employees as at reporting date (full-time equivalents)	9,683	13,782	17,930	3,329
Customers in million	3.6	5.4	7.6	1.9

1/1-31/3/2022 in € million	Corporate Center	Reconciliation	Total
Net interest income	(4)	12	986
Dividend income	45	(41)	5
Current income from investments in associates	16	0	18
Net fee and commission income	16	(5)	683
Net trading income and fair value result	96	59	184
Net gains/losses from hedge accounting	(1)	2	(20)
Other net operating income	16	(34)	27
Operating income	**183**	**(6)**	**1,881**
General administrative expenses	(104)	30	(792)
Operating result	**79**	**24**	**1,089**
Other result	(34)	(15)	(102)
Governmental measures and compulsory contributions	(48)	0	(159)
Impairment losses on financial assets	(16)	15	(319)
Profit/loss before tax	**(19)**	**24**	**508**
Income taxes	46	2	(69)
Profit/loss after tax from continuing operations	**28**	**26**	**440**
Gains/losses from discontinued operations	0	2	18
Profit/loss after tax	**28**	**28**	**458**
Profit attributable to non-controlling interests	0	0	(16)
Profit/loss after deduction of non-controlling interests	**27**	**28**	**442**
Return on equity before tax	–	–	13.2%
Return on equity after tax	–	–	11.9%
Net interest margin (average interest-bearing assets)	–	–	2.21%
Cost/income ratio	–	–	42.1%
Loan/deposit ratio	–	–	90.1%
Provisioning ratio (average loans to customers)	–	–	0.97%
NPE ratio	–	–	1.6%
NPE coverage ratio	–	–	61.8%
Assets	43,106	(27,946)	192,624
Total risk-weighted assets (RWA)	16,886	(15,061)	104,017
Equity	7,648	(6,257)	15,812
Loans to customers	556	(1,692)	101,966
Deposits from customers	126	(3,240)	113,652
Business outlets	–	–	1,775
Employees as at reporting date (full-time equivalents)	1,897	0	46,621
Customers in million	0.0	0.0	18.4

1/1-31/3/2021[1] in € million	Central Europe	Southeastern Europe	Eastern Europe	Group Corporates & Markets
Net interest income	184	180	234	132
Dividend income	0	0	0	2
Current income from investments in associates	2	0	1	1
Net fee and commission income	107	81	106	119
Net trading income and fair value result	0	5	3	14
Net gains/losses from hedge accounting	(1)	0	2	2
Other net operating income	3	4	1	32
Operating income	**296**	**270**	**346**	**302**
General administrative expenses	(170)	(135)	(140)	(165)
Operating result	**125**	**135**	**206**	**137**
Other result	(29)	(4)	(6)	2
Governmental measures and compulsory contributions	(45)	(19)	(11)	(18)
Impairment losses on financial assets	(8)	(8)	(9)	(53)
Profit/loss before tax	**43**	**106**	**180**	**69**
Income taxes	(18)	(14)	(38)	(21)
Profit/loss after tax from continuing operations	**25**	**91**	**141**	**47**
Gains/losses from discontinued operations	0	11	0	0
Profit/loss after tax	**25**	**102**	**141**	**47**
Profit attributable to non-controlling interests	(13)	0	(12)	(2)
Profit/loss after deduction of non-controlling interests	**11**	**102**	**130**	**45**
Return on equity before tax	5.0%	11.9%	27.1%	7.4%
Return on equity after tax	2.9%	11.4%	21.3%	5.1%
Net interest margin (average interest-bearing assets)	1.61%	3.13%	4.86%	0.97%
Cost/income ratio	57.6%	49.9%	40.5%	54.5%
Loan/deposit ratio	85.0%	64.7%	72.0%	128.0%
Provisioning ratio (average loans to customers)	0.11%	0.23%	0.42%	0.63%
NPE ratio	1.8%	2.7%	2.2%	1.7%
NPE coverage ratio	61.4%	68.2%	60.2%	54.8%
Assets	50,088	30,353	21,454	57,249
Total risk-weighted assets (RWA)	20,920	16,549	13,398	28,825
Equity	3,491	3,525	2,706	3,713
Loans to customers	29,921	16,363	12,079	34,467
Deposits from customers	36,416	24,429	16,943	29,252
Business outlets	355	854	600	20
Employees as at reporting date (full-time equivalents)	9,197	14,023	16,957	3,182
Customers in million	2.9	5.2	7.3	1.9

1 Previous-year figures adapted due to changed allocation (IFRS 5 discontinued operations). Further information can be found in the notes, chapter principles underlying the consolidated statements under changes to the income statement.

1/1-31/3/2021[1] in € million	Corporate Center	Reconciliation	Total
Net interest income	(5)	12	736
Dividend income	74	(71)	5
Current income from investments in associates	12	0	16
Net fee and commission income	9	(3)	420
Net trading income and fair value result	(4)	(13)	4
Net gains/losses from hedge accounting	0	4	6
Other net operating income	21	(34)	28
Operating income	**107**	**(106)**	**1,215**
General administrative expenses	(92)	31	(672)
Operating result	**14**	**(75)**	**543**
Other result	(1)	0	(38)
Governmental measures and compulsory contributions	(31)	0	(123)
Impairment losses on financial assets	(2)	5	(76)
Profit/loss before tax	**(20)**	**(70)**	**306**
Income taxes	15	0	(77)
Profit/loss after tax from continuing operations	**(5)**	**(70)**	**229**
Gains/losses from discontinued operations	0	4	14
Profit/loss after tax	**(5)**	**(66)**	**243**
Profit attributable to non-controlling interests	0	0	(28)
Profit/loss after deduction of non-controlling interests	**(5)**	**(66)**	**216**
Return on equity before tax	–	–	8.6%
Return on equity after tax	–	–	6.8%
Net interest margin (average interest-bearing assets)	–	–	2.13%
Cost/income ratio	–	–	55.3%
Loan/deposit ratio	–	–	86.9%
Provisioning ratio (average loans to customers)	–	–	0.36%
NPE ratio	–	–	1.8%
NPE coverage ratio	–	–	61.2%
Assets	41,809	(24,801)	176,152
Total risk-weighted assets (RWA)	14,045	(12,375)	81,362
Equity	7,449	(6,309)	14,576
Loans to customers	777	(1,746)	91,861
Deposits from customers	511	(3,340)	104,211
Business outlets	–	–	1,829
Employees as at reporting date (full-time equivalents)	1,774	0	45,133
Customers in million	0.0	0.0	17.4

1 Previous-year figures adapted due to changed allocation (IFRS 5 discontinued operations). Further information can be found in the notes, chapter principles underlying the consolidated statements under changes to the income statement.

Notes

Principles underlying the consolidated financial statements

The condensed interim consolidated financial statements are prepared in accordance with the International Financial Reporting Standards (IFRS) published by the International Accounting Standards Board (IASB) and the international accounting standards adopted by the EU on the basis of IAS Regulation (EC) 1606/2002 including the applicable interpretations of the International Financial Reporting Interpretations Committee (IFRIC/SIC). For the preparation of the interim consolidated financial statements, the same accounting policies are applied as described in detail in the annual consolidated financial statements. Furthermore, the interim consolidated financial statements also consider the requirements in accordance with IAS 34 regarding the form and content of interim financial reporting. Information on cyclical expenses and income is addressed in the management report.

Some IFRS disclosures made outside the notes form an integral part of the consolidated financial statements. These are mainly explanations on net income from segments, which are included in the notes on segment reporting. In addition to the disclosures pursuant to IFRS 7 which are included in the notes, the risk report section especially contains detailed information on credit risk, concentration risk, market risk and liquidity risk.

Changes to the income statement

The planned sale of Raiffeisenbank (Bulgaria) EAD and its wholly owned subsidiary Raiffeisen Leasing Bulgaria EOOD resulted in a change in presentation in accordance with IFRS 5. This business operation, which is expected to be sold within twelve months, has been classified as a disposal group held for sale and presented separately in the statement of financial position. The income statement has been reported in the item gains/losses from discontinued operations. The comparative period in the income statement has been adapted accordingly.

Key sources of estimation uncertainty and critical accounting judgments

If estimates or assessments are necessary for accounting and measuring under IAS/IFRS rules, they are made in accordance with the respective standards. They are based on past experiences and other factors, such as planning and expectations or forecasts of future events that appear likely, based on current judgement. The estimates and underlying assumptions are reviewed on an ongoing basis. Alterations to estimates that affect only one period will be considered only in that period. The critical assumptions, estimates and accounting judgments primarily affect impairment losses in the credit business, the fair value and impairment of financial instruments, deferred taxes, provisions for pensions and pension-related liabilities, provisions for litigations as well as the calculations used to determine the recoverability of goodwill and the intangible assets capitalized in the course of the initial consolidation. The actual amount recognized may differ from the estimated values.

Going Concern

The RBI Board of Management has prepared the RBI Group First Quarter 2022 financial statements on a going concern basis as they do not intend to liquidate RBI Group and based on current available information this is considered a realistic intention.

RBI Group has analyzed several reasonably possible scenarios based on the current situation in Ukraine and Russia. A range of sources have been considered about present and expected future conditions in making the assessment. Planning indicates that RBI Group has the required economic resources to be able to meet ongoing regulatory requirements as well as being able to fund business and liquidity needs (liquidity and funding profile, including forecasts of internal liquidity metrics and regulatory liquidity coverage ratios). Furthermore, RBI Group has robust systems in place to mitigate the operational disruption of doing business in a warzone including the threat of cyberattacks. The most recent internally generated stress testing scenarios for liquidity and capital requirements have shown that RBI Group has adequate resources to withstand reasonably possible downside scenarios.

The RBI Board of Management has concluded that there are no material uncertainties that could cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval (3 May 2022) of the quarterly financial statements to be issued.

Impact of ECB Targeted Longer-Term Refinancing Operations (TLTRO III)

The participation of RBI in the TLTRO III programs (Targeted Longer-Term Refinancing Operations) of the European Central Bank was continued in the reporting period.

Based on an analysis of observable conditions for comparably collateralized refinancing sources available on the market, the bank concluded that the conditions for the TLTRO III program do not represent a substantial advantage compared to the market. The financial liabilities of the TLTRO III program are recognized and measured as financial instruments in accordance with IFRS 9 as the TLTRO instruments are seen as a separate market which is organized by the ECB in the context of its money market policy.

At the reporting date the carrying amount of longer-term financial transactions under the ECB's TLTRO III program which was included under note (25) Financial liabilities – amortized cost under liabilities to banks amounted to € 8,426 million. In the financial year negative interest from the TLTRO III programs amounting to € 10.2 million were recognized in the net interest income.

The interest rate of TLTRO III depends on the development of a benchmark loan portfolio, while using two comparative periods. Generally, the TLTRO conditions foresaw a reduction of the interest rate if banks reach certain lending thresholds. The achievement of the thresholds was monitored on an ongoing basis. At initial recognition the original effective interest rate was determined under consideration of the agreements in the contract and the judgement as to whether the criteria for the reduced interest rates would be fulfilled. For deriving the original effective interest rate it was assumed at the date of initial recognition that the requirements for claiming the so-called COVID bonus for the Special Interest Rate Period I (SIRP I, from 24 June 2020 until 23 June 2021) would not be met and, consequently, no related interest accrual was considered in the first quarter 2021. The ECB's TLTRO III program was amended in January 2021 to introduce another Special Interest Rate Period (SIRP II, from 24 June 2021 to 23 June 2022), during which banks pay a concessional negative interest rate (i.e. receive interest) if they meet certain lending targets by 31 December 2021.

The conditions of the SIRP I bonus and the SIRP II bonus were both met by RBI and the respective amounts were fully recognized at year-end 2021. In this context, reference is made to the change of accounting policy in the fourth quarter 2021, further information can be found in the chapter principles underlying the consolidated financial statements of the annual report 2021. There are no retrospective adjustments to retained earnings due to this change in accounting policy, as no interest accruals from the COVID bonus were included in earnings of the first quarter 2021.

Application of new and revised standards

Amendment to IAS 16 (Property, Plant and Equipment — Proceeds before Intended Use; effective date: 1 January 2022)

The amendment prohibits deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and the cost of producing those items, in profit or loss. Directly attributable costs include the costs of testing whether an asset is functioning properly.

Amendment to IAS 37 (Onerous Contracts — Cost of Fulfilling a Contract; effective date: 1 January 2022)

The changes specify that the cost of fulfilling a contract comprises the costs that relate directly to the contract. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labor, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

Amendment to IFRS 3 (Reference to the Conceptual Framework; effective date: 1 January 2022)

The amendments update IFRS 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework. The amendments also include two additions: For transactions and other events within the scope of IAS 37 or IFRIC 21, an acquirer is required to apply IAS 37 or IFRIC 21 (instead of the Conceptual Framework) to identify the liabilities it has assumed in a business combination. The amendments also add an explicit statement that an acquirer does not recognize contingent assets acquired in a business combination.

Annual improvements to IFRS – 2018-2020 cycle (effective date: 1 January 2022)

Improvements to IFRS 1, IFRS 9, IFRS 16 and IAS 41.

Standards and interpretations not yet applicable

Information on this can be seen in the Annual Report 2021, chapter recognition and measurement principles.

Currencies

Rates in units per €	2022 As at 31/3	2022 Average 1/1-31/3	2021 As at 31/12	2021 Average 1/1-31/3
Albanian lek (ALL)	121.620	121.150	120.760	123.500
Belarusian ruble (BYN)	3.308	3.045	2.883	3.152
Bosnian marka (BAM)	1.956	1.956	1.956	1.956
Bulgarian lev (BGN)	1.956	1.956	1.956	1.956
Croatian kuna (HRK)	7.574	7.546	7.516	7.568
Polish zloty (PLN)	4.653	4.631	4.597	4.565
Romanian leu (RON)	4.946	4.948	4.949	4.885
Russian ruble (RUB)	92.619	95.032	85.300	90.588
Serbian dinar (RSD)	117.751	117.644	117.582	117.530
Czech koruna (CZK)	24.375	24.651	24.858	26.150
Ukrainian hryvnia (UAH)	32.586	32.106	30.923	33.827
Hungarian forint (HUF)	369.770	366.468	369.190	361.745
US dollar (USD)	1.110	1.120	1.133	1.206

Consolidated group

Number of units	Fully consolidated 31/3/2022	Fully consolidated 31/12/2021
As at beginning of period	**204**	**209**
Included for the first time in the financial period	1	6
Merged in the financial period	(1)	(1)
Excluded in the financial period	(2)	(10)
As at end of period	**202**	**204**

Included units

Company, domicile (country)	Share	Included as of	Reason
Other companies			
Insurance Limited Liability Company "Priorlife", Minsk (BY)	87.7%	1/1	Materiality

Excluded units

Company, domicile (country)	Share	Excluded as of	Reason
Banks			
Equa bank a.s., Prague (CZ)	75.0%	1/1	Merger
Financial institutions			
Limited Liability Company "Raiffeisen Leasing", Kiev (UA)	72.3%	1/1	Materiality
Raiffeisen Immobilienfonds, Vienna (AT)	96.5%	1/3	Materiality

Notes to the income statement

(1) Net interest income

in € million	1/1-31/3/2022	1/1-31/3/2021[1]
Interest income according to effective interest method	**1,223**	**853**
Financial assets - fair value through other comprehensive income	23	22
Financial assets - amortized cost	1,200	831
Interest income other	**165**	**139**
Financial assets - held for trading	30	27
Non-trading financial assets - mandatorily fair value through profit/loss	8	5
Financial assets - designated fair value through profit/loss	1	2
Derivatives – hedge accounting, interest rate risk	49	69
Other assets	27	2
Interest income on financial liabilities	49	35
Interest expenses	**(402)**	**(257)**
Financial liabilities - amortized cost	(297)	(160)
Financial liabilities - held for trading	(38)	(18)
Financial liabilities - designated fair value through profit/loss	(9)	(11)
Derivatives – hedge accounting, interest rate risk	(37)	(52)
Other liabilities	(1)	(1)
Interest expenses on financial assets	(20)	(15)
Total	**986**	**736**

1 Previous-year figures adapted due to changed allocation (IFRS 5 discontinued operations). Further information can be found in the notes, chapter principles underlying the consolidated statements under changes to the income statement.

in € million	1/1-31/3/2022	1/1-31/3/2021[1]
Net interest income	986	736
Average interest-bearing assets	178,647	153,696
Net interest margin	**2.21%**	**1.92%**

1 Previous-year figures adapted due to changed allocation (IFRS 5 discontinued operations). Further information can be found in the notes, chapter principles underlying the consolidated statements under changes to the income statement.

Net interest income includes interest income of € 62 million (previous year's period: € 56 million) from marked-to-market financial assets and interest expenses of € 47 million (previous year's period: € 29 million) from marked-to-market financial liabilities.

Net interest income was up € 250 million to € 986 million. This development was mainly due to rising interest rates in numerous Group countries and strong loan growth. The largest increase, of € 92 million, was recorded in the Czech Republic due to higher interest rates, to higher interest income from repo, corporate customer and retail customer business and to the integration of Equa bank. In Russia, higher interest rates and also increased lending volumes with corporate customers led to a € 59 million increase in net interest income. Net interest income in Hungary went up € 29 million, likewise supported by higher market interest rates and positive development of the retail customer business in particular. The increase of € 24 million at head office and of € 14 million in Romania are likewise both interest-rate and volume-related. In Ukraine, higher lending volumes with corporate customers led to a € 22 million increase in net interest income. The € 11 million increase in Belarus is due to more favorable refinancing in an easing liquidity environment. Group average interest-bearing assets rose 16 per cent year-on-year, mainly as a result of the high lending growth. The net interest margin widened 29 basis points to 2.21 per cent due to the healthy development of net interest income in numerous Group countries.

(2) Dividend income

in € million	1/1-31/3/2022	1/1-31/3/2021[1]
Financial assets - held for trading	0	0
Non-trading financial assets - mandatorily fair value through profit/loss	0	0
Financial assets - fair value through other comprehensive income	4	4
Investments in subsidiaries and associates	1	1
Total	**5**	**5**

1 Previous-year figures adapted due to changed allocation (IFRS 5 discontinued operations). Further information can be found in the notes, chapter principles underlying the consolidated statements under changes to the income statement.

(3) Current income from investments in associates

in € million	1/1-31/3/2022	1/1-31/3/2021
Current income from investments in associates	18	16

(4) Net fee and commission income

in € million	1/1-31/3/2022	1/1-31/3/2021[1]
Clearing, settlement and payment services	190	161
Loan and guarantee business	65	53
Securities	22	18
Asset management	63	60
Custody and fiduciary business	23	20
Customer resources distributed but not managed	19	11
Foreign exchange business	293	86
Other	8	11
Total	**683**	**420**

1 Previous-year figures adapted due to changed allocation (IFRS 5 discontinued operations). Further information can be found in the notes, chapter principles underlying the consolidated statements under changes to the income statement. Additionally, reclassifications within net fee and commission income were done due to a different mapping of income components in Romania, particularly from asset management to clearing, settlement and payment services as well as loan and guarantee business.

The strong increase in net fee and commission income is attributable to increased activity from both corporate and retail customers in foreign exchange business, primarily from spot foreign exchange business in Russia. This development is due to both the geopolitical situation and the measures taken by the Russian central bank to restrict foreign exchange. Clearing, settlement and payment services also recorded growth due to increased transactions with corporate customers. Loan and guarantee business developed positively too, with the strongest increase at head office. Despite currency fluctuations in Eastern Europe, net fee and commission income rose € 264 million to € 683 million. The largest increases were registered in Russia and at head office. There were also currency-adjusted increases in the Czech Republic, Hungary and Belarus.

Net fee and commission income includes income and expenses of € 460 million (previous year's period: € 333 million) relating to financial assets and financial liabilities that are not measured at fair value through profit or loss.

in € million	1/1-31/3/2022	1/1-31/3/2021[1]
Fee and commission income	**912**	**608**
Clearing, settlement and payment services	310	260
Clearing and settlement	79	66
Credit cards	36	27
Debit cards and other card payments	64	56
Other payment services	130	111
Loan and guarantee business	75	62
Securities	38	33
Asset management	103	94
Custody and fiduciary business	27	23
Customer resources distributed but not managed	27	19
Foreign exchange business	305	92
Other	26	25
Fee and commission expenses	**(228)**	**(188)**
Clearing, settlement and payment services	(120)	(99)
Clearing and settlement	(35)	(31)
Credit cards	(21)	(14)
Debit cards and other card payments	(35)	(27)
Other payment services	(29)	(27)
Loan and guarantee business	(11)	(10)
Securities	(16)	(15)
Asset management	(40)	(34)
Custody and fiduciary business	(4)	(3)
Customer resources distributed but not managed	(8)	(8)
Foreign exchange business	(12)	(6)
Other	(18)	(14)
Total	**683**	**420**

1 Previous-year figures adapted due to changed allocation (IFRS 5 discontinued operations). Further information can be found in the notes, chapter principles underlying the consolidated statements under changes to the income statement. Additionally, reclassifications within net fee and commission income were done due to a different mapping of income components in Romania, particularly from asset management to clearing, settlement and payment services as well as loan and guarantee business.

(5) Net trading income and fair value result

in € million	1/1-31/3/2022	1/1-31/3/2021[1]
Net gains/losses on financial assets and liabilities - held for trading	**193**	**48**
Derivatives	266	49
Equity instruments	(33)	21
Debt securities	(55)	(14)
Loans and advances	4	2
Short positions	4	4
Deposits	24	(14)
Debt securities issued	(1)	0
Other financial liabilities	(17)	0
Net gains/losses on non-trading financial assets - mandatorily fair value through profit or loss	**0**	**1**
Equity instruments	0	0
Debt securities	1	0
Loans and advances	(1)	1
Net gain/losses on financial assets and liabilities - designated fair value through profit/loss	**25**	**6**
Debt securities	(2)	(3)
Deposits	1	(1)
Debt securities issued	26	10
Exchange differences, net	**(34)**	**(51)**
Total	**184**	**4**

1 Previous-year figures adapted due to changed allocation (IFRS 5 discontinued operations). Further information can be found in the notes, chapter principles underlying the consolidated statements under changes to the income statement.

Net trading income and fair value result increased € 180 million to € 184 million. The increase resulted primarily from positive valuation effects on foreign currency positions hedged by using currency derivatives mainly against the Russian ruble at head office. In addition, in the certificates business, there were valuation gains of certificate issues measured at fair value due to the increase in the company's own credit spread. Both effects are reported in the item derivatives – held for trading.

(6) Net gains/losses from hedge accounting

in € million	1/1-31/3/2022	1/1-31/3/2021[1]
Fair value changes of the hedging instruments	125	78
Fair value changes of the hedged items attributable to the hedged risk	(144)	(72)
Ineffectiveness of cash flow hedge recognized in profit or loss	(2)	0
Total	**(20)**	**6**

1 Previous-year figures adapted due to changed allocation (IFRS 5 discontinued operations). Further information can be found in the notes, chapter principles underlying the consolidated statements under changes to the income statement.

(7) Other net operating income

in € million	1/1-31/3/2022	1/1-31/3/2021[1]
Gains/losses on derecognition of not modified financial assets and liabilities - not measured at fair value through profit/loss	**2**	**6**
Debt securities	(2)	3
Loans and advances	1	3
Deposits	0	0
Debt securities issued	3	0
Other financial liabilities	0	0
Gains/losses on derecognition of non-financial assets held for sale	**1**	**2**
Investment property	0	1
Intangible fixed assets	0	0
Other assets	1	0
Net income arising from non-banking activities	**0**	**3**
Sales revenues from non-banking activities	27	16
Expenses from non-banking activities	(27)	(13)
Net income from additional leasing services	**6**	**4**
Revenues from additional leasing services	11	10
Expenses from additional leasing services	(5)	(5)
Net income from insurance contracts	**4**	**0**
Net rental income from investment property incl. operating lease (real estate)	**12**	**12**
Net rental income from investment property	4	3
Income from rental real estate	4	4
Expenses from rental real estate	(1)	(1)
Income from other operating lease	7	7
Expenses from other operating lease	(2)	(1)
Net expense from allocation and release of other provisions	**0**	**(3)**
Other operating income/expenses	**1**	**5**
Total	**27**	**28**
Other operating income	86	78
Other operating expenses	(59)	(50)

1 Previous-year figures adapted due to changed allocation (IFRS 5 discontinued operations). Further information can be found in the notes, chapter principles underlying the consolidated statements under changes to the income statement.

(8) General administrative expenses

in € million	1/1-31/3/2022	1/1-31/3/2021[1]
Staff expenses	(430)	(370)
Other administrative expenses	(254)	(208)
Depreciation of tangible and intangible fixed assets	(109)	(94)
Total	**(792)**	**(672)**

1 Previous-year figures adapted due to changed allocation (IFRS 5 discontinued operations). Further information can be found in the notes, chapter principles underlying the consolidated statements under changes to the income statement.

Staff expenses

in € million	1/1-31/3/2022	1/1-31/3/2021[1]
Wages and salaries	(327)	(284)
Social security costs and staff-related taxes	(79)	(67)
Other voluntary social expenses	(12)	(10)
Expenses for defined contribution pension plans	(4)	(4)
Expenses/income from defined benefit pension plans	(1)	0
Expenses for post-employment benefits	(3)	(2)
Expenses for other long-term employee benefits excl. deferred bonus program	0	(1)
Staff expenses under deferred bonus programm	(2)	(1)
Termination benefits	(1)	0
Total	**(430)**	**(370)**

1 Previous-year figures adapted due to changed allocation (IFRS 5 discontinued operations). Further information can be found in the notes, chapter principles underlying the consolidated statements under changes to the income statement.

Staff expenses rose € 59 million to € 430 million, mainly due to increases in Russia, in the Czech Republic, in Ukraine and at head office. In addition to the increase in the average number of employees, the increases resulted primarily from higher salaries and social security costs in Russia, from the integration of Equa bank in the Czech Republic and from the increase in current salary payments in Ukraine and at head office.

Other administrative expenses

in € million	1/1-31/3/2022	1/1-31/3/2021[1]
Office space expenses	(24)	(21)
IT expenses	(89)	(72)
Legal, advisory and consulting expenses	(33)	(24)
Advertising, PR and promotional expenses	(28)	(22)
Communication expenses	(17)	(15)
Office supplies	(5)	(4)
Car expenses	(2)	(2)
Security expenses	(6)	(7)
Traveling expenses	(1)	0
Training expenses for staff	(3)	(2)
Other non-income related taxes	(18)	(14)
Sundry administrative expenses	(29)	(24)
Total	**(254)**	**(208)**
hereof expenses for short-term leases	(3)	(3)
hereof expenses for low-value assets	(1)	(1)

1 Previous-year figures adapted due to changed allocation (IFRS 5 discontinued operations). Further information can be found in the notes, chapter principles underlying the consolidated statements under changes to the income statement.

In addition to higher IT expenses (up € 17 million) - primarily at head office, in the Czech Republic and in Russia - the main drivers of the € 46 million increase in other administrative expenses were higher legal, advisory and consulting expenses (up € 9 million) in the Czech Republic, in Romania and Poland as well as higher advertising expenses (up € 6 million) mainly relating to charitable expenses in Ukraine.

Depreciation of tangible and intangible fixed assets

in € million	1/1-31/3/2022	1/1-31/3/2021[1]
Tangible fixed assets	(56)	(54)
hereof right-of-use assets	(20)	(20)
Intangible fixed assets	(52)	(39)
Total	**(109)**	**(94)**

1 Previous-year figures adapted due to changed allocation (IFRS 5 discontinued operations). Further information can be found in the notes, chapter principles underlying the consolidated statements under changes to the income statement.

Depreciation of tangible and intangible fixed assets increased 16 per cent, or € 15 million, to € 109 million, mainly due to the integration of Equa bank in the Czech Republic and higher software capitalizations at head office.

(9) Other result

in € million	1/1-31/3/2022	1/1-31/3/2021[1]
Net modification gains/losses	**0**	**1**
Gains/losses from changes in present value of non-substantially modified contracts	(1)	2
Gains/losses from derecognition due to substantial modification of contract terms	0	(1)
Impairment or reversal of impairment on investments in subsidiaries and associates	**(44)**	**(2)**
Impairment on non-financial assets	**2**	**2**
Goodwill	0	0
Other	2	2
Result from non-current assets and disposal groups classified as held for sale and deconsolidation	**(3)**	**(5)**
Net income from non-current assets and disposal groups classified as held for sale	1	0
Result of deconsolidations	(4)	(5)
Tax expenses not attributable to the business activity	**0**	**0**
Credit-linked and portfolio-based provisions for litigation	**(56)**	**(33)**
Total	**(102)**	**(38)**

1 Previous-year figures adapted due to changed allocation (IFRS 5 discontinued operations). Further information can be found in the notes, chapter principles underlying the consolidated statements under changes to the income statement.

The item impairment or reversal of impairment on investments in subsidiaries and associates amounting to minus € 44 million mainly comprises impairment on investments in companies valued at equity of € 33 million. The impairment on investments in in LEIPNIK-LUNDENBURGER INVEST Beteiligungs AG, Vienna (€ 26 million) was based on the deteriorating economic conditions, in particular also due to the war in Ukraine, and the development of commodity prices and in UNIQA Insurance Group AG, Vienna (€ 7 million) on the direct impact from the war in Ukraine on the local markets.

Allocations to credit-linked and portfolio-based provisions for litigation of € 56 million mainly resulted from pending legal proceedings in Poland amounting to € 54 million (previous year's period: € 28 million) in connection with mortgage loans denominated in foreign currencies or linked to a foreign currency. The increase of € 25 million in Poland was due to parameter changes in the model calculation.

(10) Governmental measures and compulsory contributions

in € million	1/1-31/3/2022	1/1-31/3/2021[1]
Governmental measures	**(23)**	**(19)**
Bank levies	(23)	(19)
Compulsory contributions	**(136)**	**(104)**
Resolution fund	(88)	(67)
Deposit insurance fees	(48)	(37)
Total	**(159)**	**(123)**

1 Previous-year figures adapted due to changed allocation (IFRS 5 discontinued operations). Further information can be found in the notes, chapter principles underlying the consolidated statements under changes to the income statement.

The contributions to the resolution fund increased € 21 million, mainly at head office and in the Czech Republic. The increase in deposit insurance fees resulted primarily from Romania and the Czech Republic. The increase in the Czech Republic was due to the integration of Equa bank.

(11) Impairment losses on financial assets

in € million	1/1-31/3/2022	1/1-31/3/2021[1]
Loans and advances	(203)	(74)
Debt securities	(73)	(3)
Loan commitments, financial guarantees and other commitments given	(43)	0
Total	**(319)**	**(76)**
hereof financial assets - fair value through other comprehensive income	(6)	0
hereof financial assets - amortized cost	(270)	(77)

1 Previous-year figures adapted due to changed allocation (IFRS 5 discontinued operations). Further information can be found in the notes, chapter principles underlying the consolidated statements under changes to the income statement.

The increase in risk costs came primarily from the Eastern Europe segment. The main reasons for this were the poorer macroeconomic data caused by the war in Ukraine, rating downgrades of customers, of countries and governments, and in Russia additionally the economic consequences of several EU and US sanction packages. In the reporting period, a total of € 316 million (up € 306 million) was allocated to Eastern Europe, thereof € 209 million for Russia and € 92 million for Ukraine.

Further details are shown under (39) Development of impairments.

(12) Income taxes

in € million	1/1-31/3/2022	1/1-31/3/2021[1]
Current income taxes	(67)	(54)
Austria	(2)	(5)
Foreign	(65)	(49)
Deferred taxes	(2)	(23)
Total	**(69)**	**(77)**
Tax rate	13.5%	25.1%

1 Previous-year figures adapted due to changed allocation (IFRS 5 discontinued operations). Further information can be found in the notes, chapter principles underlying the consolidated statements under changes to the income statement.

Income taxes slightly decreased year-on-year despite higher earnings in the reporting period. As a result, the tax rate fell from 25 per cent, the currently valid Austrian corporation tax rate, to 14 per cent. The reason was the usage of tax loss carry forwards due to an improved earnings contribution from head office as well as a higher share of pre-tax earnings from countries with lower tax rates.

Notes to the statement of financial position

(13) Cash, cash balances at central banks and other demand deposits

in € million	31/3/2022	31/12/2021
Cash in hand	6,544	6,095
Balances at central banks	25,654	25,746
Other demand deposits at banks	7,923	6,716
Total	**40,121**	**38,557**

The increase in other demand deposits at banks and cash deposits was mainly due to higher short-term transactions in Russia. As at the reporting date, the minimum reserve that is not freely available and reported under the item balances at central banks amounted to € 272 million (previous year: € 266 million).

There are also cash and cash equivalents of € 802 million in Russia and Belarus, which are currently subject to legal restrictions and are therefore not available for general use by the parent company.

(14) Financial assets – amortized cost

	31/3/2022			31/12/2021		
in € million	Gross carrying amount	Accumulated impairment	Carrying amount	Gross carrying amount	Accumulated impairment	Carrying amount
Debt securities	**16,296**	**(77)**	**16,219**	**15,625**	**(8)**	**15,617**
Central banks	4	0	4	4	0	4
General governments	13,043	(43)	13,000	12,097	(3)	12,094
Banks	1,817	(1)	1,816	2,199	0	2,199
Other financial corporations	703	(29)	674	631	(5)	626
Non-financial corporations	729	(4)	725	695	(1)	695
Loans and advances	**117,524**	**(2,688)**	**114,836**	**119,587**	**(2,559)**	**117,028**
Central banks	8,026	0	8,026	12,005	0	12,005
General governments	1,748	(1)	1,747	1,385	(1)	1,384
Banks	5,295	(9)	5,286	4,627	(4)	4,623
Other financial corporations	10,840	(100)	10,739	11,271	(92)	11,180
Non-financial corporations	52,457	(1,418)	51,039	51,451	(1,357)	50,094
Households	39,157	(1,160)	37,997	38,847	(1,105)	37,742
Total	**133,819**	**(2,764)**	**131,055**	**135,212**	**(2,567)**	**132,645**

(15) Financial assets – fair value through other comprehensive income

in € million	31/3/2022 Gross carrying amount	Accumulated impairment	Carrying amount	31/12/2021 Gross carrying amount	Accumulated impairment	Carrying amount
Equity instruments	**145**	**-**	**145**	**151**	**-**	**151**
Banks	3	-	3	3	-	3
Other financial corporations	86	-	86	81	-	81
Non-financial corporations	56	-	56	66	-	66
Debt securities	**4,109**	**(8)**	**4,101**	**4,511**	**(2)**	**4,509**
General governments	3,054	(6)	3,048	3,401	(1)	3,400
Banks	837	0	836	870	0	870
Other financial corporations	62	(1)	61	80	0	80
Non-financial corporations	156	(1)	156	160	0	159
Total	**4,254**	**(8)**	**4,246**	**4,662**	**(2)**	**4,660**

(16) Non-trading financial assets – mandatorily fair value through profit/loss

in € million	31/3/2022	31/12/2021
Equity instruments	**1**	**1**
Other financial corporations	1	1
Non-financial corporations	0	0
Debt securities	**490**	**543**
General governments	267	324
Banks	12	12
Other financial corporations	199	195
Non-financial corporations	12	12
Loans and advances	**445**	**422**
General governments	1	1
Banks	2	2
Other financial corporations	33	33
Non-financial corporations	58	50
Households	351	337
Total	**935**	**966**

(17) Financial assets – designated fair value through profit/loss

in € million	31/3/2022	31/12/2021
Debt securities	**258**	**264**
General governments	106	108
Banks	29	31
Other financial corporations	0	0
Non-financial corporations	123	124
Total	**258**	**264**

(18) Financial assets – held for trading

in € million	31/3/2022	31/12/2021
Derivatives	**3,450**	**2,132**
Interest rate contracts	2,142	1,267
Equity contracts	200	184
Foreign exchange rate and gold contracts	1,089	652
Credit contracts	5	21
Commodities	4	2
Other	11	6
Equity instruments	**390**	**369**
Banks	37	31
Other financial corporations	106	99
Non-financial corporations	247	240
Debt securities	**1,372**	**1,598**
Central banks	0	95
General governments	1,021	1,069
Banks	175	223
Other financial corporations	84	107
Non-financial corporations	92	104
Loans and advances	**0**	**12**
Non-financial corporations	0	12
Total	**5,212**	**4,112**

The increase of € 1,100 million to € 5,212 million is mainly due to valuation effects and exchange rate fluctuations for derivatives, particularly for interest rate and foreign exchange derivatives at head office.

(19) Hedge accounting

in € million	31/3/2022	31/12/2021
Positive fair values of derivatives in micro fair value hedge	**179**	**215**
Interest rate contracts	179	215
Positive fair values of derivatives in micro cash flow hedge	**1**	**0**
Interest rate contracts	1	0
Positive fair values of derivatives in net investment hedge	**311**	**2**
Positive fair values of derivatives in portfolio hedge	**534**	**413**
Cash flow hedge	36	25
Fair value hedge	499	387
Fair value adjustments of the hedged items in portfolio hedge of interest rate risk	**(727)**	**(279)**
Total	**297**	**352**

The carrying amount of the item fair value adjustments of the hedged items in portfolio hedge of interest rate risk decreased € 449 million year-on-year to minus € 727 million. This development was primarily due to the termination of portfolio hedge relationships on a large scale in Russia and to valuation losses on loans in portfolio hedges at Raiffeisen Bausparkasse Gesellschaft m.b.H. in case of fixed-interest loans due to higher interest rates. Conversely, positive fair values of hedging instruments in portfolio fair value hedges increased € 121 million. This development is due to interest-related valuation effects for hedging fixed interest rate risks on the asset and liabilities side. The termination of hedge accounting relationships in Russia had a negative impact on this item.

The item positive fair values of hedging instruments in net investment hedges increased € 309 million to € 311 million since year-end due to the sharp change in the value of the Russian ruble.

The fair value adjustments of the hedged interest rate risk from micro fair value hedges are reported in the respective statement of financial position items of the underlying transactions and are not included in the above table.

(20) Investments in subsidiaries and associates

in € million	31/3/2022	31/12/2021
Investments in affiliated companies	213	251
Investments in associates valued at equity	685	716
Total	**898**	**968**

(21) Tangible and intangible fixed assets

in € million	31/3/2022	31/12/2021
Tangible fixed assets	**1,602**	**1,640**
Land and buildings used by the group for own purpose	495	507
Office furniture, equipment and other tangible fixed assets	313	331
Investment property	307	307
Other leased assets (operating lease)	87	89
Right-of-use assets	401	406
Intangible fixed assets	**923**	**933**
Software	733	741
Goodwill	102	101
Brand	2	2
Customer relationships	17	19
Core deposits intangibles	60	60
Other intangible fixed assets	9	10
Total	**2,525**	**2,572**

(22) Tax assets

in € million	31/3/2022	31/12/2021
Current tax assets	84	73
Deferred tax assets	161	152
Tax claims from temporary differences	146	139
Loss carry forwards	15	13
Total	**245**	**225**

(23) Non-current assets and disposal groups classified as held for sale

in € million	31/3/2022	31/12/2021
Non-current assets from discontinued operations	5,426	5,491
Non-current assets and disposal groups classified as held for sale	26	39
Total	**5,451**	**5,531**

Non-current assets from discontinued operations classified as held for sale

In November 2021, the Management Board of RBI decided to sell Raiffeisenbank (Bulgaria) EAD and its wholly owned subsidiary Raiffeisen Leasing Bulgaria EOOD to KBC Bank, a wholly owned subsidiary of KBC Group NV of Belgium. The sale is consistent with the Group's long-term strategy of concentrating activities on the Group's other operations. The discontinued operation was defined as a disposal group classified as held for sale and listed separately on the statement of financial position. The sales proceeds will significantly exceed the carrying amount of the net assets, so no impairments were booked when these businesses were classified as held for sale and due to the resulting continuation of the carrying amount, the disclosure requirements of IFRS 13 do not apply.

The item non-current assets from discontinued operations classified as held for sale included the disposal group of Raiffeisenbank (Bulgaria) EAD (€ 5,173 million) and Raiffeisen Leasing Bulgaria EOOD (€ 253 million).

The items of the income statement, statement of financial position and statement of cash flows for the discontinued operation are presented below.

Income statement

in € million	1/1-31/3/2022	1/1-31/3/2021
Net interest income	33	31
Interest income according to effective interest method	31	30
Interest income other	2	1
Interest expenses	(1)	(1)
Dividend income	0	0
Current income from investments in associates	0	0
Net fee and commission income	16	14
Fee and commission income	21	18
Fee and commission expenses	(5)	(4)
Net trading income and fair value result	0	0
Net gains/losses from hedge accounting	(2)	(1)
Other net operating income	0	0
Operating income	**47**	**44**
Staff expenses	(13)	(11)
Other administrative expenses	(9)	(6)
Depreciation	0	(3)
General administrative expenses	**(21)**	**(20)**
Operating result	**26**	**24**
Other result	0	0
Governmental measures and compulsory contributions	(7)	(6)
Impairment losses on financial assets	1	(2)
Profit/loss before tax	**20**	**15**
Income taxes	(2)	(1)
Profit/loss after tax	**18**	**14**

The income statement of the discontinued operation represents the contribution to the Group. Deviations from the country results for Bulgaria presented in the segment reporting derive from business transactions within the Group.

Statement of financial position

Assets in € million	31/3/2022	31/12/2021
Cash, cash balances at central banks and other demand deposits	808	838
Financial assets - amortized cost	4,374	4,347
Financial assets - fair value through other comprehensive income	134	200
Non-trading financial assets - mandatorily fair value through profit/loss	13	13
Financial assets - designated fair value through profit/loss	0	0
Financial assets - held for trading	15	16
Hedge accounting	0	0
Investments in subsidiaries and associates	3	3
Tangible fixed assets	36	35
Intangible fixed assets	26	25
Current tax assets	0	0
Deferred tax assets	0	0
Other assets	17	14
Total	**5,426**	**5,491**

Equity and liabilities in € million	31/3/2022	31/12/2021
Financial liabilities - amortized cost	4,889	4,797
Financial liabilities - designated fair value through profit/loss	0	0
Financial liabilities - held for trading	7	5
Hedge accounting	0	0
Provisions for liabilities and charges	19	18
Current tax liabilities	1	0
Deferred tax liabilities	3	2
Other liabilities	14	6
Total	**4,933**	**4,829**

Statement of cash flows

in € million	1/1-31/3/2022
Cash, cash balances at central banks and other demand deposits as at 1/1	**838**
Net cash from operating activities	(41)
Net cash from investing activities	11
Net cash from financing activities	(1)
Effect of exchange rate changes	0
Cash, cash balances at central banks and other demand deposits as at 31/3	**808**

The item non-current assets and disposal groups classified as held for sale primarily includes two properties in Slovakia and one property in Croatia. A fair value measurement is only made if the carrying amount is impaired to fair value less cost to sell.

(24) Other assets

in € million	31/3/2022	31/12/2021
Prepayments and other deferrals	520	515
Merchandise inventory and suspense accounts for services rendered not yet charged out	290	227
Other assets	570	506
Total	**1,380**	**1,248**

(25) Financial liabilities – amortized cost

in € million	31/3/2022	31/12/2021
Deposits from banks	**34,528**	**34,560**
Current accounts/overnight deposits	14,968	13,772
Deposits with agreed maturity	18,162	19,147
Repurchase agreements	1,398	1,641
Deposits from customers	**113,490**	**114,988**
Current accounts/overnight deposits	84,897	87,614
Deposits with agreed maturity	28,071	27,327
Repurchase agreements	522	48
Debt securities issued	**11,638**	**11,299**
Covered bonds	1,645	1,222
Other debt securities issued	9,993	10,078
hereof convertible compound financial instruments	1,181	1,231
hereof non-convertible	8,812	8,846
Other financial liabilities	**916**	**853**
Total	**160,572**	**161,700**
hereof subordinated financial liabilities	2,854	2,934
hereof lease liabilities	409	415

Deposits from banks and customers by asset classes:

in € million	31/3/2022	31/12/2021
Central banks	9,576	9,534
General governments	3,017	2,785
Banks	24,952	25,025
Other financial corporations	11,148	11,000
Non-financial corporations	44,309	44,513
Households	55,016	56,690
Total	**148,018**	**149,548**

(26) Financial liabilities – designated fair value through profit/loss

in € million	31/3/2022	31/12/2021
Deposits from banks	**47**	**48**
Deposits with agreed maturity	47	48
Deposits from customers	**162**	**165**
Deposits with agreed maturity	162	165
Debt securities issued	**1,004**	**1,110**
Hybrid contracts	1	1
Other debt securities issued	1,003	1,109
hereof non-convertible	1,003	1,109
Total	**1,212**	**1,323**
hereof subordinated financial liabilities	222	232

(27) Financial liabilities – held for trading

in € million	31/3/2022	31/12/2021
Derivatives	**2,913**	**1,894**
Interest rate contracts	1,804	1,115
Equity contracts	174	138
Foreign exchange rate and gold contracts	896	569
Credit contracts	13	27
Commodities	3	1
Other	24	45
Short positions	**196**	**250**
Equity instruments	3	6
Debt securities	194	243
Debt securities issued	**3,534**	**3,729**
Hybrid contracts	3,534	3,729
Other financial liabilities	**1**	**0**
Total	**6,645**	**5,873**

(28) Hedge accounting

in € million	31/3/2022	31/12/2021
Negative fair values of derivatives in micro fair value hedge	**280**	**69**
Interest rate contracts	280	69
Negative fair values of derivatives in micro cash flow hedge	**0**	**0**
Interest rate contracts	0	0
Negative fair values of derivatives in net investment hedge	**15**	**29**
Negative fair values of derivatives in portfolio hedge	**1,010**	**730**
Cash flow hedge	62	43
Fair value hedge	948	686
Fair value adjustments of the hedged items in portfolio hedge of interest rate risk	**(805)**	**(536)**
Total	**501**	**292**

Negative fair values of derivative financial instruments in micro hedge relationships increased € 211 million to € 280 million. The increase was largely due to the micro fair value hedges at head office and resulted mainly from an increase in interest rates in the first quarter, particularly in the long-term area. Interest rate changes as well as exchange rate effects were the reasons for the increase of € 281 million, to € 1,010 million, in negative fair values of derivative financial instruments from portfolio hedges in the Czech Republic and Hungary.

There were countervailing effects in the item fair value adjustments of the hedged items in portfolio hedge of interest rate risk which decreased € 269 million to minus € 805 million. This was mainly due to the fair value development of the hedged liabilities in portfolio hedges in the Czech Republic and Hungary due to rising interest rates, especially for hedged customer deposits in local currencies.

The fair value adjustments of the hedged interest rate risk from micro fair value hedges are reported in the respective statement of financial position items of the underlying transactions and are not included in the above table.

(29) Provisions for liabilities and charges

in € million	31/3/2022	31/12/2021
Provisions for off-balance sheet items	**230**	**188**
Other commitments and guarantees according to IFRS 9	224	185
Other commitments and guarantees according to IAS 37	5	3
Provisions for staff	**487**	**491**
Pensions and other post employment defined benefit obligations	207	195
Other long-term employee benefits	57	57
Bonus payments	147	171
Provisions for overdue vacations	72	64
Termination benefits	3	3
Other provisions	**852**	**776**
Pending legal issues and tax litigation	600	551
Restructuring	14	17
Onerous contracts	60	59
Other provisions	179	149
Total	**1,569**	**1,454**

The increase in provisions for pending legal issues and tax litigation was due to € 56 million allocations in connection with proceedings related to Swiss Franc loan portfolio. In detail, this means an increase of € 54 million to € 412 million in Poland and an increase of € 3 million to € 58 million in Croatia.

(30) Tax liabilities

in € million	31/3/2022	31/12/2021
Current tax liabilities	99	87
Deferred tax liabilities	34	46
Total	**133**	**132**

(31) Other liabilities

in € million	31/3/2022	31/12/2021
Liabilities from insurance activities	264	208
Deferred income and accrued expenses	533	509
Sundry liabilities	451	304
Total	**1,248**	**1,021**

(32) Equity

in € million	31/3/2022	31/12/2021
Consolidated equity	13,186	12,843
Subscribed capital	1,002	1,002
Capital reserves	4,992	4,992
Retained earnings	10,557	10,121
hereof consolidated profit/loss	442	1,372
Cumulative other comprehensive income	(3,365)	(3,272)
Non-controlling interests	1,017	1,010
Additional tier 1	1,609	1,622
Total	**15,812**	**15,475**

As at 31 March 2022, the subscribed capital of RBI AG as defined by the articles of incorporation amounted to € 1,003 million and the subscribed capital consisted of 328,939,621 non-par bearer shares. After deduction of own shares of 322,204 the stated subscribed capital totaled € 1,002 million.

Notes to financial instruments

(33) Fair value of financial instruments

In the tables below, the financial instruments reported at fair value in the statement of financial position are grouped according to items in the statement of financial position.

Assets	31/3/2022			31/12/2021		
in € million	Level I	Level II	Level III	Level I	Level II	Level III
Financial assets - held for trading	**1,381**	**3,743**	**88**	**1,574**	**2,526**	**13**
Derivatives	36	3,415	0	18	2,114	0
Equity instruments	380	10	0	369	0	0
Debt securities	965	318	88	1,186	412	0
Loans and advances	0	0	0	0	0	12
Non-trading financial assets - mandatorily fair value through profit/loss	**334**	**115**	**486**	**367**	**149**	**450**
Equity instruments	1	0	0	1	0	0
Debt securities	333	115	42	366	148	29
Loans and advances	0	0	445	0	0	422
Financial assets - designated fair value through profit/loss	**218**	**40**	**0**	**230**	**33**	**0**
Debt securities	218	40	0	230	33	0
Financial assets - fair value through other comprehensive income	**3,323**	**517**	**406**	**3,694**	**765**	**201**
Equity instruments	11	0	134	11	0	140
Debt securities	3,312	517	272	3,683	765	61
Hedge accounting	**0**	**1,024**	**0**	**0**	**630**	**0**

Equity and liabilities	31/3/2022			31/12/2021		
in € million	Level I	Level II	Level III	Level I	Level II	Level III
Financial liabilities - held for trading	**180**	**6,465**	**0**	**243**	**5,630**	**0**
Derivatives	19	2,894	0	11	1,884	0
Short positions	160	36	0	232	17	0
Debt securities issued	0	3,534	0	0	3,729	0
Financial liabilities - designated fair value through profit/loss	**0**	**1,212**	**0**	**0**	**1,323**	**0**
Deposits	0	209	0	0	213	0
Debt securities issued	0	1,004	0	0	1,110	0
Hedge accounting	**0**	**1,306**	**0**	**0**	**828**	**0**

Movements of financial instruments valued at fair value between Level I and Level II

As at 31 March 2022, only derived prices were available for financial instruments (mainly bonds) amounting to € 67 million. For example, the BVAL value (Bloomberg Evaluation) was used instead of the BGN value (Bloomberg Generic Price). Consequently, these securities were reclassified from Level I to Level II. The transfers from Level II to Level I relate to bonds amounting to € 32 million, for which market values are available as at the reporting date.

Due to the planned sale of Raiffeisenbank (Bulgaria) EAD and its wholly owned subsidiary Raiffeisen Leasing Bulgaria EOOD, as well as the presentation of these assets as discontinued operations, financial assets recognized at fair value in the amount of € 162 million and liabilities in the amount of € 7 million were reclassified.

Movements in Level III of financial instruments at fair value

The total portfolio of Level III assets saw a net increase of € 317 million in the reporting period. Essentially, the volume of government bonds in the measurement categories financial assets – held for trading and financial assets - fair value through other comprehensive income increased € 281 million net. The reason for this significant increase was the omission of the active market in Ukraine due to the ongoing war. Additionally, financial instruments mandatorily recognized at fair value saw a net increase of € 35 million. Around € 7 million is based on exchange rate fluctuations.

Assets in € million	As at 1/1/2022	Change in consolidated group	Exchange differences	Additions	Disposals
Financial assets - held for trading	13	0	(1)	5	(16)
Non-trading financial assets - mandatorily fair value through profit/loss	450	0	(2)	35	(10)
Financial assets - designated fair value through profit/loss	0	0	0	0	0
Financial assets - fair value through other comprehensive income	201	0	(3)	0	(10)
Total	**664**	**0**	**(7)**	**40**	**(36)**

Assets in € million	Gains/loss in P/L	Gain/loss in other comprehensive income	Transfer to Level III	Transfer from Level III	As at 31/3/2022
Financial assets - held for trading	(1)	0	90	0	88
Non-trading financial assets - mandatorily fair value through profit/loss	13	0	0	0	486
Financial assets - designated fair value through profit/loss	0	0	0	0	0
Financial assets - fair value through other comprehensive income	4	(1)	216	0	406
Total	**16**	**(1)**	**306**	**0**	**981**

Equity and liabilities in € million[1]	As at 1/1/2022	Change in consolidated group	Exchange differences	Additions	Disposals
Financial liabilities - held for trading	0	0	0	0	0

Equity and liabilities in € million[1]	Gains/loss in P/L	Gain/loss in other comprehensive income	Transfer to Level III	Transfer from Level III	As at 31/3/2022
Financial liabilities - held for trading	0	0	0	0	0

1 Values stated at 0 contain fair values of less than half a million euros.

Qualitative information on the valuation of financial instruments in Level III

Assets 31/3/2022	Fair value in € million[1]	Valuation technique	Significant unobservable inputs	Range of unobservable inputs
Financial assets - held for trading	**88**			
Subordinated capital	0	Price (expert opinion)	Price	-
Treasury bills, fixed coupon bonds	88	DCF method	Interest rate curve (based on price quotations from national bank)	-
Forward foreign exchange contracts	0	DCF method	Interest rate curve	10 - 30%
Non-trading financial assets - mandatorily fair value through profit/loss	**486**			
Other interests	0	Simplified net present value method Expert opinion	–	–
Bonds, notes and other non fixed-interest securities	42	Net asset value Expert opinion	Haircuts (Auction-) Price	20 - 50% -
Loans	445	Retail: DCF method (incl. prepayment option, withdrawal option etc.) Non Retail: DCF method/Financial option pricing (Black-Scholes (shifted) model; Hull-White model)	Discount spread (new business) Funding curves (for liquidity costs) Credit risk premium (CDS curves)	1.60 - 4.23% over all currencies -0.68 -1.82% over all currencies 0.09 - 22.538% (depending on the rating: from A to CCC)
Financial assets - designated fair value through profit/loss	**0**			
Fixed coupon bonds	0	Net asset value Expert opinion	Price	–
Financial assets - fair value through other comprehensive income	**406**			
Other interests	36	Dividend discount model Simplified income approach DCF method	Credit spread Cash flow Discount rate Dividends Beta factor	–
Other interests	44	Adjusted net asset value	Adjusted equity	–
Other interests	54	Market comparable companies Transaction price Valuation report (expert judgement) Cost minus impairment	EV/Sales EV/EBIT P/E P/B	–
Treasury bills, municipal bonds	272	DCF method	Interest rate curve (based on price quotations from national bank)	–
Total	**981**			

Liabilities 31/3/2022	Fair value in € million[1]	Valuation technique	Significant unobservable inputs	Range of unobservable inputs
Financial liabilities - held for trading	**0**			
Forward foreign exchange contracts	0	DCF method	Interest rate curve	10 - 30%
Total	**0**			

1 Values stated at 0 contain fair values of less than half a million euros.

Fair value of financial instruments not reported at fair value

For the following instruments, the fair value is calculated only for the purposes of providing information in the notes and has no impact on the consolidated statement of financial position or on the consolidated income statement. A simplified fair value calculation method for retail and non-retail portfolios is applied for all short-term transactions (transactions with maturities up to three months). The fair value of these short-term transactions corresponds to the carrying amount of the product. For the other transactions, the method as described in the section fair value of financial instruments reported at fair value is applied.

31/3/2022 in € million	Level I	Level II	Level III	Fair value	Carrying amount	Difference
Assets						
Cash, cash balances at central banks and other demand deposits	**0**	**40,121**	**0**	**40,121**	**40,121**	**0**
Financial assets - amortized cost	**13,270**	**1,507**	**112,601**	**127,378**	**131,055**	**(3,677)**
Debt securities	13,270	1,507	876	15,653	16,219	(566)
Loans and advances	0	0	111,725	111,725	114,836	(3,111)
Equity and liabilities						
Financial liabilities - amortized cost	**127**	**10,469**	**149,095**	**159,691**	**160,162**	**(471)**
Deposits from banks and customers[1]	0	0	147,403	147,403	147,608	(205)
Debt securities issued	127	10,469	775	11,372	11,638	(266)
Other financial liabilities	0	0	916	916	916	0

1 Not including lease liabilities in accordance with IFRS 7
Level I Quoted market prices
Level II Valuation techniques based on market data
Level III Valuation techniques not based on market data

31/12/2021 in € million	Level I	Level II	Level III	Fair value	Carrying amount	Difference
Assets						
Cash, cash balances at central banks and other demand deposits	**0**	**38,557**	**0**	**38,557**	**38,557**	**0**
Financial assets - amortized cost	**12,684**	**1,788**	**120,195**	**134,667**	**132,645**	**2,022**
Debt securities	12,684	1,788	1,052	15,524	15,617	(93)
Loans and advances	0	0	119,143	119,143	117,028	2,115
Equity and liabilities						
Financial liabilities - amortized cost	**132**	**10,689**	**150,827**	**161,648**	**161,285**	**362**
Deposits from banks and customers[1]	0	0	149,147	149,147	149,133	14
Debt securities issued	132	10,689	826	11,647	11,299	348
Other financial liabilities	0	0	853	853	853	0

1 Not including lease liabilities in accordance with IFRS 7
Level I Quoted market prices
Level II Valuation techniques based on market data
Level III Valuation techniques not based on market data

(34) Loan commitments, financial guarantees and other commitments

in € million	31/3/2022	31/12/2021
Loan commitments given	42,301	42,601
Financial guarantees given	9,154	8,900
Other commitments given	4,608	4,548
Total	**56,063**	**56,050**
Provisions for off-balance sheet items according to IFRS 9	(224)	(185)

In addition to the provisions for off-balance sheet risks in accordance with IFRS 9, provisions for other commitments given in accordance with IAS 37 were recognized in the amount of € 5 million (previous year: € 2 million).

(35) Credit quality analysis

The credit quality analysis of financial assets is a point in time assessment of the probability of default of the assets. It should be noted that for financial assets in Stages 1 and 2, due to the relative nature of a significant increase in credit risk, it is not necessarily the case that Stage 2 assets have a lower credit rating than Stage 1 assets, although this is normally the case.

Grouping of assets by probability of default:

- Excellent are exposures which demonstrate a strong capacity to meet financial commitments, with negligible or no probability of default (PD range 0.0000 ≤ 0.0300 per cent).
- Strong are exposures which demonstrate a strong capacity to meet financial commitments, with negligible or low probability of default (PD range 0.0300 ≤ 0.1878 per cent).

- Good are exposures which demonstrate a good capacity to meet financial commitments, with low default risk (PD range 0.1878 ≤ 1.1735 per cent).
- Satisfactory are exposures which require closer monitoring and demonstrate an average to fair capacity to meet financial commitments, with moderate default risk (PD range 1.1735 ≤ 7.3344 per cent).
- Substandard are exposures which require varying degrees of special attention and default risk is of greater concern (PD range 7.3344 ≤ 100.0 per cent).
- Credit-impaired are exposures which have been assessed as impaired (PD range 100.0 per cent).

Carrying amounts of financial assets – amortized cost by rating categories and stages:

31/3/2022 in € million	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	POCI Lifetime ECL	Total
Excellent	15,547	2,585	0	2	18,134
Strong	35,248	2,207	0	1	37,456
Good	35,509	6,799	0	10	42,318
Satisfactory	15,714	7,202	0	17	22,933
Substandard	2,146	4,814	0	8	6,969
Credit impaired	0	0	2,405	296	2,701
Not rated	2,970	246	65	27	3,309
Gross carrying amount	**107,135**	**23,853**	**2,470**	**361**	**133,819**
Accumulated impairment	(214)	(898)	(1,539)	(113)	(2,764)
Carrying amount	**106,920**	**22,955**	**932**	**248**	**131,055**

31/12/2021 in € million	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	POCI Lifetime ECL	Total
Excellent	18,157	1,904	0	2	20,063
Strong	36,668	3,586	0	1	40,255
Good	37,293	6,917	0	10	44,220
Satisfactory	16,028	5,317	0	18	21,364
Substandard	1,250	2,094	0	8	3,351
Credit impaired	0	0	2,432	277	2,709
Not rated	2,928	260	41	20	3,250
Gross carrying amount	**112,323**	**20,079**	**2,473**	**336**	**135,212**
Accumulated impairment	(195)	(687)	(1,567)	(118)	(2,567)
Carrying amount	**112,128**	**19,392**	**906**	**218**	**132,645**

The category unrated mainly includes financial assets for households (predominantly in the Czech Republic) for whom no ratings are available. The rating is therefore based on qualitative factors.

Carrying amounts of financial assets – fair value through other comprehensive income, excluding equity instruments, by rating categories and stages:

31/3/2022 in € million	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	POCI Lifetime ECL	Total
Excellent	706	0	0	0	706
Strong	2,281	21	0	0	2,302
Good	787	2	0	0	788
Satisfactory	6	26	0	0	32
Substandard	2	244	0	0	246
Credit impaired	0	0	0	0	0
Not rated	34	0	0	0	34
Gross carrying amount[1]	**3,816**	**293**	**0**	**0**	**4,109**
Accumulated impairment	(1)	(7)	0	0	(8)
Carrying amount	**3,815**	**286**	**0**	**0**	**4,101**

1 Gross carrying amount is defined according to FINREP Annex V 1.34(b).

31/12/2021 in € million	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	POCI Lifetime ECL	Total
Excellent	1,197	0	0	0	1,197
Strong	2,082	21	0	0	2,103
Good	914	2	0	0	916
Satisfactory	231	27	0	0	259
Substandard	0	0	0	0	0
Credit impaired	0	0	0	0	0
Not rated	36	0	0	0	36
Gross carrying amount[1]	**4,461**	**50**	**0**	**0**	**4,511**
Accumulated impairment	(1)	0	0	0	(2)
Carrying amount	**4,460**	**50**	**0**	**0**	**4,509**

1 Gross carrying amount is defined according to FINREP Annex V 1.34(b).

The category unrated includes financial assets for some retail customers for whom no ratings are available. The rating is therefore based on qualitative factors.

Nominal values of off-balance-sheet commitments by rating categories and stages:

31/3/2022 in € million	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Excellent	2,009	203	0	2,212
Strong	19,175	1,536	0	20,711
Good	18,175	4,592	0	22,767
Satisfactory	4,446	2,078	0	6,524
Substandard	1,286	1,688	0	2,973
Credit impaired	0	0	201	201
Not rated	580	94	1	675
Nominal amount	**45,670**	**10,191**	**202**	**56,063**
Provisions for off-balance sheet items according to IFRS 9	(48)	(120)	(56)	(224)
Nominal amount after provisions	**45,622**	**10,071**	**145**	**55,838**

31/12/2021 in € million	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Excellent	1,503	178	0	1,681
Strong	20,312	1,729	0	22,041
Good	20,778	2,383	0	23,161
Satisfactory	6,267	1,486	0	7,753
Substandard	212	290	0	501
Credit impaired	0	0	211	211
Not rated	616	84	1	702
Nominal amount	**49,688**	**6,149**	**213**	**56,050**
Provisions for off-balance sheet items according to IFRS 9	(43)	(84)	(58)	(185)
Nominal amount after provisions	**49,645**	**6,065**	**154**	**55,864**

The category unrated includes off-balance sheet commitments for some retail customers for whom no ratings are available. The rating is therefore based on qualitative factors.

(36) Collateral and maximum exposure to credit risk

The following table contains details of the maximum exposure as the basis for the following disclosures regarding collateral:

31/3/2022 in € million	Not subject to impairment standards	Maximum exposure to credit risk Subject to impairment standards	hereof loans and advances non-trading as well as loan commitments, financial guarantees and other commitments
Financial assets - amortized cost	0	133,819	117,524
Financial assets - fair value through other comprehensive income[1]	0	4,109	0
Non-trading financial assets - mandatorily fair value through profit/loss	934	0	445
Financial assets - designated fair value through profit/loss	258	0	0
Financial assets - held for trading	4,822	0	0
On-balance	**6,014**	**137,929**	**117,968**
Loan commitments, financial guarantees and other commitments	0	56,063	56,063
Total	**6,014**	**193,992**	**174,031**

1 Gross carrying amount is defined according to FINREP Annex V 1.34(b).

31/12/2021 in € million	Not subject to impairment standards	Maximum exposure to credit risk Subject to impairment standards	hereof loans and advances non-trading as well as loan commitments, financial guarantees and other commitments
Financial assets - amortized cost	0	135,212	119,587
Financial assets - fair value through other comprehensive income[1]	0	4,511	0
Non-trading financial assets - mandatorily fair value through profit/loss	965	0	422
Financial assets - designated fair value through profit/loss	264	0	0
Financial assets - held for trading	3,743	0	0
On-balance	**4,972**	**139,723**	**120,008**
Loan commitments, financial guarantees and other commitments	0	56,050	56,050
Total	**4,972**	**195,772**	**176,058**

1 Gross carrying amount is defined according to FINREP Annex V 1.34(b).

RBI employs a range of policies to mitigate credit risk, the most common of which is the acceptance of collateral for loans and advances provided. A valuation of collateral is performed during the credit approval process. This is then reviewed periodically using various validation processes. The main types of collateral which are accepted in RBI Group are residential and commercial real estate collateral, financial collateral, guarantees and movable goods. Long-term financing is generally secured, and revolving credit facilities are typically unsecured. Debt securities are predominantly unsecured. Derivatives can be secured by cash or master netting agreements. Collateral from leasing business primarily consist of the value of the leased assets themselves. Items shown in cash and cash equivalents are considered to have negligible credit risk. Collateral is taken into account uniformly on the basis of Group directives. The Group directives regarding obtaining collateral were not significantly changed during the reporting period; however, they are updated on a yearly basis.

The collateral values shown in the tables are capped at the maximum value of the gross carrying amount of the financial asset. The following table shows non-trading loans and advances as well as loan commitments, financial guarantees and other commitments that are subject to impairment:

31/3/2022 in € million	Maximum exposure to credit risk	Fair value of collateral	Credit risk exposure net of collateral
Central banks	8,026	5,818	2,208
General governments	1,749	764	985
Banks	5,297	3,500	1,796
Other financial corporations	10,873	4,225	6,648
Non-financial corporations	52,515	23,663	28,852
Households	39,508	25,824	13,684
Loan commitments, financial guarantees and other commitments	56,063	8,500	47,562
Total	**174,031**	**72,295**	**101,736**

31/12/2021 in € million	Maximum exposure to credit risk	Fair value of collateral[1]	Credit risk exposure net of collateral
Central banks	12,005	7,198	11,688
General governments	1,386	740	646
Banks	4,629	1,658	2,971
Other financial corporations	11,304	5,093	6,268
Non-financial corporations	51,500	23,355	28,145
Households	39,183	25,411	13,772
Loan commitments, financial guarantees and other commitments	56,050	9,024	47,026
Total	**176,058**	**72,480**	**110,516**

1 Previous-year figures adapted due to changed allocation.

Almost two thirds of the collateral that can be considered by RBI relates to collateralization of loans by real estate, of which more than 70 per cent is residential real estate. Additional collateral mainly comes from guarantees received which include reverse repo and securities lending business, among other things.

(37) Forward looking information

The most important macroeconomic assumptions for the key countries used in estimating expected credit losses at quarter-end are presented below (source: Raiffeisen Research, March 2022).

		Real GDP			Unemployment		
		2022	2023	2024	2022	2023	2024
Bulgaria	Upside Scenario	4.8%	4.7%	3.8%	3.0%	2.9%	3.7%
	Base	4.0%	4.0%	3.5%	4.8%	4.5%	4.3%
	Downside Scenario	1.5%	1.8%	2.7%	7.1%	6.5%	5.1%
Croatia	Upside Scenario	5.0%	5.0%	3.8%	5.3%	5.0%	5.7%
	Base	4.0%	4.1%	3.5%	6.9%	6.5%	6.2%
	Downside Scenario	1.4%	1.8%	2.6%	9.0%	8.3%	6.9%
Ukraine	Upside Scenario	(14.6)%	4.4%	3.8%	19.6%	13.6%	8.9%
	Base	(17.0)%	2.3%	3.0%	20.0%	14.0%	9.0%
	Downside Scenario	(20.9)%	(1.1)%	1.7%	21.6%	15.4%	9.5%
Belarus	Upside Scenario	(1.4)%	1.0%	2.4%	3.7%	3.7%	3.9%
	Base	(2.5)%	0.0%	2.0%	4.0%	4.0%	4.0%
	Downside Scenario	(5.1)%	(2.3)%	1.1%	4.4%	4.4%	4.1%
Austria	Upside Scenario	4.1%	2.6%	1.8%	5.2%	4.8%	4.7%
	Base	3.5%	2.1%	1.6%	5.5%	5.1%	4.8%
	Downside Scenario	1.6%	0.4%	1.0%	5.9%	5.5%	4.9%
Poland	Upside Scenario	4.4%	4.5%	3.8%	3.1%	2.8%	3.9%
	Base	3.9%	4.0%	3.6%	4.8%	4.3%	4.5%
	Downside Scenario	2.3%	2.5%	3.1%	7.4%	6.6%	5.4%
Russia	Upside Scenario	(3.9)%	1.0%	1.3%	7.8%	6.9%	5.8%
	Base	(5.0)%	0.0%	0.9%	4.5%	4.5%	4.5%
	Downside Scenario	(7.5)%	(2.2)%	0.1%	7.1%	5.9%	5.9%
Romania	Upside Scenario	4.1%	4.9%	4.7%	4.6%	4.0%	4.1%
	Base	3.0%	4.0%	4.3%	5.1%	4.6%	4.3%
	Downside Scenario	1.2%	2.4%	3.7%	7.2%	6.4%	5.0%
Slovakia	Upside Scenario	4.4%	5.3%	2.8%	4.7%	3.7%	4.6%
	Base	3.5%	4.5%	2.5%	6.5%	5.3%	5.2%
	Downside Scenario	0.6%	1.9%	1.6%	8.9%	7.4%	6.0%
Czech Republic	Upside Scenario	4.4%	4.4%	3.2%	2.7%	2.8%	2.9%
	Base	3.6%	3.7%	2.9%	3.4%	3.4%	3.1%
	Downside Scenario	1.0%	1.5%	2.1%	4.3%	4.2%	3.4%
Hungary	Upside Scenario	4.3%	4.2%	3.8%	3.5%	3.3%	3.8%
	Base	3.5%	3.5%	3.5%	4.5%	4.2%	4.1%
	Downside Scenario	1.0%	1.3%	2.7%	5.8%	5.4%	4.5%

		Long-term bond rate			Real estate prices		
		2022	2023	2024	2022	2023	2024
Bulgaria	Upside Scenario	(0.5)%	(0.2)%	0.4%	11.9%	11.1%	6.6%
	Base	0.4%	0.6%	0.7%	4.0%	4.0%	4.0%
	Downside Scenario	2.9%	2.8%	1.5%	(3.3)%	(2.5)%	1.6%
Croatia	Upside Scenario	0.9%	1.0%	1.5%	9.9%	8.3%	4.6%
	Base	1.7%	1.7%	1.8%	5.0%	4.0%	3.0%
	Downside Scenario	4.0%	3.8%	2.6%	0.5%	0.0%	1.5%
Ukraine	Upside Scenario	-	-	-	11.2%	8.6%	5.7%
	Base	-	-	-	6.0%	4.0%	4.0%
	Downside Scenario	-	-	-	(1.8)%	(2.9)%	1.4%
Belarus	Upside Scenario	-	-	-	8.0%	6.5%	3.7%
	Base	-	-	-	3.0%	2.0%	2.0%
	Downside Scenario	-	-	-	(4.6)%	(4.7)%	(0.5)%
Austria	Upside Scenario	(0.6)%	(0.3)%	0.4%	10.0%	5.8%	4.7%
	Base	0.2%	0.4%	0.7%	8.0%	4.0%	4.0%
	Downside Scenario	1.7%	1.8%	1.2%	6.2%	2.4%	3.4%
Poland	Upside Scenario	3.1%	3.0%	3.2%	9.1%	6.8%	5.0%
	Base	4.1%	3.9%	3.5%	6.0%	4.0%	4.0%
	Downside Scenario	7.1%	6.6%	4.5%	3.2%	1.5%	3.1%
Russia	Upside Scenario	12.6%	12.4%	10.6%	11.2%	8.6%	5.7%
	Base	13.6%	13.3%	10.9%	6.0%	4.0%	4.0%
	Downside Scenario	16.4%	15.8%	11.8%	(1.8)%	(2.9)%	1.4%
Romania	Upside Scenario	4.6%	4.8%	5.2%	7.5%	7.0%	4.8%
	Base	6.1%	6.1%	5.7%	3.5%	3.5%	3.5%
	Downside Scenario	7.5%	7.3%	6.1%	(0.1)%	0.3%	2.3%
Slovakia	Upside Scenario	(0.1)%	0.2%	0.7%	10.3%	8.6%	5.1%
	Base	0.7%	0.8%	0.9%	4.0%	3.0%	3.0%
	Downside Scenario	2.8%	2.7%	1.6%	(1.8)%	(2.1)%	1.1%
Czech Republic	Upside Scenario	2.4%	2.9%	3.3%	9.3%	6.9%	5.1%
	Base	3.2%	3.5%	3.5%	6.0%	4.0%	4.0%
	Downside Scenario	5.4%	5.5%	4.2%	3.0%	1.3%	3.0%
Hungary	Upside Scenario	4.2%	4.2%	4.6%	9.2%	8.6%	5.7%
	Base	5.1%	5.0%	4.9%	4.0%	4.0%	4.0%
	Downside Scenario	7.9%	7.4%	5.8%	(0.7)%	(0.2)%	2.4%

		Consumer price index		
		2022	2023	2024
Bulgaria	Upside Scenario	10.9%	7.6%	4.0%
	Base	7.9%	5.0%	3.0%
	Downside Scenario	5.3%	2.7%	2.1%
Croatia	Upside Scenario	6.5%	4.0%	2.4%
	Base	5.1%	2.7%	1.9%
	Downside Scenario	3.5%	1.2%	1.4%
Ukraine	Upside Scenario	18.4%	12.6%	8.5%
	Base	20.0%	14.0%	9.0%
	Downside Scenario	29.5%	22.5%	12.2%
Belarus	Upside Scenario	17.5%	4.7%	5.5%
	Base	19.0%	6.0%	6.0%
	Downside Scenario	30.7%	16.4%	9.9%
Austria	Upside Scenario	6.1%	3.5%	2.3%
	Base	5.5%	3.0%	2.1%
	Downside Scenario	4.8%	2.4%	1.9%
Poland	Upside Scenario	11.0%	7.7%	3.3%
	Base	9.0%	6.0%	2.6%
	Downside Scenario	6.8%	4.0%	1.9%
Russia	Upside Scenario	20.4%	13.6%	7.0%
	Base	22.0%	15.0%	7.5%
	Downside Scenario	26.7%	19.2%	9.1%
Romania	Upside Scenario	11.6%	8.0%	4.9%
	Base	9.9%	6.5%	4.3%
	Downside Scenario	6.4%	3.4%	3.1%
Slovakia	Upside Scenario	10.4%	7.3%	3.2%
	Base	7.7%	4.9%	2.4%
	Downside Scenario	4.7%	2.3%	1.4%
Czech Republic	Upside Scenario	11.7%	5.4%	3.0%
	Base	10.5%	4.3%	2.6%
	Downside Scenario	9.1%	3.1%	2.1%
Hungary	Upside Scenario	11.1%	7.5%	5.2%
	Base	8.8%	5.5%	4.4%
	Downside Scenario	6.2%	3.2%	3.5%

The weightings assigned to each scenario at quarter end were as follows: 25 per cent upside scenario, 50 per cent base and 25 per cent downside scenarios.

Since 10-year government bonds are not issued either in Ukraine or Belarus, there is no information on the long-term bond rate in these countries.

Overlays and other risk factors

In situations where the existing input parameters, assumptions and modelling do not cover all relevant risk factors, post-model adjustments and additional risk factors are the most important types of overlays. This is generally the case if there are temporary circumstances, time restrictions to adequately incorporate relevant new information into the rating or re-segmentation of the portfolio and if individual loans within a loan portfolio develop differently than originally expected. Due to the given situation, such as the pandemic and the war in Ukraine, it is necessary to reflect additional risks in the impairments. Due to these developments, ECL models will be re-evaluated and recalibrated throughout the year. All these adjustments are approved by the Group Risk Committee (GRC). There are portfolio-specific adjustments due to the war and the sanctions which are presented in the category others and COVID-19 related adjustments.

For the central models in the corporate segment, the additional risk was considered using the risk factors, while in the local retail segment the risks were applied on top of the models. For retail exposures, post-model adjustments are the main types of overlays applied for the calculation of the expected credit losses. Generally, post-model adjustments are only a temporary solution to avoid potential distortions. They are temporary and typically not valid for more than one to two years. The overlays are shown in the table below and split according to the relevant categories.

31/3/2022 in € million	Modeled ECL	Other special risk factors COVID-19 related	Other	Post-model adjustments COVID-19 related	Other	Total
Central banks	0	0	0	0	0	0
General governments	50	0	0	0	0	50
Banks	8	0	4	0	0	12
Other financial corporations	88	0	0	0	0	88
Non-financial corporations	233	208	221	18	0	680
Households	392	0	0	28	38	458
Total	**771**	**208**	**225**	**45**	**38**	**1,288**

31/12/2021 in € million	Modeled ECL	Other special risk factors COVID-19 related	Other	Post-model adjustments COVID-19 related	Other	Total
Central banks	0	0	0	0	0	0
General governments	5	0	0	0	0	5
Banks	1	0	0	0	0	1
Other financial corporations	61	0	0	0	0	61
Non-financial corporations	156	253	115	19	0	542
Households	339	0	0	36	26	402
Total	**562**	**253**	**115**	**55**	**26**	**1,011**

The overlays and other risk factors resulted in additional Stage 1 and 2 provisions of € 516 million (previous year: € 449 million), of which € 264 million (previous year: € 141 million) relate to other risk factors and € 252 million (previous year: € 308 million) are attributable to COVID-19.

Other risk factors

For corporate customers, COVID-19 related effects were additionally integrated in the modeled expected credit losses using credit loss effects by means of an industry matrix, country specifics or, if necessary, by means of other special risk factors.

The other special risk factors represent an additional impairment of € 225 million (previous year: € 115 million) for sanctions and geopolitical risks. Of this, € 221 million are attributable to potential EU and US sanctions for Russia with € 121 million (previous year: € 61 million), to Ukraine with € 71 million (previous year: € 25 million) and Belarus with € 28 million (previous year: € 28 million). A further € 4 million relate to the agricultural portfolio in Romania due to the dry period in spring 2021. The impairments were recognized considering the outbreak of the war, the sanctions and the resulting uncertainties as well as on the basis of RBI's internal monitoring and control approaches.

Post-model adjustments

The COVID-19 related post-model adjustments reflected the collective impact on the sectors that were especially hard hit by the pandemic: tourism, hotels, further related industries as well as automobile, air travel, oil and gas, real estate and some consumer goods industries. The effects were due to demand shock, supply chain disruptions and crisis containment measures. The related post-model adjustments involve a qualitative assessment of exposures for the expected significant increase in credit risk and their subsequent transfer from Stage 1 to Stage 2. The criteria for the identification of such exposures were predominantly based on the above listed industries (for SMEs) and employment industries (for households) and further refined, where relevant, with information related to the application of the specific moratorium measures. The post-model adjustments are reversed either after the risks have materialized by transferring the affected receivables to Stage 3 or if the expected risks do not materialize.

In the previous year, the gradual reduction of the COVID-19 related post-model adjustments for households has been started, and this is expected to be completed by the middle of 2022 depending on moratorium expiration and other country specifics. The accounts will either naturally default by this time or no longer be considered as increased credit risk, and the adjustment has been/will be reversed.

(38) Credit risk volume by stages

RBI's credit portfolio is well diversified in terms of type of customer, geographical region and industry. Single name concentrations are also actively managed (based on the concept of groups of connected customers) by limits and regular reporting. As a consequence, portfolio granularity is high. The following tables show the financial assets - amortized cost, by counterparty. This reveals the bank's focus on non-financial corporations and households.

Gross carrying amount

	31/3/2022				31/12/2021			
in € million	Stage 1	Stage 2	Stage 3	POCI	Stage 1	Stage 2	Stage 3	POCI
Central banks	7,965	65	0	0	11,901	108	0	0
General governments	13,079	1,708	4	0	12,959	523	0	0
Banks	6,758	349	4	0	6,692	129	4	0
Other financial corporations	9,621	1,699	162	60	9,809	1,979	92	22
Non-financial corporations	40,974	10,763	1,284	166	42,142	8,464	1,367	173
Households	28,736	9,270	1,016	136	28,821	8,876	1,009	141
hereof mortgage	19,258	7,330	420	96	19,112	7,123	413	101
Total	**107,135**	**23,853**	**2,470**	**361**	**112,323**	**20,079**	**2,473**	**336**

Accumulated impairment

	31/3/2022				31/12/2021			
in € million	Stage 1	Stage 2	Stage 3	POCI	Stage 1	Stage 2	Stage 3	POCI
Central banks	0	0	0	0	0	0	0	0
General governments	(2)	(42)	0	0	(2)	(2)	0	0
Banks	0	(6)	(3)	0	0	0	(4)	0
Other financial corporations	(8)	(69)	(44)	(8)	(5)	(46)	(36)	(8)
Non-financial corporations	(105)	(447)	(796)	(73)	(93)	(351)	(838)	(76)
Households	(99)	(333)	(696)	(32)	(94)	(288)	(689)	(34)
hereof mortgage	(29)	(193)	(232)	(23)	(22)	(178)	(237)	(24)
Total	**(214)**	**(898)**	**(1,539)**	**(113)**	**(195)**	**(687)**	**(1,567)**	**(118)**

ECL coverage ratio

	31/3/2022				31/12/2021			
	Stage 1	Stage 2	Stage 3	POCI	Stage 1	Stage 2	Stage 3	POCI
Central banks	0.0%	0.0%	-	-	0.0%	0.0%	-	-
General governments	0.0%	2.5%	0.7%	0.0%	0.0%	0.3%	87.8%	0.0%
Banks	0.0%	1.7%	76.9%	-	0.0%	0.0%	82.8%	-
Other financial corporations	0.1%	4.1%	27.1%	13.6%	0.1%	2.3%	39.4%	38.2%
Non-financial corporations	0.3%	4.2%	62.0%	44.3%	0.2%	4.1%	61.3%	43.8%
Households	0.3%	3.6%	68.5%	23.5%	0.3%	3.2%	68.3%	23.8%
hereof mortgage	0.2%	2.6%	55.1%	24.1%	0.1%	2.5%	57.3%	24.2%
Total	**0.2%**	**3.8%**	**62.3%**	**31.4%**	**0.2%**	**3.4%**	**63.4%**	**35.1%**

Contingent liabilities and other off-balance-sheet commitments by counterparties and stages.

31/3/2022	Nominal amount			Provisions for off-balance sheet items according to IFRS 9			ECL Coverage Ratio		
in € million	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
Central banks	0	0	0	0	0	0	0.2%	–	–
General governments	496	44	0	0	0	0	0.0%	1.1%	–
Banks	2,025	284	10	0	(5)	(5)	0.0%	1.9%	50.0%
Other financial corporations	6,255	577	7	(3)	(7)	(1)	0.1%	1.2%	17.0%
Non-financial corporations	32,424	7,966	170	(34)	(93)	(41)	0.1%	1.2%	24.1%
Households	4,471	1,321	14	(11)	(14)	(9)	0.2%	1.1%	62.8%
Total	**45,670**	**10,191**	**202**	**(48)**	**(120)**	**(56)**	**0.1%**	**1.2%**	**27.9%**

31/12/2021				Provisions for off-balance sheet					
		Nominal amount			items according to IFRS 9			ECL Coverage Ratio	
in € million	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
Central banks	0	0	0	0	0	0	0.0%	–	–
General governments	433	65	0	0	0	0	0.0%	0.0%	–
Banks	2,203	95	0	0	0	0	0.0%	0.0%	–
Other financial corporations	6,111	727	8	(2)	(7)	(1)	0.0%	1.0%	13.7%
Non-financial corporations	36,388	4,271	189	(31)	(66)	(48)	0.1%	1.6%	25.2%
Households	4,552	991	16	(9)	(11)	(10)	0.2%	1.1%	61.0%
Total	**49,688**	**6,149**	**213**	**(43)**	**(84)**	**(58)**	**0.1%**	**1.4%**	**27.4%**

The following table shows the gross carrying amount and impairment of those financial assets – amortized cost and financial assets – fair value through other comprehensive income that have moved in the reporting period from expected twelve-month losses (Stage 1) to expected lifetime losses (Stages 2 and 3) or vice versa:

31/3/2022	Gross carrying amount		Impairment		ECL Coverage Ratio	
in € million	12-month ECL	Lifetime ECL	12-month ECL	Lifetime ECL	12-month ECL	Lifetime ECL
Movement from 12-month ECL to lifetime ECL	**(8,106)**	**8,106**	**(32)**	**248**	**0.4%**	**3.1%**
Central banks	(61)	61	0	0	0.0%	0.0%
General governments	(951)	951	(2)	39	0.2%	4.1%
Banks	(219)	219	0	2	0.0%	0.7%
Other financial corporations	(534)	534	(1)	27	0.2%	5.0%
Non-financial corporations	(4,537)	4,537	(11)	87	0.2%	1.9%
Households	(1,805)	1,805	(17)	94	1.0%	5.2%
Movement from lifetime ECL to 12-month ECL	**4,492**	**(4,492)**	**10**	**(90)**	**0.2%**	**2.0%**
Central banks	0	0	0	0	-	-
General governments	169	(169)	0	0	0.0%	0.1%
Banks	56	(56)	0	0	0.0%	0.0%
Other financial corporations	541	(541)	1	(11)	0.1%	1.9%
Non-financial corporations	2,397	(2,397)	6	(51)	0.3%	2.1%
Households	1,330	(1,330)	3	(28)	0.2%	2.1%

The increase in expected credit losses arising from the measurement of the loss allowance moving from twelve-month expected credit losses to lifetime losses was € 217 million (previous year: € 258 million). The decrease in expected credit losses arising from the measurement of the loss allowance moving from lifetime losses to twelve-month expected credit losses was € 81 million (previous year: € 120 million).

31/12/2021	Gross carrying amount		Impairment		ECL Coverage Ratio	
in € million	12-month ECL	Lifetime ECL	12-month ECL	Lifetime ECL	12-month ECL	Lifetime ECL
Movement from 12-month ECL to lifetime ECL	**(7,519)**	**7,519**	**(32)**	**290**	**0.4%**	**3.9%**
Central banks	0	0	0	0	-	-
General governments	(282)	282	(3)	2	1.0%	0.5%
Banks	(120)	120	0	0	0.0%	0.0%
Other financial corporations	(412)	412	(1)	8	0.2%	1.9%
Non-financial corporations	(2,322)	2,322	(17)	92	0.7%	3.9%
Households	(4,384)	4,384	(12)	189	0.3%	4.3%
Movement from lifetime ECL to 12-month ECL	**6,398**	**(6,398)**	**18**	**(138)**	**0.3%**	**2.2%**
Central banks	0	0	0	0	-	-
General governments	56	(56)	0	(1)	0.0%	2.2%
Banks	61	(61)	0	0	0.0%	0.2%
Other financial corporations	360	(360)	0	(6)	0.1%	1.7%
Non-financial corporations	3,174	(3,174)	9	(48)	0.3%	1.5%
Households	2,747	(2,747)	9	(82)	0.3%	3.0%

(39) Development of impairments

Development of impairments on loans and bonds in the measurement categories of financial assets – amortized cost and financial assets – fair value through other comprehensive income:

in € million	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	POCI Lifetime ECL	Total
As at 1/1/2022	**196**	**687**	**1,567**	**118**	**2,569**
Discontinued operations	1	0	(1)	0	1
Increases due to origination and acquisition	28	25	5	0	58
Decreases due to derecognition	(18)	(56)	(138)	(18)	(230)
Changes due to change in credit risk (net)	17	245	146	14	423
Changes due to modifications without derecognition (net)	0	0	0	0	0
Decrease due to write-offs	0	0	(23)	(1)	(24)
Change in consolidated group	0	1	(2)	0	(1)
Foreign exchange and other	(10)	4	(11)	(1)	(18)
As at 31/3/2022	**215**	**906**	**1,544**	**113**	**2,778**

in € million	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	POCI Lifetime ECL	Total
As at 1/1/2021	**188**	**630**	**1,633**	**119**	**2,572**
Increases due to origination and acquisition	25	18	13	0	56
Decreases due to derecognition	(9)	(18)	(36)	(5)	(68)
Changes due to change in credit risk (net)	(17)	30	93	4	109
Changes due to modifications without derecognition (net)	0	0	0	0	0
Decrease due to write-offs	0	0	(31)	(3)	(34)
Change in consolidated group	0	0	0	0	0
Foreign exchange and other	1	0	(2)	2	2
As at 31/3/2021	**188**	**660**	**1,671**	**118**	**2,637**

Development of provisions for loan commitments, financial guarantees and other commitments given:

in € million	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
As at 1/1/2022	**43**	**84**	**58**	**185**
Discontinued operations	0	0	0	0
Increases due to origination and acquisition	9	7	1	17
Decreases due to derecognition	(4)	(4)	(4)	(12)
Changes due to change in credit risk (net)	2	32	1	34
Foreign exchange and other	(2)	1	0	(1)
As at 31/3/2022	**48**	**120**	**56**	**224**

in € million	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
As at 1/1/2021	**45**	**59**	**71**	**174**
Increases due to origination and acquisition	8	4	2	14
Decreases due to derecognition	(2)	(3)	(6)	(11)
Changes due to change in credit risk (net)	(7)	2	1	(4)
Foreign exchange and other	1	1	0	2
As at 31/3/2021	**45**	**63**	**68**	**175**

(40) Modified assets

Changes in contractual cash flows of financial assets are examined on the basis of qualitative and qualitative criteria to determine whether the modifications are substantial or non-substantial.

If the modifications are substantial, the existing asset is derecognized and a new financial instrument is recognized (including new classification and new stage allocation for impairment purposes). Non-substantial modifications do not lead to derecognition, but to an adjustment to the gross carrying amount through profit and loss.

The change in the non-substantial net modification effect minus € 11 million to minus € 1 million was mainly due to the ending of COVID-19 measures in countries in which RBI operates. Because interest unpaid due to payment holidays permitted under the legislative measures is not allowed to result in compound interest, the gross carrying amount of the affected loans was reduced from the end of March 2020, which led to net modification losses.

31/3/2022 in € million	Stage 1	Stage 2	Stage 3	POCI	Total
Net modifications gains/losses of financial assets	0	0	0	(1)	(1)
Amortized cost before the modification of financial assets	1,014	347	(53)	9	1,317
Gross carrying amount of modified assets as at 31/12, which moved to Stage 1 during the year	–	184	0	0	184

31/12/2021 in € million	Stage 1	Stage 2	Stage 3	POCI	Total
Net modifications gains/losses of financial assets	(2)	(7)	(2)	0	(11)
Amortized cost before the modification of financial assets	3,108	1,145	66	8	4,327
Gross carrying amount of modified assets as at 31/12, which moved to Stage 1 during the year	–	13	0	0	13

(41) Transferred assets

Carrying amounts of financial assets which have been transferred but not derecognized:

31/3/2022	Transferred assets			Associated liabilities		
in € million	Carrying amount	hereof securitizations	hereof repurchase agreements	Carrying amount	hereof securitizations	hereof repurchase agreements
Financial assets - held for trading	2	0	2	2	0	2
Financial assets - fair value through other comprehensive income	52	0	52	53	0	53
Financial assets - amortized cost	458	0	458	459	0	459
Total	**513**	**0**	**513**	**515**	**0**	**515**

31/12/2021	Transferred assets			Associated liabilities		
in € million	Carrying amount	hereof securitizations	hereof repurchase agreements	Carrying amount	hereof securitizations	hereof repurchase agreements
Financial assets - held for trading	39	0	39	39	0	39
Financial assets - fair value through other comprehensive income	36	0	36	36	0	36
Financial assets - amortized cost	904	0	904	904	0	904
Total	**979**	**0**	**979**	**979**	**0**	**979**

(42) Assets pledged as collateral and received financial assets

Significant restrictions regarding the access or use of assets:

	31/3/2022		31/12/2021	
in € million	Pledged	Otherwise restricted with liabilities	Pledged	Otherwise restricted with liabilities
Financial assets - held for trading	108	0	141	0
Non-trading financial assets - mandatorily fair value through profit/loss	0	0	15	0
Financial assets - designated fair value through profit/loss	0	0	0	0
Financial assets - fair value through other comprehensive income	769	59	603	0
Financial assets - amortized cost	16,779	1,231	18,232	1,000
Total	**17,657**	**1,290**	**18,990**	**1,000**

The Group received collateral which can be sold or repledged if no default occurs within the framework of reverse repurchase agreements, securities lending business, derivatives and other transactions.

Securities and other financial assets accepted as collateral:

in € million	31/3/2022	31/12/2021
Securities and other financial assets accepted as collateral which can be sold or repledged	14,258	17,517
hereof which have been sold or repledged	1,974	2,068

(43) Derivative financial instruments

In the derivatives portfolio, RBI makes off-setting of fair value adjustments to cover changes in counterparty risk (credit and debit value adjustments). The following table shows an analysis of the counterparty credit exposures arising from derivative transactions which are mostly OTC. Counterparty credit risk can be minimized by using settlement houses and collateral in most cases.

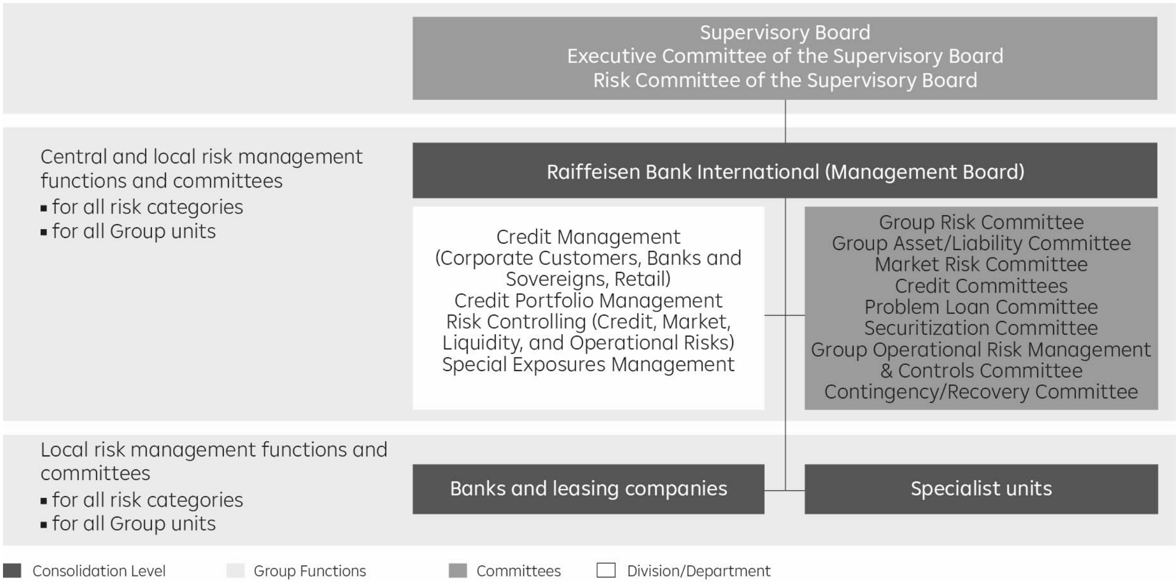
31/3/2022 in € million	Nominal amount	Assets	Fair value Equity and liabilities
Trading book	**215,380**	**2,928**	**(2,701)**
Interest rate contracts	154,517	1,657	(1,616)
Equity contracts	4,321	200	(174)
Foreign exchange rate and gold contracts	54,909	1,054	(871)
Credit contracts	534	3	(13)
Commodities	64	4	(3)
Other	1,035	11	(24)
Banking book	**41,009**	**522**	**(213)**
Interest rate contracts	34,808	486	(188)
Foreign exchange rate and gold contracts	5,723	35	(24)
Credit contracts	479	2	0
Hedging instruments	**23,682**	**1,024**	**(1,306)**
Interest rate contracts	21,552	714	(1,291)
Foreign exchange rate and gold contracts	2,131	311	(15)
Total	**280,072**	**4,475**	**(4,219)**
OTC products	273,910	4,354	(4,153)
Products traded on stock exchange	4,050	101	(27)

31/12/2021 in € million	Nominal amount	Assets	Fair value Equity and liabilities
Trading book	**190,896**	**1,935**	**(1,823)**
Interest rate contracts	133,273	1,085	(1,050)
Equity contracts	4,241	183	(138)
Foreign exchange rate and gold contracts	50,743	637	(566)
Credit contracts	1,476	21	(22)
Commodities	70	3	(1)
Other	1,093	6	(45)
Banking book	**16,483**	**197**	**(71)**
Interest rate contracts	12,123	182	(64)
Foreign exchange rate and gold contracts	3,876	15	(2)
Credit contracts	484	0	(4)
Hedging instruments	**43,280**	**630**	**(828)**
Interest rate contracts	41,560	628	(799)
Foreign exchange rate and gold contracts	1,720	3	(29)
Total	**250,660**	**2,763**	**(2,722)**
OTC products	245,361	2,703	(2,641)
Products traded on stock exchange	2,176	29	(9)

Risk report

Active risk management is a core competency of RBI. In order to effectively identify, measure, and manage risks the Group continues to develop its comprehensive risk management system. Risk management is an integral part of overall bank management. Particularly, in addition to legal and regulatory requirements, it considers the nature, scale, and complexity of the Group's business activities and the resulting risks. The figures below refer to the regulatory scope of consolidation pursuant to CRR, which differs slightly from the scope of consolidation pursuant to IFRS. In terms of risk, the companies in the IFRS scope of consolidation that are not included therein are covered by the participation risk.

The principles and organization of risk management are disclosed in the relevant sections of the 2021 Annual Report, pages 174 ff.



Economic perspective – economic capital approach

In this approach, risks are measured based on economic capital, which represents a comparable risk indicator across all risk types. Economic capital is calculated as the sum of unexpected losses stemming from different Group units and different risk categories. In addition, a general buffer is held to cover risk types not explicitly quantified.

The Group uses a confidence level of 99.90 per cent to calculate economic capital. In compliance with the ICAAP Directive published by the European Central Bank, additional tier 1 (AT1) has no longer been used to calculate the internal capital from 2021. In the first quarter of 2022, the economic capital recorded a relatively strong increase, mainly driven by effects resulting from the military conflict in Ukraine and the sanctions against Russia and Belarus. Specifically, this includes rating downgrades in the countries concerned and higher market volatility. In addition, the operational risk increased due to higher losses on foreign currency loans in Poland.

The integration of ESG risk in the ICAAP, with initial focus on the environmental factor, has been performed by extending established risk types (credit risk, operational risk, market risk). An internal steering relevant climate stress test is scheduled for the first half year 2022, with this the climate risk component will be directly considered in the internal capital calculation in line with the already established internal regulation.

Risk contribution of individual risk types to economic capital:

in € million	31/3/2022	Share	31/12/2021	Share
Credit risk corporate customers	2,184	27.0%	1,820	27.2%
Credit risk retail customers	1,456	18.0%	1,459	21.8%
Market risk	974	12.0%	507	7.6%
Operational risk	847	10.5%	597	8.9%
Participation risk	784	9.7%	718	10.7%
Credit risk sovereigns	498	6.2%	533	8.0%
FX risk capital position	377	4.7%	286	4.3%
Owned property risk	316	3.9%	287	4.3%
Credit risk banks	250	3.1%	155	2.3%
CVA risk	21	0.3%	21	0.3%
Liquidity risk	0	0.0%	0	0.0%
Risk buffer	385	4.8%	319	4.8%
Total	**8,092**	**100.0%**	**6,702**	**100.0%**

Regional allocation of economic capital by Group unit domicile:

in € million	31/3/2022	Share	31/12/2021	Share
Austria	2,573	31.8%	2,357	35.2%
Eastern Europe	1,961	24.2%	1,198	17.9%
Central Europe	1,836	22.7%	1,530	22.8%
Southeastern Europe	1,721	21.3%	1,617	24.1%
Rest of World	0	0.0%	0	0.0%
Total	**8,092**	**100.0%**	**6,702**	**100.0%**

(44) Credit risk

Credit risk is the largest risk for the Group's business. Credit risk means the risk of suffering financial loss should any of the Group's customers or counterparties fail to fulfil their contractual obligations to the Group. Credit risk arises mainly from loans and advances to banks, loans and advances to customers, lending commitments and financial guarantees given. The Group is also exposed to other credit risks arising from investments in debt securities and other exposures associated with trading activities, derivatives, settlement agreements and reverse repo transactions.

Reconciliation of figures from the IFRS consolidated financial statements to credit exposure (according to CRR)

The following table shows the reconciliation of the gross carrying amounts of the items on the statement of financial position to the credit exposure (banking and trading book positions), which is used in portfolio management. It includes both exposures on and off the statement of financial position before the application of credit-conversion factors, and thus represents the total credit exposure. It is not reduced by the effects of credit risk mitigation such as guarantees or physical collateral, effects that are, however, considered in the total assessment of credit risk. The total credit exposure is also used – if not explicitly stated otherwise – for referring to exposures in all subsequent tables in the risk report. The reasons for the differences in the values used for internal portfolio management and for external financial accounting are the different scopes of consolidation (regulatory versus accounting rules according to IFRS) and differences in the classification and presentation of exposure volumes, especially in the case of repo transactions and derivatives, particularly SA-CCR (standardized approach for measuring counterparty credit risk).

in € million	31/3/2022	31/12/2021
Cash, cash balances at central banks and other demand deposits	34,230	33,147
Financial assets - amortized cost	138,303	139,668
Financial assets - fair value through other comprehensive income	4,241	4,709
Non-trading financial assets - mandatorily at fair value through profit / loss	947	978
Financial assets - designated fair value through profit/loss	258	264
Financial assets - held for trading	4,837	3,759
Hedge accounting	297	352
Current tax assets	84	73
Deferred tax assets	161	152
Other assets	1,106	1,034
Loan commitments given	42,301	42,601
Financial guarantees given	9,154	8,900
Other commitments given	4,608	4,548
Reconcilation difference	(8,938)	(8,003)
Credit exposure	**231,590**	**232,183**

Around € 7.2 billion of the reconcilation difference was attributable to the implementation of SA-CCR.

The detailed credit portfolio analysis shows the breakdown by rating category. Customer rating assessments are performed separately for different asset classes using internal risk classification models (rating and scoring models), which are validated by a central organizational unit. The default probabilities assigned to individual rating grades are calculated separately for each asset class. However, the use of a master scale enables rating grades to be compared even across business segments.

Rating models in the non-retail asset classes – corporates, banks and sovereigns – are uniform in all Group units and rank creditworthiness in 27 grades of the master scale. For retail asset classes, country specific scorecards are developed based on uniform Group standards. Tools are used to produce and validate ratings (e.g. business valuation tools, rating and default databases).

Credit exposure by asset classes (rating models):

in € million	31/3/2022	31/12/2021
Corporate customers	95,171	95,080
Project finance	8,994	8,359
Banks	21,777	20,864
Sovereigns	57,041	59,849
Retail customers	48,607	48,031
Total	**231,590**	**232,183**

Credit portfolio – Corporate customers

The following table shows the credit exposure according to internal corporate rating (large corporates, mid-market and small corporates). For presentation purposes, the individual grades of the rating scale have been combined into nine main rating grades.

in € million		31/3/2022	Share	31/12/2021	Share
1	Minimal risk	2,240	2.4%	2,030	2.1%
2	Excellent credit standing	8,347	8.8%	8,634	9.1%
3	Very good credit standing	21,535	22.6%	22,974	24.2%
4	Good credit standing	22,617	23.8%	22,532	23.7%
5	Sound credit standing	17,266	18.1%	18,430	19.4%
6	Acceptable credit standing	11,837	12.4%	12,572	13.2%
7	Marginal credit standing	3,948	4.1%	4,821	5.1%
8	Weak credit standing/sub-standard	3,378	3.5%	1,411	1.5%
9	Very weak credit standing/doubtful	2,583	2.7%	168	0.2%
10	Default	1,270	1.3%	1,267	1.3%
NR	Not rated	151	0.2%	240	0.3%
Total		**95,171**	**100.0%**	**95,080**	**100.0%**

The credit exposure to corporate customers was stable year-on-year. Any increases from credit financing as well as from swap transactions and foreign exchange transactions were offset by decreases in repo and money market transactions as well as by currency depreciation (Russian ruble, Ukrainian hryvnia, Belarusian ruble). The largest increase was recorded by rating grades 8 and 9, primarily due to rating downgrades of Russian, Belarusian and Ukrainian customers from rating grades 3, 4, 5 and 7. The shifts from rating grade 4 to poorer rating grades were offset by increases, in part due to rating downgrades from rating grade 3 and new business in the Czech Republic, Austria, Luxembourg and Germany. The decline in rating grades 3 and 5 resulted from rating downgrades of Russian customers as well as reduced credit exposure in Austria, the Czech Republic and Switzerland. The decline in rating grades 6 and 7 was mainly due to rating downgrades in Ukraine and Belarus as well as reduced exposure in Russia.

The rating model for project finance has five grades and takes both individual probabilities of default and available collateral into account.

in € million		31/3/2022	Share	31/12/2021	Share
6.1	Excellent project risk profile – very low risk	5,044	56.1%	4,807	57.5%
6.2	Good project risk profile – low risk	2,777	30.9%	2,539	30.4%
6.3	Acceptable project risk profile – average risk	754	8.4%	666	8.0%
6.4	Poor project risk profile – high risk	91	1.0%	16	0.2%
6.5	Default	321	3.6%	325	3.9%
NR	Not rated	7	0.1%	6	0.1%
Total		**8,994**	**100.0%**	**8,359**	**100.0%**

The € 635 million increase in project finance was mainly attributable to an increase in the Czech Republic, Germany, Austria and Slovakia in rating grades 6.1 and 6.2.

Breakdown by country of risk of the credit exposure for corporate customers and project finance structured by region, taking into account the guarantor:

in € million	31/3/2022	Share	31/12/2021	Share
Western Europe	26,778	25.7%	26,168	25.3%
Central Europe	24,203	23.2%	23,215	22.4%
Austria	19,440	18.7%	18,623	18.0%
Eastern Europe	15,256	14.6%	17,759	17.2%
Southeastern Europe	15,008	14.4%	14,388	13.9%
Asia	1,684	1.6%	1,667	1.6%
Other	1,796	1.7%	1,618	1.6%
Total	**104,165**	**100.0%**	**103,439**	**100.0%**

The increase in Central Europe was primarily attributable to the increase in credit financing and guarantees issued in the Czech Republic and Slovakia. The increase in Austria essentially resulted from the increase in credit and facility financing. In Southeastern Europe, facility financing increased mainly in Romania, Bulgaria and Croatia. Credit exposure in Western Europe rose mainly due to credit and facility financing as well as to guarantees issued in Germany, Luxembourg and Great Britain, partly offset by a decline in Switzerland. The decrease in Eastern Europe is primarily attributable to currency depreciation, reduced credit and facility financing and guarantees issued in Russia.

Credit exposure to corporates and project finance by industry of the original customer:

in € million	31/3/2022	Share	31/12/2021	Share
Manufacturing	26,741	25.7%	26,270	25.4%
Wholesale and retail trade	23,387	22.5%	24,175	23.4%
Real estate	13,773	13.2%	12,852	12.4%
Financial intermediation	8,278	7.9%	8,814	8.5%
Construction	6,030	5.8%	5,863	5.7%
Electricity, gas, steam and hot water supply	4,720	4.5%	4,726	4.6%
Transport, storage and communication	4,127	4.0%	4,122	4.0%
Freelance/technical services	2,594	2.5%	2,481	2.4%
Other industries	14,515	13.9%	14,136	13.7%
Total	**104,165**	**100.0%**	**103,439**	**100.0%**

Credit portfolio – Retail customers

Retail customers are subdivided into private individuals and small and medium-sized entities (SMEs). For retail customers a two-fold scoring system is used, consisting of the initial and ad-hoc scoring based on customer data and of the behavioral scoring based on account data.

in € million	31/3/2022	Share	31/12/2021	Share
Retail customers – private individuals	45,197	93.0%	44,683	93.0%
Retail customers – small and medium-sized entities	3,410	7.0%	3,348	7.0%
Total	**48,607**	**100.0%**	**48,031**	**100.0%**

Credit exposure to retail customers by internal rating:

in € million		31/3/2022	Share	31/12/2021	Share
0.5	Minimal risk	12,703	26.1%	12,192	25.4%
1.0	Excellent credit standing	8,725	18.0%	8,577	17.9%
1.5	Very good credit standing	8,462	17.4%	8,449	17.6%
2.0	Good credit standing	6,450	13.3%	6,275	13.1%
2.5	Sound credit standing	3,647	7.5%	3,660	7.6%
3.0	Acceptable credit standing	1,816	3.7%	2,189	4.6%
3.5	Marginal credit standing	865	1.8%	840	1.7%
4.0	Weak credit standing/sub-standard	386	0.8%	359	0.7%
4.5	Very weak credit standing/doubtful	468	1.0%	397	0.8%
5.0	Default	1,286	2.6%	1,318	2.7%
NR	Not rated	3,799	7.8%	3,776	7.9%
Total		**48,607**	**100.0%**	**48,031**	**100.0%**

The not rated credit exposure is mainly due to the takeover of the Equa bank portfolio. The integration into the existing rating systems is planned for 2022.

Credit exposure to retail customers by segments:

31/3/2022 in € million	Central Europe	Southeastern Europe	Eastern Europe	Group Corporates & Markets
Retail customers – private individuals	22,518	10,630	5,485	6,564
Retail customers – small and medium-sized entities	1,745	1,405	260	0
Total	**24,263**	**12,035**	**5,744**	**6,565**
hereof non-performing exposure	584	480	198	32

31/12/2021 in € million	Central Europe	Southeastern Europe	Eastern Europe	Group Corporates & Markets
Retail customers – private individuals	22,043	10,510	5,953	6,177
Retail customers – small and medium-sized entities	1,748	1,296	304	0
Total	**23,791**	**11,806**	**6,257**	**6,177**
hereof non-performing exposure	598	487	194	32

Retail credit exposure by products:

in € million	31/3/2022	Share	31/12/2021	Share
Mortgage loans	29,444	60.6%	28,886	60.1%
Personal loans	10,827	22.3%	10,879	22.6%
Credit cards	3,675	7.6%	3,708	7.7%
SME financing	2,696	5.5%	2,622	5.5%
Overdraft	1,387	2.9%	1,364	2.8%
Car loans	578	1.2%	572	1.2%
Total	**48,607**	**100.0%**	**48,031**	**100.0%**

In the first quarter of 2022, credit exposure to retail customers grew 1 per cent. The increase was mainly due to a rise in mortgage loans in the Czech Republic and Austria which was largely offset by a – also currency-related – decline in mortgage and personal loans in Russia.

Credit portfolio – Banks

The following table shows the credit exposure by internal rating for banks (excluding central banks). Due to the small number of customers (or observable defaults), the default probabilities of individual rating grades in this asset class are calculated based on a combination of internal and external data.

in € million		31/3/2022	Share	31/12/2021	Share
1	Minimal risk	4,652	21.4%	3,668	17.6%
2	Excellent credit standing	3,863	17.7%	4,385	21.0%
3	Very good credit standing	7,818	35.9%	6,193	29.7%
4	Good credit standing	2,469	11.3%	5,649	27.1%
5	Sound credit standing	194	0.9%	418	2.0%
6	Acceptable credit standing	221	1.0%	433	2.1%
7	Marginal credit standing	1,050	4.8%	91	0.4%
8	Weak credit standing/sub-standard	56	0.3%	23	0.1%
9	Very weak credit standing/doubtful	1,438	6.6%	0	0.0%
10	Default	15	0.1%	3	0.0%
NR	Not rated	1	0.0%	0	0.0%
Total		**21,777**	**100.0%**	**20,864**	**100.0%**

Credit exposure to banks increased primarily due to the increase in loans and advances in rating grades 1 and 3 in the USA, Germany and France. Rating grade 4 recorded a decline in repo transactions mainly in France and Spain, also due to rating upgrades of individual customers to rating grade 3. In addition, the rating downgrade of Russian customers from rating grade 4 to rating grade 9 had a decreasing effect. The increase in rating grade 7 is mainly attributable to the rating downgrade of a Russian customer from rating grade 2.

Credit exposure to banks (excluding central banks) by products:

in € million	31/3/2022	Share	31/12/2021	Share
Repo	8,236	37.8%	8,467	40.6%
Loans and advances	6,926	31.8%	5,201	24.9%
Bonds	3,635	16.7%	4,052	19.4%
Money market	1,178	5.4%	1,153	5.5%
Derivatives	566	2.6%	612	2.9%
Other	1,236	5.7%	1,378	6.6%
Total	**21,777**	**100.0%**	**20,864**	**100.0%**

Credit portfolio – Sovereigns

Another asset class is formed by central governments, central banks, and regional municipalities as well as other public sector entities. The credit exposure to sovereigns includes local and regional governments.

Credit exposure to sovereigns (including central banks) by internal rating:

in € million		31/3/2022	Share	31/12/2021	Share
1	Excellent credit standing	32,120	56.3%	30,797	51.5%
2	Very good credit standing	10,862	19.0%	15,392	25.7%
3	Good credit standing	7,030	12.3%	7,391	12.3%
4	Sound credit standing	3,404	6.0%	3,811	6.4%
5	Average credit standing	1,022	1.8%	1,183	2.0%
6	Mediocre credit standing	67	0.1%	75	0.1%
7	Weak credit standing	342	0.6%	1,198	2.0%
8	Very weak credit standing	0	0.0%	0	0.0%
9	Doubtful/high default risk	2,171	3.8%	0	0.0%
10	Default	1	0.0%	1	0.0%
NR	Not rated	21	0.0%	0	0.0%
Total		**57,041**	**100.0%**	**59,849**	**100.0%**

The decline in credit exposure to sovereigns was primarily due to repo transactions in the Czech Republic (down € 1,996 million) and the decrease in money market transactions in Russia (down € 1,437 million) and Hungary (down € 1,291 million). In addition, the deposits at the Slovakian, Croatian and Russian national banks were reduced.

The increase in rating grade 1 was mainly due to a rise in deposits at the Austrian national bank, which was partially offset by a decrease in repo transactions in the Czech Republic. The largest decrease was recorded in rating grade 2, which was attributable to a decline in deposits at the Slovakian national bank. The rating of Russia declined from rating grade 3 to rating grade 9. The ratings of Belarus and the Ukraine declined from rating grade 7 to rating grade 9.

Credit exposure to sovereigns (including central banks) by product:

in € million	31/3/2022	Share	31/12/2021	Share
Loans and advances	29,481	51.7%	28,111	47.0%
Bonds	18,363	32.2%	17,909	29.9%
Repo	5,955	10.4%	8,091	13.5%
Money market	2,879	5.0%	5,574	9.3%
Derivatives	105	0.2%	97	0.2%
Other	258	0.5%	67	0.1%
Total	**57,041**	**100.0%**	**59,849**	**100.0%**

Repo and money market transactions were the main drivers for the reduction in credit exposure to sovereigns, mainly in the Czech Republic, Hungary and Russia. In contrast, deposits at the Austrian national bank increased.

Non-investment grade credit exposure to sovereigns (rating grade 5 and below):

in € million	31/3/2022	Share	31/12/2021	Share
Russia	1,342	37.0%	0	0.0%
Ukraine	880	24.3%	843	34.3%
Albania	658	18.1%	720	29.3%
Bosnia and Herzegovina	363	10.0%	465	18.9%
Belarus	268	7.4%	336	13.7%
Other	114	3.2%	94	3.8%
Total	**3,625**	**100.0%**	**2,458**	**100.0%**

The non-investment grade credit exposure to sovereigns increased due to the rating downgrade of Russia. The exposure mainly includes Russian and Ukrainian government bonds as well as deposits of Group units at local central banks in Central, Eastern, and Southeastern Europe. The deposits serve to fulfil the respective minimum reserve requirements and act as a vehicle for short-term investment of excess liquidity and are therefore inextricably linked with business activity in these countries.

Non-performing exposures (NPE)

Since November 2019 RBI has fully applied the new definition of default of the CRR and also the corresponding requirements of the EBA (EBA/GL/2016/07). The new definition of default results in changes in the IRB approach, especially for the corporate rating models. These adjustments were approved by the competent supervisory authorities before implementation. Due to the COVID-19 outbreak, RBI also implemented the EBA guideline (EBA/GL/2020/02) on legislative and non-legislative moratoriums for loan payments applied in light of the COVID-19 crisis, which was valid until 31 March 2021. This aimed to support the group units in providing the necessary relief measures to borrowers and mitigate the potential impact on the volumes of non-performing exposures with restructuring measures, forborne and defaulted/non-performing exposures, as well as their impact on the income statement.

Non-performing exposures pursuant to the applicable definition contained in the Implementing Technical Standard (ITS) on Supervisory Reporting (Forbearance and non-performing exposures) issued by the EBA:

	NPE		NPE ratio		NPE coverage ratio	
in € million	31/3/2022	31/12/2021	31/3/2022	31/12/2021	31/3/2022	31/12/2021
General governments	5	1	0.3%	0.1%	18.2%	96.0%
Banks	4	3	0.0%	0.0%	98.0%	>100%
Other financial corporations	209	113	1.9%	1.0%	24.5%	39.7%
Non-financial corporations	1,491	1,574	2.7%	2.9%	60.5%	59.8%
Households	1,125	1,131	2.7%	2.8%	70.0%	68.3%
Loans and advances	**2,834**	**2,822**	**1.8%**	**1.8%**	**61.8%**	**62.5%**
Bonds	**0**	**0**	**0.0%**	**0.0%**	**–**	**–**
Total	**2,834**	**2,823**	**1.6%**	**1.6%**	**61.8%**	**62.5%**

In the first quarter, the volume of non-performing exposures rose € 12 million to € 2,834 million. The organic increase was € 26 million, with the general currency trend resulting in a € 12 million decline, particularly caused by the depreciation of the Russian ruble and the Ukrainian hryvnia. The NPE ratio remained unchanged at 1.6 per cent at the end of the year. The coverage ratio fell 0.7 percentage points to 61.8 per cent.

Development of non-performing exposure by asset classes (excluding items off the statement of financial position):

in € million	As at 1/1/2022	Change in consolidated group	Exchange rate	Additions	Disposals	As at 31/3/2022
General governments	1	0	0	4	0	5
Banks	3	0	0	1	0	4
Other financial corporations	113	0	(1)	119	(21)	209
Non-financial corporations	1,574	(3)	2	108	(190)	1,491
Households	1,131	0	(13)	113	(107)	1,125
Loans and advances (NPL)	**2,822**	**(3)**	**(12)**	**344**	**(318)**	**2,834**
Bonds	**0**	**0**	**0**	**0**	**0**	**0**
Total (NPE)	**2,823**	**(3)**	**(12)**	**344**	**(318)**	**2,834**

in € million	As at 1/1/2021	Change in consolidated group	Exchange rate	Additions	Disposals	As at 31/12/2021
General governments	2	0	0	0	(1)	1
Banks	4	0	0	0	(1)	3
Other financial corporations	95	0	2	25	(9)	113
Non-financial corporations	1,627	26	34	364	(476)	1,574
Households	1,112	17	27	515	(538)	1,131
Loans and advances (NPL)	**2,840**	**42**	**62**	**903**	**(1,025)**	**2,822**
Bonds	**11**	**0**	**0**	**0**	**(10)**	**0**
Total (NPE)	**2,851**	**42**	**62**	**903**	**(1,035)**	**2,823**

Share of non-performing exposure (NPE) by segment (excluding items off the statement of financial position):

	NPE		NPE ratio		NPE coverage ratio	
in € million	31/3/2022	31/12/2021	31/3/2022	31/12/2021	31/3/2022	31/12/2021
Central Europe	953	916	1.7%	1.6%	59.7%	60.5%
Southeastern Europe	734	756	2.3%	2.4%	69.6%	69.3%
Eastern Europe	347	350	1.4%	1.5%	70.2%	66.9%
Group Corporates & Markets	800	801	1.6%	1.5%	53.4%	56.4%
Corporate Center	0	0	0.0%	0.0%	100.0%	100.0%
Total	**2,834**	**2,823**	**1.6%**	**1.6%**	**61.8%**	**62.5%**

The slight increase in non-performing exposure of € 38 million to € 953 million was mainly attributable to the Central Europe segment, with the Czech Republic accounting for € 35 million in the non-financial corporations segment. The NPE ratio in relation to total exposure rose 0.1 percentage points to 1.7 per cent, and the coverage ratio sank 0.8 percentage points to 59.7 per cent.

Southeastern Europe reported a € 23 million reduction in non-performing exposure to € 734 million. The reduction was mainly attributable to an € 11 million decline in Romania as well as derecognition in the households segment of € 13 million. In the first quarter, the NPE ratio amounted to 2.3 per cent, a slight 0.1 percentage point reduction, while the credit volume remained almost unchanged compared to the year-end, and the coverage ratio rose 0.3 percentage points to 69.6 per cent.

In the Eastern Europe segment, the non-performing exposure slightly fell € 2 million to € 347 million, positively influenced by the depreciation of the Russian ruble and the Ukrainian hryvnia. Organically, however, the segment recorded an increase of € 16 million. The NPE ratio in relation to total exposure declined 0.1 percentage points to 1.4 per cent, and the coverage ratio rose 3.3 percentage points to 70.2 per cent.

In the Group Corporates & Markets segment, non-performing exposure remained almost unchanged compared to the year-end at € 800 million, with a 0.1 percentage point increase in the NPE ratio to 1.6 per cent, due to a reduction in credit volume, and a 3.0 percentage point reduction in the coverage ratio to 53.4 per cent.

Non-performing exposure with restructuring measures:

in € million	Refinancing		Instruments with modified time and modified conditions		Total	
	31/3/2022	31/12/2021	31/3/2022	31/12/2021	31/3/2022	31/12/2021
General governments	0	0	1	1	1	1
Banks	0	0	0	0	0	0
Other financial corporations	8	8	46	60	54	69
Non-financial corporations	113	215	793	804	905	1,019
Households	11	11	282	297	293	308
Total	**132**	**235**	**1,122**	**1,162**	**1,253**	**1,397**

Non-performing exposure with restructuring measures by segments:

in € million	31/3/2022	Share	31/12/2021	Share
Central Europe	313	25.0%	328	23.5%
Southeastern Europe	250	20.0%	261	18.7%
Eastern Europe	170	13.6%	179	12.8%
Group Corporates & Markets	519	41.4%	628	45.0%
Total	**1,253**	**100.0%**	**1,397**	**100.0%**

Concentration risk

The credit portfolio of the Group is well diversified in terms of geographical region and industry. Single name concentrations are also actively managed (based on the concept of groups of connected customers) by way of limits and regular reporting. As a result, portfolio granularity is high. The regional breakdown of the exposures reflects the broad diversification of credit business in the Group's European markets.

Credit exposures across all asset classes by the borrower's country of risk, grouped by regions:

in € million	31/3/2022	Share	31/12/2021	Share
Central Europe	**67,135**	**29.0%**	**69,380**	**29.9%**
Czech Republic	30,184	13.0%	31,130	13.4%
Slovakia	21,688	9.4%	22,228	9.6%
Hungary	10,175	4.4%	10,841	4.7%
Poland	4,536	2.0%	4,610	2.0%
Other	552	0.2%	572	0.2%
Austria	**51,298**	**22.2%**	**46,936**	**20.2%**
Western Europe	**40,819**	**17.6%**	**41,056**	**17.7%**
Germany	12,823	5.5%	12,356	5.3%
France	5,973	2.6%	6,784	2.9%
Great Britain	4,508	1.9%	4,413	1.9%
Switzerland	3,693	1.6%	4,211	1.8%
Luxembourg	2,659	1.1%	2,395	1.0%
Spain	2,571	1.1%	2,654	1.1%
Italy	2,104	0.9%	1,693	0.7%
Netherlands	2,033	0.9%	1,795	0.8%
Other	4,454	1.9%	4,755	2.0%
Southeastern Europe	**36,807**	**15.9%**	**36,906**	**15.9%**
Romania	14,745	6.4%	14,459	6.2%
Bulgaria	6,426	2.8%	6,413	2.8%
Croatia	6,071	2.6%	6,368	2.7%
Serbia	4,474	1.9%	4,490	1.9%
Bosnia and Herzegovina	2,235	1.0%	2,293	1.0%
Albania	1,730	0.7%	1,798	0.8%
Other	1,125	0.5%	1,085	0.5%
Eastern Europe	**26,210**	**11.3%**	**29,826**	**12.8%**
Russia	19,796	8.5%	23,339	10.1%
Ukraine	4,083	1.8%	4,253	1.8%
Belarus	1,746	0.8%	1,906	0.8%
Other	584	0.3%	328	0.1%
Asia	**2,725**	**1.2%**	**2,450**	**1.1%**
North America	**4,159**	**1.8%**	**2,992**	**1.3%**
Rest of World	**2,437**	**1.1%**	**2,636**	**1.1%**
Total	**231,590**	**100.0%**	**232,183**	**100.0%**

Eastern Europe recorded the largest decline, due primarily to facility and credit financing, money market transactions and the depreciation of the Russian ruble and the Ukrainian hryvnia. In Central Europe, the deposits at the Slovakian and Hungarian national banks declined, as did the repo transactions in the Czech Republic. In Austria, the increase was attributable to higher deposits at the Austrian national bank as well as to credit financing. The increased exposure in the USA resulted from transactions with US banks.

The Group's credit exposure based on industry classification:

in € million	31/3/2022	Share	31/12/2021	Share
Banking and insurance	62,835	27.1%	66,636	28.7%
Private households	45,347	19.6%	44,857	19.3%
Other manufacturing	20,070	8.7%	19,954	8.6%
Public administration and defense and social insurance institutions	19,909	8.6%	18,788	8.1%
Wholesale trade and commission trade (except car trading)	17,325	7.5%	18,135	7.8%
Real estate activities	13,944	6.0%	13,017	5.6%
Construction	6,584	2.8%	6,404	2.8%
Retail trade except repair of motor vehicles	6,189	2.7%	6,144	2.6%
Electricity, gas, steam and hot water supply	4,894	2.1%	4,852	2.1%
Manufacture of basic metals	3,563	1.5%	3,240	1.4%
Other business activities	3,009	1.3%	2,881	1.2%
Manufacture of food products and beverages	2,956	1.3%	2,925	1.3%
Land transport, transport via pipelines	2,591	1.1%	2,599	1.1%
Other transport	2,203	1.0%	2,115	0.9%
Manufacture of machinery and equipment	1,873	0.8%	1,875	0.8%
Extraction of crude petroleum and natural gas	1,641	0.7%	1,389	0.6%
Sale of motor vehicles	1,344	0.6%	1,346	0.6%
Other industries	15,315	6.6%	15,024	6.5%
Total	**231,590**	**100.0%**	**232,183**	**100.0%**

(45) Market risk

Market risk management is based on a dual management approach. For the overall portfolio including the banking book, the model used is based on a historical simulation and is suitable for the longer-term management of market risk in the banking books (ALL model). For all market risks with a direct impact on the income statement, a model is used that forecasts short-term volatility well (IFRS P&L model). This model approach has been approved by the Austrian Financial Market Authority as an internal model for measuring the capital requirement for market risks in the trading book of the head office. Both models calculate value-at-risk figures for changes in the risk factors foreign currencies, interest rate development, credit spreads, implied volatility, equity indices and basis spreads. The table below presents an overview of the development of the main risk indicators under both models (ALL and IFRS P&L) for the first quarter.

Total VaR (99%, 1d) in € million	VaR as at 31/3/2022	Average VaR	Minimum VaR	Maximum VaR	VaR as at 31/12/2021[1]
Model ALL total VaR (99%, 20d)	426	203	137	426	168
Model IFRS-P&L total VaR (99%, 1d)	25	16	4	48	6

1 Adaptation of previous year figures

The table below shows the risk ratios of the two models (ALL and IFRS P&L) by risk type. Capital positions held in foreign currencies and open foreign exchange positions, structural interest rate risks, spread risks from bond books (often held as liquidity buffers) as well as basis risks from basis spreads in Russian rubles are the main drivers of the higher VaR result.

VaR split	Model ALL total VaR (99%, 20d)		Model IFRS-P&L total VaR (99%, 1d)	
in per cent	31/3/2022	31/12/2021	31/3/2022	31/12/2021
Currency risk	10.0%	16.6%	1.2%	48.5%
Interest rate risk	36.2%	17.3%	3.0%	7.0%
Credit spread risk	48.1%	60.5%	1.4%	25.0%
Basis risk	(2.1)%	(0.6)%	75.7%	5.1%
Share price risk	0.4%	0.6%	1.3%	6.5%
Vega risk	7.4%	5.6%	17.4%	8.0%

The total VaR (model ALL) rose significantly in the first quarter due to the Ukraine war.

The higher P&L VaR (IFRS P&L model) is due to an increase in the basis risk of the reference curves for the Russian ruble, which was driven by the impact of the war and the sanctions against Russia on the Russian markets.

Market risk management is based on daily monitoring of market movements and position changes for the head office and Group units. In addition, developments on the local markets are updated daily and risk management is actively managed in order to be able to react quickly to changes.

(46) Liquidity management

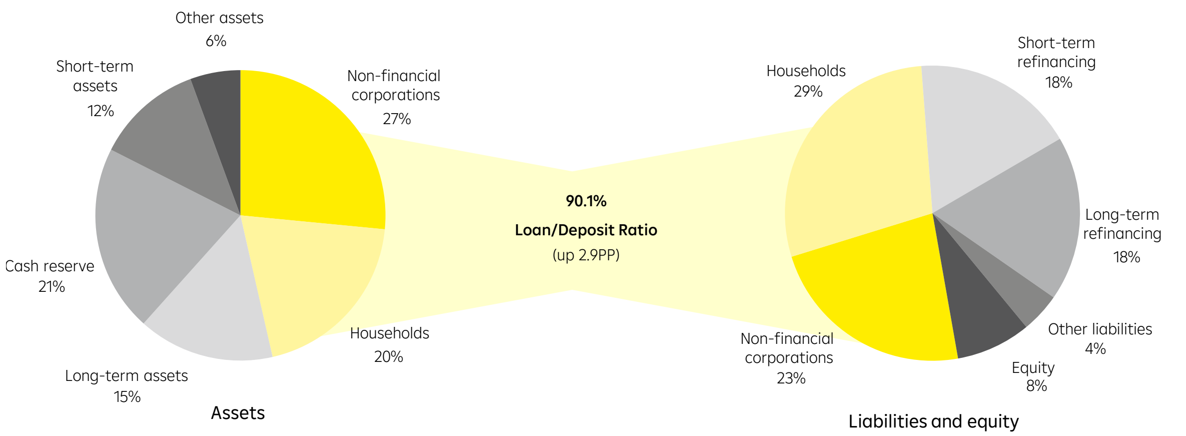
In as early as November 2021, a working group was established at RBI's head office in order to assess the geopolitical tensions between Russia and Ukraine and their potential impact on RBI. In weekly meetings, this working group developed stress tests and preparatory measures for various scenarios (including an outbreak of war). As part of the preparatory measures, the excess liquidity and banknote stocks of the Eastern European subsidiaries were increased.

Since the start of the war (24 February 2022), slightly increased deposit withdrawals were observed in individual countries, while liquidity reserves constantly remained very high across the entire Group. At the end of March 2022, liquidity risk indicators even improved for RBI compared to pre-war levels. The focus is now on the medium-term trend in the liquidity position. As a result, in order to meet the demand for customer loans in a timely manner, the development of the customer deposits base and of stable, long-term financing continues.

The current crisis related to the war in Ukraine once more emphasizes RBI's strong liquidity position and its ability to adapt to market or name-driven turmoil. The ILAAP framework and RBI's governance again proved to be solid and functional also in times of crisis. The daily monitoring of the liquidity position via dynamic dashboards showed that infrastructure and monitoring are effective and support fast responses in times of crisis.

Funding structure

The Group's funding structure is highly focused on retail business in Central and Eastern Europe. In addition, as a result of the Austrian Raiffeisen Banking Group's strong local market presence, the Group also benefits from funding through the Raiffeisen Landesbanken. Different funding sources are utilized in accordance with the principle of diversification. These include the issue of international bonds by RBI AG, the issue of local bonds by the Group units and the use of third-party financing loans (including supranationals). Partly due to tight country limits and partly due to beneficial pricing, the Group units also use interbank loans with third-party banks.



Liquidity position

The Going Concern report shows the structural liquidity position. It covers all material risk drivers which might affect the Group in a business as usual scenario. The results of the going-concern scenario are shown in the following table. It illustrates excess liquidity and the ratio of expected cash inflows plus counterbalancing capacity to cash outflows (liquidity ratio) for selected maturities on a cumulative basis. Based on assumptions employing expert opinions, statistical analyses and country specifics, this calculation also incorporates estimates of the stability of the customer deposit base, outflows from items off the statement of financial position and downward market movements in relation to positions which influence the liquidity counterbalancing capacity.

in € million Maturity	31/3/2022 1 month	1 year	31/12/2021 1 month	1 year
Liquidity gap	36,178	39,344	37,048	44,996
Liquidity ratio	160%	133%	172%	142%

Liquidity coverage ratio (LCR)

The liquidity coverage ratio (LCR) requires the short-term resilience of banks by ensuring that they have an adequate stock of unencumbered high-quality liquid assets (HQLAs) to meet potential liability run offs that might occur in a crisis, which can be converted into cash to meet liquidity needs for a minimum of 30 calendar days in a liquidity stress scenario.

The calculation of expected inflows and outflows of funds and the HQLAs is based on regulatory guidelines. The regulatory limit for LCR is 100 per cent.

in € million	31/3/2022	31/12/2021
Average liquid assets	41,879	39,282
Net outflows	27,110	25,664
Inflows	13,856	15,525
Outflows	40,967	41,189
Liquidity Coverage Ratio in per cent	**154%**	**153%**

The increased average liquid assets are based on the increase in the head office's cash balances at central banks. The reduction in short-term secured capital market transactions at RBI AG led to a decline in inflows, which was mitigated by an increase in short-term secured and unsecured deposits.

Net Stable Funding Ratio (NSFR)

The NSFR is defined as the ratio of available stable funding to required stable funding. Available stable funding is defined as the portion of equity and debt which is expected to be a reliable source of funds over the time horizon of one year covered by the NSFR. A bank's required stable funding depends on the liquidity characteristics and residual maturities of the various assets and off-balance-sheet positions. The RBI Group targets a balanced funding position. The required stable funding and available stable funding are based on regulatory provisions. The regulatory NSFR limit is 100 per cent.

in € million	31/3/2022	31/12/2021
Required stable funding	122,877	119,079
Available stable funding	158,166	159,006
Net Stable Funding Ratio in per cent	**129%**	**134%**

The increase in required stable funding is attributable to an increase in loans, and the decrease in available stable funding is largely due to other retail deposits.

Other disclosures

(47) Pending legal issues

Details regarding various court, administrative or arbitration proceedings in which RBI is involved can be seen in the Annual Report 2021, pages 202 ff.

Consumer protection

Croatia

In Croatia, following litigation initiated by a Croatian consumer association against Raiffeisenbank Austria, d.d., Croatia (RBHR) and other Croatian banks, two contractual clauses used in consumer loan agreements between 2003/2004 and 2008 were declared null and void: an interest change clause and a CHF index clause. The decision on the interest adjustment clause cannot be challenged anymore. The decision on the nullity of the CHF index clause which was confirmed by the Croatian Supreme Court also passed control of the Croatian Constitutional Court. RBHR is exploring the possibility to challenge this decision and, in August 2021, submitted an application before the European Court for Human Rights. Moreover, the issue of CHF-indexed loans which were converted under the Croatian Conversion Act into EUR-indexed loans is pending before the European Court of Justice for preliminary ruling. A preliminary ruling by this court may have an impact on the CHF index clauses, especially on converted loans. However, based on the decisions already rendered on the nullity of the interest change clause and/or the CHF index clause, a number of borrowers have already raised claims against RBHR. Given current legal uncertainties relating to the statute of limitations, the validity of the CHF index clause/conversion performed, the further course of action, the final outcome of the request for preliminary ruling and the number of borrowers raising such claims, final quantification of the financial impact and the possible damage is not possible at this point of time. In this connection, the provision recognized on a portfolio basis was increased to € 58 million (previous year: € 56 million).

Poland

There are no new findings in connection with consumer mortgage loans in Poland, a decision of the Supreme Court is still pending. As at the end of March 2022, the total amount in dispute regarding certain contractual stipulations connected with consumer mortgage loans denominated in foreign currencies or indexed to a foreign currency was approximately PLN 2,309 million (€ 496 million). The resulting provision based on a statistical approach was increased to € 412 million (previous year: € 364 million). The main uncertainties to calculate the provisions stem from a potentially higher number of lawsuits and an increase of likelihood of losing court cases. A negative legal decision for the bank can lead to a significant increase in the provision.

Romania

In October 2017, the consumer protection authority (ANPC) issued an order for RBI's Romanian network bank Raiffeisen Bank S.A., Bucharest, to stop its alleged practice of not informing its customers about future changes in the interest rate charged to the customers. The order did not imply any direct monetary restitution or payment from Raiffeisen Bank S.A., Bucharest. RBI's Romanian network bank Raiffeisen Bank S.A., Bucharest, disputed this order and obtained a stay of its enforcement pending a final decision. In this connection, a provision of € 27 million (previous year: € 27 million) has been recognized. In March 2022, the Romanian High Court of Cassation and Justice issued a decision ruling that the order of ANPC is valid and has to be applied. The decision ruling has not yet been rendered in writing. In accordance with latest discussions with the authority and based on an external legal opinion, the bank shall have to issue new repayment schedules and repay certain amounts to affected customers. Given current uncertainties as to the implementation of the order (in the absence of the actual court decision), an exact quantification of the negative financial impact resulting from repayments to customers is still not possible at this point of time. However, based on the external legal opinion, such impact is estimated at € 28 million. Based on a worst-case scenario, such impact may increase up to € 67 million.

Furthermore, Raiffeisen Bank S.A., Bucharest, is involved in a number of lawsuits, some of them class actions, as well as administrative proceedings pursued by ANPC, in particular in connection with consumer loans and current account contracts. The proceedings are mainly based on the allegation that certain contractual provisions and practices applied by Raiffeisen Bank S.A. violate consumer protection laws and regulations. Such proceedings may result in administrative fines, the invalidation of clauses in agreements and the reimbursement of certain fees or parts of interest payments charged to customers in the past.

Banking business

In April 2018, a lawsuit was brought against Raiffeisen Bank Polska S.A. (RBPL), the former Polish subsidiary of RBI, by a former client claiming an amount of approximately PLN 203 million (€ 44 million). According to the plaintiff's complaint, RBPL blocked the client's current overdraft credit account for six calendar days in 2014 without formal justification. The plaintiff claimed that the blocking of the account resulted in losses and lost profits due to a periodic disruption of the client's financial liquidity, the inability to replace loan-based funding sources with financing streams originating from other sources on the blocked account, a reduction in inventory and merchant credits being made available and generally a resulting deterioration of the client's financial results and business reputation. RBPL contended that the blocking was legally justified and implemented upon available information. In the course of the sale of the core banking operations of RBPL to BGZ BNP Paribas S.A., the lawsuit against RBPL was transferred to BGZ BNP Paribas S.A. However, RBI must still bear any negative financial consequences in connection with the said proceeding. In February 2022, RBI was informed by BGZ BNP Paribas S.A. that the plaintiff's claim was dismissed in the court of first instance (but may still be open to appeal).

Regulatory enforcement

In August 2021, an administrative fine of € 167 thousand was imposed on RBI in the course of administrative proceedings in connection with its function as depositary bank for UCITS funds. FMA charged that between March 2016 and January 2019 only one single collateral account in the name of the investment management company was established instead of segregated ones for each fund. Thus, according to the interpretation of the FMA, RBI had failed to ensure that assets could clearly be allocated to the respective fund at any time. In September 2021, RBI submitted an appeal against the FMA's fining decision which was forwarded to the Federal Administrative Court (Bundesverwaltungsgericht). In April 2022, RBI was served with the decision of the Federal Administrative Court. It accepted RBI's appeal, lifted FMA's fining decision and closed the proceeding without a fine for RBI.

In November 2020, the Austrian Chamber for Workers and Employees (Bundeskammer für Arbeiter und Angestellte) (BAK) filed an application for injunctive relief against Raiffeisen Bausparkasse Österreich Gesellschaft m.b.H. (RBSPK), a wholly owned subsidiary of RBI, with the commercial court in Vienna. RBSPK had terminated long-lasting building savings contracts (Bausparverträge) in an aggregate amount of approximately € 93 million. The minimum rate of interest on said overnight building savings deposits was between 1 per cent p.a. and 4.5 per cent p.a. BAK claims that RBSPK did not have the right to terminate such contracts whereas RBSPK is of the opinion that said contracts constitute a continuing obligation, which can – under Austrian law – be terminated by giving proper notice. RBSPK received the court decision of the court of first instance in August 2021 and the court of second instance in February 2022; both basically stating that the termination of the savings contracts is considered unlawful. RBSK has appealed against the decision of the court of second instance in March 2022.

(48) Related parties

The main companies exercising a significant influence are Raiffeisenlandesbank Niederösterreich-Wien AG, Vienna, as the largest single shareholder, its parent company, Raiffeisen-Holding Niederösterreich-Wien registrierte Genossenschaft mit beschränkter Haftung, Vienna, and their fully consolidated subsidiaries. The amounts shown under affiliated companies relate to affiliated companies that are not consolidated due to immateriality.

Transactions with related parties (companies and individuals) are limited to banking business transactions that are carried out at fair market conditions. Moreover, members of the Management Board hold shares in RBI AG. Detailed information regarding this is published on the homepage of Raiffeisen Bank International.

31/3/2022 in € million	Companies with significant influence	Affiliated companies	Investments in associates valued at equity	Other interests
Selected financial assets	**33**	**430**	**1,185**	**633**
Equity instruments	0	213	685	145
Debt securities	24	0	179	14
Loans and advances	9	216	321	474
Selected financial liabilities	**2,303**	**103**	**4,875**	**626**
Deposits	2,303	103	4,871	626
Debt securities issued	0	0	4	0
Other items	**169**	**1**	**329**	**116**
Loan commitments, financial guarantees and other commitments given	121	1	295	114
Loan commitments, financial guarantees and other commitments received	48	0	34	2
Nominal amount of derivatives	186	0	53	1,330
Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions on non-performing exposures	0	(4)	0	0

31/12/2021 in € million	Companies with significant influence	Affiliated companies	Investments in associates valued at equity	Other interests
Selected financial assets	**97**	**461**	**1,232**	**592**
Equity instruments	0	251	717	151
Debt securities	17	0	179	14
Loans and advances	79	209	337	428
Selected financial liabilities	**2,202**	**100**	**4,460**	**486**
Deposits	2,202	100	4,456	486
Debt securities issued	0	0	4	0
Other items	**125**	**1**	**269**	**139**
Loan commitments, financial guarantees and other commitments given	76	1	236	128
Loan commitments, financial guarantees and other commitments received	48	0	34	11
Nominal amount of derivatives	278	0	90	1,794
Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions on non-performing exposures	0	(4)	0	0

1/1-31/3/2022 in € million	Companies with significant influence	Affiliated companies	Investments in associates valued at equity	Other interests
Interest income	3	1	3	6
Interest expenses	(3)	0	(5)	(2)
Dividend income	0	0	5	(1)
Fee and commission income	1	3	3	1
Fee and commission expenses	0	0	(3)	(5)
Increase/decrease in impairment, fair value changes due to credit risk and provisions for non-performing exposures	0	(13)	0	0

1/1-31/3/2021 in € million	Companies with significant influence	Affiliated companies	Investments in associates valued at equity	Other interests
Interest income	3	1	2	1
Interest expenses	(4)	0	(5)	0
Dividend income	0	1	124	4
Fee and commission income	2	1	2	1
Fee and commission expenses	0	0	(2)	(3)
Increase/decrease in impairment, fair value changes due to credit risk and provisions for non-performing exposures	0	0	0	0

(49) Staff

Full-time equivalents	1/1-31/3/2022	1/1-31/3/2021
Average number of staff	46,101	45,227
hereof salaried employees	45,541	44,638
hereof wage earners	560	589
Full-time equivalents	**31/3/2022**	**31/3/2021**
Employees as at reporting date	46,621	45,133
hereof Austria	4,524	4,306
hereof foreign	42,097	40,827

Regulatory information

(50) Capital management and total capital according to CRR/CRD IV and Austrian Banking Act (BWG)

Based on an annually undertaken Supervisory Review and Evaluation Process (SREP), the ECB currently instructs RBI by way of an official notification to hold additional capital to cover risks which are not or not adequately covered under Pillar I.

The so-called Pillar 2 Capital Requirement (P2R) is calculated based on the bank's business model, risk management or capital situation, for example. The most recent official notification from the ECB specifies that the Pillar 2 Requirement must be adhered to at the level of RBI. In addition, RBI is subject to the minimum requirements of the CRR and the combined buffer requirement. The combined buffer requirement for RBI currently contains a capital conservation buffer, a systemic risk buffer and a countercyclical buffer. As at 31 March 2022, the CET1 ratio (including the combined buffer requirement) is 10.40 per cent for RBI. A violation of the combined buffer requirement would induce measures such as constraints on dividend payments and coupon payments on certain capital instruments. In addition, an ECB expectation on RBI on a consolidated level also applies. This so-called Pillar 2 Capital Guidance (P2G) is 1.25 per cent. The capital requirements applicable during the year were complied with, including an adequate buffer, on an individual basis. At the consolidated level of RBI, the supervisory expectations, i.e. the P2G, the tier 1 ratio and the total capital ratio are not complied with. A corresponding notification was carried out in accordance with the provisions in the official notification.

As a rule, national supervisors are authorized to impose systemic risk buffers (up to 5 per cent) as well as additional capital add-ons for systemic banks (up to 3.5 per cent. The Financial Market Stability Board (FMSB), which is responsible for this in Austria, has recommended that the Austrian Financial Market Authority (FMA) prescribes a systemic risk buffer (SRB) for certain banks, including RBI. A buffer was also recommended for certain systemically important banks, including RBI. Both buffers were put into force by the FMA via the Capital Buffer Regulation (Kapitalpuffer-Verordnung). The SRB for RBI was set at 1 per cent and the buffer for systemically important banks at 1 per cent.

Setting a countercyclical buffer is also the responsibility of the national supervisors and results in a weighted average at the level of RBI in order to curb excessive lending growth. This buffer was set at 0 per cent in Austria for the present time due to restrained lending growth. The buffer rates defined in other member states apply at the level of RBI (based on a weighted calculation of averages). Further expected regulatory changes and developments are monitored, presented and analyzed in scenario calculations undertaken by Group Regulatory Affairs & Data Governance on an ongoing basis. Potential effects are considered in planning and governance, insofar as the extent and implementation are foreseeable.

Total capital

The following consolidated figures have been calculated in accordance with the provisions of the Capital Requirements Regulation (CRR) and other statutory provisions such as the Implementing Technical Standards (ITS) of the European Banking Authority (EBA).

in € million	31/3/2022	31/12/2021
Capital instruments and the related share premium accounts	5,994	5,994
Retained earnings	10,307	8,835
Accumulated other comprehensive income (and other reserves)	(3,685)	(3,673)
Minority interests (amount allowed in consolidated CET1)	578	524
Independently reviewed interim profits net of any foreseeable charge or dividend	(5)	933
Common equity tier 1 (CET1) capital before regulatory adjustments	**13,189**	**12,613**
Additional value adjustments (negative amount)	(101)	(81)
Deductions for new net provisioning	(224)	0
Intangible assets (net of related tax liability) (negative amount)	(675)	(674)
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability where the conditions in Article 38 (3) are met) (negative amount)	(14)	(39)
Fair value reserves related to gains or losses on cash flow hedges	97	24
Negative amounts resulting from the calculation of expected loss amounts	(18)	0
Gains or losses on liabilities valued at fair value resulting from changes in own credit standing	34	55
Direct and indirect holdings by an institution of own CET1 instruments (negative amount)	(20)	(20)
Exposure amount of the following items which qualify for a risk weight of 1250%, where the institution opts for the deduction alternative	(80)	(45)
hereof: securitization positions (negative amount)	(80)	(45)
Other regulatory adjustments	(32)	(22)
Total regulatory adjustments to common equity tier 1 (CET1)	**(1,033)**	**(801)**
Common equity tier 1 (CET1) capital	**12,156**	**11,812**
Capital instruments and the related share premium accounts	1,670	1,669
Amount of qualifying items referred to in Article 484 (4) and the related share premium accounts subject to phase out from AT1	0	0
Qualifying tier 1 capital included in consolidated AT1 capital (including minority interests not included in row 5) issued by subsidiaries and held by third parties	39	28
Total regulatory adjustments to Additional Tier 1 (AT1) capital	**(33)**	**(50)**
Additional tier 1 (AT1) capital	**1,676**	**1,647**
Tier 1 capital (T1 = CET1 + AT1)	**13,832**	**13,460**
Capital instruments and the related share premium accounts	2,015	2,085
Qualifying own funds instruments included in consolidated T2 capital (including minority interests and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties	53	31
Credit risk adjustments	119	286
Total regulatory adjustments to Tier 2 (T2) capital	**(30)**	**(55)**
Tier 2 (T2) capital	**2,157**	**2,347**
Total capital (TC = T1 + T2)	**15,989**	**15,807**
Total risk-weighted assets (RWA)	**104,029**	**89,928**

Total capital requirement and risk-weighted assets

in € million	31/3/2022		31/12/2021[1]	
	Risk-weighted exposure	Capital requirement	Risk-weighted exposure	Capital requirement
Total risk-weighted assets (RWA)	**104,029**	**8,322**	**89,928**	**7,194**
Risk-weighted exposure amounts for credit, counterparty credit and dilution risks and free deliveries	**85,168**	**6,813**	**74,031**	**5,922**
Standardized approach (SA)	**28,598**	**2,288**	**26,308**	**2,105**
Exposure classes excluding securitization positions	28,597	2,288	26,308	2,105
Central governments or central banks	1,633	131	1,113	89
Regional governments or local authorities	101	8	102	8
Public sector entities	19	1	19	1
Institutions	234	19	259	21
Corporates	8,024	642	6,680	534
Retail	5,504	440	5,955	476
Secured by mortgages on immovable property	7,354	588	6,886	551
Exposure in default	291	23	296	24
Items associated with particular high risk	243	19	264	21
Covered bonds	6	0	6	0
Collective investments undertakings (CIU)	104	8	79	6
Equity	1,897	152	1,883	151
Other items	3,188	255	2,768	221
Internal ratings based approach (IRB)	**56,571**	**4,526**	**47,723**	**3,818**
IRB approaches when neither own estimates of LGD nor conversion factors are used	**47,908**	**3,833**	**39,076**	**3,126**
Central governments or central banks	4,889	391	2,753	220
Institutions	1,897	152	1,724	138
Corporates - SME	4,209	337	4,098	328
Corporates - Specialized lending	3,830	306	3,407	273
Corporates - Other	33,083	2,647	27,094	2,168
IRB approaches when own estimates of LGD and/or conversion factors are used	**7,911**	**633**	**7,903**	**632**
Retail - Secured by real estate SME	231	19	233	19
Retail - Secured by real estate non-SME	3,422	274	3,368	269
Retail - Qualifying revolving	281	22	299	24
Retail - Other SME	450	36	430	34
Retail - Other non-SME	3,527	282	3,574	286
Equity	423	34	439	35
Simple risk weight approach	0	0	0	0
Other equity exposure	0	0	0	0
PD/LGD approach	0	0	0	0
Other non-credit obligation assets	329	26	304	24

1 As part of the regulatory reporting process, the total risk amount was adjusted as at 31 December 2021.

in € million	31/3/2022		31/12/2021	
	Risk-weighted exposure	Capital requirement	Risk-weighted exposure	Capital requirement
Total risk exposure amount for settlement/delivery	**11**	**1**	**6**	**1**
Settlement/delivery risk in the non-trading book	0	0	0	0
Settlement/delivery risk in the trading book	11	1	6	1
Total risk exposure amount for position, foreign exchange and commodities risk	**5,524**	**442**	**4,952**	**396**
Risk exposure amount for position, foreign exchange and commodities risks under standardized approaches (SA)	**4,028**	**322**	**2,383**	**191**
Traded debt instruments	1,535	123	1,846	148
Equity	81	6	221	18
Particular approach for position risk in CIUs	0	0	1	0
Foreign exchange	2,403	192	311	25
Commodities	8	1	5	0
Risk exposure amount for position, foreign exchange and commodities risks under internal models (IM)	**1,496**	**120**	**2,569**	**206**
Total risk exposure amount for operational risk	**11,827**	**946**	**9,415**	**753**
OpR standardized (STA) /alternative standardized (ASA) approaches	3,717	297	3,737	299
OpR advanced measurement approaches (AMA)	8,110	649	5,678	454
Total risk exposure amount for credit valuation adjustments	**260**	**21**	**256**	**21**
Standardized method	260	21	256	21
Other risk exposure amounts	**1,238**	**99**	**1,268**	**101**
of which risk-weighted exposure amounts for credit risk: securitization positions (revised securitization framework)	1,238	99	1,268	101

Capital ratios

in per cent	31/3/2022	31/12/2021
Common equity tier 1 ratio (transitional)	11.7%	13.1%
Common equity tier 1 ratio (fully loaded)	11.5%	13.1%
Tier 1 ratio (transitional)	13.3%	15.0%
Tier 1 ratio (fully loaded)	13.1%	15.0%
Total capital ratio (transitional)	15.4%	17.6%
Total capital ratio (fully loaded)	15.2%	17.6%

Leverage ratio

The leverage ratio is defined in Part 7 of the CRR. As at 31 March 2022, there is a mandatory quantitative requirement of 3 per cent:

in € million	31/3/2022	31/12/2021
Leverage exposure	220,079	219,173
Tier 1	13,832	13,460
Leverage ratio in per cent (transitional)	**6.3%**	**6.1%**
Leverage ratio in per cent (fully loaded)	**6.2%**	**6.1%**

Events after the reporting date

Acquisition of Crédit Agricole Srbija finalized

On 5 August 2021, RBI announced that its Serbian subsidiary bank, Raiffeisen banka a.d., had signed an agreement to acquire 100 per cent of the shares of Crédit Agricole Srbija (Crédit Agricole Srbija a.d. Novi Sad and Crédit Agricole Leasing Srbija d.o.o.) from Crédit Agricole S.A. Closing took place on 1 April 2022. Crédit Agricole Srbija will be consolidated into RBI's balance sheet in the second quarter of 2022 and will probably reduce RBI's CET 1 ratio by about 13 basis points, based on the figures of the first quarter, finally depending on the balance sheet development, the completed purchase price allocation and the actual equity of Crédit Agricole Srbija. Serbia is a market that offers considerable growth potential. The acquisition of Crédit Agricole Srbija, with some 356,000 customers, will complement the Serbian subsidiary bank's strategy and support RBI's growth ambitions in that market.

At the end of the first quarter of 2022, the provisional total assets of Crédit Agricole Srbija amounted to more than € 1.4 billion, while Raiffeisen banka a.d. had assets of € 3.7 billion. The largest balance sheet items on the asset side were customer loans of about € 1.0 billion, cash, cash balances at central banks and other demand deposits of approximately € 0.4 billion. On the liability side, customer deposits of around € 1.3 billion were reported. The provisional equity as of 31 March 2022 totaled about € 0.13 billion. From 1 January to 31 March 2022, Crédit Agricole Srbija earned net interest income of approximately € 9.9 million.

The final purchase price will be calculated according to an agreed fixed price/book value multiple based on the equity as of 31 March 2022, which has not yet been finally determined. The purchase price was paid on the basis of the equity of Crédit Agricole Srbija, including the undistributed profit of Crédit Agricole Leasing as of 30 June 2021.

As the acquisition closed on 1 April 2022, RBI has not yet recognized any assets and acquired liabilities on its balance sheet as of 31 March 2022. The above figures are carrying values of the seller's preliminary closing balance sheet and not the assets and liabilities revalued at market value. At quarter-end on 31 March 2022, insufficient data was available to complete the valuation. At a later date, RBI will therefore prepare a balance sheet in accordance with IFRS 3.45 and 3.46. The purchase price allocation is in preparation.

Key figures

Alternative Performance Measures (APM)

The Group uses alternative performance measures in its financial reporting, not defined by IFRS or CRR regulations, to describe RBI Group's financial position and performance. These should not be viewed in isolation but treated as supplementary information.

For the purpose of the analysis and description of the performance and the financial position these ratios are commonly used within the financial industry. The special items used below to calculate some alternative performance measures arise from the nature of Group's business, i.e. that of a universal banking group. However, it is to mention that the definitions mostly vary between companies. Please find the definitions of these ratios below.

Consolidated return on equity – Consolidated profit less dividend on additional tier 1 capital in relation to average consolidated equity (i.e. the equity attributable to the shareholders of RBI). Average consolidated equity is based on month-end figures excluding non-controlling interests and does not include current year profit.

Cost/income ratio is an economic metric and shows the company's costs in relation to its income. The ratio gives a clear view of operational efficiency. Banks use the cost/income ratio as an efficiency measure for steering the bank and for easily comparing its efficiency with other financial institutions. General administrative expenses in relation to operating income (before impairment) are calculated for the cost/income ratio. General administrative expenses comprise staff expenses, other administrative expenses and depreciation/amortization of intangible and tangible fixed assets. Operating income comprises net interest income, dividend income, current income from investments in associates, net fee and commission income, net trading income and fair value result, net gains/losses from hedge accounting and other net operating income.

Cost/income ratio (including compulsory contributions) – In this second variant of determining the cost/income ratio, the general administrative expenses also takes into account the expenses from the item governmental measures and compulsory contributions (bank levies, resolution fund and deposit insurance fees).

Effective tax rate (ETR) – Relation of income tax expense to profit before tax. The effective tax rate differs from the company´s jurisdictional tax rate due to many accounting factors and enables a better comparison among companies. The effective tax rate of a company is the average rate at which its pre-tax profits are taxed. It is calculated by dividing total tax expense (income taxes) by profit before tax. Total tax expense includes current income taxes and deferred taxes.

Loan/deposit ratio indicates a bank's ability to refinance its loans by deposits rather than wholesale funding. It is calculated with loans to non-financial corporations and households in relation to deposits from non-financial corporations and households.

Net interest margin is used for external comparison with other banks as well as an internal profitability measurement of products and segments. It is calculated with net interest income set in relation to average interest-bearing assets (total assets less investments in subsidiaries and associates, tangible fixed assets, intangible fixed assets, tax assets and other assets).

NPE – Non-performing exposure. It contains all non-performing loans and debt securities according to the applicable definition of the EBA document Implementing Technical Standards (ITS) on Supervisory Reporting (Forbearance and non-performing exposures).

NPL – Non-performing loans. It contains all non-performing loans according to the applicable definition of the EBA document Implementing Technical Standards (ITS) on Supervisory Reporting (Forbearance and non-performing exposures).

NPE ratio is an economic ratio to demonstrate the proportion of non-performing loans and debt securities in relation to the entire loan portfolio of customers and banks, and debt securities. The ratio reflects the quality of the loan portfolio of the bank and provides an indicator for the performance of the bank's credit risk management.

NPL ratio is an economic ratio to demonstrate the proportion of non-performing loans in relation to the entire loan portfolio to customers and banks. The ratio reflects the quality of the loan portfolio of the bank and provides an indicator for the performance of the bank's credit risk management.

NPE coverage ratio describes to which extent non-performing loans and debt securities have been covered by impairments (Stage 3) thus expressing also the ability of a bank to absorb losses from its NPE. It is calculated with impairment losses on loans to customers and banks and on debt securities set in relation to non-performing loans to customers and banks and debt securities.

NPL coverage ratio describes to which extent non-performing loans have been covered by impairments (Stage 3) thus expressing also the ability of a bank to absorb losses from its NPL. It is calculated with impairment losses on loans to customers and banks set in relation to non-performing loans to customers and banks.

Operating result is used to describe the operative performance of a bank for the reporting period. It consists of operating income less general administrative expenses.

Operating income – They are primarily income components of the ongoing business operations (before impairment). It comprises net interest income, dividend income, current income from investments in associates, net fee and commission income, net trading income and fair value result, net gains/losses from hedge accounting and other net operating income.

Provisioning ratio is an indicator for development of risk costs and provisioning policy of an enterprise. It is computed by dividing impairment or reversal of impairment on financial assets (customer loans) by average customer loans (categories: financial assets measured at amortized cost and financial assets at fair value through other comprehensive income).

Return on assets (ROA before/after tax) is a profitability ratio and measures how efficiently a company can manage its assets to produce profits during a period. It is computed by dividing profit before tax/after tax by average assets (based on total assets, average means the average of year-end figure and the relevant month´s figures).

Return on equity (ROE before/after tax) provides a profitability measure for both management and investors by expressing the profit for the period as presented in the income statement as a percentage of the respective underlying (either equity or total assets). Return on equity demonstrates the profitability of the bank on the capital invested by its shareholders and thus the success of their investment. Return on equity is a useful measure to easily compare the profitability of a bank with other financial institutions. Return on the total equity including non-controlling interests, i.e. profit before tax respectively after tax in relation to average equity on the statement of financial position. Average equity is calculated on month-end figures including non-controlling interests and does not include current year profit.

Total capital specific key figures

Common equity tier 1 ratio – Common equity tier 1 as a percentage of total risk-weighted assets (RWA) according to CRR/CRD IV regulation.

Leverage ratio – The ratio of tier 1 capital to all exposures on and off the statement of financial position insofar as they are not deducted when determining the capital measurand. The calculation is in accordance with the methodology set out in CRD IV.

Total risk-weighted assets (RWA) – Risk-weighted assets (credit risk, CVA risk) including market risk and operational risk.

Tier 1 ratio – Tier 1 capital to total risk-weighted assets (RWA).

Total capital ratio – Total capital as a percentage of total risk-weighted assets (RWA).

List of abbreviations

BWG	Austrian Banking Act (Bankwesengesetz)
CDS	Credit Default Swap
CE	Central Europe
CEE	Central and Eastern Europe
CET 1	Common Equity Tier 1
CoE	Cost of Equity
CRR	Capital Requirements Regulation
DCF	Discounted Cash-Flow
EAD	Exposure at Default
EBA	European Banking Authority
ECL	Expected Credit Losses
EE	Eastern Europe
ECB	European Central Bank
ESAEG	Deposit Protection and Investor Compensation Act (Einlagensicherungs- und Anlegerentschädigungsgesetz)
ESG	Environmental, Social and Governance
FMA	Financial Market Authority
FMSB	Financial Market Stability Board
GDP	Gross Domestic Product
HQLA	High Quality Liquid Assets
IAS/IFRS	International Accounting Standards/International Financial Reporting Standards
IBOR	Interbank Offered Rate
ILAAP	Internal Liquidity Adequacy Assessment Process
IPS	Institutional Protection Scheme
IRB	Internal Ratings Based
ITS	Implementing Technical Standards
LCR	Liquidity Coverage Ratio
LGD	Loss Given Default
MREL	Minimum Requirement for Own Funds and Eligible Liabilities
NPE	Non-Performing Exposure
NPL	Non-Performing Loans
NSFR	Net Stable Funding Ratio
OTC	Over The Counter
P2G	Pillar 2 Capital Guidance
P2R	Pillar 2 Capital Requirement
PD	Past Due
PEPP	Pandemic Emergency Purchase Programme
POCI	Purchased or Originated Credit Impaired
RBI	Raiffeisen Bank International Group
RBI AG	Raiffeisen Bank International Aktiengesellschaft
RWA	Risk-Weighted Assets
SA	Standardized Approach
SA-CCR	Standardized Approach to Counterparty Credit Risk
SEE	Southeastern Europe
SICR	Significant Increase in Credit Risk
SIRP	Special Interest Rate Period
SRB	Systemic Risk Buffer
SREP	Supervisory Review and Evaluation Process
TLTRO	Targeted Longer-Term Refinancing Operations
VaR	Value-at-Risk
WACC	Weighted Average Cost of Capital

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