

Raiffeisen Bank International

Russia & Ukraine Update – March 2022

Status of Operations

Raiffeisen Bank Ukraine continues to offer all key banking services to support its customers despite extremely difficult conditions: The safety of our employees is paramount. Services are provided on the condition that there is no danger to the safety of employees or customers.

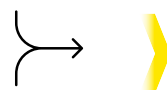
Key banking services in Ukraine maintained



In Ukraine: Bank running, minimum operations, subject to safety concerns

- IT operations all running, ATMs and POS working, majority of branches operational, cash in transit limited
- Key operations and call center concentrating on work from Western Ukraine with remote work by colleagues across the country
- National Bank of Ukraine imposing restrictions on cash withdrawals (e.g., UAH limits, FX limits, no withdrawals for Russian citizens)

Significant deposit inflows in Russia



- Inflow of deposits in Russia observable: introduced US dollar fee for Private Banking and Corporate

Safeguarding our business



- In Russia and Ukraine new lending has been suspended (exceptions on case-by-case basis)
- Cancellation of uncommitted and limitations on new corporate lines in Russia
- Payment holiday for retail customers for next 2 months in Ukraine

S&P and Moody's have both affirmed RBI's credit rating (A-/A2)

EUR 2.4 bn

Equity and other capital

18% of consol. equity

> **No parent funding from Vienna**

EUR 11.6 bn

Loans to customers

11.5% of Group

as of 31/12/2021

13.6%

Total capital Raiffeisen Russia



11.50%

Total capital requirement

as of 31/12/2021

220%

LCR Raiffeisen Russia

as of 31/12/2021

>20% p.a.

Return on equity
(since 2014)

Corporate private sector **53%**



Households + SME **25%**

Russian sovereign **4%**

Russian banks **2%**

National bank of Russia **8%**

MICEX, foreign FIs, and
sovereigns **8%**

- 81% of lending in RUB – FX lending limited to borrowers with matching FX income
- 95% of revenues generated in Russia
- 79% loan/deposit ratio: no parent or cross-border funding and a strong retail deposit franchise
- EUR 0.6 bn Russian exposure booked in head office (country of residence) as at end of January 2022
- EUR 60 mn stock of provisions for sanctions
- EUR 1.4 bn EURRUB hedge position
- Asset freeze sanctions ~1% of total exposure

Raiffeisen in Ukraine

EUR 0.32 bn

Equity ex. minorities

2.5% of consol. equity

> **No parent funding from Vienna**

EUR 2.2 bn

Loans to customers

2.2% of Group

as of 31/12/2021

13.7%

**Total capital
Raiffeisen Ukraine**

10.00%

Total capital
requirement

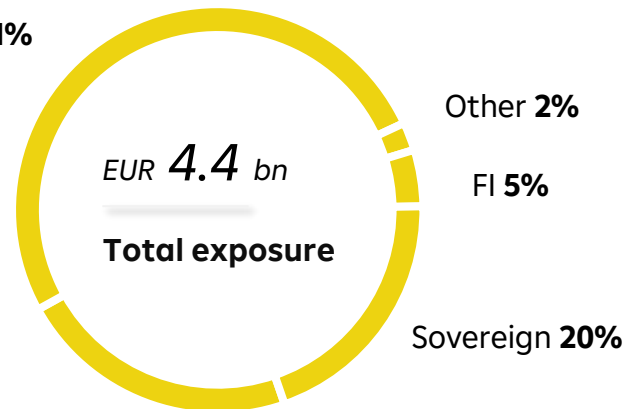
as of 31/12/2021

379%

LCR Raiffeisen Ukraine

as of 31/12/2021

Corporate 51%



Households + SME 22%

- 80% of lending in UAH – Retail lending only in local currency
- 65% loan/deposit ratio: no parent or cross-border funding and a strong retail deposit franchise
- EUR 0.2 bn Ukrainian exposure booked in head office (country of residence) as at end of January 2022
- EUR 25 mn provisions for geopolitical risk

Major Sanctions so far (i)

1 Asset freezes and travel restrictions imposed

High profile
individuals &
entities

EU, US, UK

- Individuals and entities are subject to asset freeze and travel ban (incl. Russian president, defence minister, and foreign minister, members of the Russian State Duma and National Security Council, Russian oligarchs and their owned or controlled entities)
- Restrictions to diplomatic visa facilitation and “golden passport” citizenship
- Transatlantic task force to identify and freeze the assets of sanctioned individuals and companies

2 Economic sanctions and diplomatic measures

Import & export
bans

EU, US, UK

- Restrictions on export of dual-use goods (items with both civilian and military use) as well as hi-tech goods including semiconductors, computers, telecoms and information security equipment and sensors
- Stop of the Nord Stream 2 project by Germany and US asset freeze sanctions
- Further trade restrictions on Belarus: potash/cement/wood/steel/iron products
- Restrictions on export of oil refinery materials
- Restrictions on sale of aircraft and aviation parts and equipment to Russia
- Ban on tourism services in LNR/DNR territories

Diplomatic &
other

EU, US, UK

- Closure of airspace to Russian airlines and private jets
- Cultural and sporting restrictions

Major Sanctions so far (ii)

3 Banks, sovereign, and investors in focus

| | | |
|---------------------------------|-------------------|--|
| Sovereign & Central Bank Russia | EU, US, UK | <ul style="list-style-type: none">▪ Restricted access of Russian state and government to the EU's capital and financial markets and services▪ Russian foreign exchange reserves targeted: Limiting management of reserves as well as of assets▪ Ban from raising Russian sovereign debt in EU, US, UK |
| Russian banks | EU, US, UK | <ul style="list-style-type: none">▪ Selected Russian banks from SWIFT removed: Bank Otkritie, Novikombank, Promsvyazbank, Bank Rossiya, Sovcombank, Vnesheconombank, VTB▪ Restricting access to EU primary and secondary capital markets▪ EU asset freeze sanctions on VEB, Bank Rossiya and Promsvyazbank▪ US SDNs: VTB, Bank Otkritie, OJSC Sovcombank, Novikombank, and their subsidiaries |
| Banks & investors | EU, US, UK | <ul style="list-style-type: none">▪ Prohibition on financing the Russian Federation, its government and Central Bank▪ Prohibition to provide public financing or financial assistance for trade with, or investment in, Russia▪ European trading venues (e.g., stock exchanges) must discontinue services to Russian state-owned entities starting April 12▪ Acceptance of deposits from Russian individuals and legal entities limited to EUR 100,000▪ Prohibition on financing and dealing with transferable securities of listed entities |

Impact of Sanctions is Currently Analyzed

- The sanctions are being extended almost daily and therefore **no final assessment can be given yet**
- **Sanctions are tough and far-reaching** in their impact on the financial markets and the real economy
- **Asset-freeze sanctions: EUR 40 mn** exposure to **sanctioned financial institutions** and **EUR 200 mn** to **sanctioned corporates**
- **Central Bank of Russia exposure** only at Raiffeisen Russia and **limited to required regulatory minimums**

Daily dialogue with regulator

RBI Group is directly supervised by the ECB. The ongoing supervision is carried out by a Joint Supervisory Team comprising staff of the ECB and the national supervisors.



Providing materials from group and locally established Contingency Committees