

Report of the Supervisory Board

Executive Summary

- ✓ RBI's very good consolidated profit of € 3.6 billion in the 2022 financial year, with strong core revenues across the Group, impressively demonstrated RBI's earnings strength and resilience even under difficult conditions. The successful sale of Raiffeisenbank Bulgaria strengthened the CET1 ratio by approximately 75 basis points.
- ✓ As the impact of the COVID-19 pandemic faded, the economy began to recover in early 2022. This was overshadowed by the war events and their consequences. RBI successfully managed these challenges with prudent crisis and risk management and a special focus on strict compliance with EU and U.S. financial sanctions regulations.
- ✓ The financial year was characterized by a particularly intensive exchange between the Supervisory Board and the Management Board. From the outset, the Management Board was supported and advised by the Supervisory Board. In this context, the Supervisory Board also discussed in detail the strategic and geographic positioning of RBI with a particular focus on the core markets as well as the strategic options in relation to Raiffeisenbank Russia and Priorbank Belarus. The integration of the newly acquired Crédit Agricole Srbija AD in Serbia and Equa bank in the Czech Republic progressed according to plan in the 2022 financial year and has strengthened RBI's market position in its core markets.
- ✓ The digital transformation of RBI with the aim of responding flexibly and innovatively to customer needs, as well as robust IT risk management, continue to be a focus of the Supervisory Board's activities.
- ✓ The Supervisory Board attaches high priority to RBI's strong positioning in the area of sustainability (ESG).
- ✓ The Management Board provided regular reports on developments concerning foreign-currency mortgage loans in Poland and the resulting allocations to credit-linked provisions.
- ✓ The Supervisory Board and its committees performed all their duties with great care and responsibility. The members of the Supervisory Board exhibited a high level of commitment and were always available for additional meetings, even at short notice. A total of 39 meetings of the Supervisory Board and its committees were held, plus 32 additional appointments.
- ✓ The Management Board informed the members of the Supervisory Board regularly, comprehensively and promptly of all relevant matters relating to business performance and risk trends, with special consideration given to the impact and macroeconomic effects of the war in Ukraine.
- ✓ The Supervisory Board and the Risk Committee discussed current compliance matters at each meeting, with a particular focus on the direct consequences of the sanctions imposed against Russia and Belarus.
- ✓ After reviewing the relevant documents, the Supervisory Board stated that it concurred with the 2022 annual financial statements and consolidated financial statements and approved the 2022 annual financial statements, which were thus adopted in accordance with § 96 (4) of the Austrian Stock Corporation Act (AktG).

Macroeconomic development and business performance of RBI in 2022

The start of the war in Ukraine on 24 February 2022 marked a geopolitical and macroeconomic turning point with huge consequences for the economy as a whole and for all people living in Europe. It had a significant impact not only on the money and capital markets, but also on the movement of goods, commercial trade, and supply chains, as well as in particular on energy supplies. The entire year was characterized by strong upward inflationary pressure, significant increases in key interest rates and a generally highly volatile market environment.

The 2022 financial year was therefore also a particularly challenging year for RBI, due in particular to its presence both in Ukraine and also in Russia and Belarus. Despite these extremely difficult underlying conditions, RBI recorded a consolidated profit of € 3.6 billion, with strong core revenues across the entire Group.

The result takes the sale of Raiffeisenbank (Bulgaria) with effect as of 30 June 2022 into account. The additional capital from the sale strengthened RBI's sound capital base.

In 2022, Standard & Poor's and Moody's confirmed RBI's stability with an unchanged rating. The rating agencies underlined the solid position of RBI and the Raiffeisen Banking Group, while highlighting the robust measures in place for mitigating risk.

Facts & Figures on the Supervisory Board in 2022

The graphic below uses the preparatory process for Supervisory Board meetings to illustrate the collaboration between the Supervisory Board and the Management Board in 2022. Owing to the war in Ukraine, an extraordinarily high number of joint meetings was held during the year. The members of the Supervisory Board showed exceptionally high commitment and, where required, also made themselves available at very short notice for information sessions and meetings.

Supervisory Board decision making

1. Bilateral meetings

Regular and ad hoc meetings between the Chairpersons of the Supervisory Board, Risk Committee and Audit Committee, and the Management Board or RBI division heads on relevant current issues.



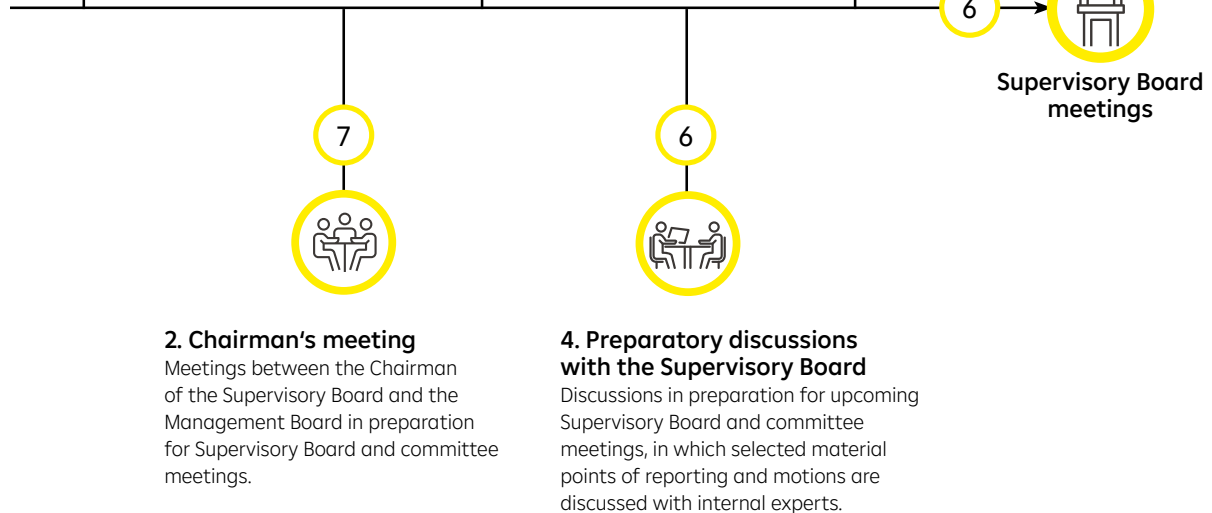
3. Presidium

Meetings between the Chairman of the Supervisory Board, his deputies and the Management Board, at which current and strategic issues are discussed in preparation for Supervisory Board meetings.



5. Committee meetings

Working Committee, Nomination Committee, Audit Committee, Personnel Committee, Risk Committee, Remuneration Committee and Digitalization Committee. Discussion and approval of matters which are assigned to the respective committee as per the legal requirements, Articles of Association or rules of procedure.



2. Chairman's meeting

Meetings between the Chairman of the Supervisory Board and the Management Board in preparation for Supervisory Board and committee meetings.



4. Preparatory discussions with the Supervisory Board

Discussions in preparation for upcoming Supervisory Board and committee meetings, in which selected material points of reporting and motions are discussed with internal experts.



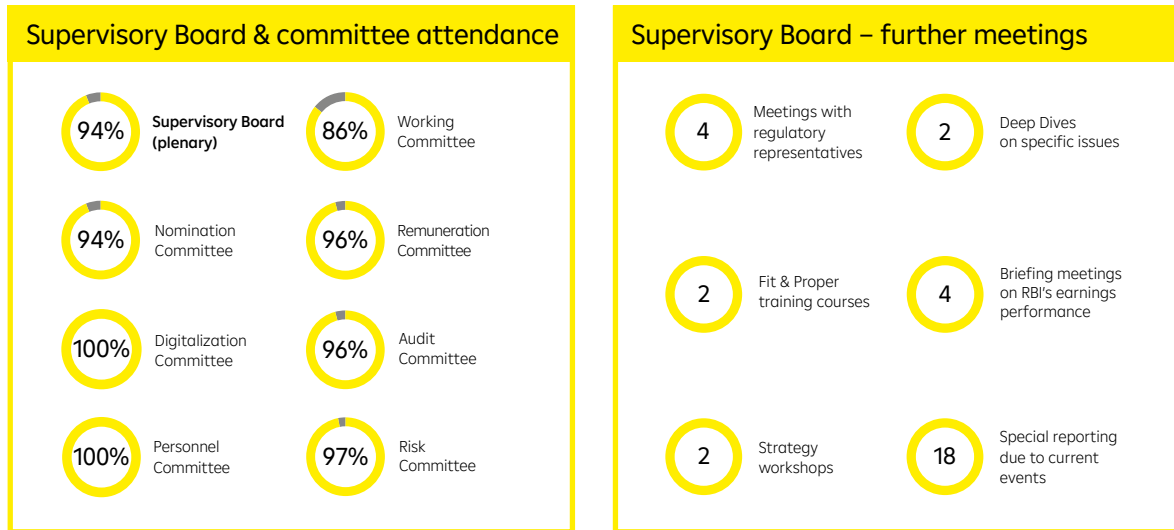
Activities of the Supervisory Board

In the 2022 financial year, the members of the Supervisory Board fully satisfied, with the utmost care and responsibility, all duties and obligations entrusted to the supervisory body as set forth in the existing legislation, regulatory requirements, Articles of Association and rules of procedure.

The Management Board informed the members of the Supervisory Board regularly, promptly and comprehensively of the key developments at RBI and – including between meetings – provided the Supervisory Board with reports on the current situation regarding business and financial performance, as well as on liquidity, risk and capital development; this was always done with a particular focus on the war in Ukraine and its consequences for RBI. As part of their responsibilities, the members of the Supervisory Board monitored the Management Board's management activities, were involved in decisions of material importance for RBI's future, and acted as advisors to the Management Board at all times.

A total of 39 meetings of the Supervisory Board and of its Committees were held, along with 32 further sessions. Especially at the beginning of the year, the Supervisory Board's work procedures largely involved hybrid meeting formats due to the COVID-19 pandemic. However, where this was possible, taking into account the respective prevailing COVID-19 pandemic situation and the applicable underlying legal conditions, face-to-face meetings were held in order to enable personal interaction. Between

the regular meetings, the members of the Supervisory Board also adopted urgent decisions by circular resolution. The constant high level of commitment of the individual members of the Supervisory Board in carrying out their responsibilities in 2022 is reflected in an average attendance rate of over 95 per cent for the plenary and committee meetings. These figures testify to the Supervisory Board members' continuing sufficient availability in terms of time in the 2022 financial year when fulfilling Supervisory Board responsibilities proved extremely time-consuming due to the extraordinary circumstances.



Focus areas of the Supervisory Board's activities

The beginning of the war in Ukraine due to Russia's invasion, together with its devastating human consequences, sanctions, resulting macroeconomic repercussions and all associated uncertain prospects, also had far-reaching implications for RBI due to its presence in Eastern Europe via its subsidiary banks in Ukraine, in Russia and in Belarus. Overcoming the attendant new and unexpected challenges arising for RBI formed the main focus of the Supervisory Board's work in the 2022 financial year.

The Management Board informed the Supervisory Board and the Risk Committee promptly of the respective latest developments, including in particular in relation to business performance, the risk situation, liquidity and capital development, as well as business continuity management measures. The potential consequences for earnings, capital ratios, liquidity and loan-loss provisions were discussed during regular intensive dialogs. The Supervisory Board and the Risk Committee held detailed discussions on risk strategy and management, including currency risks as well as current and possible future underlying macroeconomic conditions and risks, and discussed their implications for RBI. They also addressed possible consequences of the energy crisis and of inflation on the portfolio.

During the meetings and also at two strategy workshops, the Supervisory Board held detailed discussions with the Management Board on RBI's strategic and geographic positioning following the change in underlying conditions, and discussed at length the strategic options regarding the future of Raiffeisenbank Russia and of Priorbank Belarus, including the possibility of a carefully managed exit. The Supervisory Board also monitored progress in implementing the strategic roadmap for achieving RBI's Vision & Mission.

Another key focus of the Supervisory Board's activities involved overseeing the implementation of the digital transformation, ensuring that RBI is in future also able to tailor its services in the best possible way to meet the needs of customers and their desire for innovative digital products and service solutions. The Digitalization Committee addressed the status of the main digitalization initiatives in RBI's respective business areas, and further planned actions were presented and discussed in detail. In addition, the Supervisory Board and the Digitalization Committee addressed RBI's Group IT strategy for 2022 to 2023 along with RBI's fintech and innovation activities.

During the 2022 financial year, continuous monitoring of IT risks, especially in connection with cyber-security threats, became increasingly important. As well as expanding digital capability, the Supervisory Board, especially the Risk Committee, therefore monitored the Management Board's measures to strengthen the resilience of the IT infrastructure. The Management Board also provided quarterly reports on the current status in the field of information and cyber security, explained the approach in relation to IT risk management, and presented resulting measures for the assessment and active management of IT risks.

The Supervisory Board accompanies and monitors RBI's sustainable orientation (ESG) as a responsible banker and the activities set in this context with great interest. An integral aspect of the corporate strategy is the reduction of CO₂ emissions from its own business activities. In order to achieve this, science-based climate targets have been defined at RBI in 2022. The Supervisory Board as well as the Risk and Audit Committees dealt extensively with the ESG initiatives as well as the ESG-related

regulatory framework and its possible implications for RBI's business activities. In addition, the members of the Supervisory Board dealt in detail with RBI's strategy and portfolio in the oil and gas industry and the renewable energy sector at a workshop.

As in previous years, the Supervisory Board regularly and comprehensively discussed the efficiency and implementation of the internal compliance measures and of the related rules and procedures. In addition to the regular monitoring and control activities, the members of the Supervisory Board, especially the members of the Risk Committee, discussed current issues in the combat against money laundering as well as strict compliance with applicable EU and US financial sanctions. The Management Board provided regular reports on current geopolitical trends and on sanction measures in regard to Russia and Belarus and their implications for RBI. It also outlined the associated impact on internal sanctions management, taking a prudent risk strategy into account. In addition, quarterly discussions were held between the Head of Compliance and the Chairman of the Supervisory Board to also keep the Supervisory Board informed between meetings.

The Supervisory Board again placed special attention on the legal disputes pertaining to consumer protection in relation to mortgage loans denominated in a foreign currency in Poland and the associated formation of provisions. The Management Board provided quarterly and ad-hoc reports on the current status of the rulings of the highest courts – at both an EU and Polish legal level. The Audit Committee continuously monitored the effects on RBI's balance sheet and was provided with reports by the Management Board on the extent of and system for the allocation of credit-linked provisions.

In the 2022 financial year the Nomination Committee held detailed discussions on progress made toward achieving the target quota for the underrepresented gender. A workshop on this topic provided detailed discussions on which measures, based on an organizational analysis and the latest academic findings, had already been devised and will be successively implemented, and which additional measures can be adopted. Succession planning for RBI's Supervisory Board and Management Board formed another focus.

In the first quarter of 2022, the Supervisory Board and the Audit Committee were closely involved in the implementation of the Fast Close project, which led to a significantly earlier publication of RBI's single-entity and consolidated year-end figures. In addition, in connection with the consequences of the war in Ukraine, the Audit Committee also oversaw ensuring the proper completion of audits in Ukraine, Russia and Belarus. A further special focus of the Audit Committee was on auditing the internal control system and Group-wide compliance management. The Audit Committee also carried out a quality audit of the auditor.

Corporate Governance

Both individually and collectively, the members of the Supervisory Board have the necessary knowledge, skills and experience to carry out their Supervisory Board activities for RBI in accordance with the statutory provisions and the regulatory requirements. In addition, the Supervisory Board members invest sufficient time in performing their duties. The suitability of the members of the Supervisory Board for the duties and obligations required according to the nature, scale, and complexity of RBI's business activities (fit & properness) is regularly assessed by the Nomination Committee.

Cooperation with the Management Board

The cooperation between the members of the Supervisory Board and of the Management Board is characterized by mutual appreciation and an intensive and constructive dialog.

The open discussion culture and the solution-oriented climate of dialog practiced by the Supervisory Board and the Management Board have proven themselves, especially in the challenging situation following the outbreak of the war in Ukraine. The Management Board maintained particularly close contact with the Supervisory Board from which it received support and advice. After the start of the war, the entire Supervisory Board was informed by the Management Board at least weekly, and in some cases even more frequently, about current developments at RBI, especially in regard to the development of risk, liquidity and capital. In addition, a regular exchange, and even a daily exchange at the start of the crisis, was maintained with the Chairman of the Supervisory Board. The Management Board always responded promptly and comprehensively to requests for information from Supervisory Board members.

Furthermore, the members of the Management Board maintained a continuous exchange of information with the Chairman of the Supervisory Board, his deputies as well as the Chairpersons of the Committees on all key issues. This ensured optimum preparation of the basis for assessment and decision-making for the members of the Supervisory Board and its Committees. In the 2022 financial year, the Chairman of the Supervisory Board met with individual members of the Management Board in 48 bilateral meetings, including 26 with the Chief Executive Officer. The Chairpersons of the Audit and Risk Committees held a total of 14 and 6 meetings respectively with members of the Management Board in preparation for the relevant committee meetings.

Changes in the Supervisory Board

Michael Höllerer was elected to the Supervisory Board at the Annual General Meeting on 31 March 2022. He succeeds Klaus Buchleitner, who has resigned from the Supervisory Board at his own request. Due to the end of the mandate of Wilfried Hopfner, Michael Alge was elected to the Supervisory Board.

In accordance with the legal and regulatory requirements, the Nomination Committee was involved in all new appointments and extensions to Supervisory Board mandates and in doing so confirmed the personal and professional aptitude as well as the collective aptitude of all members of the Supervisory Board.

Meetings with the regulator

As in previous years, the Supervisory Board, the Chairman of the Supervisory Board and the Chairpersons of the Risk and Audit Committees held meetings with representatives of the Joint Supervisory Team (JST), the ECB and the FMA.

Self-evaluation of the Supervisory Board

The Supervisory Board discussed the efficiency of its activities, its organization and work procedures in accordance with Rule 36 of the Austrian Corporate Governance Code and conducted a corresponding self-evaluation. Based on the findings from the previous year's evaluation, the self-evaluation for 2022 was again carried out in cooperation with experts from the Vienna University of Economics and Business (WU Wien), with the aim of identifying and implementing further potential improvements.

Corporate Governance Report

The consistency check of the Corporate Governance Report according to § 243c of the Austrian Commercial Code (UGB) was performed by Deloitte Audit Wirtschaftsprüfungs GmbH with registered office in Vienna (Deloitte). This report was reviewed by the Supervisory Board in accordance with § 96 (1) of the Austrian Stock Corporation Act (AktG). There were no grounds for objections to the Corporate Governance Report.

Training and professional development measures

In 2022, the members of the Supervisory Board undertook the training and professional development measures required for their roles, for which adequate support from RBI was received. During two Fit & Proper training courses for the Supervisory Board, the members were provided with information on current legal and regulatory developments, particularly in the field of sustainability reporting, IT risk management, and on new regulations for the retail sector. Other topics included crypto assets and an analysis of the geopolitical situation against the backdrop of the war in Ukraine, as well as the resulting macroeconomic changes to the financing and business environment of European banks.

Consolidated and annual financial statements including non-financial report

Consolidated and annual financial statements

The annual financial statements and the management report of RBI AG for the 2022 financial year were audited by Deloitte. According to the final results of the audit, the auditor had no reason for objections and thus issued an unqualified auditor's report.

The consolidated financial statements, prepared by the Management Board pursuant to § 245a of the Austrian Commercial Code (UGB) and in accordance with the provisions of the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) mandatorily applicable on the reporting date, and the consolidated management report of RBI AG for the 2022 financial year were audited by Deloitte and issued with an unqualified auditor's report.

The reports of the auditor of the financial statements and of the auditor of the consolidated financial statements were submitted to the Supervisory Board. The Audit Committee reviewed the 2022 annual financial statements including the management report and the 2022 consolidated financial statements and the consolidated management report and undertook preparations for the adoption of the annual financial statements by the Supervisory Board. The Supervisory Board reviewed all documents and also the Audit Committee's report. The Supervisory Board concurred with the 2022 annual financial statements and consolidated financial statements and approved the 2022 financial statements, which were thus adopted in accordance with § 96 (4) of the Austrian Stock Corporation Act (AktG).

Non-financial report

An independent consolidated non-financial report pursuant to § 267a UGB, which also contains the disclosures pursuant to § 243b UGB for the parent company, was prepared and audited for RBI by KPMG. This report was reviewed by the Supervisory Board in accordance with § 96 (1) of the Austrian Stock Corporation Act (AktG). There were also no grounds for objections to the non-financial report.

Outlook for 2023

Despite extremely difficult underlying conditions, the entire Group recorded good results with strong core revenues in 2022. The result not only reflects RBI's earnings power and resilience as well as its professional and prudent crisis and risk management following the outbreak of the war in Ukraine. It is in particular also due to the extraordinary commitment of the Management Board and of the entire RBI team. Our market environment remains difficult and highly volatile. The world is in a state of turmoil. In Europe, the military conflict between Russia and Ukraine has led us to a turning point not only in geopolitical terms, but also from a monetary-policy and capital-market perspective. The drastic macroeconomic changes, including in particular high inflation, are presenting all economic operators with difficult tasks.

The Supervisory Board will continue to act with the utmost care in supporting and advising the Management Board in overcoming these challenges. This includes an ongoing discussion on the strategic direction, in order to position RBI in the best possible way.

At the same time, each change also signals an opportunity to shape the transformation proactively and innovatively, and to continuously improve business operations while taking special account of customer needs and the new opportunities offered by digital innovations. A basic prerequisite for future development must always be a sound capital base as well as prudent and foresighted capital, liquidity and risk management. In the interests of sustainability, we must also be aware of our ecological and social responsibility.



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The Supervisory Board continues to support the expansion of digital performance and analytical capabilities as well as of the technological infrastructure with the aim of responding flexibly and innovatively to customer needs, even in rapidly changing times, and to meet these needs in the best possible way. Robust IT risk management will be a key element in securing and processing customer data and ensuring stable banking operations.

In 2023, RBI will again place a strategic focus on supporting customers in their environmental and energy transformation. In addition, the regulatory agenda includes meeting the ECB requirements in connection with climate risks and preparing for the expanded ESG disclosure in accordance with the new EU Corporate Sustainability Reporting Directive.

The past year has clearly demonstrated just how important committed and loyal employees are, especially in particularly challenging times. In future, this will make it all the more crucial for RBI to continue to position itself as an attractive employer and to facilitate the commitment and development of its employees.

RBI once again received numerous awards from internationally renowned trade publications in the 2022 financial year. This reflects both the innovative strength and the quality of the services provided by the entire RBI Group. Global Finance, EMEA Finance, Euromoney and The Banker honored RBI's achievements with a total of 26 awards. Particularly noteworthy are the awards for "Best Bank in CEE" from EMEA Finance and "Outstanding Leadership in Sustainable Finance in Central & Eastern Europe" from Global Finance. The Banker named RBI "CEE's Best Bank for Wealth Management".

Finally, I would like to take this opportunity, on behalf of the Supervisory Board, to thank the Management Board, under the leadership of Johann Strobl, and also all employees of RBI for their outstanding work and loyalty under such difficult circumstances. We have clearly seen the importance not only of the commitment of each individual and in particular the cohesion of the entire RBI team, but also of the constructive collaboration between the Management Board and the Supervisory Board in ensuring sustainable success.

In the 2022 financial year, RBI has shown that as well as fulfilling its responsibility toward its customers and its employees, it also acts in a socially responsible way and provides rapid and unbureaucratic assistance in an emergency situation. It is impressive to see the extent shown by RBI and its employees in providing humanitarian assistance to the colleagues and their families who have been driven out of Ukraine, as well as to other people who have experienced need as a result of the war. We will continue to do so in 2023.

Finally, I should like to say that in future and taking into account the underlying conditions, the Supervisory Board will continue to fulfill its duties responsibly and prudently, with the clear aim of actively contributing to RBI's future-oriented and sustainable development and to its ongoing success.

A handwritten signature in black ink, appearing to read 'Erwin Hameseder', with a stylized flourish at the end.

On behalf of the Supervisory Board
Erwin Hameseder, Chairman