Raiffeisen Bank International

Raiffeisen Bank International AG

Annual Financial Statements

2024

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 based on not rounded amounts.

The report in English is a translation of the original German report. The only authentic version is the German version.

Annual Financial Statements

Statement of financial position

	ASSETS	31/12/2024 in €	31/12/2023 in € thousand
1.	Cash in hand and balances with central banks	7,802,335,237.85	9,986,223
2.	Treasury bills and other bills eligible for refinancing with central banks	10,803,279,988.19	8,780,884
3.	Loans to banks	14,596,507,081.31	13,566,935
	a) Repayable on demand	2,656,468,549.67	1,471,800
	b) Other loans and advances	11,940,038,531.64	12,095,135
4.	Loans to customers	27,618,821,345.51	27,699,949
5.	Debt securities and other fixed-income securities	3,619,754,839.94	3,793,934
	a) Issued by public bodies	147,874,159.90	156,607
	b) Issued by other borrowers	3,471,880,680.04	3,637,327
	hereof own financial instruments	1,207,576,011.37	1,459,890
6.	Shares and other variable-yield securities	866,527,035.72	1,042,845
7.	Equity interests	79,983,931.63	67,646
	hereof: in credit institutions	28,836,893.83	27,157
8.	Investments in affiliated companies	8,939,700,636.06	10,262,525
	hereof: in credit institutions	944,589,126.41	1,718,195
9.	Intangible fixed assets	17,336,552.85	19,509
10.	Tangible fixed assets	15,829,961.10	16,892
11.	Other assets	7,606,943,967.27	6,989,545
12.	Deferred income and accrued expenses	107,368,285.50	96,652
13.	Deferred tax assets	738,374.53	411
	Total	**82,075,127,237.46**	**82,323,950**

	EQUITY AND LIABILITIES	31/12/2024 in €	31/12/2023 in € thousand
1.	Deposits from banks	25,503,419,466.60	26,684,646
	a) Repayable on demand	4,675,854,714.90	4,525,880
	b) With agreed maturity dates or periods of notice	20,827,564,751.70	22,158,766
2.	Deposits from customers	17,740,794,897.87	19,901,522
	a) Savings deposits	0.00	0
	b) Other liabilities	17,740,794,897.87	19,901,522
	aa) Repayable on demand	5,623,419,189.97	6,759,790
	bb) With agreed maturity dates or periods of notice	12,117,375,707.90	13,141,733
3.	Debt securities issued	19,165,186,118.62	17,079,036
	a) Debt securities issued	17,527,347,443.12	14,909,122
	b) Other securitized liabilities	1,637,838,675.50	2,169,914
4.	Other liabilities	4,710,812,619.51	4,572,765
5.	Deferred income and accrued expenses	239,322,278.87	203,194
6.	Provisions	1,533,955,364.88	947,696
	a) Provisions for severance payments	53,132,731.41	51,174
	b) Provisions for pensions	56,022,316.35	61,475
	c) Provisions for taxation	34,604,372.45	18,253
	d) Other	1,390,195,944.67	816,794
7.	Supplementary capital pursuant to chapter 4 of title I of part 2 of regulation (EU) no 575/2013	2,278,528,052.41	2,107,910
8.	Additional Tier 1 capital pursuant to chapter 3 of title I of part 2 of regulation (EU) no 575/2013	1,832,141,888.93	1,655,025
9.	Subscribed capital	1,001,663,758.35	1,001,515
	a) Share capital	1,003,265,844.05	1,003,266
	b) Nominal value of own shares	(1,602,085.70)	(1,751)
10.	Capital reserves	4,429,135,652.19	4,427,906
	a) Committed	4,335,668,822.56	4,334,726
	b) Uncommitted	93,466,829.63	93,179
11.	Retained earnings	2,400,734,355.56	2,376,178
	a) Legal reserve	5,500,000.00	5,500
	b) Other reserves	2,395,234,355.56	2,370,678
12.	Liability reserve pursuant to article 57 (5)	535,097,489.59	535,097
13.	Net profit for the year	704,335,294.08	831,459
	Total	**82,075,127,237.46**	**82,323,950**

Items off the statement of financial position

	ASSETS	31/12/2024 in €	31/12/2023 in € thousand
1.	Foreign assets	44,710,442,318.04	45,641,871

	EQUITY AND LIABILITIES	31/12/2024 in €	31/12/2023 in € thousand
1.	Contingent liabilities	7,477,260,504.46	7,736,762
	Guarantees and assets pledged as collateral security	7,477,260,504.46	7,736,762
2.	Commitments	20,157,817,417.93	19,711,703
	hereof: liabilities from repurchase agreements	0.00	0
3.	Commitments arising from agency services	179,909,061.88	187,453
4.	Eligible own funds according to part 2 of regulation (EU) no 575/2013	11,921,976,408.83	11,695,855
	hereof: supplementary capital pursuant to chapter 4 of title I of part 2 of regulation EU) no 575/2013	2,208,092,931.95	1,990,443
5.	Capital requirements pursuant to Article 92 of Regulation (EU) No 575/2013	37,123,818,911.29	40,461,266
	hereof: capital requirements pursuant to article 92 (1) (a) to (c) of regulation (EU) no 575/2013		
	a) hereof: Common Equity Tier 1 capital ratio pursuant to Article 92 (a)	21.4 %	19.9 %
	b) hereof: Tier 1 capital ratio pursuant to Article 92 (b)	26.2 %	23.9 %
	c) hereof: total capital ratio pursuant to Article 92 (c)	32.1 %	28.8 %
6.	Foreign liabilities	21,985,750,431.74	22,092,657

Income statement

		2024 in €	2023 in € thousand
1.	Interest receivable and similar income	2,936,954,552.97	2,952,782
	hereof: from fixed-income securities	289,456,509.18	235,124
2.	Interest payable and similar expenses	(2,608,558,856.02)	(2,529,368)
I.	**NET INTEREST INCOME**	**328,395,696.95**	**423,415**
3.	Income from securities and participating interests	2,278,248,526.53	1,786,418
	a) Income from shares and other variable-yield securities	62,187,955.27	76,684
	b) Income from participating interests	13,760,055.63	8,056
	c) Income from shares in affiliated undertakings	2,202,300,515.63	1,701,678
4.	Fee and commission income	568,517,845.33	555,787
5.	Fee and commission expenses	(209,789,629.40)	(194,354)
6.	Net profit or net loss on financial operations	110,859,014.15	56,806
7.	Sundry operating income	300,404,309.17	305,413
II.	**OPERATING INCOME**	**3,376,635,762.73**	**2,933,484**
8.	General administrative expenses	(1,018,737,768.76)	(1,022,229)
	a) Staff costs	(534,106,356.47)	(506,046)
	hereof: aa) Wages and salaries	(413,293,337.43)	(389,021)
	bb) Expenses for statutory social contributions and compulsory contributions related to wages and salaries	(90,097,860.18)	(82,452)
	cc) Other social expenses	(9,852,348.71)	(10,295)
	dd) Expenses for pensions and assistance	(14,576,490.22)	(12,772)
	ee) Allocation/Release of provision for pensions	5,451,772.15	(325)
	ff) Expenses for severance payments and contributions to severance funds	(11,738,092.08)	(11,181)
	b) Other administrative expenses	(484,631,412.29)	(516,183)
9.	Value adjustments in respect of asset items 9 and 10	(12,099,833.83)	(12,315)
10.	Sundry operating expenses	(827,648,925.05)	(1,131,444)
III.	**OPERATING EXPENSES**	**(1,858,486,527.64)**	**(2,165,988)**
IV.	**OPERATING RESULT**	**1,518,149,235.09**	**767,496**
11./12.	Net income/expenses from the disposal and valuation of loans and advances and securities classified as current assets	(176,109,657.11)	49,987
13./14.	Net income/expenses from the disposal and valuation of securities evaluated as financial investments and of shares in affiliated companies and participating interests	(1,187,561,454.38)	568,409
V.	**PROFIT ON ORDINARY ACTIVITIES**	**154,478,123.60**	**1,385,892**
15.	Current income taxes	12,353,608.75	14,410
16.	Other taxes not reported under item 15	(23,108,502.58)	(3,841)
17.	Result from Business Combinations	164,184,809.76	0
VI.	**PROFIT FOR THE YEAR AFTER TAX**	**307,908,039.53**	**1,396,461**
18.	Changes in reserves	(24,556,627.34)	(688,135)
	hereof: allocation to liability reserve	0.00	0
VII.	**NET INCOME FOR THE YEAR**	**283,351,412.19**	**708,326**
19.	Profit/Loss brought forward	420,983,881.89	123,133
VIII.	**Net profit for the year**	**704,335,294.08**	**831,459**

Notes

General disclosures

Raiffeisen Bank International AG (RBI AG] is registered in the company register at the Commercial Court of Vienna under FN 122119m. Its registered office is at Am Stadtpark 9, 1030 Vienna. The annual financial statements are deposited at the company register court and published in the Austrian Electronic Announcement and Information Platform of the Federation ("EVI") in accordance with the Austrian disclosure regulations.

The annual financial statements for the year ending 31 December 2024 were prepared by the Management Board in accordance with the Austrian Commercial Code (UGB) as amended by the latest version of the Austrian Financial Reporting Amendment Act (RAG), taking into account the special provisions of the Austrian Banking Act (BWG) that apply to credit institutions, including the CRR Regulation 575/2013/EU and the Austrian Stock Corporation Act (AktG).

According to Section 221 (Size categories) of the Austrian Commercial Code (UGB), RBI AG qualifies as a large corporation. It is also a public interest entity pursuant to Section 43 (1a) of the Austrian Banking Act (BWG) in conjunction with Section 189a of the Austrian Commercial Code. RBI AG is a corporate and investment bank for companies in Austria and for large corporate customers in Western Europe. Through its equity participations, RBI has one of the largest networks held by Western banking groups in Central and Eastern Europe (CEE). It transacts business in this region through subsidiary banks, leasing companies and numerous specialized financial service providers with some 1,400 branches. In Austria, RBI AG is also active in business activities in the areas of housing finance, leasing, asset management, pension funds, factoring and private banking. RBI's 17.9 million clients include commercial clients, small and medium-sized entities, private individuals, financial institutions and government entities. In addition, RBI is the lead institution of the Raiffeisen Banking Group Austria (RBG) and serves as the central institution of the Raiffeisen regional banks as defined by the Austrian Banking Act (BWG).

RBI AG has branch offices in Bratislava, Frankfurt, London, Warsaw, Singapore and Beijing.

As shares in the company are traded on a regulated market within the meaning of Section 1 (2) BörseG (prime market of the Vienna Stock Exchange) and numerous securities issued by RBI AG are admitted to a regulated market in the EU, RBI AG has to publish annual consolidated financial statements in accordance with Section 59a of the Austrian Banking Act (BWG) in compliance with International Financial Reporting Standards. These consolidated financial statements are published on the Internet (https://www.rbinternational.com/en/investors/reports.html).

As a credit institution within the meaning of Section 1 of the Austrian Banking Act (BWG), RBI AG is subject to the regulatory oversight of the Financial Market Authority, Otto-Wagner-Platz 5, A-1090 Vienna (www.fma.gv.at) and the European Central Bank, Sonnemannstrasse 20 D-60314 Frankfurt am Main (www.bankingsupervision.europa.eu).

The disclosure requirements set out in Part 8 of the EU Regulation 575/2013 on prudential requirements for credit institutions (Capital Requirements Regulation, CRR) are published online on the bank's website at https://www.rbinternational.com/en/investors/reports.html.l

Statutory deposit guarantee and investor protection scheme –Austrian Raiffeisen-Sicherungseinrichtung eGen

In March 2021, RBI AG, its Austrian subsidiary banks, the regional Raiffeisen banks and the local Raiffeisen banks concluded an agreement on a new institutional protection scheme (Raiffeisen-IPS) in accordance with Article 113 (7) CRR (Capital Requirements Regulation of the European Union). Under the agreement, the participating institutions undertake to provide mutual cover and, in particular, to ensure each other's liquidity and solvency if necessary. This new Raiffeisen-IPS was approved in May 2021 by the competent supervisory authorities ECB and FMA as an institutional protection scheme within the meaning of Article 113 (7) CRR with the associated rights and obligations of the participating institutions. According to one of the provisions of the agreement, exposures between Raiffeisen-IPS members may be assigned a risk weight of zero per cent. Raiffeisen-IPS is subject to joint regulatory supervision, according to which the capital adequacy requirements must be complied with on a consolidated basis.

The Austrian Raiffeisen-Sicherungseinrichtung eGen (ÖRS) performs early risk identification and reporting tasks for Raiffeisen-IPS. ÖRS also manages the liquid special assets of Raiffeisen-IPS as trustee.

The Raiffeisen-IPS is controlled by a joint risk council, comprising representatives of RBI AG, the regional Raiffeisen banks and the Raiffeisen banks. Tasks that could be solved on a regional level were delegated to the regional risk councils, each comprising representatives of the respective regional Raiffeisen banks and Raiffeisen banks, by the joint risk council.

Recognition and measurement principles

General principles

The annual financial statements are prepared in accordance with the principles of proper accounting, the disclosure and valuation rules of the Austrian Banking Act, and taking into account standard practice as described in Section 222 (2) of the Austrian Commercial Code (UGB), to give a true and fair view of the company's net assets, financial position and earnings.

The consolidated financial statements were prepared in compliance with the consistency principle.

Assets and liabilities are valued on the principle of individual valuation and on the assumption that the company will continue to exist as a going concern. The principle of prudence is applied, taking into account the special characteristics of the banking business.

Regarding negative interest, RBI AG has adopted the accounting approach of recognizing negative interest from loans under interest income and negative interest from liabilities under interest expenses.

Amounts in foreign currencies

Assets and liabilities in foreign currencies are converted at the ECB’s reference exchange rates as at 31 December 2024 pursuant to Section 58 (1) of the Austrian Banking Act (BWG).

As the ECB stopped publishing an official EUR/RUB exchange rate at the beginning of March 2022, RBI AG was forced to generate a valid alternative exchange rate. For EUR/RUB, official conversion rates (onshore rates), which are set by the Russian Central Bank or on the basis of data from the Moscow Stock Exchange, and effectively achievable conversion rates (offshore rates), such as those disseminated by Bloomberg, sprang up on foreign exchange markets. Due to the current restrictions, payment flows with Russia are assumed to not be convertible at the official exchange rate. Since EUR/RUB transactions with international banks are usually settled at offshore rates, the latter are more likely to reflect the actual and effectively achievable exchange rate. Consequently, an offshore EUR/RUB exchange rate is used for the valuation of RUB transactions and assets in RBI AG as of the reporting date.

Fair value measurement

Stock market prices are used to determine the fair value of listed products. If stock market prices are not available, prices for original financial instruments and forward transactions are determined based on the calculated present value. The prices for options are determined based on suitable option price models. The calculation of present value is based on a yield curve composed of money-market, futures and swap rates and does not include a credit spread. Option pricing formulas as described by Black-Scholes 1972, Black 1976 and Garman-Kohlhagen are used together with other common models for the valuation of structured options.

The price definition of OTC derivatives involves both value adjustments for the counterparty's probability of default (credit value adjustment – CVA) as well as adjustments for own credit risk (debit value adjustment – DVA). The CVA involves, first, the determination of the expected positive exposure and, second, the counterparty's probability of default. The DVA is determined by the expected negative exposure and RBI AGs credit quality.

To determine the expected positive exposure, a large number of scenarios for future points in time are simulated, reflecting all available risk factors (e.g. currency and yield curves). Having regard to these scenarios, the over-the-counter OTC derivatives are measured at market value and aggregated at counterparty level to finally determine the positive exposure for all the dates.

As a further component for the CVA, a probability of default has to be determined for each counterparty. If CDS (credit default swap) quotes are available, RBI AG derives the market-based probability of default for the respective counterparty and implicitly the loss-given default (LGD). To determine the probability of default of counterparties that are not actively traded in the market, the counterparty's internal rating is assigned to a sector- and rating-specific CDS curve.

The DVA is determined by the expected negative exposure and RBI's credit quality and represents the value adjustment with regard to RBI AG's own probability of default. The method applied to calculate the negative exposure is similar to that used for the CVA; the expected negative market value is applied instead of the expected positive market value. From the simulated future aggregated counterparty market values, negative, rather than positive, exposures are determined. These represent the expected liability to the counterparty at the respective future dates.

To determine the own probability of default, external secondary market sources according to direct CDS quotes of RBI AG issues are used.

The capital-guaranteed products (guarantee funds and pension funds) are reported as put options sold on the respective funds to be guaranteed. Valuation is based on a Monte Carlo simulation and is in accordance with the framework conditions stipulated by law pursuant to Section 57 of the Austrian Banking Act.

Financial instruments in the banking book

Securities intended to serve business purposes on a permanent basis (investment portfolio) are valued as fixed assets. The difference between the purchase cost and repayment amount is recognized under financial assets and written off or recognized over the residual term according to the effective interest method.

Securities held as current assets have been valued strictly according to the lower of cost or market value principle, with any reversals of impairment losses up to amortized cost.

RBI AG uses interest management derivatives to hedge interest rate risks in accordance with the accounting regulations pertaining to hedging relationships and functional units, as outlined in AFRAC 15 Derivatives and Hedging Instruments and the FMA Circular on Accounting issues relating to interest rate derivatives and valuation adjustments for derivatives.

Derivatives on interest rates (interest rate swaps, interest rate options and forward rate agreements) and derivatives on exchange rates (cross currency interest rate swaps and forward exchange transactions) are accounted for according to the accrued interest method, in which interest amounts are accrued for each period.

In designating derivatives as part of effective micro hedging transactions, compensatory valuation of the underlying transaction and hedging derivative takes place.

RBI AG uses interest rate swaps to hedge the interest rate risk from assets (bonds and loans) and liabilities (own issues, promissory notes and custodian business) on the statement of financial position. Fixed cash flows are exchanged for variable cash flows to minimize the interest rate risk. The currency risk is economically hedged by currency-related derivatives such as cross currency swaps, FX swaps or FX forward contracts.

When the requirements are met, the above-mentioned derivatives form part of a valuation unit as outlined in AFRAC 15 Derivative Financial Instruments. Since the underlying transactions are offset by cash flows recognized through profit and loss, a negative market value of the derivatives is not reported in the annual financial statements.

The effectiveness of the hedging relationships is measured on a prospective and retrospective basis. On designation, the effectiveness is reviewed by a prospective effectiveness test with 100 basis point shifts in the yield curve.

The effectiveness is measured retrospectively on a monthly basis using a dollar offset method or a regression analysis. For measuring the effectiveness using regression analysis, a set of 20 data points is used to determine the required calculation parameters used for the retrospective effectiveness test. A hedge is deemed to be effective if changes in the fair value of the underlying and hedging transaction are in a range of 80-125 per cent.

In addition, there are macro hedges for managing interest rate risk in the banking book to offset opposing effects in the income statement using interest rate swaps. Hedging relationships are also maintained at macro level using sold interest rate options (interest rate floors) for the purpose of hedging variable financial instruments with embedded floors against the interest rate and volatility risks received.

Here too, monthly effectiveness tests are employed to secure the effectivity of the macro hedges. Suitable scenarios are used to demonstrate that the changes in value of the hedged items and hedging transactions largely offset each other. The scenario calculation includes a parallel shift of +/- 100 basis points. Effectiveness is given, if the changes in the present value of the underlying and hedging transactions are opposing and changes in the present value of the hedging transactions are lower than those of the underlying transactions.

Derivatives that do not meet the criteria of a trading book are managed in the banking book. With these, the focus is not on short-term gains but on achieving income or managing interest rate risk through positioning based on medium- to long-term market opinion. Provided they are not part of a micro-hedge relationship, these derivatives are administrated in defined portfolios in order to guarantee a documented mapping to functional units. Within these functional units an imparity-based valuation takes place. For a negative accounting balance per functional unit a provision for impending loss will be allocated, while a positive accounting balance will be unrecognized.

Derivatives of the banking book, which are not administered in functional units or hedge relationships, are valued according to the imparity principle. In the case of negative market values, a provision for impending loss will be allocated. The disclosure is shown in the income statement under position 7 and/or 10 – Other operating income/Other operating expenses . Credit default swaps have the following effect on the income statement: The margins received or paid (including accruals) are reported under net commission income. Valuations are conducted in adherence to the imparity principle under the tenants of prudence. A provision for impending losses is recognized in the event that negative market values arise.

Financial instruments in the trading book

The securities in the trading portfolio are measured at fair value. In the absence of observable market rates or prices, the fair value is determined using valuation models. All derivatives transactions in the trading book are also recognized at fair value.

Loans and advances

Loans and advances are generally recognized at amortized cost, taking into account the effective interest method. Acquisition cost is the starting point for the valuation. In the case of an original financial asset, the cost of acquisition is generally equal to the amount paid out, including any incidental acquisition costs. In the case of acquired loans, the cost of acquisition is measured by reference to the purchase price. When exercising the above-mentioned measurement option in relation to securities recognized as fixed assets in accordance with section 56 BWG, any difference between the acquisition cost and the repayment amount is deferred and reported in net interest income. On every reporting date, an assessment is conducted to determine whether there is objective evidence that a financial asset or group of financial assets is impaired. Impairments are in any case accounted for by loan loss provisions either in the form of specific loan loss provisions or portfolio-based loan loss provisions. If the reasons for an impairment no longer apply, the impairment is reversed up to the cost of acquisition after reversing the difference (premium/discount).

Net provisioning for impairment losses

The IFRS 9 credit risk provisioning model is also applied in accordance with commercial law for the determination of credit risk provisions. Expected credit losses for credit risks of assets, risks for credit commitments and off-balance sheet credit risks from financial guarantees and letters of credit are recognized as impairments and determined according to the change in credit risk from the date of addition. Impairment losses on loans are deducted from the carrying amount at amortized cost in the statement of financial position. Provisions are recognized for impairment losses on loan commitments, financial guarantees and letters of credit.

Depending on the change in credit risk between the date of initial recognition and the measurement date, the financial instruments are classified into one of three impairment levels:

- Stage 1 covers all newly recognized financial instruments as well as those for which the credit risk has not increased significantly since initial recognition. In addition, Stage 1 comprises all financial instruments that have a low credit risk and for which RBI AG makes use of the "low credit risk exemption." All debt securities with an investment-grade level credit rating as of the reporting date are considered to have a low credit risk. This rule is not applied in the lending business. For loans, an impairment loss is recognized for the expected 12-month loss on initial recognition. Loans from Stage 2 for which the credit risk has significantly improved are reclassified and recognized in Stage 1. A Stage 1 impairment loss is added to the portfolio loan loss provisions in the statement of changes in valuation (12-month loss).
- Stage 2 contains financial instruments for which the credit risk has increased significantly since initial recognition but no default has yet occurred. For these receivables, an impairment loss is calculated on the basis of the total lifetime loss and also recognized as a portfolio-based loan loss provision.
- Stage 3 covers financial instruments that are classified as impaired as at the reporting date. For the purposes of the definition of default, RBI AG applies the conditions stipulated under Article 178 CRR. For defaults on financial instruments in Stage 3, the expected credit loss over the entire remaining term of the financial instrument is also to be recognized as impairment.

RBI AG 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 by RBI AG are residential and commercial real estate collateral, financial collateral, guarantees, and moveable goods. With commercial and residential real estate in particular, special attention is paid during the valuation review and revaluation to the adjustment of the valuation parameters to the market environment and the expected medium-term development, so that the collateral is valued in a prudent and sustainable manner. Long-term financing is generally secured, while revolving credit facilities are generally unsecured.

Portfolio-based loan loss provisions

For loans made in Austria by RBI AG, the expected loss for Stage 1 and 2 is calculated on an individual transaction basis applying statistical risk parameters derived from the IRB approach and adjusted to the requirements of IFRS 9. Stage 1 and 2 provisions for foreign currency-denominated loans are recognized on a portfolio level. Additional details pertaining to this subject can be referenced in the section addressing litigation risk associated with foreign currency loans in Poland. The most important inputs for calculating expected credit losses are:

- The probability of default (PD) is the probability with which a borrower will be unable to meet its payment obligations either within the next twelve months or over the entire remaining term.
- Exposure at default (EAD) corresponds to the amount at the time of default owed to RBI AG over the next twelve months or over the entire term.
- The loss given default (LGD) corresponds to the expectation at RBI AG relating to the loss amount in the event of default.

The estimation of risk parameters includes not only historical default information but also the current economic environment (point-in-time orientation) and forward-looking information. In particular, the bank's macroeconomic forecasts are reviewed regularly in relation to their impact on the level of expected credit losses, and such forecasts are integrated into the related calculations. For this purpose, a baseline scenario is applied based on current RBI Research forecasts relating to key macroeconomic parameters, supplemented by other model-relevant macroeconomic parameters. In addition to the base scenario, Raiffeisen Research has also compiled both an optimistic and a pessimistic scenario to ensure that non-linearity is captured in its models. For the pessimistic and optimistic scenarios, the methodology was adjusted due to the high level of uncertainty associated with the current geopolitical situation (war in Ukraine).

In circumstances where the existing inputs, assumptions and model techniques do not capture all relevant risk factors, post-model adjustments and special risk factors are the most important types of overlay. These are generally used when transient circumstances or insufficient time to appropriately incorporate relevant new information in the rating, and when individual lending exposures within a group of lending exposures react to factors or events differently than initially expected. The emergence of new macroeconomic, microeconomic or political events, along with expected changes to parameters, models or data that are not incorporated in current parameters, internal risk rating migrations or forward-looking information are examples of such circumstances. In general RBI units use post-model adjustments to allowances for expected credit losses only as an interim solution. In order to reduce the potential for bias, add-ons and post-model adjustments are of a temporary nature and typically remain valid for no longer than one to two years. All material adjustments are authorized by the Group Risk Committee (GRC). From an balance sheet point of view, add-ons (post-model adjustments) are based on a collective assessment. "Other risk factors" typically comprise a longer time horizon than post-model adjustments (e.g. the prolongation of sanctions risks).

Individual loan loss provisions

Impairments are recognized on an individual basis for financial instruments that are classified as impaired on the reporting date. RBI employs the definition of default as the criteria here. RBI AG uses the provisions of Article 178 CRR for the purposes of the definition of default.

The existence of a default is assessed in relation to quantitative and qualitative triggers. Firstly, an asset is considered to be in default if contractual payments are more than 90 days past due. Secondly, if there are significant financial difficulties and it is unlikely that payment obligations can be met. This definition of default has been applied consistently in RBI AG's expected credit loss calculations to model the probability of default, the exposure at default and the loss given default.

Objective evidence of impairment leading to impairment charges on an individual exposure includes the counterparty experiencing significant financial difficulties, a breach of contract (e.g. default or delinquency in interest or principal payments), or a high probability that the borrower will enter bankruptcy or another form of financial reorganization.

Loans for which there is objective evidence of impairment are tested for impairment. For this purpose, the expected default amount is calculated as the difference between the expected repayments of principal, interest payments and collateral proceeds and the gross carrying amount of the loan. The expected repayment amounts are discounted in accordance with their probability of occurrence and the scenarios, weighted using the effective interest rate. The loan is recognized in the balance sheet less the total loss on maturity. The resulting net carrying amount is used as the basis for calculating future interest income.

General individual loan loss provisions for retail lending in the Polish branch are recognized based on the best statistically derived estimate of the expected loss after adjusting for indirect costs.

Investments and shares in affiliated companies

Investments and shares in affiliated companies are carried at cost unless sustained losses, a reduction in their equity or other indicators require them to be written down to their fair value. They are written up to no more than their cost of acquisition if the reasons for the long-term impairment no longer apply.

Investments and shares in affiliated companies are valued at the end of each financial year (and on ad-hoc basis) by means of an impairment test. Their fair value is determined during the test.

Fair value is generally calculated using a discounted cash flow model, which calculates the enterprise value as the present value of future financial profits. The dividend discount model is generally also employed to account for the specific characteristics of investment companies operating in the financial services sector, and the weighted average cost of capital model is used for investment companies outside the financial services sector. The dividend discount model accounts for the specific characteristics of the banking business, including the need to comply with capital adequacy regulations. The present value of the expected future dividends that should be distributed to the shareholders after meeting all appropriate capital adequacy regulations is the recoverable amount. Accordingly, under the WACC method, the fair value of total capital is determined in a first step on the basis of free cash flows and, in a second step, the recoverable amount is determined by deducting net financial debt. For financial holding structures, the recoverable amount is determined on the basis of a sum-of-parts observation, where the expected holding costs were deducted accordingly.

The recoverable amount is calculated based in principal on a three to five-year detailed planning period. Significant planning uncertainties, which came about to some extent as a result of the direct consequences of the crisis in Ukraine, were taken into account in scenario analyses. The sustainable future (permanent dividend phase) is generally based on a going concern assumption (perpetuity). In most cases, the income used for the valuation is assumed to grow at a country-specific nominal rate based on the projected long-term inflation rate. If companies are significantly overcapitalized, an interim phase of five years is defined without extending the detailed planning phase. During this period, these companies can distribute full dividends without violating capital adequacy regulations. In the permanent dividend phase, earnings must be retained as the company grows in order to continue to comply with capital adequacy regulations. Earnings retention is not required if no growth is expected in the permanent dividend phase.

In the permanent dividend phase, the model assumes a normalized, economically sustainable earnings situation in which the return on equity and the costs of equity or cost of capital converge.

According to AFRAC 24 (margin no 16), liquidation value is generally the lower bound of any investment valuation absent any legal or de facto constraints to continue the investee company. Liquidation value is defined as the pro rata breakup value of the assets minus the liabilities held by the entity. Liquidation value is employed when it represents the lower bound of the investment's valuation range under the conditions set out.

Tangible and intangible fixed assets

Intangible fixed assets and tangible fixed assets are valued at acquisition or production cost less scheduled depreciation. Scheduled depreciation is on a straight-line basis (pro rata temporis). An impairment loss is recognized if an asset is permanently impaired below its carrying amount.

Scheduled depreciation is based on the following periods of use:

Useful life	Years	Useful life	Years
Buildings	50	Software	4 to 10
Office equipment	3 to 5	Hardware	3
Office fixtures and fittings	5 to 10	Business equipment	5 to 10
Vehicles	5	Tenancy rights	10

Low-value fixed assets are written off in full in the year of acquisition.

Issuance expenses

Issuance and management fees and premiums or discounts for bonds issued are distributed over the given term of the obligation using the effective interest method. Other issuance expenses are expensed immediately.

Pension and severance payment obligations

The provisions for pension and severance payment obligations are determined in accordance with IAS 19 – Employee Benefits – based on the projected unit credit method.

The actuarial calculation of pension obligations for active employees is based on an interest rate of 3.28 per cent (31/12/2023: 3.66 per cent) p.a. and an effective pensionable salary increase of 4.1 per cent in the first year, 3.2 per cent in the second year and 3.1 per cent in subsequent years (2023: 7.5 per cent in the first year, 4.2 per cent in the second year and 3.1 per cent in the third year, as well as 3.0 per cent in subsequent years). The parameters for retired employees are calculated using a capitalization rate of 3.28 per cent (31/12/2023: 3.66 per cent) per year and an expected increase in retirement benefits of 4.1 per cent in the first year, 3.2 per cent in the second year and 3.1 per cent in subsequent years (2023: 7.5 per cent in the first year, 4.2 per cent in the second year and 3.1 per cent in the third year, as well as 3.0 per cent in subsequent years), and in the case of pension commitments with existing reinsurance policies of 0.5 per cent (31/12/2023: 0.5 per cent). The calculations are based on an assumed retirement age of 65, subject to transitional statutory requirements for women as well as special arrangements contained in individual contracts.

The basis for the calculation of provisions for pensions continues to be provided by the AVÖ 2018-P Rechnungsgrundlagen für die Pensionsversicherung (Computational Framework for Pension Insurance), using the variant for salaried employees.

The actuarial calculation of severance provisions is based on an interest rate of 3.24 per cent and of 3.28 per cent for long-service bonus obligations (31/12/2023: 3.66 per cent for severance payments and long-service bonus obligations) and 3.12 per cent for death benefits (2023: 3.63 per cent) p.a. Claims to future birthday bonuses no longer exist from 2024 (interest rate basis for 2023: 3.68 per cent). Average per annum salary increases of 4.1 per cent in the first year, 3.2 per cent in the second year, and 3.1 per cent in subsequent years (31/12/2023: 8.0 per cent in the first year, 7.5 per cent in the second year and 3.2 per cent in subsequent years) were applied.

Other provisions

Other provisions are recorded at the level at which they are likely to be required. They take into account all identifiable risks and liabilities, the level of which is not yet known. Long-term provisions are currently discounted in accordance with § 211 (2) of the Austrian Commercial Code (UGB), whereby they are discounted at a standard market rate if the effect of discounting is deemed material on the basis of the swap rate for zero-coupon euro bonds plus a surcharge calculated on the basis of euro corporate bonds with a very high credit rating. Provisions for litigation costs for lawsuits filed in connection with foreign currency loans in Poland (please refer to the section titled "Litigation risk for foreign currency loans in Poland" for details on the accounting method applied and any changes made to such method) were discounted at a rate of 5.27 per cent (31/12/2023: 6.90 per cent).

Other provisions include provisions for bonuses for identified staff (pursuant to European Banking Authority CP 42, 46). RBI AG fulfills the obligations set forth in the Annex to Section 39b of the Austrian Banking Act (BWG) as follows: 60 per cent of the annual bonus is paid out 50 per cent as an upfront cash payment and 50 per cent by way of a phantom share plan with a retention period of one year. Forty per cent of the annual bonus is subject to a five-year deferral period and likewise paid out 50 per cent in cash and 50 per cent by way of the phantom share plan. If the bonus accounts for a particularly high amount (currently defined as bonus amounts that exceed € 175,000 or 100 per cent of the fixed annual salary), 60 per cent of the bonus amount is deferred. The phantom shares are converted on allocation and payment each using the average price of the preceding financial year.

Liabilities

These are recognized at the higher of the nominal value or the repayment amount. The difference between the issue and repayment amount is allocated according to the effective interest rate.

Zero-coupon bonds are recognized at nominal value plus accrued interest on a pro rata basis up to the reporting date.

Notes to the statement of financial position

Assets

Loans and advances

Breakdown of maturities

Loans and advances to credit institutions, loans and advances to customers and other assets are broken down by their residual terms as follows:

in € thousand	31/12/2024	31/12/2023
Loans to banks	**14,596,507.1**	**13,583,573.8**
Repayable on demand	2,656,468.6	1,471,800.4
Up to 3 months	8,504,885.7	9,476,260.8
More than 3 months, up to 1 year	395,714.2	401,584.1
More than 1 year, up to 5 years	2,087,005.2	1,667,223.0
More than 5 years	952,433.4	566,705.6
Loans to customers	**27,618,821.3**	**27,699,948.5**
Repayable on demand	3,858,637.6	6,270,409.7
Up to 3 months	4,441,145.0	1,175,753.0
More than 3 months, up to 1 year	2,927,251.0	3,781,101.1
More than 1 year, up to 5 years	12,371,569.9	13,630,523.7
More than 5 years	4,020,217.8	2,842,161.1
Other assets	**7,606,943.9**	**6,989,545.1**
Up to 3 months	4,878,647.5	4,805,290.0
More than 3 months, up to 1 year	2,201,690.2	1,700,000.0
More than 5 years	526,606.2	484,255.1

The risk section of the management report includes more details about the distribution of loans and advances on a regional basis.

Derivative financial instruments

Interest rate management derivatives

Hedges with hedging periods up to 2044 existed as at 31 December 2024, which are found in measurement units as outlined in AFRAC 15 Derivatives and Hedging Instruments, as well as in macro hedges in accordance with the FMA circular on accounting issues relating to interest rate derivatives and valuation adjustments for derivatives.

Derivative financial instruments for hedging interest rate risks are used for underlying transactions on both the assets and liabilities side. As of the reporting date, risks from bonds and loans are hedged on the assets side, and risks from own issues, registered bonds, promissory note loans and deposits are hedged on the liabilities side using micro and macro hedges (fair value hedges).

The fair values of the hedging transactions (i.e. excluding accrued interest) for the existing micro and macro hedging relationships together amount to a negative market value of € 72,182 thousand (31/12/2023: € 109,773 thousand), of which € 153,661 thousand (31/12/2023: € 262,353 thousand) is attributable to positive market values and € 225,843 thousand (31/12/2023: € 372,126 thousand) to negative market values.

The following table shows the volumes and market values incl. accrued interest of derivatives in micro hedging relationships:

	31/12/2024			31/12/2023		
in € thousand	Nominal amount	Positive values	Negative values	Nominal amount	Positive values	Negative values
Mikro-Hedge active	21,889,795	224,062		3,223,065	236,005	
Mikro-Hedge passive	4,611,333		(246,126)	18,860,339	20,962	(346,215)

As at 31/12/2024, provisions of € 27,450 thousand for impending losses for ineffectiveness (31/12/2023: € 29,098 thousand) were taken into account in the balance sheet for the aforementioned financial instruments.

The following table shows the volumes and market values incl. accrued interest of derivatives in macro hedging relationships in accordance with the FMA circular on accounting issues relating to interest rate derivatives and valuation adjustments for derivatives.

	31/12/2024			31/12/2023		
in € thousand	Nominal amount	Positive values	Negative values	Nominal amount	Positive values	Negative values
Makro-Hedge active	4,210,000	28,299		5,485,000	65,104	
Makro-Hedge 6 Monats EURIBOR	35,000	3,160		35,000	3,532	
Makro-Hedge Floor 3 Month EURIBOR	3,355,000	22,265		4,150,000	54,298	
Makro-Hedge Floor 6 Month EURIBOR	820,000	2,874		1,300,000	7,274	

As at 31/12/2024, no provisions for impending losses for ineffectiveness (31/12/2023: € 1,585 thousand) were taken into account in the balance sheet for the aforementioned financial instruments.

As part of macro hedges, separated per 3-month and 6-month EURIBOR, variable financial instruments with embedded floors using sold interest rate options (interest rate floors) are hedged against received interest rate and volatility risks. There is also an additional macro-hedging relationship for hedging the interest rate risk of securitized liabilities. These macro hedges create opposing effects in the income statement.

As in the previous year, no material settlement payments were made in the financial year 2024 in connection with derivatives in hedging relationships. In the course of the IBOR reform, no compensation payments were made (2023: € 196 thousand). These were immediately recognized in profit or loss in accordance with AFRAC Statement 15 on Derivatives and Hedging Instruments (UGB) margin no. 77 et seqq.

Functional units

The portfolio-based management of functional units was summarized according to the strategy applied to manage interest risk for the currencies contained therein, with the positive and negative fair values shown below:

	31/12/2024			31/12/2023			Valuation effect	Valuation effect
in € thousand	Nominal amount	Positive values	Negative values	Nominal amount	Positive values	Negative values	2024	2023
CHF	23,374	0	(13)	36,717	0	(150)	137	237
CZK	23,332,777	8,210	(1,454)	20,153,923	3,186	(2,184)	5,754	(573)
EUR	46,710,881	40,954	(13,345)	36,058,839	49,614	(26,448)	4,443	(7,070)
GBP	0	0	0	0	0	0	0	(6)
HUF	13,313,946	7,210	0	11,656,452	9,800	0	(2,590)	2,465
NOK	17,119	0	0	17,259	2	0	(2)	(4)
PLN	114,620	0	(111)	71,437	0	(1,895)	1,784	(1,895)
RON	50,258	2	0	69,740	54	0	(52)	(71)
RUB	205,125	1,690	0	265,793	1,010	0	680	1,578
USD	1,694,530	404	(686)	1,414,348	340	(831)	209	449
Total	**85,462,630**	**58,470**	**(15,609)**	**69,744,508**	**64,006**	**(31,508)**	**10,363**	**(4,890)**

As at 31/12/2024, provisions for impending losses amounting to € 15,945 thousand (31/12/2023: € 38,025 thousand) had to be recognized in the balance sheet for the derivatives above, which are managed in functional units.

The main factors driving the valuation result were the change in the level of markets interest rates in EUR, CZK, PLN, RUB and HUF, as well as an expansion in volume in EUR, PLN and CZK business and a reduction in RUB business..

Currency derivatives

In the financial year 2024, provisions were recognized in the amount of € 5,424 thousand (31/12/2023: € 6,199 thousand) for impending losses on non-netted UAH transactions that were initially recognized in 2022 based on the geopolitical situation. In the reporting year, reversals were made in the amount of € 775 thousand (31/12/2022: reversal of € 528 thousand).

Credit derivatives

To a lesser extent, RBI AG also manages credit derivatives (in the form of credit default swaps), which require individual valuation (see AFRAC 15 on Derivatives and Hedging Instruments as well as Section 201 (2) No. 3) of the Austrian Commercial Code (UGB).

The following table shows the volumes and fair values incl. accruals:

	31/12/2024			31/12/2023			Valuation effect	Valuation effect
in € thousand	Nominal amount	Positive values	Negative values	Nominal amount	Positive values	Negative values	2024	2023
EUR	581,649	713	(14,195)	636,287	4,252	(7,575)	(10,159)	(16,103)
Total	**581,649**	**713**	**(14,195)**	**636,287**	**4,252**	**(7,575)**	**(10,159)**	**(16,103)**

The provisions for impending losses as at the reporting date for the instruments above amount to € 14,195 thousand (31/12/2023: € 7,575 thousand). In this context, the change in the market values of these derivatives resulted in allocations of € 6,706 thousand in the financial year 2024 (31/12/2023: € 5,259 thousand) and reversals of € 86 thousand (31/12/2023: € 0 thousand).

The following tables show the open forward transactions for the reporting year and the previous year:

31/12/2024	Nominal amount by maturity					Fair value		Carrying amount	
in € thousand	Up to 1 year	More than 1 year, up to 5 years	More than 5 years	Total	hereof trading book	positive	negative	positive	negative
Total	**90,743,351**	**146,606,951**	**88,036,070**	**325,386,372**	**204,071,015**	**4,327,146**	**4,047,618**	**3,828,076**	**3,426,945**
a) Interest rate contracts	**46,424,278**	**133,314,013**	**85,411,689**	**265,149,980**	**148,879,000**	**3,295,593**	**3,215,196**	**2,787,183**	**2,679,638**
OTC products									
Interest rate swaps	38,501,345	117,300,279	81,519,493	237,321,117	132,201,245	3,138,278	3,119,342	2,665,467	2,592,750
Floating Interest rate swaps				0					
Interest rate futures	3,723,576	361,326	0	4,084,902	4,068,857	1,521	1,605	1,521	1,605
Interest rate options - buy	1,342,938	6,203,828	1,275,014	8,821,780	5,421,529	73,737	19,636	72,401	10,670
Interest rate options - sell	2,641,255	8,455,384	1,983,194	13,079,833	5,345,021	51,437	68,960	17,174	68,960
Other similar interest rate contracts	192,976	665,936	491,320	1,350,232	1,350,232	30,585	5,648	30,585	5,648
Products traded on stock exchange									
Interest rate futures	11,910	5,428	1,178	18,516	18,516	0	5	0	5
Interest rate options	10,278	321,832	141,490	473,600	473,600	35	0	35	0
b) Foreign exchange rate contracts	**43,402,656**	**9,641,016**	**1,515,946**	**54,559,618**	**50,096,890**	**621,757**	**657,346**	**631,098**	**585,711**
OTC products									
Cross-currency interest rate swaps	2,849,393	6,351,797	1,515,176	10,716,366	6,315,398	252,073	308,128	261,337	236,493
Forward foreign exchange contracts	37,947,820	2,604,126	0	40,551,946	40,551,946	347,114	332,737	347,114	332,737
Currency options – purchased	1,624,858	183,693	770	1,809,321	1,747,560	6,578	7,453	6,578	7,453
Currency options – sold	964,238	501,400	0	1,465,638	1,465,639	15,992	8,989	16,069	8,989
Products traded on stock exchange									
Currency contracts (futures)	16,347	0	0	16,347	16,347	0	39	0	39
c) Securities-related transactions	**831,256**	**2,529,178**	**587,310**	**3,947,744**	**3,947,744**	**382,381**	**120,726**	**382,381**	**120,726**
OTC products									
Equity/Index options -buy	217,549	2,478,632	577,245	3,273,426	3,273,426	368,186	60	368,186	60
Equity/Index options -sell	367	1,283	10,065	11,715	11,715	0	109,602	0	109,602
Products traded on stock exchange									
Equity/Index options	613,340	49,263	0	662,603	662,603	14,195	11,064	14,195	11,064
d) Commodity contracts	**20,710**	**220**	**0**	**20,930**	**20,930**	**152**	**21**	**152**	**21**
OTC products									
Commodities	1,427	220	0	1,647	1,647	152	0	152	0
Products traded on stock exchange									
Commodity futures	19,283	0	0	19,283	19,283	0	21	0	21
e) Credit derivative contracts	**64,451**	**1,122,524**	**521,125**	**1,708,100**	**1,126,451**	**27,263**	**54,329**	**27,263**	**40,847**
OTC products									
Credit default swap	64,451	1,122,524	521,125	1,708,100	1,126,451	27,263	54,329	27,263	40,847

31/12/2023	Nominal amount by maturity					Fair value		Carrying amount	
in € thousand	Up to 1 year	More than 1 year, up to 5 years	More than 5 years	Total	hereof trading book	positive	negative	positive	negative
Total	**89,725,880**	**132,170,152**	**79,372,038**	**301,268,070**	**196,313,436**	**4,746,270**	**4,455,184**	**4,054,656**	**3,718,712**
a) Interest rate contracts	**41,809,732**	**119,847,836**	**75,887,155**	**237,544,723**	**137,653,487**	**3,753,124**	**3,736,511**	**3,096,764**	**3,009,582**
OTC products									
Interest rate swaps	35,590,026	106,659,018	71,908,239	214,157,283	123,298,779	3,604,223	3,717,766	2,935,971	2,908,823
Floating Interest rate swaps				0					
Interest rate futures	1,900,987	404,465	0	2,305,452	2,305,452	1,017	670	1,017	670
Interest rate options - buy	1,582,871	3,970,076	1,360,797	6,913,744	5,618,012	114,477		126,369	
Interest rate options - sell	2,462,441	7,891,137	2,142,651	12,496,229	4,759,229		8,003	0	90,017
Other similar interest rate contracts	109,934	575,405	375,818	1,061,157	1,061,157	31,197	6,745	31,197	6,745
Products traded on stock exchange									
Interest rate futures	30,308	7,349	1,178	38,835	38,835	31	4	31	4
Interest rate options	133,165	340,386	98,472	572,023	572,023	2,179	3,323	2,179	3,323
b) Foreign exchange rate contracts	**46,459,532**	**8,097,831**	**2,117,202**	**56,674,565**	**52,247,454**	**688,941**	**597,612**	**653,687**	**591,391**
OTC products									
Cross-currency interest rate swaps	2,463,602	7,239,990	2,117,202	11,820,794	7,452,175	293,869	191,412	258,033	185,191
Forward foreign exchange contracts	39,726,990	20,956	0	39,747,946	39,747,946	385,675	402,013	385,675	402,013
Currency options – purchased	3,443,566	275,712	0	3,719,278	3,660,786	9,397	0	9,979	
Currency options – sold	807,849	561,173	0	1,369,022	1,369,022	0	4,120	0	4,120
Products traded on stock exchange									
Currency contracts (futures)	17,525	0	0	17,525	17,525		67	0	67
c) Securities-related transactions	**1,243,703**	**2,935,613**	**870,787**	**5,050,103**	**5,050,103**	**277,234**	**79,153**	**277,234**	**79,153**
OTC products									
Equity/Index options -buy	226,524	1,925,388	651,696	2,803,608	2,803,608	276,270	0	276,270	0
Equity/Index options -sell	243,717	929,950	219,091	1,392,758	1,392,759	0	79,153	0	79,153
Products traded on stock exchange									
Equity/Index options	773,462	80,275	0	853,737	853,736	964	0	964	0
d) Commodity contracts	**19,520**	**1,839**	**0**	**21,359**	**21,359**	**598**	**37**	**598**	**37**
OTC products									
Commodities	1,900	1,839	0	3,739	3,739	598	0	598	0
Products traded on stock exchange									
Commodity futures	17,620	0	0	17,620	17,620	0	37	0	37
e) Credit derivative contracts	**193,393**	**1,287,033**	**496,894**	**1,977,320**	**1,341,033**	**26,373**	**41,871**	**26,373**	**38,549**
OTC products									
Credit default swap	193,393	1,287,033	496,894	1,977,320	1,341,033	26,373	41,871	26,373	38,549

The following derivatives shown in the list of open forward transactions are recognized at fair value in the statement of financial position:

Derivative financial instruments	Positive fair values		Negative fair values	
in € thousand	31/12/2024	31/12/2023	31/12/2024	31/12/2023
Derivatives in the trading book				
a) Interest rate contracts	2,324,476	2,728,475	2,323,269	2,744,555
b) Foreign exchange rate contracts	608,631	649,185	482,020	574,235
c) Share and index contracts	382,369	200,563	120,725	2,091
d) Credit derivatives	27,267	26,373	30,170	26,987
e) Commodities	152	598	21	37

In addition to the derivatives presented in this section, the European Bank for Reconstruction and Development (EBRD) holds a put option with RBI AG. The EBRD acquired a stake in Raiffeisen Bank JSC, Kiev, as part of a capital increase conducted in December 2015. As part of this transaction, RBI AG entered into an agreement with the EBRD, which was extended in financial year 2024. According to this agreement – if the EBRD makes a corresponding request to RBI – RBI would offer the EBRD shares in RBI or corresponding payment in USD or another currency in exchange for its stake in Raiffeisen Bank JSC, Kiev, as part of a share swap (put option) in accordance with the value ratios. It is at the sole discretion of RBI AG whether the consideration is provided in RBI shares or in the form of payment in USD or another currency. Implementing such a transaction is subject to regulatory approval and corresponding resolutions passed at the Annual General Meeting and in other bodies. The value of this option with an exercise price equal to the fair value was zero on initial recognition and subsequently, according to which no provision for impending losses is to be recognized in RBI AG.

Securities

Debt securities and other fixed-income securities amounting to € 347,108 thousand (31/12/2023: € 406,606 thousand) will mature in the next financial year.

The table below lists the securities admitted to stock exchange trading (asset side), broken down into listed and unlisted securities (amounts incl. interest accrued):

Securities in € thousand	Listed 31/12/2024	Unlisted 31/12/2024	Listed 31/12/2023	Unlisted 31/12/2023
Debt securities and other fixed-income securities	3,594,575.6	25,179.2	3,749,212.0	28,083.5
Shares and other variable-yield securities	341,107.6	0.0	365,001.7	0.0

The table below lists securities admitted to stock exchange trading (asset side) measured as fixed assets or current assets (including trading portfolio):

Securities in € thousand	Fixed assets 31/12/2024	Current assets 31/12/2024	Fixed assets 31/12/2023	Current assets 31/12/2023
Debt securities and other fixed-income securities	1,894,709.8	1,725,045.0	1,933,349.7	1,843,945.7
Shares and other variable-yield securities	0.0	341,107.6	0.0	365,001.7

The table below shows the disposal of securities from fixed assets. Of this amount, € 1,096,475 thousand related to repayments (31/12/2023: € 1,019,992 thousand).

On-balance in € thousand	Nominal amount 31/12/2024	Net result 31/12/2024	Nominal amount 31/12/2023	Net result 31/12/2023
Treasury bills and other bills eligible for refinancing with central banks	281,500.0	0.0	447,841.7	(3,895.1)
Loans to banks	93,676.4	0.0	53,893.6	0.0
Loans to customers	362,555.6	794.1	286,049.3	(225.0)
Debt securities and other fixed-income securities	706,497.7	(877.9)	301,207.2	112.3
Shares and other variable-yield securities	153,400.0	(2,574.8)	0.0	0.0
Total	**1,597,629.7**	**(2,658.6)**	**1,088,991.8**	**(4,007.8)**

The differences between the acquisition cost and the repayment amount for securities (except zero-coupon bonds) in the investment portfolio (banking book) are as follows:

The difference between the amortized costs and the repayment amounts is comprised of € 47,465 thousand (31/12/2023: € 55,075 thousand) to be recognized in the future as expenditure, and € 198,153 thousand (31/12/2022: € 165,708 thousand) to be recognized as income.

In the case of securities admitted to stock exchange trading and recognized at fair value that do not have the characteristics of financial investments, the difference between the acquisition cost in the statement of financial position and the higher fair value is € 8,551 thousand (31/12/2023: € 7,742 thousand) pursuant to Section 56 (4) of the Austrian Banking Act (BWG). As in the previous year, RBI AG does not hold any securities listed for trading on the stock exchanged that do not qualify as financial assets and are recognized at the higher market value on the balance sheet date pursuant to Section 56 (5) of the Austrian Banking Act (BWG).

The item loans and advances to credit institutions contains own bonds that are not admitted for public trading in an amount of € 15,323 thousand (31/12/2023: € 16,509 thousand).

Securities amounting to € 1,262,835 thousand (31/12/2023: € 496,340 thousand) are the subject of genuine repurchase transactions on the reporting date, whereby RBI AG is the seller and the securities continue to be recognized on the statement of financial position.

The volume of RBI's trading book pursuant to Article 103 CRR is € 211.117.269 thousand (31/12/2023: € 203,359,690 thousand), with € 8,615,682 thousand (31/12/2023: € 7,046,254 thousand) accounted for by securities and € 204,071,015 thousand (31/12/2023: € 196,313,436 thousand) accounted for by other financial instruments. Securities relates to the carrying amounts of the instruments, while other financial instruments relates to derivatives, including nominal values.

The fair value is lower than the carrying amount for the following financial instruments that are reported as financial investments:

Financial investments in € thousand	Carrying amount 31/12/2024	Fair value 31/12/2024	Carrying amount 31/12/2023	Fair value 31/12/2023
1 Treasury bills and other bills eligible for refinancing with central banks	6,306,501.5	5,878,202.0	5,885,751.1	5,367,189.4
2 Loans to banks	45,776.7	45,072.7	98,581.5	96,588.0
3 Loans to customers	293,236.7	290,812.3	311,806.0	305,201.8
4 Debt securities and other fixed-income securities				
a) Issued by public bodies	0.0	0.0	0.0	0.0
b) Issued by other borrowers	1,346,971.7	1,285,041.9	1,461,315.4	1,369,290.2
5 Shares and other variable-yield securities	0.0	0.0	363,288.0	361,463.5
Total	**7,992,486.6**	**7,499,128.9**	**8,120,742.0**	**7,499,732.9**

An impairment (in accordance with Section 204 (2) of the Austrian Commercial Code (UGB) is not accounted for as the assessment of the credit rating of the security borrower is such that scheduled interest payments and repayments are expected to be made.

Investments and shares in affiliated companies

There are cross shareholdings with UNIQA Insurance Group AG, Vienna, and Posojilnica Bank eGen, Klagenfurt. There are no profit and loss transfer agreements as at 31 December 2024.

Affiliated companies

Company, domicile (country)	Total nominal value in thousand	Currency	Direct share of RBI	Equity in € thousand	Result in € thousand[1]	From annual financial statements[2]
Akcenta CZ a.s., Prag[3]	100,125	CZK	70 %	602	86	12/31/2023
Angaga Handels- und Beteiligungs GmbH, Wien	35	EUR	100 %	7768	(1,171)	31/12/2024
AO Raiffeisenbank, Moskau[3]	36.71126	RUB	100 %	4.41011	0.854376	12/31/2024
BAILE Handels- und Beteiligungsgesellschaft m.b.H.,Wien[2]	40	EUR	100 %	249,278	(17)	31/12/2024
Centralised Raiffeisen International Services & Payments S.R.L., Bukarest	2,820	RON	100 %	22,526	2,525	31/12/2024
Elevator Ventures Beteiligungs GmbH, Wien[2]	100	EUR	100 %	70,685	3,191	12/31/2024
EV II GmbH & Co KG, Wien	<1	EUR	33 %	-205	(255)	12/31/2023
Extra Year Investments Limited, Tortola	50	USD	100 %	6	(10)	31/12/2023
Fairo GmbH, Wien	35	EUR	100 %	1,663	(1,016)	31/12/2024
FAIRO LLC, Kiew	358,999	UAH	100 %	858	(962)	31/12/2023
FARIO Handels- und Beteiligungsgesellschaft m.b.H., Wien	40	EUR	100 %	2,013	(56)	31/12/2024
Golden Rainbow International Limited, Tortola	<1	USD	100 %	322	(8)	31/12/2023
Kathrein Privatbank Aktiengesellschaft, Wien (AT)[2]	20,000	EUR	100 %	62,106	11,714	31/12/2024
KAURI Handels und Beteiligungs GmbH, Wien[2]	50	EUR	88 %	7,853	779	31/12/2024
LOTA Handels- und Beteiligungs-GmbH, Wien	35	EUR	100 %	4,233	10	31/12/2024
R.L.H. Holding GmbH, Wien	35	EUR	100 %	7,574	(1)	31/12/2024
R.P.I. Handels- und Beteiligungsges.m.b.H., Wien[2]	36	EUR	100 %	146	(9)	31/12/2024
RADWINTER SP.Z.O.O	10	PLN	100 %	7,811	(311)	12/31/2023
Raiffeisen Advisory EOOD[4]	500	BGN	100 %	N/A[4]	N/A	N/A
Raiffeisen Bank Aval JSC, Kiew (UA)	6,154,516	UAH	68 %	623,147	97,391	31/12/2024
Raiffeisen Bausparkasse Gesellschaft m.bH., Wien	35,000	EUR	100 %	606,277	54,851	12/31/2023
Raiffeisen CIB sp. z .o.o.[4]	2,105	PLN	100 %	N/A	N/A	N/A
Raiffeisen Digital Bank AG	47,599	EUR	100 %	82,689	(39,492)	31/12/2024
Raiffeisen Factor Bank AG. Wien	10,000	EUR	100 %	43,554	2,855	12/31/2023
RBI Group IT GmbH, Wien[2]	100	EUR	100 %	351	242	31/12/2024
Raiffeisen Investment Advisory GmbH, Wien	730	EUR	100 %	986	(11)	12/31/2024
Raiffeisen Kapitalanlage-Gesellschaft m.b.H., Wien	15,000	EUR	100 %	94,398	35,215	12/31/2023
Raiffeisen RS Beteiligungs GmbH, Wien[2]	35	EUR	100 %	4,095,946	1,293,077	12/31/2024
Raiffeisen Tech GmbH	35	EUR	100 %	61	(11)	12/31/2023
Raiffeisen Wohnbaubank Aktiengesellschaft, Wien	5,100	EUR	100 %	9,283	(132)	12/31/2023
Raiffeisen-LeasingGesellschaft m.b.H., Wien	363	EUR	100 %	120,155	11,157	12/31/2023
Raiffeisen-Leasing International GmbH, Wien	36	EUR	100 %	60,106	4,079	12/31/2023
RALT Raiffeisen Leasing Ges.m.b.H, Wien[2]	219	EUR	100 %	54,945	1,191	31/12/2024
RALT Raiffeisen-Leasing GmbH & Co. KG, Wien[2]	19,970	EUR	97 %	64,607	2,060	12/31/2024

RB International Markets (USA) LLC, New York[3]	8,000	USD	100 %	13,331	404	12/31/2023
RBI Kantinenbetriebs GmbH, Wien	35	EUR	100 %	1,559	473	12/31/2023
RBI LEA Beteiligungs GmbH, Wien[2]	70	EUR	100 %	256,998	8,641	31/12/2024
RBI Leasing GmbH, Wien	100	EUR	75 %	28,026	3,677	12/31/2023
RBI PE Handels- und Beteiligungs GmbH, Wien	150	EUR	100 %	677	(9)	12/31/2024
RBI Retail Innovation GmbH, Wien	35	EUR	100 %	5,624	434	12/31/2024
REC Alpha LLC, Kiew[3]	1,201,407	UAH	85 %	2,915	(285)	12/31/2024
Regional Card Processing Center s.r.o., Bratislava[3]	539	EUR	100 %	26,049	2,842	12/31/2024
R-Insurance Services sp. z o.o.	5	PLN	100 %	3,319	640	31/12/2023
RL Leasing GmbH, München (DE)	26	EUR	25 %	30	9	12/31/2023
RZB-BLS Holding GmbH, Wien[2]	500	EUR	100 %	520,800	90,758	31/12/2024
Salvelinus Handels- und Beteiligungsges.m.b.H., Wien[2]	40	EUR	100 %	368,124	(23,584)	12/31/2024
Scantius Holding GmbH	35	EUR	100 %	61	(11)	12/31/2024
TEG 1 Imm GmbH & CO KG	10	EUR	100 %	20,881	(479)	12/31/2023
Ukrainian Processing Center PJSC, Kiew[3]	180	UAH	100 %	42,883	10,134	31/12/2024
Valida Holding AG, Wien	5,000	EUR	57 %	22,651	(2,405)	12/31/2023
ZHS Office- & Facilitymanagement GmbH, Wien	36	EUR	1 %	634	13	31/12/2024

1 The result (in part from the consolidated financial statements) in € thousand corresponds to the annual profit/loss
2 Equity and result reported in accordance with IFRS (fully consolidated domestic entities)
3 Equity and result reported in accordance with IFRS (fully consolidated foreign entities)
4 Foundation 2024

Optimization of the holding structure

Through holding companies, Raiffeisen Bank International AG holds investments in several Austrian subsidiaries. The aim of the optimization project was to simplify the holding structure through restructurings. This optimization reduced the number of intermediate holding companies, resulting in a more streamlined and more transparent ownership structure. The optimization was achieved through several restructuring steps (transfers, upward and downward mergers) as well as capital adjustments and contributions.

As a result of the upward merger with RBI Beteiligungs GmbH, RBI AG now holds direct investments in the following Austrian banks and financial institutes: Raiffeisen-Leasing Gesellschaft m.b.H., Raiffeisen Bausparkasse Gesellschaft m.b.H., Raiffeisen Wohnbaubank Aktiengesellschaft, Valida Holding AG, Raiffeisen Kapitalanlage Gesellschaft m.b.H., Raiffeisen Factor Bank AG, Raiffeisen Informatik GmbH & Co KG and Raiffeisen Informatik Geschäftsführungs GmbH.

The European Central Bank approved the merger by absorption of RBI Beteiligungs GmbH into RBI AG in its decision dated 14 October 2024. The merger by way of universal succession is based on a merger agreement dated 26 June 2024 and the closing balance sheet of the transferor company dated 31 March 2024. This took legal effect when the merger was registered in the commercial register on 6 November 2024. Accounting for this merger was based on the continuation of book values (Section 202 (2) subpara. 1 of the Austrian Commercial Code (UGB)).

Additionally, Raiffeisen-Leasing International Gesellschaft m.b.H. and RBI Leasing GmbH were transferred to RBI AG by their shareholders (RLI Holding Gesellschaft m. b. H. and RBI LGG Holding GmbH) by means of transfer agreements dated 27 August 2024.

The result of reorganization shown in the amount of € 164,185 thousand is calculated based on the difference between the declining equtiy interest in RBI Beteiligungs GmbH in the amount of € 844,532 thousand and the balance of the net assets acquired in the amount of € 1,008,717 thousand.

Fixed assets

The land value of developed land amounts to € 32 thousand (31/12/2023: € 33 thousand).

RBI AG was not directly involved in the leasing business as a lessor in 2024.

Obligations from the use of tangible fixed assets not reported on the statement of financial position amount to € 41,363 thousand (31/12/2023: € 42,528 thousand) for the following financial year, of which € 38,417 thousand were owed to affiliated companies (31/12/2023: € 39,101 thousand). The total amount of obligations for the following five years amounts to € 219,380 thousand (31/12/2023: € 248,899 thousand), of which € 203,755 thousand are owed to affiliated companies (31/12/2023: € 228,845 thousand).

The intangible fixed assets item includes no intangible fixed assets acquired from affiliated companies.

The following tables show the changes in fixed assets:

in € thousand		Cost of acquisition or conversion						
Item	Description of fixed assets	As at 1/1/2024 1	Additions due to business combination[1] 2	Exchange differences 3	Additions 4	Disposals 5	Transfers 6	As at 31/12/2024 7
1.	Treasury bills and other bills eligible for refinancing with central banks	7,836,594	0	0	1,672,466	(286,569)	0	9,222,490
2.	Loans to banks	157,204	0	2,698	126,907	(90,162)	0	196,648
3.	Loans to customers	626,755	0	3,743	348,893	(318,135)	0	661,256
4.	Debt securities and other fixed-income securities	1,920,279	0	11,380	618,652	(675,419)	0	1,874,891
a)	Issued by public bodies	0	0	0	194,694	(194,694)	0	0
b)	own debt securities	0	0	0	0	0	0	0
c)	Issued by other borrowers	1,920,279	0	11,380	423,958	(480,725)	0	1,874,891
5.	Shares and other variable-yield securities	558,400	0	0	0	(153,400)	0	405,000
6.	Equity interests	94,069	18,124	0	25	(5,314)	8,297	115,201
7.	Investments in affiliated companies	12,563,644	653,820	0	18,496	(844,969)	(8,297)	12,382,695
8.	Intangible fixed assets	189,954	0	149	5,202	(7,391)	0	187,914
9.	Tangible fixed assets	46,665	0	99	3,631	(7,657)	0	42,738
10.	Other assets	231	0	0	0	(231)	0	0
	Total	**25,914,074**	**671,944**	**29,449**	**3,412,924**	**(3,064,665)**	**0**	**26,963,724**

1 For details see the chapter on Investment and shares in affiliated companies (Optimization of the holding structure)

in € thousand	Writing up/depreciation/revaluation								Carrying amount	
Item	Cumulative depreciation as of 1/1/2023 8	Additions due to business combination[1] 9	Exchange differences 10	Cumulative depreciation and amortization disposal 11	Write-ups 12	Depreciation 13	Transfers 14	Cumulative depreciation as of 31/12/2023 15	31/12/2024 16	31/12/2023 17
1.	(32,062)	0	0	5,071	26,102	(16,623)	0	(17,512)	9,204,979	7,804,532
2.	121	0	4	263	510	(184)	0	715	197,363	157,324
3.	375	0	(1)	(724)	1,011	(348)	0	312	661,568	627,129
4.	(3,175)	0	(140)	2,662	5,922	(3,600)	0	1,669	1,876,560	1,917,103
a)	0	0	0	(717)	877	(160)	0	0	0	0
b)	0	0	0	0	0	0	0	0	0	0
c)	(3,175)	0	(140)	3,379	5,045	(3,440)	0	1,669	1,876,560	1,917,103
5.	0	0	0	0	0	0	0	0	405,000	558,400
6.	(26,422)	719	0	1,036	2,743	(8,935)	(4,357)	(35,217)	79,984	67,646
7.	(2,301,119)	0	0	253	107,677	(1,254,162)	4,357	(3,442,994)	8,939,701	10,262,525
8.	(170,445)	0	(47)	7,332	0	(7,418)	0	(170,578)	17,336	19,509
9.	(29,773)	0	(60)	7,607	0	(4,682)	0	(26,908)	15,830	16,892
10.	0	0	0	0	0	0	0	0	0	231
	(2,565,676)	**719**	**(384)**	**26,161**	**149,887**	**(1,299,552)**	**0**	**(3,688,844)**	**23,274,881**	**23,348,394**

1 For details see the chapter on Investment and shares in affiliated companies (Optimization of the holding structure)

Other assets

As at 31 December 2024, other assets totaled € 7,606,944 thousand (31/12/2023: € 6,989,545 thousand). This item also contains loans and advances from treasury transactions (positive market values arising from derivatives in the trading book, including derivatives for capital guarantees, as well as accrued interest from derivatives in the banking book – for details, refer to the table on open forward transactions) in the amount of € 3,828,076 thousand (31/12/2023: € 4,090,369 thousand). This item also includes loans and advances (special fund) to the Austrian Raiffeisen Deposit Guarantee scheme (ÖRES) relating to the Raiffeisen-IPS contribution of € 526,606 thousand (31/12/2023: € 484,255 thousand), loans and advances to the tax administration in the amount of € 64,596 thousand (31/12/2023: € 48,510 thousand), holdings of precious metals in coin and other forms in the amount of € 514,952 thousand (31/12/2023: € 238,726 thousand), loans and advances to Group members arising from tax transfers in the amount of € 73,374 thousand (31/12/2023: € 51,846 thousand) and dividends receivable totaling € 2,202,506 thousand (31/12/2023: € 1,700,550 thousand).

The other assets also contain income of € 2,657,094 thousand (31/12/2023: € 2,154,521 thousand) which is not payable until after the reporting date.

Deferred tax assets

The deferred tax assets of € 738 thousand (31/12/2023: € 411 thousand) shown in the statement of financial position result from tax loss carryforwards against American tax authorities of the subsidiary RB International Finance (USA), LLC, New York, which was liquidated in 2017. They are based on the planned future taxable profit of the subsidiary RB International Markets (USA) LLC, New York (tax rate: 25.7 per cent). No deferred tax assets were recognized for asset-side temporary differences of € 131,664 thousand (31/12/2023: € 155,083 thousand) and € 1,765,462 thousand (31/12/2023: € 1,841,125 thousand) from domestic tax loss carry forwards as it does not appear that they can be realized within a reasonable time from today's perspective.

For the calculation of deferred tax assets and liabilities, the applicable tax rate is that which is likely to be applied upon realization (reversal) of the underlying temporary difference. With the eco-social tax reform 2022, a gradual reduction of the corporate income tax rate from 25 per cent to 23 per cent (2023: 24 per cent, from 2024: 23 per cent) was adopted in Austria. For deferred tax assets, a tax rate of 11.5 per cent is therefore to be applied. For deferred tax liabilities, the corresponding tax rates are 23 per cent, or 11.5 per cent where such liabilities can be offset against loss carryforwards or deferred tax assets.

The rationale behind recognizing deferred tax assets at half the statutory corporate tax rate is grounded in the certainty of future relief at this rate, as stipulated by the relevant group allocation agreement. Any additional relief cannot be reliably estimated for the respective group member, given the member's lack of influence on the determination of the taxable profit share at group level. Deferred tax liabilities are recognized at 23 per cent (in the absence of the possibility of offsetting them with deferred tax assets) due to the agreed allocation rate for positive results. This rate is only lower when there is a taxable profit share.

Subordinated assets

Subordinated assets contained under assets:

in € thousand	31/12/2024	31/12/2023
Loans to banks	**896,488.8**	**547,425.1**
hereof to affiliated companies	894,786.4	545,687.2
hereof to companies linked by virtue of a participating interest	1,702.4	1,737.8
Loans to customers	**25,340.2**	**36,844.0**
hereof to affiliated companies	0.0	0.0
hereof to companies linked by virtue of a participating interest	0.0	2,215.0
Debt securities and other fixed-income securities	**55,887.5**	**56,615.1**
hereof to affiliated companies	0.0	0.0
hereof to companies linked by virtue of a participating interest	0.0	0.0
Shares and other variable-yield securities	**450,861.7**	**636,420.3**
hereof to affiliated companies	431,042.6	594,673.9
hereof to companies linked by virtue of a participating interest	0.0	1,364.2

The table above incorporates proprietary holdings of Tier 2 and AT1 instruments, delineated in finer granularity within the respective liability line item.

Restrictions related to asset availability

As at the reporting date, there were restrictions related to asset availability (in accordance with Section 64 (1) 8 BWG):

in € thousand	31/12/2024	31/12/2023
Indemnification for securities lending transactions	294,921.3	229,491.9
Loans assigned to Oestereichische Kontrollbank (OeKB)	3,040,411.4	3,089,881.1
Indemnification for OeNB tender	0.0	0.0
Loans assigned to European Investment Bank (EIB)	19,735.9	21,004.7
Loans assigned to Kreditanstalt für Wiederaufbau (KfW)	143,031.8	156,420.6
Institutional Protection Scheme	526,606.2	484,255.1
Margin requirements	0.0	54,620.7
Treasury call deposits for contractual netting agreements	1,618,472.9	1,652,917.7
Total	**5,643,179.6**	**5,688,591.8**

In addition, securities collateral in the form of Austrian government bonds with book values of € 229,857 thousand (31/12/2023: € 105,593 thousand) was applied for securitization transactions. Furthermore, RBI AG has assets with usage restrictions in an amount of € 2,549,968 thousand (31/12/2023: € 2,160,860 thousand) for covered bonds as part of its cover funds management on the assets side.

RBI AG recognizes derivatives with carrying amounts of € 3,828,076 thousand (31/12/2023: € 4,090,369 thousand) under other assets, of which € 3,415,768 thousand (31/12/2023: € 3,718,901 thousand) are collateralized by cash collateral. The item other liabilities also includes derivatives with a carrying amount of € 3,426,945 thousand (31/12/2023: € 3,722,604 thousand), of which € 3,159,250 thousand (31.12.2023: € 3,333,134 thousand) are collateralized by cash collateral. These carrying amounts of derivatives classified under other assets include carrying amounts attributable to members of the Austrian resolution group in the amount of € 991 thousand (31/12/2023: € 879 thousand) and carrying amounts attributable to other liabilities in the amount of € 19,647 thousand (31/12/2023: € 24,993 thousand), which are also collateralized by cash collateral.

None of the balance sheet items are netted out, as each contracting party is granted the right to offset recognized amounts, which is enforceable only if an event such as insolvency or bankruptcy occurs. Moreover, there is no intention to settle on a net basis.

Asset items for affiliated companies and companies linked by virtue of a participating interest

Loans and advances as well as debt securities and other fixed-income securities to and from affiliated companies and companies linked by virtue of a participating interest:

in € thousand	31/12/2024	31/12/2023
Loans to banks		
To affiliated companies	2,788,850.8	2,601,073.4
To companies linked by virtue of a participating interest	325,398.6	399,564.3
Loans to customers		
To affiliated companies	1,254,459.9	1,370,064.6
To companies linked by virtue of a participating interest	54,076.8	71,038.3
Debt securities and other fixed-income securities		
To affiliated companies	38,369.3	74,124.1
To companies linked by virtue of a participating interest	74,880.9	58,586.6

Equity and liabilities

Liabilities

Breakdown of maturities

Liabilities to credit institutions, liabilities to customers, securitized liabilities and other liabilities break down by their residual terms as follows:

in € thousand	31/12/2024	31/12/2023
Deposits from banks	**25,503,419.5**	**26,684,645.8**
Repayable on demand	4,675,854.7	4,525,879.7
Up to 3 months	14,379,888.1	15,007,974.9
More than 3 months, up to 1 year	1,378,692.0	1,106,792.6
More than 1 year, up to 5 years	3,542,635.6	3,851,217.8
More than 5 years	1,526,349.1	2,192,781.0
Deposits from customers	**17,740,794.9**	**19,901,522.2**
Repayable on demand	5,623,419.2	6,759,789.7
Up to 3 months	7,515,171.0	9,496,320.5
More than 3 months, up to 1 year	3,290,397.6	2,426,369.5
More than 1 year, up to 5 years	749,359.3	449,384.2
More than 5 years	562,447.8	769,658.4
Debt securities issued	**19,165,186.0**	**17,079,035.6**
Up to 3 months	1,114,318.4	346,615.9
More than 3 months, up to 1 year	1,808,202.4	701,189.3
More than 1 year, up to 5 years	15,700,246.9	15,269,369.8
More than 5 years	542,418.3	761,860.6
Other liabilities	**4,710,812.6**	**4,572,765.4**
Up to 3 months	4,710,812.6	4,572,765.4

Bonds and notes issued amounting to € 2,983,223 thousand (31/12/2023: € 1,057,003 thousand) will become due in the next financial year.

Liabilities to affiliated companies and companies linked by virtue of a participating interest:

in € thousand	31/12/2024	31/12/2023
Deposits from banks		
From affiliated companies	4,645,804.8	4,958,637.2
From companies linked by virtue of a participating interest	5,274,439.7	5,242,490.3
Deposits from customers		
From affiliated companies	3,604,792.8	4,519,741.4
From companies linked by virtue of a participating interest	76,003.0	66,141.3

TLTRO III program (Targeted Longer-Term Refinancing Operations)

In the financial year 2024, RBI AG no longer participated in the TLTRO program. RBI AG also had no long-term financing from this program as at the reporting date of 31 December 2023.

Other liabilities

As at 31 December 2024, other liabilities amounted to € 4,710,813 thousand (31/12/2023: € 4,572,765 thousand). This item also contains liabilities from treasury transactions (primarily negative market values arising from derivatives in the trading book, as well as accrued interest from derivatives in the banking book – for details, refer to the table on open forward transactions) in the amount of € 3,426,945 thousand (31/12/2023: € 3,715,786 thousand) and liabilities from short positions in bonds and stocks of € 941,554 thousand (31/12/2023: € 555,015 thousand). The fair market value of the hedges for capital guarantees for funds is € 5,701 thousand (31/12/2023: € 6,799 thousand). The item also includes accrued interest for Tier 2 capital of € 22,446 thousand (31/12/2023: € 20,418 thousand), liabilities from tax transfers (corporate income tax) and liabilities from creditable capital yields and withholding tax toward Group members totaling € 19,285 thousand (31/12/2023: € 21,194 thousand).

The other liabilities also contain expenses in the amount of € 487,482 thousand (31/12/2023: € 388,166 thousand), for which payment is to be made after the reporting date.

Provisions

Provisions amount to € 53,133 thousand (31/12/2023: € 51,174 thousand) for severance payments, € 56,022 thousand (31/12/2023: € 61,475 thousand) for pensions, € 34,604 thousand (31/12/2023: € 18,253 thousand) for tax provisions, and € 1,390,196 thousand (31/12/2023: € 816,794 thousand) for other provisions (for additional information about other provisions, please refer to the breakdown in the table below). Reinsurance policies for pension provisions are in place in the amount of € 8,613 thousand (31/12/2023: € 9,768 thousand). In the financial year under review these were offset with claims of the same amount.

The tax provisions of € 34,604 thousand mainly relate to provisions for corporate income tax from 2020 in the amount of € 7,800 thousand, with an additional € 1,800 thousand related to 2022,€ 7,200 thousand to 2023, and € 8,760 thousand to 2024. The item also includes a provision of € 7,266 thousand on account of the Minimum Taxation Act (Mindestbesteuerungsgesetz).

The increase in other provisions to € 560,396 thousand resulted primarily from higher provisions for litigation risks mainly related to legal disputes for foreign currency loans in Poland (see also the remarks below). Provisions for other expenses also increased year-on-year, to € 55,542 thousand. This includes € 35,000 thousand for an agreed shareholder contribution to Raiffeisen Digital Bank AG, payable in January 2025, € 16,895 thousand for possible repayment obligations in connection with the abolition of the VAT exemption in Section 6 (1) No. 28, second sentence of the Value Added Tax Act (UstG) (see also the statements on pending legal issues), and € 12,137 thousand for imminent losses from pending transactions.

As of 31 December 2024, provisions for impending losses were recognized in the amount of € 63,013 thousand (31/12/2023: € 82,482 thousand) for derivatives valued as functional units, ineffective portions of valuation units, credit derivatives managed according to the principle of individual valuation, and unsettled foreign currency derivatives in UAH.

Litigation risk for foreign currency loans in Poland

In Poland, a significant number of civil lawsuits are pending in relation to certain contractual stipulations connected with consumer mortgage loans denominated in or indexed to foreign currencies. As at 31 December 2024, the total amount in dispute was approximately PLN 7,745 million (€ 1,812 million). The number of lawsuits continues to increase.

In this context, a Polish court requested the Court of Justice of the European Union (CJEU) to clarify whether certain clauses in these agreements breach European law and are unfair. The CJEU's preliminary ruling (C-260/18) in October 2019 does not answer whether the loan agreements are invalid in whole or part but merely gives interpretative guidance on the principles according to which the national courts must decide in each individual case. According to this, a loan agreement without unfair terms should remain valid provided that it is in conformity with national law. If a loan agreement cannot remain valid without the unfair term, the entire contract would have to be annulled. If the annulment of the entire contract triggers material negative consequences for the borrower, the Polish courts can replace the unfair term by a valid term in accordance with national law. The consequences of the contract being annulled must be carefully examined so that the borrower can consider all potential negative consequences of annulment.

In another proceeding involving RBI, the District Court for Warszawa-Wola in Warsaw requested the CJEU to issue a preliminary ruling concerning the way in which the contractual provisions concerning the rules for determining the buying and selling rates for foreign currency are to be formulated in the case of consumer mortgage loans indexed to a foreign currency. In the judgement of 18 November 2021 in case C-212/20, the CJEU considered that the content of a clause of a loan agreement that sets the buying and selling prices of a foreign currency to which the loan is indexed must enable a reasonably well informed and reasonably observant consumer, based on clear and intelligible criteria, to understand the way in which the foreign currency exchange rate used to calculate the amount of the repayment installments is set. Based on information specified in such a provision, the consumer must be able to determine on his or her own, at any time, the exchange rate applied by the entrepreneur. In the justification the CJEU specified that a provision that does not enable the consumer to determine the exchange rate himself or herself is unfair. Moreover, the CJEU indicated in said judgement that the national court, when the considered term of a consumer contract is unfair, is not allowed to interpret that term in order to remedy its unfairness, even if that interpretation would correspond to the common intention of the parties to that contract. Only if the invalidity of the unfair term were to require the national court to annul the contract in its entirety, thereby exposing the consumer to particularly unfavorable consequences, so that the consumer would thus be penalized, the national court might replace that term with a supplementary provision of national law. The CJEU therefore did not entirely preclude national courts hearing such cases from supplementing the contract with supplementary provisions of national law, but gaps may not be filled solely with national provisions of a general nature and such remedy may be applied only in strictly limited cases as specified by the CJEU. The assessment of an unfair nature of contractual provisions as well as the decision concerning supplementation of the contract after removal of unfair contractual clauses, however, still falls within the competence of the national court hearing the case. The CJEU did not determine at all whether, in the consequence of the above-mentioned actions, the entire foreign currency contract is to be annulled.

On 15 June 2023, the CJEU announced its judgment in case C-520/21 on the consequences of the annulment of a mortgage loan agreement vitiated by unfair terms. The consumer mortgage loan agreement indexed to CHF had been annulled on the ground that the conversion clauses determining the rate of exchange into PLN for purposes of the monthly installments were considered to be unfair and that the loan agreement could not continue in existence after removal of the unfair terms. The

CJEU observed that EU law does not expressly govern the consequences of the annulment of a consumer contract which are to be determined by domestic legislation in the individual EU member states. Such domestic legislation has to be compatible with EU law and its objectives, in particular to restore the situation which the consumer would have been in had the annulled contract not existed as well as not to undermine the deterrent effect sought by EU law. According to the CJEU, EU law does not preclude consumers from seeking compensation from the bank going beyond the reimbursement of the monthly installments paid and the expenses paid in respect of the performance the mortgage loan agreement together with the payment of penalty interest at the statutory rate from the date on which notice is served. Nevertheless, it is a matter for the national courts to determine whether upholding such claims on the part of the consumers is in accordance with the principle of proportionality. By contrast, EU law precludes the bank from being able to claim from the consumer compensation going beyond reimbursement of the capital paid in respect of the performance of the mortgage loan agreement together with the payment of penalty interest at the statutory rate from the date on which notice is served.

Further specifications on the consequences of the annulment of a consumer mortgage loan agreement vitiated by unfair terms was provided by the CJEU in its judgments in cases C-756/22 of 11 December 2023, C-488/23 of 12 January 2024 and C-424/22 of 8 May 2024. None of these proceedings involved RBI directly. In all three cases, the CJEU considered that the interpretation of EU law requested by the referring courts can be clearly derived from the previous CJEU's judgments, in particular from judgement in case C-520/21 of 15 June 2023 comprehensively described in the paragraph above. In the case C-756/22 the CJEU stated that if a loan agreement is annulled on the ground that it contains unfair terms without which it cannot continue to be in force, the bank is not allowed to demand the consumer to pay amounts other than the capital paid in performance of that contract and statutory penalty interest from the time of the demand for payment. In the case C-488/23 the CJEU stated that EU law precludes banks from being able to claim from the consumer – in addition to the reimbursement of the capital sums paid in performance of the contract and statutory penalty interest from the date of the demand for payment - compensation consisting of a judicial adjustment of the benefit of the capital sum paid in the event of a material change in the purchasing power of the currency in question after that capital was paid to the consumer concerned. In the case C-424/22 of 8 May 2024 the CJEU stated that if a loan agreement is annulled on the ground that it contains unfair terms and the bank is therefore obliged to make restitutory payments to a consumer, the bank is not entitled to apply the right of retention. This means that the bank is not allowed to withhold such payment until the debtor has repaid all sums that he or she had received from the bank under the loan agreement.

Which impact the above mentioned CJEU judgments will have on the decisions made by Polish courts in individual civil cases cannot be assessed finally due to the complexity and variability of case-specific factors, as well as the potential differing contexts and legal nuances involved in each case.

On 25 April 2024, the full Civil Chamber of the Polish Supreme Court (the "SC") adopted a resolution concerning legal issues concerning loans indexed to or denominated in a foreign currency. In line with CJEU judgments, the SC ruled that if a contractual term referring to an indexation mechanism is considered unlawful and is not binding, it cannot be replaced by another method of determining the foreign exchange rate resulting from provisions of law or established customs and the loan agreement shall not be binding in the remaining scope. The decision whether a contractual term is unfair is up to the court hearing the case concerning an individual loan agreement. If a loan agreement is not binding due to its unlawful terms, each party has a separate claim for the return of undue payments: the bank for the return of capital and the borrower for the return of payments. The SC found no justification for mutual settlement of the parties' claims by the court during the hearing of the case. The limitation period of the bank's claim for reimbursement of amounts paid under the loan shall, as a rule, commence on the day following the day on which the borrower challenged the binding force of the loan agreement against the bank. Thus, the start of the limitation period depends on the consumer's action and should therefore be analyzed individually in relation to each contract. This decision modified a previous decision of the SC which provided that the limitation period of the bank's claim would start after the consumer is informed about the potential consequences of declaring the loan agreement invalid and the consumer consents to such a declaration of invalidity. The SC also excluded the possibility for any party to claim interest or any other remuneration for the use of its funds in the period between the undue payment and the delay in reimbursing the payment. Despite the fact the resolution was adopted to resolve the arising interpretation issues connected with disputes concerning loans in Swiss francs, the conclusions arising from it are applicable to loans in other currencies, including loans in euro, as well.

The above resolution of the SC, combined with the earlier CJEU ruling, means that banks operating in Poland and holding foreign currency loan portfolios, including RBI, shall not be able to claim any additional remuneration and/or valorization in connection with such annulled agreements as set out above. Banks shall be limited then only to the possibility to claim the return of the capital made available to the customer when the loan was originated. This does not affect the possibility of demanding payment of penalty interest, provided that the conditions for which the bank may demand such interest are met.

A significant Inflow of lawsuits has been observed since the beginning of 2020 mainly as a result of the CJEU ruling in case C-260/18 and of intensified marketing activity by law firms acting on behalf of borrowers. In 2024, RBI's Polish branch recorded 6,150 new lawsuits (previous year: nearly 5,400 lawsuits) with an average of around 513 new lawsuits per month in 2024 (of which CHF lawsuits 445 and 67 lawsuits for Euro loans). Such an increased inflow of new lawsuits has not only been observed by RBI's Polish branch, but by all banks handling foreign currency loan portfolios in Poland. However, the inflow of lawsuits decreased in the fourth quarter of 2024 and could continue to decrease as a result of the increasing number of settlements being reached between RBI's Polish branch and borrowers.

Furthermore, Polish courts may have approached the CJEU with further requests for a preliminary ruling in other civil proceedings which could lead to further CJEU's clarifications that could influence how court cases concerning foreign currency loans are decided by national Polish courts.

The impact assessment in relation to affected FX-indexed or FX-denominated loan agreements may also be influenced by the outcome of an ongoing administrative court proceeding resulting from the RBI Polish Branch's appeal against the decision of the President of the Office of Competition and Consumer Protection (UOKiK).The contested decision stated that RBI's Polish branch was engaged in practices violating the collective consumer interests and resulted in an administrative fine on RBI's Polish branch and an obligation to provide borrowers information on the violation in case the administrative decision becomes final.

Moreover, the Polish Financial Ombudsman, acting on behalf of two borrowers, has initiated a civil proceeding against RBI alleging employment of unfair commercial practices towards consumers in respect of a case in which RBI – following the annulment of a loan agreement – claimed the full loan amount originally disbursed without taking into account repayments made in the meantime as well as amounts due for the use of capital by the borrowers based on the principle of unjust enrichment, and has demanded that RBI discontinue such practices. In May 2023, the claim of the Financial Ombudsman was dismissed by the court of first instance. According to the court of appeal register, the Financial Ombudsman appealed against this judgement, however, the appeal has not been served to RBI yet.

Model description and sensitivity analysis

RBI AG has recognized a provision for filed and expected lawsuits in Poland regarding Swiss Franc and Euro loans, including default interest that will be payable to customers. As lawsuits have been filed by a number of customers, the provision is based on a statistical approach that takes into account both statistical data, where relevant, and expert opinions.

RBI AG has around 22.6 thousand CHF loans to customers outstanding with a total volume of around € 1.6 billion and a further 14.1 thousand CHF loans have been repaid. These also include loans that are not expected to be the subject of litigation. Furthermore, RBI AG has around 9.4 thousand Euro denominated loans to customers outstanding with a total volume of nearly € 400 million and a roughly 8.8 thousand loans have been repaid.

The resulting provisions were increased to € 2,071 million (31/12/2023: € 1,652 million). As at the reporting date of 31/12/2024, RBI AG reported provisions for litigation risks for repaid loans in connection with this matter in the amount of € 1,060 million (31/12/2023: € 500 million), which are included in the following table on other provisions under "Process risks". In addition, reductions in the carrying amount for active loans in the amount of € 1,011 million are taken into account as at the reporting date of 31/12/2024 (31/12/2023: € 1,152 million). The total amount of the provision in Poland represents RBI AG's best estimate of the future outflow of economic benefits. In calculating the provision for lawsuits filed in Poland, it is nevertheless necessary to form an opinion on matters that are inherently uncertain, such as regulatory announcements, the number of future lawsuits, the extent to which these will be upheld and the impact of legal decisions that may be relevant to the lawsuits received.

Thus a number of risks and uncertainties remain. Consequently the actual costs could differ from RBIAG's estimates and the underlying assumptions. This could result in the need for an additional provision. The main measurable uncertainties associated with the calculation of the provision relate to a potential reduction in the discount period, a decrease in discount rates, an increase in the number of total expected lawsuits for outstanding and repaid loans. The sensitivity analysis refined during the reporting year for potential changes in the actual parameters over the next 12 months, while holding all other parameters constant, is shown in the following two tables, separated by CHF and EUR loans:

CHF-Portfolio	Actual parameter	Increase/Decrease of the parameter	New parameter	Increase/Decrease in provision (in € million)
Provision amount in € million	1,965			
Reduction in discounting period in years	3,5 years	- 1,0 year	2,5 years	27
Decrease in discount rate (IFRS 9 provision)	2.34 %	-0,3 PP	2.04 %	8
Increase in propensity to litigate active loans	91.50 %	+1,0 PP	92.50 %	12
Increase in average loss coverage on outstanding loans	117.00 %	+1,0 PP	118.00 %	10
Decrease in discount rate (IAS 37 provision)	5.27 %	-1,0 PP	4.27 %	9
Increase in propensity to litigate repaid loans	53.00 %	+1,0 PP	54.00 %	4

EUR-Portfolio	Actual parameter	Increase/Decrease of the parameter	New parameter	Increase/Decrease in provision (in € million)
Provision amount in € million	106			
Reduction in discounting period	3,5 years	- 1,0 year	2,5 years	7
Decrease in discount rate (IFRS 9 provision)	7.16 %	-0,3 PP	6.87 %	1
Increase in propensity to litigate active loans	32.90 %	+1,0 PP	33.90 %	2
Increase in average loss coverage on outstanding loans	83.00 %	+1,0 PP	84.00 %	2
Decrease in discount rate (IAS 37 provision)	5.27 %	-1,0 PP	4.27 %	1
Increase in propensity to litigate repaid loans	35.00 %	+1,0 PP	36.00 %	1

The assumptions are based on internal statistics as well as on market observations. The increase in provision is linear for each change, with the exception of the discount rate changes which are logarithmic increases. Furthermore, the model does not take into account changes related to unexpected developments in jurisprudence.

Settlement program

Already in 2023 an out-of- court settlement program based on the proposal by the Chairman of the Polish Financial Supervisory Authority (KNF) have been launched. The major goal of the settlement program is to limit the expected losses resulting from the current negative jurisprudence that in most case cancels the mortgage contract.

The base offer consists of recalculation of the amount originally disbursed in CHF as if the loan was issued in PLN from the outset applying a WIBOR reference rate increased by the margin historically applied to such loans.

After the initial customer response to the program, based on guidelines from the Polish Financial Supervisory Authority, was tepid, an improved model was developed in the second half of 2024 to enhance acceptance. Instead of recalculating the issued loan contract with adjusted parameters, the revised settlement program focuses on the repayment amount to customers in the event of annulment, minus a percentage deduction. In both scenarios, a settlement is achieved. Both cases lead to a write-off of a portion of the loan balance depending on the individually negotiated settlement offer. The settlements are offered through a mediation proceeding conducted by the Polish Financial Supervisory Authority.

As at 31/12/2024 RBI AG made 15,259 individual settlement proposals, out of which 1,227 customers already agreed and in addition 394 customers have signed agreements to enter a mediation process. The bank included in the provisioning calculation the estimated number of settlements to be signed with customers reflecting the adjusted level of future losses in these settlement cases. The consideration of settlements in the provision calculation is affected by factors such as the repayment amount and the development of the ruling practice and the duration of proceedings.

Other provisions

in € thousand	31/12/2024	31/12/2023
Losses on bankbook derivatives	63,013.0	82,482.0
Guarantee loans	31,483.7	36,631.0
Process risks	1,061,941.4	501,545.5
Bonus payments	48,729.4	51,505.9
Anniversary payments and birthday payments	27,029.7	33,595.6
Overdue vacation	31,676.8	29,510.5
Restructuring costs	922.9	874.0
Supervisory Board fees	1,397.2	1,170.7
Operational risk/losses/other	22,537.4	33,833.9
Audit costs	1,651.2	1,374.4
Other expenses	99,812.8	44,270.8
Total	**1,390,195.5**	**816,794.3**

Tier 2 capital according to part two, title I, chapter 4 of regulation (EU) no. 575/2013

As at 31 December 2024, tier 2 capital amounts to € 2,278,528 thousand (31/12/2023: € 2,107,910 thousand).

Company tier 2 capital according to CRR:

in € thousand	31/12/2024	31/12/2023
RBI SUB.CALL.NTS 20-32	391.4	1,547.7
RBI NFS 19-30/S193T1	1,710.0	5,091.8
RBI SUB. BONDS 21-33	183.9	3,792.9
RBI NTS 22-32 S258/T1	1,081.9	4,320.2

In the reporting year, AT1 issuances in the amount of € 475,800 thousand (31/12/2023: € 0 thousand), covered bonds in the amount of € 1,294,000 thousand ((31/12/2023: € 1,150,000 thousand) and other issuances in the amount of € 334,449 thousand (31/12/2023: € 13,958 thousand) were redeemed, resulting in a total expense for the financial year 2024 in the amount of € 4,359 thousand (31/12/2023: income of € 7,592 thousand).

Subordinated liabilities

List of subordinated loans (including tier 2 capital) that exceed 10 per cent of the total subordinated liabilities of € 2,278,528 thousand (i.e. that exceed € 227,853 thousand):

Name	ISIN	Nominal value in € thousand	Emission	Due	Currency	Interest rate	Call date	Subordination
Subordinated Notes 2032 Serie 215	XS2189786226	500.000	18/06/2020	18/06/2032	EUR	2.875 %	18/06/2027	Tier 2
Subordinated Notes 2033 Serie 231	XS2353473692	500.000	18/06/2020	18/06/2032	EUR	1.375 %	17/03/2028	Tier 2
Subordinated Notes 2032 Serie 258	XS2534786590	500.000	17/06/2021	17/06/2033	EUR	7.375 %	20/09/2027	Tier 2
Subordinated Notes 2035 Serie 301	XS2904849879	500.000	20/09/2022	20/12/2032	EUR	5.250 %	02/11/2029	Tier 2

Subordinated liabilities also include eight subordinated schuldschein loans with maturities of between 1 and 10 years, which are denominated in euro.

Claims by creditors for repayment of these liabilities are subordinated to other creditors and, in the event of bankruptcy or liquidation, may only be repaid after all non-subordinated creditors have been repaid.

No contractual regulations exist in relation to the aforementioned liabilities concerning any conversion or early termination.

Expenses for subordinated liabilities

The expenses for subordinated liabilities in the financial year amount to € 77,345 thousand (31/12/2023: € 102,866 thousand).

Additional tier 1 capital

Additional tier 1 capital of € 650,000 thousand was issued in 2024. In addition, additional tier 1 capital of € 475,800 thousand was repurchased. The repurchase resulted in a price loss of € 8,921 thousand. With the additional tier 1 capital placed up to 31/12/2024 in the volume of € 1,824,200 thousand (€ 174,200 thousand in 2017, € 500,000 thousand in 2018, € 500,000 thousand in 2020, and € 650,000 thousand in 2024), RBI AG has thereby currently completed its planned AT1 issuance program. Additional tier 1 capital, including accrued interest, as of 31 December 2024 amounts to € 1,832,142 thousand (31/12/ 2023: € 1,655,025 thousand). The discount in the amount of € 10,761 thousand (31/12/2023: € 5,826 thousand) is carried as a deferred expense until the respective first call date (16 June 2025, 15 December 2026, and 17 June 2030).

RBI AG holds the following amounts of its own AT1 instruments:

in € thousand	31/12/2024	31/12/2023
RBI FIX TO FLR 17/UD	611.6	13,689.8
RBI FIX TO FLR 18/UD	2,449.5	3,255.9
RBI FIX TO RES RTE TIER 1	8,734.4	8,583.4
RBI SUB.CALL.NTS 24-OE	4,656.2	0.0

Assets and liabilities in foreign currency

in € thousand	31/12/2024	31/12/2023
Assets in foreign currency	15,689,068.7	13,629,131.0
Liabilities in foreign currency	15,597,266.6	13,754,091.6

Equity

Subscribed capital

As at 31 December 2024, the company's share capital amounted to € 1,003,265,844.05 and was divided into 328,939,621 voting common bearer shares. As at 31 December 2024, 525,274 (31 December 2023: 573,938) of those were own shares, and consequently 328,414,347 shares were outstanding at the reporting date.

Own shares

The Annual General Meeting held on 4 April 2024 authorized the Management Board pursuant to § 65 (1) 8, § 65 (1a) and § 65 (1b) of the AktG to purchase own shares and to retire them if appropriate without requiring any further prior resolutions to be passed by the Annual General Meeting, though with the approval of the purchase by the Supervisory Board can also be effected off-exchange under the exclusion of the shareholders' pro rata tender right. Own shares, whether already purchased or to be purchased, may not collectively exceed 10 per cent of the company's share capital. The authorization to purchase own shares expires 30 months after the date of the Annual General Meeting resolution, i.e. until 4 October 2026. The acquisition price for repurchasing the shares may be no lower than € 3.05 per share and no higher than 10 per cent above the average unweighted closing price over the 10 trading days prior to exercising this authorization. The authorization may be exercised in full or in part or also in several partial amounts, for one or more purposes – with the exception of securities trading – by the company, by a subsidiary (§ 189a (7) of the UGB) or by third parties for the account of the company or a subsidiary.

The Management Board was further authorized, pursuant to § 65 (1b) of the AktG, to decide, with the approval of the Supervisory Board, on the sale of own shares by means other than the stock exchange or a public tender, to the full or partial exclusion of shareholders' subscription rights, and to stipulate the terms of sale. Shareholders' subscription rights may only be excluded if the own shares are used to pay for a contribution in kind, to acquire enterprises, businesses, operations or stakes in one or several companies in Austria or abroad. Furthermore, shareholders' subscription rights may be excluded in the event that convertible bonds are issued in future, in order that (own) shares may be issued to such convertible bond creditors that have exercised their right of conversion into or subscription to shares in the company, and also in the event of a conversion obligation stipulated in the convertible bonds' issuance conditions in order to fulfil this conversion obligation. This authorization may be exercised in whole, in part or in several partial amounts for one or more purposes by the company, a subsidiary (§ 189a 7 UGB) or by third parties for the account of the company or a subsidiary and remains in force for five years from the date of this resolution, i.e. until 4 April 2029.

This authorization replaces the authorization to acquire and use treasury shares resolved at the Annual General Meeting on March 2022 pursuant to Section 65 Para. 1 Item 8 AktG and Section 65 Para. 1b AktG and, with regard to use, also refers to the treasury shares already acquired by the company. Since then, no treasury shares have been acquired either on the basis of the expired authorization of March 2022 or on the basis of this authorization of April 2024.

The Annual General Meeting of 4 April 2024 also authorized the Management Board, under the provisions of § 65 (1) 7 of the AktG, to purchase own shares for the purpose of securities trading, which may also be conducted off-market, during a period of 30 months from the date of the resolution (i.e. until 4 October 2026), provided that the trading portfolio of shares purchased for this purpose does not at the end of any given day exceed 5 per cent of the company's respective share capital. The consideration for each share to be acquired must not be less than half the closing price at the Vienna Stock Exchange on the last day of trading preceding the acquisition and must not exceed twice the closing price at the Vienna Stock Exchange on the last day of trading preceding the acquisition. This authorization may be exercised in full or in part or also in several partial amounts by the company, by a subsidiary (§ 189a (7) UGB) or by third parties acting for the account of the company or a subsidiary.

This authorization replaces the authorization to purchase own shares for the purpose of securities trading resolved at the Annual General Meeting on 31 March 2022. Since then, no own shares have been purchased for the purpose of securities trading either on the basis of the replaced authorization of March 2022 or on the basis of the now valid authorization of April 2024.

Authorized capital

Pursuant to § 169 of the Austrian Stock Corporation Act (AktG), the Management Board has been authorized since the Annual General Meeting of 4 April 2024 to increase the share capital with the approval of the Supervisory Board – in one or more tranches – by up to € 501,632,920.50 through the issuance of up to 164,469,810 new voting common bearer shares in exchange for contributions in cash and/or in kind (including by way of the right of indirect subscription by a bank pursuant to § 153 (6) of the AktG) by 16 May 2029 at the latest and to fix the offering price and terms of the issue with the approval of the Supervisory Board. The Management Board is further authorized to exclude shareholders' subscription rights with the approval of the Supervisory Board (i) if the capital increase is carried out in exchange for contributions in kind, or (ii) if the capital increase is carried out in exchange for contributions in cash and the shares issued under the exclusion of subscription rights do not exceed 10 per cent of the company's share capital (exclusion of subscription rights). The (i) utilization of authorized capital with exclusion of the statutory subscription right in the event of a capital increase in return for a contribution in cash, and the (ii) implementation of the conditional capital resolved upon in the Annual General Meeting on 20 October 2020 in order to grant conversion or subscription rights to convertible bond creditors may not exceed 10 per cent in total of the share capital of the company. The utilization of the authorized capital in the form of a capital increase in return for a contribution in kind is not covered by this restriction.

This authorization replaces the authorization pursuant to § 169 AktG for the utilization of authorized capital, resolved at the General Meeting on 13 June 2019. Since then, neither the now expired authorization from June 2019 nor the currently valid authorization from April 2024 has been utilized.

Capital reserves

The committed capital reserves amounted to € 4,335.669 thousand (31/12/2023: € 4,334,726 thousand), while the uncommitted capital reserves totaled € 93,467 thousand (31/12/2023: € 93,179 thousand). The change resulted from the recognition of treasury shares in accordance with section 229 (1a) and (1b) UGB.

Retained earnings

Retained earnings consist of legal reserves of € 5,500 thousand (31/12/2023: € 5,500 thousand) and other free reserves amounting to € 2,395,234 thousand (31/12/2023: € 2,370,678 thousand). Of the other free reserves, an amount of € 526,606 thousand (31/12/2023: € 502,050 thousand) is allocated to the Raiffeisen-IPS. An amount of € 24,557 thousand (31/12/2023: € 98,135 thousand) was allocated to other reserves in the 2024 financial year as a reserve for the Raiffeisen institutional protection scheme (Raiffeisen-IPS) based on the agreement to establish an institutional protection scheme and a corresponding resolution by the Raiffeisen-IPS Joint Risk Council. The Raiffeisen-IPS reserve is not eligible for inclusion in the calculation of own funds pursuant to CRR.

Liability reserves

As at 31 December 2024, liability reserves stood unchanged at € 535,097 thousand (31/12/2023: € 535,097 thousand).

Additional notes

Notes on liability arrangements

In the government-promoted, subsidized forward private planning scheme, RBI AG has issued capital guarantee obligations in accordance with Section 108h (1) 3 of the Income Tax Act (EStG). In this context, the bank guarantees that in the event of transferring the capital into a perpetual annuity the payment amount available for this annuity is not less than the sum of the contributions made by the taxpayer plus the premiums credited to this taxpayer pursuant to Section 108g EStG. As at 31 December 2024, the volume of these guarantees stood at € 903,761 thousand (31/21/2023: € 855,915 thousand).

Raiffeisen Customer Guarantee Scheme (RKÖ)

RBI AG is a member of Raiffeisen-Kundengarantiegemeinschaft Austria (Raiffeisen Customer Guarantee Scheme Austria (RKÖ). The members of this association have a contractual obligation to guarantee jointly the punctual fulfillment of the entirety of an insolvent association member's commitments arising from customer deposits and its own issues up to the limit of the sum of the individual capacities of the remaining association members. The individual capacity of an association member is measured on the basis of its freely available reserves subject to the pertinent provisions of the Austrian Banking Act (BWG).

In view of the change in the legal and regulatory framework and implementation of an institutional protection scheme, the RKÖ and its respective member institutions decided in 2019 to discontinue the scheme for new transactions. Accordingly, the supplementary protection by RKÖ may only be granted to protected transactions entered into before 1 October 2019. The rights of customers with regard to statutory deposit insurance are not affected and remain fully in place.

Institutional protection scheme (Raiffeisen-IPS)

Raiffeisen Bank International AG and its Austrian bank subsidiaries, the regional Raiffeisen banks and the local Raiffeisen banks, are part of the agreement on an institutional protection scheme (Raiffeisen-IPS) as well as the Austrian Raiffeisen-Sicherungseinrichtung eGen (ÖRS), as a statutory protection scheme.

In the agreement on the Raiffeisen-IPS, the member institutions agree to ensure one another's security and in particular, join forces to ensure liquidity and solvency when required. The new Raiffeisen-IPS was recognized by the relevant supervisory authorities (ECB and FMA) as an institutional protection scheme according to Article 113 (7) CRR (Capital Requirements Regulation of the European Union) and its related rights and obligations of the participating member institutions. This allows, among other things, for receivables to be risk-weighted at zero per cent between Raiffeisen-IPS members. The Raiffeisen-IPS is subject to joint regulatory supervision and capital requirements must also be met on a consolidated basis.

The Raiffeisen-IPS was recognized together with ÖRS by the Austrian Financial Market Authority (FMA) as a statutory deposit guarantee and investor protection scheme according to the Austrian Deposit Guarantee and Investor Protection Act Einlagensicherungs- und Anlegerentschädigungsgesetz (ESAEG).

ÖRS is mandated to operate the reporting and early risk assessment systems for the Raiffeisen-IPS. ÖRS also acts as trustee and manages the liquid assets for the Raiffeisen-IPS.

The Raiffeisen-IPS is controlled by a joint risk council, comprising representatives of RBI AG, the regional Raiffeisen banks and the Raiffeisen banks. Tasks that could be solved on a regional level were delegated to the regional risk councils, each comprising representatives of the respective regional Raiffeisen banks and Raiffeisen banks, by the joint risk council.

Letters of comfort and other financial obligations

As at 31 December 2024, soft letters of comfort in the amount of € 95,881 thousand (31/12/2023: € 127,632 thousand) had been issued. Open capital commitments on share capital in the total amount of € 122,781 thousand were recorded at 31 December 2024 (31/12/2023: € 21,772 thousand). For a shareholder contribution to Raiffeisen Digital Bank AG in the amount of € 35,000 thousand agreed in December 2024 and payable in January 2025, a provision in the same amount was formed due to lack of recoverability.

Contingent liabilities recorded in the statement of financial position of RBI AG of € 7,477,261 thousand were reported as at 31 December 2024 (31/12/2023: € 7,736,762 thousand). Of that amount, € 6,330,724 thousand (31/12/2023: € 6,780,029 thousand) was attributable to guarantees and € 1,146,536 thousand (31/12/2023: € 956,733 thousand) to letters of credit. Of the guarantees, an amount of € 486,748 thousand (31/12/2023: € 638,949 thousand) relates to guarantees to affiliated companies.

As at 31 December 2024, € 20,157,817 thousand (31/12/2023: € 19,711,703 thousand) in credit risk was reported under liabilities in the statement of financial position. In the reporting year, € 10,051,873 thousand of that amount relates to irrevocable loan commitments not yet drawn down (31/12/2023: € 10,763,135 thousand) and € 10,105,944 thousand to revocable loan commitments (31/12/2023: € 8,948,568 thousand).

Pending legal issues

RBI AG is involved in various legal, administrative or arbitration proceedings before various courts and authorities, both as a plaintiff and a defendant. The proceedings generally arise in the ordinary course of business in contractual, employment and other matters.

A provision is recognized for contingent liabilities, impending losses from pending transactions and expenses that are attributable to the financial year under review or to previous financial years and that are probable or certain on the closing date, but the amount or time of occurrence is uncertain. A contingent liability that arises from a past event is disclosed unless payment is highly unlikely. In the following description, no amount is specified in those cases in which it would be severely detrimental to do so.

Banking business

RBI AG provides services for corporate customers that increase litigation risk at the operating level. The most important cases are as follows:

Following the insolvency of Alpine Holding GmbH (Alpine) in 2013, a number of lawsuits were filed by retail investors in Austria against RBI AG and another credit institution in connection with a bond which had been issued by Alpine in 2012 in an aggregate principal amount of € 100 million. The claims asserted against RBI AG originally amounted to approximately € 10 million. In total, claims of approximately € 8 million had been filed in court by investors either directly or or indirectly through a 'class action' of the Austrian Federal Chamber for Workers and Employees (Bundeskammer für Arbeiter und Angestellte). Owing to the termination of some of the proceedings and claim reductions in other proceedings, the value in dispute of the pending court proceedings against RBI AG currently amounts to approximately € 6.7 million. Among other things, it is claimed that the banks acted as joint lead managers of the bond issue and were or at least should have been aware of financial problems of Alpine at the time of the issue. Thus, they should have known that Alpine was not in a position to redeem the bonds as set forth in the terms and conditions of the bonds. It is alleged that the capital market prospectus in relation to the bond issue was misleading and incomplete and that the joint lead managers including RBI AG, were aware of that fact. In December 2023, in several joint proceedings the court of first instance issued a partial judgment and dismissed the claims of the investors based on prospectus liability in the amount of in total approximately € 5.9 million regarding RBI AG related claims. The judgment of the court of first instance was confirmed by the court of second instance. The plaintiffs filed an appeal against this decision with the Austrian Supreme Court (Oberster Gerichtshof) in September 2024. The amount of RBI AG related claims subject to these appellate proceedings was reduced from € 5.9 million to € 5.7 million.

In the first quarter of 2021, RBI AG learned about a claim already filed against it in Jakarta by an Indonesian company in November 2020. The amount of the alleged claim is approximately USD 129 million (€ 124 million) in material damages and USD 200 million (€ 193 million) in immaterial damages. The claim was served upon RBI AG in May 2022. On 27 June 2023, the South Jakarta District Court (Pengadilan Negeri Jakarta Selatan), held that RBI AG has committed an unlawful act against the Indonesian company and ordered RBI AG to pay damages in the amount of USD 119 million (€ 115 million). In view of the facts of the case and the legal situation, RBI AG filed an appeal against the judgment with the High Court of Jakarta (Pengadilan Tinggi Jakarta). In March 2024 the High Court of Jakarta ruled in favour of RBI AG and rejected the claim due to lack of Indonesian jurisdiction. In June 2024, the plaintiff filed an appeal to the Supreme Court of Indonesia (Mahkamah Agung Republik Indonesia) which was opposed by RBI AG.

In August 2019, RBI AG launched a claim for approximately € 44 million against a Cayman Islands incorporated parent company, several of its subsidiaries and one former subsidiary (the Cayman Islands Defendants) in the Grand Court of the Cayman Islands, Financial Services Division (the CI Proceedings). In the CI Proceedings, RBI AG alleges that the Cayman Islands Defendants participated in transactions to defraud creditors and a fraudulent conspiracy to injure RBI AG, by dissipating assets so as to frustrate RBI AG's claims under a number of parent company guarantees. Furthermore, RBI AG alleges that said transfers were carried out at undervalue or without consideration between or among the Cayman Islands Defendants. RBI AG obtained an order against one of the Cayman Islands Defendants in September 2019, placing restrictions on its ability to deal with its assets, pending determination of the CI Proceedings. RBI AG obtained a similar order against a further Cayman Islands Defendant in May 2020 (together the Freezing Orders). In November 2019, some of the Cayman Islands Defendants filed a counterclaim in the amount of € 203 million against RBI AG in the course of the CI Proceedings. RBI AG considers that the counterclaim, which is based on documents that the Cayman Islands Defendants have refused to disclose to date, is entirely without merit. In July 2021, RBI AG applied for permission to amend its claim in the CI Proceedings, to add an additional defendant and claim further damages and associated relief, bringing the total sums claimed by RBI AG in the CI Proceedings to approximately € 87 million plus interest and costs. That application has yet to be determined. In December 2021, the Cayman Islands Court of Appeal gave judgment on an appeal brought by two of the Cayman Islands Defendants, against the Freezing Orders. The Court of Appeal has refused to dismiss the Freezing Orders, which will remain in place. The CI Proceedings are ongoing. In January 2021, RBI AG issued an arbitration claim for an amount of approximately € 87 million plus interest and costs against one of the Cayman Islands Defendants, at the time incorporated in the Marshall Islands, before the Vienna International Arbitral Centre (VIAC) (the VIAC Arbitration). The VIAC Arbitration concerned RBI AG's claims under guarantees provided by said company to RBI AG. In October 2022, the sole arbitrator issued an award, ordering the respondent to pay to RBI AG: (i) over € 62 million and USD 19 million (€ 18 million) in respect of the principal sums due under the guarantees, (ii) interest on those amounts at a rate of 5 per cent per annum accruing from 27 February 2018 until the date of payment, (iii) fees, costs and expenses incurred by RBI AG in ancillary proceedings in various jurisdictions worldwide, (iv) the costs of the VIAC Arbitration.

Regulatory enforcement

RBI AG and its subsidiaries are subject to numerous national and international regulatory authorities.

In March 2018, an administrative fine of € 2.7 million (which was calculated by reference to the annual consolidated turnover of RBI AG and constitutes 0.06 per cent of the last available annual consolidated turnover) was imposed on RBI AG by FMA in the course of administrative proceedings based on alleged non-compliance with formal documentation requirements relating to the know-your-customer principle (Initial FMA Decision). According to the interpretation of the Austrian Financial Market Authority (FMA), RBI AG had failed to comply with these administrative obligations in a few individual cases. FMA did not allege that any money laundering or other crime had occurred, or that there was any suspicion of, or any relation to, any criminal act. RBI AG took the view that it had duly complied with all due diligence obligations regarding know-your-customer requirements and appealed against the Initial FMA Decision in its entirety. The Federal Administrative Court (Bundesverwaltungsgericht – BVwG) confirmed the Initial FMA Decision (First Appellate Decision) and – again- RBI AG appealed against this decision in its entirety. In December 2019, the Austrian Supreme Administrative Court (Verwaltungsgerichtshof– VwGH) revoked the First Appellate Decision and referred the case back to the BVwG. In the retrial on 6 May 2021, the BVwG again confirmed the Initial FMA Decision in general but reduced the administrative fine down to € 824 thousand and allowed another (second) appeal before the VwGH (Second Appellate Decision). Such appeal was filed by RBI AG. In July 2023, the VwGH revoked the Second Appellate Decision and, again, referred the case back to the BVwG. In the retrial on 25 April 2024, the BVwG again confirmed the Initial FMA Decision in general but reduced the administrative fine down to € 2 million (from the amount of € 2.7 million imposed by the Initial FMA Decision) and allowed another (third) appeal before the VwGH (Third Appellate Decision). Such appeal was filed by RBI AG on 7 June 2024. A provision of an appropriate amount has been recognized.

In September 2018, two administrative fines totaling PLN 55 million (€ 13 million) were imposed by FMA on Raiffeisen Bank Polska S.A. (RBPL), the former Polish subsidiary of RBI AG in the course of administrative proceedings based on alleged non-performance of duties as the depositary and liquidator of certain investment funds. RBPL as custodian of investment funds assumed the role of liquidator of certain funds in February 2018. According to the interpretation of the Polish Financial Supervision Authority – which is known by its Polish abbreviation, KNF – RBPL failed to comply with certain obligations in its function as depository bank and liquidator of the funds. In the course of the transactions related to the sale of the core banking operations of RBPL to Bank BGZ BNP Paribas S.A., the responsibility for said administrative proceedings and related fines was assumed by RBI AG. RBI AG filed appeals against these fines in their entirety. In September 2019, in relation to the PLN 5 million (€ 1 million) fine regarding RBPL's duties as depositary bank, the Voivodship Administrative Court considered RBI AG's appeal and overturned the KNF decision in its entirety. However, the KNF filed an appeal in cassation against the judgement. In relation to the PLN 50 million (€ 12 million) fine regarding RBPL's function as liquidator, the Voivodship Administrative Court decided to dismiss the appeal and uphold the KNF decision in its entirety. RBI AG has raised appeal in cassation to the Supreme Administrative Court because it takes the view that RBPL has duly complied with all its duties. In April 2023, the Supreme Administrative Court decided to refer the case regarding the PLN 5 million (€ 1 million) fine back to the Voivodship Administrative Court for reconsideration. Furthermore, the Supreme Administrative Court dismissed RBI AG's appeal in cassation in connection with the PLN 50 million (€ 12 million) fine which is now final. However in October 2023 RBI AG filed a complaint to the European Court of Human Rights over this verdict. In October 2023, the Voivodship Administrative Court dismissed RBI AG's appeal and upheld the KNF decision imposing the PLN 5 million (€ 1 million) penalty on RBI AG in relation to the alleged violations of RBI AG's duties as depositary of certain investment funds. A cassation appeal against this judgment to the Supreme Administrative court has been submitted. Both fines have already been paid.

In this context, several individual lawsuits and four class actions, aggregating claims of holders of certificates in the above-mentioned investment funds, were filed against RBI AG, whereby the total amount in dispute as at 31 December 2024 equals approximately PLN 79.7 million (€ 19 million). Additionally, RBI AG was informed that a modification of a statement of claim had been submitted to the court which could result in an increase of the total amount in dispute by approximately PLN 91 million (€ 21 million). However, such modification has not yet been served upon RBI AG. The plaintiffs of the class actions demand the confirmation of RBI AG's responsibility for the alleged improper performance of RBPL (in respect of which RBI AG is the legal successor) as custodian bank. Such confirmation would secure and facilitate their financial claims in further lawsuits. Due to RBI AG's legal assessment, no provision has been recognized.

Additionally, RBI AG received a number of claim notices from BNP in connection with certain bank operations in respect of which BNP is the legal successor to RBPL. Said claim notices primarily relate to administrative proceedings conducted by the KNF (Polish Financial Supervision Authority) in connection with alleged failures of RBPL/BNP in acting as a depository of investment funds and could lead to cash penalties. Furthermore, claims in this context have been raised by investors to BNP, and as a mitigating measure RBI AG supports BNP in this regard. The financial impact can not be estimated at this time.
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In January 2023, RBI AG was informed by FMA that an administrative proceeding has been started based on the alleged non-compliance with certain legal requirements regarding the know-your-customer principle in connection with three customers of RBI AG's correspondent banking business. The transactions relevant for the administrative proceedings had been processed by RBI AG between 2017 and 2020. According to the interpretation of FMA, RBI AG had not sufficiently convinced itself that these banks had appropriate due diligence procedures in place regarding customers of their own correspondent banking business. Thus, in the view of FMA, RBI AG failed to fully comply with its administrative obligations in this regard. FMA did not state that any money laundering or other crime had occurred, or that there was any suspicion of, or any relation to, any criminal act. In June 2024, FMA terminated the administrative proceeding in relation to one bank without a fine, but imposed a fine of € 2.07 million against RBI AG in relation to the other two banks. In July 2024 RBI AG filed an appeal to the Federal Administrative court (Bundesverwaltungsgericht - BVwG) and, thus the fine is not yet final or legally binding. The BVwG meanwhile has requested the CJEU to issue a preliminary ruling concerning the involvement and treatment of natural persons acting for a legal entity as prerequisite for fining said legal entity. The proceeding before the CJEU is currently on-going.

In January 2023, RBI AG received a Request for Information (RFI) from the Office of Foreign Assets Control (OFAC) of the US Department of the Treasury. OFAC administers and enforces economic and trade sanctions based on US foreign policy and national security goals. A breach of US sanctions may, among others, result in fines, the freezing of accounts or the termination of business relationships with US correspondent banks. The questions raised by OFAC in the RFI seek to clarify payments business and related processes maintained by RBI AG with respect to US correspondent banks in light of the developments related to Russia and Ukraine. RBI AG has also been cooperating with the U.S. Department of Justice ("DOJ") since March 2023 in connection with a DOJ inquiry into RBI AG's compliance with sanctions against Russia. A breach of U.S. criminal law related to sanctions may, among others, result in fines or the appointment of a monitor. As a matter of principle, RBI AG maintains policies and procedures that are designed to ensure compliance with applicable embargoes and financial sanctions and is cooperating fully with OFAC and DOJ in relation to their requests to the extent permitted by applicable laws and regulations.

In August 2023 the Austrian Financial Markets Authority (FMA) instigated administrative fining proceedings against RBI AG regarding a suspected breach by Raiffeisen Centrobank AG ("RCB") of insider trading rules according to EU Regulation 596/2014 (MAR) in September 2022 in respect of a financial instrument for which RCB acted as market maker. RCB was a fully consolidated Austrian subsidiary of RBI AG and RBI AG became the legal successor of the relevant parts of RCB's business by way of a demerger by absorption in December 2022. The relevant transaction which is the basis of the allegations amounts to approximately € 85 thousand.

Tax litigation

On 7 July 2024, the Austrian Federal Finance Court (Bundesfinanzgericht) submitted a request for a preliminary ruling to the Court of Justice of the European Union, asking whether the following value-added tax ("VAT") exemption in § 6(1) No. 28 second sentence of the Austrian VAT Act constitutes state aid according to Article 107(1) of the Treaty on the Functioning of the European Union. According to § 6(1) No. 28 second sentence of the Austrian VAT Act services provided between companies that predominantly carry out banking, insurance, or pension fund transactions are exempt from tax, provided that these services are directly used to carry out the aforementioned tax-exempt transactions, and for personnel leasing by these companies to the associations mentioned in the first sentence of § 6(1) No. 28 of the Austrian VAT Act. Based on this regulation, RBI AG has provided and received VAT-exempt services. Should the Court of Justice of the European Union rule that the tax exemption constitutes (forbidden) state aid, it is to be expected that such state aid would be reclaimed for the past (for a maximum of ten years). This might result in repayment obligations of RBI AG and several of its Austrian subsidiaries in the aggregate amount of approximately € 20 million. In July 2024, an amendment to the Austrian VAT Act was adopted, according to which the VAT exemption in § 6(1) No. 28 second sentence of the Austrian VAT Act is deleted as from 1 January 2025. In this context a provision of € 17 million has been recognized.

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Total capital according to CCR

in € thousand	31/12/2024	31/12/2023
Capital instruments and the related share premium accounts	5,410,799	5,409,421
Retained earnings	342,502	420,284
Accumulated other comprehensive income (and other reserves)	2,409,226	2,447,900
Minority interests (amount allowed in consolidated CET1)	0	0
Common equity tier 1 (CET1) capital before regulatory adjustments	**8,162,527**	**8,277,605**
Additional value adjustments (negative amount)	(41,373)	(41,468)
Intangible assets (net of related tax liability) (negative amount)	(17,337)	(19,509)
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)	(738)	(411)
Fair value reserves related to gains or losses on cash flow hedges	0	0
Gains or losses on liabilities valued at fair value resulting from changes in own credit standing	0	0
Direct and indirect holdings by an institution of own CET1 instruments (negative amount)[2]	(20,000)	(20,000)
Exposure amount of the following items which qualify for a risk weight of 1250%, where the institution opts for the deduction alternative	(38,031)	(36,977)
hereof: qualifying holdings outside the financial sector (negative amount)	0	0
hereof: securitization positions (negative amount)	(38,031)	(36,977)
hereof: securitization positions (negative amount)	0	0
Other regulatory adjustments	(98,384)	(60,702)
Total regulatory adjustments to common equity tier 1 (CET1)	**(215,862)**	**(179,067)**
Common equity tier 1 (CET1) capital	**7,946,665**	**8,098,538**
Capital instruments and the related share premium accounts	1,800,218	1,639,874
hereof: classified as equity under applicable accounting standards	0	0
hereof: classified as liabilities under applicable accounting standards	0	0
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 AT1 capital (including minority interests not included in row 5) issued by subsidiaries and held by third parties	0	0
Additional Tier 1 (AT1) capital before regulatory adjustments	**1,800,218**	**1,639,874**
Direct and indirect holdings by an institution of own AT1 instruments (negative amount)	(33,000)	(33,000)
Total regulatory adjustments to Additional Tier 1 (AT1) capital	**(33,000)**	**(33,000)**
Additional tier 1 (AT1) capital	**1,767,218**	**1,606,874**
Tier 1 capital (T1 = CET1 + AT1)	**9,713,883**	**9,705,412**
Capital instruments and the related share premium accounts	2,238,093	2,059,118
Qualifying own funds instruments included in T2 capital (including minority interests and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties	0	0
Credit risk adjustments	0	0
Tier 2 (T2) capital before regulatory adjustments	**2,238,093**	**2,059,118**
Tier 2 (T2) capital: regulatory adjustments	**0**	**(38,675)**
Direct and indirect holdings by an institution of own T2 instruments and subordinated loans (negative amount)	**(30,000)**	**(30,000)**
Total regulatory adjustments to Tier 2 (T2) capital	**(30,000)**	**(68,675)**
Tier 2 (T2) capital	**2,208,093**	**1,990,443**
Total capital (TC = T1 + T2)	**11,921,976**	**11,695,855**
Risk-weighted assets in respect of amounts subject to pre-CRR treatment and transitional treatments subject to phase out as prescribed in Regulation (EU) No 575/2013 (i.e. CRR residual amount)	**37,123,819**	**40,461,266**
Total risk-weighted assets (RWA)	**37,123,819**	**40,461,266**

A presentation of consolidated own funds in accordance with CRR can be found in the consolidated financial statements in the chapter "Capital management and total capital according to CRR/CRD IV and Austrian Banking Act (BWG)."

Own funds requirements and risk-weighted assets

in € thousand	31/12/2024		31/12/2023	
	Risk-weighted exposure	Capital requirement	Risk-weighted exposure	Capital requirement
Total risk-weighted assets (RWA)	**37,123,819**	**2,969,906**	**40,461,266**	**3,236,901**
Risk-weighted exposure amounts for credit, counterparty credit and dilution risks and free deliveries	**30,059,228**	**2,404,738**	**34,625,104**	**2,770,008**
Standardized approach (SA)	**1,255,003**	**100,400**	**2,013,877**	**161,110**
Exposure classes excluding securitization positions	1,255,003	100,400	2,013,877	161,110
Central governments and central banks	12,258	981	25,025	2,002
Regional governments or local authorities	53,668	4,293	10,709	857
Public sector entities	54,837	4,387	84,587	6,767
Institutions	2,118	169	2,442	195
Corporates	0	0	2,623	210
Retail	283,665	22,693	106,345	8,508
Secured by mortgages on immovable property	735,336	58,827	955,069	76,406
Exposure in default	27,301	2,184	28,904	2,312
Items associated with particular high risk	0	0	0	0
Covered bonds	0	0	0	0
Collective investments undertakings (CIU)	0	0	0	0
Equity interests	65,508	5,241	73,489	5,879
Other items	19,406	1,552	724,291	57,943
Internal ratings based approach (IRB)	**27,798,922**	**2,223,914**	**31,700,665**	**2,536,053**
IRB approaches when neither own estimates of LGD nor conversion factors are used	**15,067,993**	**1,205,439**	**15,772,934**	**1,261,835**
Central governments and central banks	0	0	0	0
Institutions	2,393,947	191,516	2,243,888	179,511
Corporates - SME	171,801	13,744	102,572	8,206
Corporates - Specialized lending	1,260,987	100,879	1,306,059	104,485
Corporates - Other	11,241,258	899,301	12,120,414	969,633
IRB approaches when own estimates of LGD and/or conversion factors are used	**0**	**0**	**0**	**0**
Equity interests	12,192,884	975,431	15,899,514	1,271,961
Simple risk weight approach	0	0	0	0
Other equity exposure	0	0	0	0
PD/LGD approach	0	0	0	0
Securitization positions	1,005,303	80,424	910,563	72,845
Internal ratings based approach (IRB)	0		0	
Other non-credit obligation assets	538,045	43,044	28,217	2,257

in € thousand	31/12/2024		31/12/2023	
	Risk-weighted exposure	Capital requirement	Risk-weighted exposure	Capital requirement
Total risk exposure amount for settlement/delivery	**18,873**	**1,510**	**23,058**	**1,845**
Settlement/delivery risk in the non-trading book	0	0	458	37
Settlement/delivery risk in the trading book	18,873	1,510	22,601	1,808
Total risk exposure amount for position, foreign exchange and commodities risk	**3,065,494**	**245,240**	**2,598,770**	**207,902**
Risk exposure amount for position, foreign exchange and commodities risks under standardized approaches (SA)	**1,777,764**	**142,221**	**1,295,472**	**103,638**
Traded debt instruments	288,139	23,051	275,838	22,067
Equity interests	120,844	9,668	57,842	4,627
Particular approach for position risk in CIUs	5,259	421	1,348	108
Foreign exchange	1,335,732	106,859	958,474	76,678
Commodities	27,790	2,223	1,970	158
Risk exposure amount for position, foreign exchange and commodities risks under internal models (IM)	**1,287,730**	**103,018**	**1,303,297**	**104,264**
Total risk exposure amount for operational risk (OpR)	**3,788,531**	**303,082**	**3,033,801**	**242,704**
OpR standardized (STA) /alternative standardized (ASA) approaches	3,788,531	303,082	3,033,801	242,704
OpR advanced measurement approaches (AMA)	0		0	
Total risk exposure amount for credit valuation adjustments	**191,694**	**15,335**	**180,532**	**14,443**
Standardized method	191,694	15,335	180,532	14,443
Other risk exposure amounts	**0**	**0**	**0**	**0**

Equity ratios[1]

in per cent	31/12/2024	31/12/2023
Common equity tier 1 ratio (fully loaded)	21.4 %	19.9 %
Tier 1 ratio (fully loaded)	26.2 %	23.9 %
Total capital ratio (fully loaded)	32.1 %	28.8 %

1 Fully loaded

Leverage ratio

in € thousand	31/12/2024	31/12/2023
Leverage exposure	92,997,127	90,876,965
Tier 1	9,713,883	9,705,412
Leverage ratio in per cent [1]	**10.4 %**	**10.7 %**

1 Fully loaded

Notes to the income statement

Income by geographic market in accordance with section 64 (1) 9 BWG

A regional allocation to segments according to the business outlets' registered offices results in the following distribution:

2024 in € thousand	Total	Austria	Rest of Europe	Asia
Interest receivable and similar income	2,936,954.6	2,858,504.2	76,497.1	1,953.3
hereof: from fixed-income securities	289,456.5	289,271.4	0.0	185.1
Income from variable-yield securities and participations	2,278,248.5	2,278,248.5	0.0	0.0
Fee and commission income	568,517.8	567,382.8	1,135.1	0.0
Net profit or net loss on financial operations	110,859.0	108,991.4	2,880.5	(1,012.9)
Sundry operating income	300,404.3	263,896.3	31,956.5	4,551.5

2023 in € thousand	Total	Austria	Rest of Europe	Asia
Interest receivable and similar income	2,952,782.4	2,869,314.5	81,637.7	1,830.2
hereof: from fixed-income securities	235,123.5	234,949.9	0.0	173.7
Income from variable-yield securities and participations	1,786,418.3	1,786,418.3	0.0	0.0
Fee and commission income	555,787.2	554,482.7	1,304.5	0.0
Net profit or net loss on financial operations	56,805.7	54,124.1	3,642.6	(960.9)
Sundry operating income	305,412.9	277,399.7	23,685.5	4,327.6

Negative interest rates

In principle, RBI AG shows negative interest from loans and advances under interest income, and negative interest from liabilities under interest expense. However, this topic is currently not relevant due to the development of interest rates in the financial year under review and the previous financial year.

Other operating income

Other operating income includes staff and administrative expenses passed on for services in the amount of € 144,199 thousand (2023: € 145,209 thousand), income from releases of provisions for impending losses from derivatives in the amount of € 26,174 thousand (2023: € 19,517 thousand), and income from close-out fees for derivatives on the banking book in an amount of € 26,393 thousand (2023: € 97,778 thousand), income from the release of other provisions in the amount of € 7,653 thousand (2023: € 1,742 thousand), and income from recharging of services to and services to be recharged to network banks of RBI AG in connection with the takeover of the digitalization projects of RBI Retail Innovation GmbH in the amount of € 34,027 thousand (2023: € 0 thousand).

Staff expenses

Expenses for severance payments and benefits for occupational employee pension funds in the amount of € 11,685 thousand (2023: € 11,181 thousand) include € 6,473 thousand (2023: € 6,450 thousand) in expenses for severance payments.

Expenses for severance payments and pension expenses contain effects from the changes in actuarial parameters used to determine provisions as well as discounting effects.

Other administrative expenses

The auditor expenses for the financial year, broken down by service, are presented in the consolidated financial statements.

Sundry operating expenses

The sundry operating expenses fell € 303,795 thousand to € 827,649 thousand in 2024. This includes allocations for provisions for impending losses for banking book derivatives in an amount of € 6,706 thousand (2023: € 19,816 thousand), allocations for other provisions for liabilities and charges (see also the item Provisions in the statement of financial position and the section Litigation risk for foreign currency loans in Poland) of € 545,111 thousand (2023: € 873,400 thousand), as well as expenses deriving from close-out fees for banking book derivatives in an amount of € 39,108 thousand (2023: € 157,002 thousand). Also included are expenses from staff and administrative costs passed on in the amount of € 37,231 thousand (2023: € 30,113 thousand), expenses from the takeover of the digitalization projects of RBI Retail Innovation GmbH in the amount of € 34,169 thousand (2023: € 0 thousand), and € 16,895 thousand from the allocation of a provision for possible repayment obligations in connection with the abolition of the VAT exemption in Section 6 (1) No. 28, second sentence of the Austrian Value Added Tax Act (UstG).

Disposal and valuation of loans and advances and securities classified as current assets

Net income/expenses from the disposal and valuation of loans and advances and securities classified as current assets recorded a negative balance – unlike in the previous year – of € 176,110 thousand (2023: plus € 49,987 thousand). This change derived, firstly, from a negative net gain/loss on the valuation and disposal of marketable securities and banking book derivatives in the amount of € 7,458 thousand (2023: plus € 149,120 thousand) and from a reduction in the net gain/loss on the valuation of loans and advances as well as guarantees to an amount of minus € 168,651 thousand (2023: minus € 99,133 thousand). RBI AG recognized net provisioning for individual loan loss provisions of € 263,496 thousand. This represented a year-on-year increase of € 49,930 thousand. The increase was largely due to increased individual loan loss provisions which were required due to the current economic trends, for example in the area of real estate financing. In the area of portfolio value adjustments, as in the previous year, the current financial year also saw a reduction in risk provisions for non-defaulted loans. On balance, therefore, a net release of portfolio-based loan loss impairments was made in an amount of € 84,993 thousand in the financial year under review (2023: net release of € 106,086 thousand). This reduction was largely attributable to stage transfers and to the above-mentioned defaults such as in real estate financing, which led to the aforementioned increase in individual loan loss provisions. For substantial as well as non-substantial contract modifications, losses in carrying amounts of minus € 9,445 thousand (2023: € 1,560 thousand) were realized in the financial year. Net income from extraordinary disposals of loan receivables amounted to minus € 545 thousand (2023: minus € 1,224 thousand). As in the previous year, no losses or income were realized on shares in investment funds.

Disposal and valuation of securities evaluated as financial investments and of shares in affiliated companies and participating interests

In the financial year 2024, an amount of € 3,515 thousand net in price losses was realized on the disposal of securities evaluated as financial investments. In the comparable period 2023, the price loss was € 3,837 thousand.

In addition, in the financial year, the item net income/expenses from the disposal and valuation of securities evaluated as financial investments and of shares in affiliated companies and participating interests included reversals of write-downs in the total amount of € 111,139 thousand, of which € 91,886 thousand was attributable to RZB-BLS Holding GmbH, € 8,667 thousand to Raiffeisenbank JSC (AVAL), € 2,346 thousand to LOTA Handels- und Beteiligungs-GmbH, and € 2,084 thousand to BAILE Handels- und Beteiligungsgesellschaft m.b.H. In total, positive net gains of € 2,008 thousand (2023: € 10,974 thousand) were realized on the sale of shares in affiliated companies and participating interests in the financial year.

Furthermore, a total amount of € 1,298,097 thousand in shares in affiliated companies and participating interests was written down in the financial year under review. This included writedowns of € 22,700 thousand for Raiffeisen Digital Bank AG and of € 10,697 thousand for Salvelinus Handels- und Beteiligungsges.m.b.H. A provision in the corresponding amount was made for an agreed irrevocable shareholder contribution of € 35,000 thousand to Raiffeisen Digital Bank AG that was agreed in December 2024 and payable in January 2025.

In addition, the participating interest in AO Raiffeisenbank was written down in an amount of € 1,212,000 thousand. On 20 January 2025, a Russian court ruled that STRABAG SE and its Austrian core shareholders must make a payment of € 2,044 billion to Rasperia and that the judgment against assets of AO Raiffeisenbank can be enforced. AO Raiffeisenbank will lodge an appeal against this ruling, which has suspensive effect. Depending on further developments before the Russian courts, RBI AG will – in full compliance with EU sanctions law – initiate further legal steps in Austria in order to be able to access Rasperia assets in Austria and so minimize losses.

AO Raiffeisenbank recognized a provision of € 840 million for the fourth quarter of 2024. This takes into account the amount awarded to Rasperia by the Russian court (€ 2,044 billion) less the expected proceeds from the enforcement of claims to Rasperia’s Austrian assets (€ 1,204 billion). These comprise 28.5 millionen STRABAG SE shares, including the associated dividend entitlements for 2021, 2022 and 2023, as well as the cash distribution entitlement from a capital reduction made in March 2024.

In its ruling, the Russian court also approved Rasperia’s application that the ownership rights to the STRABAG SE shares held by Rasperia should be transferred to AO Raiffeisenbank. However, Russian judgments are not legally binding in Austria, meaning that the transfer of these shares cannot be enforced. Furthermore, Rasperia's STRABAG SE shares are subject to an EU sanctions-related asset freeze, which currently also prevents their transfer.

All these development have been included accordingly in the valuation of the investment in AO Raiffeisenbank and are verified by an external valuation report.

A total of € 1,184,950 thousand in losses (2023: € 572,637 thousand in gains) from both the valuation and disposal of shares in affiliated companies and participating interests has therefore been recognized.

Tax on profit or loss

The tax on profit or loss shows net positive income from taxes in the amount of € 12,354 thousand for the financial year 2024 (2023: € 14,410 thousand). The item includes income from current income taxes of € 18,817 thousand (2023: € 15,105 thousand), a deferred tax income of € 300 thousand (2023: deferred tax expense of € 631 thousand) and tax expense for previous years of € 3,445 thousand (2023: tax income of € 7,943 thousand). Furthermore, foreign withholding taxes are included in an amount of € 3,320 thousand (2023: € 8,007 thousand).

RBI AG is the group parent of a corporate group pursuant to Section 9 of the Corporation Tax Act (KStG). As of 31 December 2024, 66 companies (including the parent company) were members of the group of companies (31/12/2023: 71 companies) pursuant to Section 9 of the Corporation Tax Act (KStG). If a group company achieves a positive taxable result, the tax allocation to be paid for the tax-deductible profit share is 11.5 per cent and for the non-deductible profit share 23 per cent. In addition, the positive tax levy amounts to 11.5 per cent if a positive result of a group company reduces the balance on the record account (i.e. an off-book account that the group parent keeps for the group company for the purpose of keeping records of negative results of the group member and later offsetting them against positive results of the group member). In the event of negative results for tax purposes, the group member has a claim against the group parent amounting to 11.5 per cent of the negative result.

At the end of 2022, the EU adopted the Directive on implementing a global minimum tax rate of 15 per cent on profits of multinational companies in accordance with the OECD's Base Erosion and Profit Shifting Project. In Austria, the Directive was implemented through the Minimum Taxation Act (MinBestG). The above-mentioned net income from current income taxes of € 18,817 thousand includes an expense of € 7,266 thousand in this connection.

Result from Business Combinations

Through holding companies, Raiffeisen Bank International AG holds participating interests in several Austrian subsidiaries. The aim of an optimization project in 2024 was to simplify the holding structure through restructurings. This reduced the number of intermediate holding companies, resulting in a more streamlined and more transparent ownership structure. The optimization was achieved through several restructuring steps (transfers, upward and downward mergers) as well as capital adjustments and contributions. For further information on the individual steps, please refer to the section Investments and shares in affiliated companies.

The restructuring result shown of € 164,185 thousand originates in detail from the difference between the diminishing equity investment in RBI Beteiligungs GmbH in the amount of € 844,532 thousand and the balance of the net assets acquired in the amount of € 1,008,717 thousand.

Branches on a consolidated basis

2024 **in € thousand**	**Bratislava**	**Frankfurt**	**London**	**Beijing**	**Singapore**	**Warsaw**
Domicile state	Slovakia	Germany	Great Britain	China	Singapore	Poland
Net interest income	0	0	0	1,223	185	75,674
Operating income	(20,124)	29	154	197	185	83,879
Profit on ordinary activities	(21,933)	(1,889)	(4,432)	(3,438)	(1,510)	(653,645)
Income taxes	(278)	(51)	(105)	(192)	0	0
Number of employees (average)	20	7	13	15	4	321
Public subsidies received	None	None	None	None	None	None

2023 **in € thousand**	**Bratislava**	**Frankfurt**	**London**	**Beijing**	**Singapore**	**Warsaw**
Domicile state	Slovakia	Germany	Great Britain	China	Singapore	Poland
Net interest income	26	0	0	1,430	174	81,435
Operating income	(15,593)	334	6	463	196	87,731
Profit on ordinary activities	(17,337)	(1,506)	(3,984)	(2,785)	(1,444)	(853,345)
Income taxes	(252)	(51)	(74)	(221)	0	0
Number of employees (average)	20	8	13	15	4	273
Public subsidies received	None	None	Keine	None	None	None

With regard to the business areas in which the branches operate, please refer to the chapter "Branches and representative offices" in the management report

Overall return on assets

The overall return on assets (net loss or profit after tax divided by the average total assets) in 2024 was 0.37 per cent (2023: 1.60 per cent).

Profit contribution from 2023

On 4 April 2024, the Annual General Meeting resolved to distribute a dividend of € 1.25 per dividend-bearing share for the 2023 financial year. This equates to a distribution amount of € 410,474,644.

Proposal for the appropriation of profits

The Management Board will make a proposal to the Annual General Meeting on 26 March 2025 to distribute a dividend of € 1.10 per share. Based on the shares issued, this would result in a maximum amount of € 361 million.

Other

Transactions with related parties (companies and individuals) are limited to banking business transactions that are carried out at fair market conditions.

In the financial year the company had an average of 3,870 employees (2023: 3,658).

Expenses for severance payments and pensions

	Pension		Severance payments	
in € thousand	**2024**	**2023**	**2024**	**2023**
Members of the management board and senior staff	4,819	1,821	1,377	895
Employees	4,305	11,276	10,361	10,286
Total	**9,125**	**13,097**	**11,738**	**11,181**

Severance and pension expenses from provisions also include effects from changes in actuarial parameters used to calculate provisions as well as interest rate effects.

Boards

Management Board

Members of the Management Board	Initial appointment	End of term
Johann Strobl, Chairman	22 September 2010[1]	28 February 2027
Marie-Valerie Brunner	1 November 2023	31 October 2026
Andreas Gschwenter	1 July 2015	30 June 2026
Łukasz Januszewski	1 March 2018	28 February 2026
Hannes Mösenbacher	18 March 2017	28 February 2030
Andrii Stepanenko	1 March 2018	28 February 2026

1 Effective as of 10 October 2010

Supervisory Board

Supervisory Board members	Initial appointment	End of term
Erwin Hameseder, Chairman	8 July 2010[1]	Annual General Meeting 2025
Martin Schaller 1st Deputy Chairman	4 June 2014	Annual General Meeting 2029
Heinrich Schaller 2nd Deputy Chairman	20 June 2012	Annual General Meeting 2027
Michael Alge	31 March 2022	Annual General Meeting 2027
Eva Eberhartinger	22 June 2017	Annual General Meeting 2027
Andrea Gaal	21 June 2018	Annual General Meeting 2028
Michael Höllerer	31 March 2022	Annual General Meeting 2027
Rudolf Könighofer	22 June 2017	Annual General Meeting 2027
Heinz Konrad	20 October 2020	Annual General Meeting 2025
Reinhard Mayr	20 October 2020	Annual General Meeting 2025
Birgit Noggler	22 June 2017	Annual General Meeting 2027
Manfred Wilhelmer	21 November 2023	Annual General Meeting 2028
Natalie Egger-Grunicke[2]	18 February 2016	Until further notice
Peter Anzeletti-Reikl[2]	10 October 2010	Until further notice
Rudolf Kortenhof[2]	10 October 2010	Until further notice
Gebhard Muster[2]	22 June 2017	Until further notice
Helge Rechberger[2]	10 October 2010	Until further notice
Denise Simek[2]	1 October 2021	Until further notice

1 Effective as of 10 October 2010

2 Delegated by the Staff Council

State Commissioners

- Johann Kinast, State Commissioner (since 1 June 2024)
- Matthias Falkensteiner-Kudweis, Deputy State Commissioner (since 1 April 2021)

Remuneration of members of the Management Board

The following remuneration was paid to the Management Board:

in € thousand	2024	2023
Fixed remunerations	4,922	4,807
Bonus (performance-based)	3,423	3,510
Payments to pension funds and reinsurance policies	411	397
Other remunerations	1,223	2,546
Total	**9,979**	**11,259**
hereof remuneration from affiliated companies (Supervisory board remuneration)	1,041	2,329

The fixed remunerations shown in the table include salaries and non-cash benefits.

The performance-based components of the Management Board's remuneration cover bonus payments. The bonuses reported above are immediately payable bonus amounts for 2023 and deferred bonus amounts for previous years.

The bonus agreement is linked to the achievement of annually agreed objectives. The respective step-in criteria as well as the individual performance targets can be found in the current remuneration policy (www.rbinternational.com → Corporate Governance & Remuneration → Remuneration Policy).

The amount of the bonus depends on the return on equity and on the cost/income ratio, and the objectives are derived from the Group's target medium-term ROE. Payment is made according to the applicable regulations of the Austrian Banking Act (BWG) implemented in the internal regulations (see employee compensation plans in the section recognition and measurement principles).

Other remuneration covers remuneration for functions in the boards of affiliated subsidiaries, insurance policies and grants.

An amount of € 1,610 thousand (previous year: € 1,577 thousand) was paid in pension benefits to former members of the Management Board and to their surviving dependents in the 2024 financial year. In addition to these amounts, short-term benefits and deferred bonus components as well as severance payments totaling € 813 thousand (previous year: € 469 thousand) were paid to former members of the Management Board.

In addition to the amounts presented above, there are expenses of € 5,040 thousand (31/12/2023: € 2,761 thousand) as portions of the bonus provision, which relate to deferred bonus portions payable in cash and retained portions payable in instruments. In the case of the latter, valuation changes due to exchange rate fluctuations are also taken into account.

Remuneration of members of the Supervisory Board

in € thousand	2024	2023
Remunerations Supervisory Board	1,397	1,171

At the Annual General Meeting held on 4 April 2024, a remuneration model for the Supervisory Board was approved, starting from 1 April 2024, and for subsequent years, unless the General Meeting decides otherwise in the future.

The following distribution of compensation was determined:

- For the Chairman of the Supervisory Board € 160 thousand
- For the Deputy Chairman of the Supervisory Board € 110 thousand each
- For each additional elected member of the Supervisory Board € 70 thousand
- For the Chairman of the Audit Committee and the Risk Committee an additional € 20 thousand each
- For the Chairman of the Digitalization Committee an additional € 10 thousand

The annual compensation for the respective fiscal year will be allocated proportionally or in full according to the duration of the respective supervisory board mandate. Each elected member of the Supervisory Board will also receive an attendance fee of € 1.2 thousand for attending a meeting.

In the 2024 financial year, no contracts subject to approval within the meaning of § 95 (5) 12 of the Austrian Stock Corporation Act (AktG) were concluded with members of the Supervisory Board.

Remuneration of members of the Advisory Council

in € thousand	2024	2023
Remuneration Advisory Council	193	191

At the Annual General Meeting held on 21 June 2018, a remuneration model for the Advisory Council was approved, starting from 1 January 2017, and for subsequent years, unless the General Meeting decides otherwise in the future.

The following distribution of compensation was determined:

- For the Chairman of the Advisory Council € 25 thousand
- For the Deputy Chairman of the Advisory Council € 20 thousand
- For each additional member of the Advisory Council € 15 thousand each

The annual compensation for the respective fiscal year will be allocated proportionally or in full according to the duration of the respective advisory board mandate. Each member of the Advisory Council will also receive an attendance fee of € 1 thousand for attending a meeting.

Amounts of loans and grants extended to members of the Management Board and Supervisory Board, as well as other legal transactions

The relationships of members of the Management Board and Supervisory Board to RBI AG are as follows:

in € thousand	2024	2023
Debt securities	1,554	1,635
Shares	3,516	2,786
Deposits and other receivables	641	423
Loans and other liabilities	204	213
Lease liabilities	13	17

Of the amounts stated, bonds worth € 877 thousand (2023: € 784 thousand), shares worth € 2,135 thousand (2023: € 1,545 thousand) and deposits and other receivables worth € 196 thousand (2023: € 10 thousand) are attributable to members of the Management Board. The remaining items are attributable to the Supervisory Board.

Events after the reporting date

There were no significant events after the reporting date.

Qualified electronically signed by:

Vienna, 17 February 2025
The Management Board

Johann Strobl m.p.
Chairman of the Board, CEO

Marie-Valerie Brunner m.p.
Member of the Board, CIB Customer Coverage

Andreas Gschwenter m.p.
Member of the Board, COO/CIO

Łukasz Januszewski m.p.
Member of the Board, CIB Products & Solutions

Hannes Mösenbacher m.p.
Member of the Board, CRO

Andrii Stepanenko m.p.
Member of the Board, Retail Banking

Management report

Market development

Huge economic disparities within Europe, industrial sector a negative factor

While the US economy remained robust in 2024, the economic environment in Western Europe only experienced modestly positive growth. Economic momentum in the service sector was offset by continued difficulties in the industrial sector and parts of the construction sector. As a result, more service-driven economies such as Spain experienced above-average growth, while more manufacturing-oriented countries in Western European such as Germany and Austria found themselves in a mild recession. The CE and SEE region benefited to some extent from solid consumer spending and investment. Although the decline in inflation slowed in 2024 due to continued sluggish service inflation, the disinflation process nevertheless continued to unfold as predicted by the central banks, even if it stalled somewhat in the US toward the end of the year. In response, both the ECB and the US Federal Reserve began to make initial interest rate cuts in the summer and fall.

The **euro area's** gross domestic product was only slightly higher in 2024 than in the previous year. As investment remained restrained, consumer spending in particular propped up the economy. However, economic momentum did not pick up significantly as many had hoped. Despite these less-than-ideal circumstances, the labor market proved resilient, with the unemployment rate continuing to fall from already low levels and employment remaining high. Headline inflation continued to fall in 2024. Starting the year at 2.8 per cent year-on-year, it moved closer to the ECB's 2 per cent target as the year progressed. While food and goods barely exerted an elevated price pressure, energy goods actually became cheaper than the previous year in some periods. Meanwhile, service inflation was sluggish for extended periods in 2024, with no obvious signs of decreasing price pressure.

The **ECB** lowered its deposit rate by 100 basis points in 2024. The main refinancing rate was lowered by 135 basis points. Despite the change in position on policy rates, the ECB's bond holdings continued to decline as maturing bonds were either not reinvested at all (APP) or only partially reinvested (PEPP). This also led to a further reduction in excess liquidity, without causing any unexpected disruptions in the financial markets. Euribor money market rates have declined significantly following the ECB's rate cuts and in anticipation of cuts to come. The German government bond market was also down, at least at the shorter end of the yield curve. Government bonds with maturities of five to ten years, in contrast, were actually trading higher at the end of the year than at the beginning. This past year has thus been characterized by a steepening of the yield curve away from negative term premiums and towards positive ones.

The **Austrian economy** was in recession for the second year in a row in 2024, with real GDP falling 1.0 per cent for the year as a whole. As a result, Austria was once again one of the worst performers in the euro area. This was due not only to the industrial and construction sectors, but also to the consumer-related services sector. The construction industry experienced a stronger real correction in Austria than in many other euro countries. Unlike the euro area, inflation continued to decline in Austria for most of 2024 until inflation ended up even below the euro area by the fall. In 2023, Austria still had significantly higher inflation than the rest of the monetary union.

CEE: Labor market and falling interest rates supportive

As in the euro area, the industrial sector proved to be a drag on growth in many CEE countries. The consumer-led recovery remained below the potential growth rate but was supported by lower inflation, (cautious) interest rate easing and strong labor markets.

The economic structure and trade openness of the **Central European (CE)** countries make them particularly vulnerable to industrial weakness in Germany and weak foreign demand in general. Investment growth was mostly solid despite the failure to address the EU budget shortfall last year. Poland's NGEU funds were released in the second half of 2024, making the country a positive outlier. Hungary, on the other hand, was the straggler in the CE region due to weak foreign demand and sluggish investment.

The recovery in **Southeastern Europe (SEE)** in 2024 was slower than previously expected, but this was mainly due to the surprising weakness of the Romanian economy (up 1.2 per cent). The relatively strong development of tourism, which boosted growth in Albania and Croatia in particular, combined with the inflow of remittances to countries with large diasporas, still enabled the region to outperform the euro area and much of Europe. The continued inflow of EU funds and investment growth, combined with further decelerating inflation, strong wage growth and falling interest rates, supported economic growth although economic momentum failed to reach its potential.

In **Ukraine**, the ongoing war continued to weigh on the economy and reconstruction in 2024. However, government measures and central bank policies have had a supportive effect, allowing the economy to continue to adjust to wartime conditions. Growth was driven, among other things, by the rebound in real private consumption, strong public spending and a moderate recovery in investment.

Thanks to fiscal policy interventions, the **Russian economy** recorded extremely high economic momentum in 2024, with the pace of growth well above the long-term trend. This overheating led to strong inflationary pressures, which had to be addressed by significantly tightening monetary policy.

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

Region/Land	2023	2024	2025e	2026f
Poland	0.1	2.9	3.5	3.4
Slovakia	1.6	2.3	1.9	2.5
Czech Republic	(0.1)	1.0	2.1	2.4
Hungary	(0.7)	0.6	2.5	3.0
Central Europe	**0.2**	**2.1**	**2.9**	**3.0**
Albania	3.9	4.0	4.1	3.8
Bosnia and Herzegovina	2.0	2.3	2.7	3.2
Croatia	3.3	3.6	2.9	2.6
Kosovo	4.1	4.7	4.2	3.9
Romania	2.4	0.9	2.2	3.2
Serbia	3.8	3.8	4.3	4.5
Southeastern Europe	**2.7**	**2.2**	**2.7**	**3.3**
Russia	**4.1**	**4.1**	**0.9**	**0.9**
Ukraine	**5.5**	**3.4**	**4.9**	**6.0**
Austria	**(1.0)**	**(1.0)**	**0.4**	**1.4**
Euro area	**0.5**	**0.7**	**1.2**	**1.3**

Source: Raiffeisen Research, as of beginning of February 2025, (e: estimate, f: forecast); subsequent revisions are possible for years already completed

Banking sector in Austria

In 2024, the Austrian banking sector carried on the good performance from 2023, albeit with more moderate results. The operating business continued to be supported by sound net interest income and stable performance in the commission business. While operating costs remained stable, increasing risk costs had a dampening effect on the domestic banking sector's net income. The funding environment for the Austrian banking sector was challenging in 2024. Nevertheless, Austrian banks again held their own in the primary market and continued to successfully place sound volumes, especially in the covered bond segment. Growth rates of the loan volumes granted in both the household and corporate loan segments showed a significant year-on-year slowdown. This was primarily due to the different interest rate environment and also partially to the changed regulatory framework for lending. The household segment showed negative year-on-year growth of 0.9 per cent as of November 2024. Loan growth in this segment remained negative throughout the entire year in 2024, although a bottoming out began to emerge toward the year-end. In contrast, the corporate segment reported annual growth of 1.7 per cent (November 2024 vs. November 2023) compared to growth of 2.8 per cent in the previous year. The banking sector's capitalization increased further compared to the start of 2024, reaching 17.7 per cent (common equity tier 1 ratio) as of June 2024. In its October 2024 meeting, the Austrian Financial Market Stability Board recommended a one-per-cent systemic risk buffer for commercial real estate financing. This is due to enter into effect in June 2025.

Development of the banking sector in CEE

The combination of sound net interest income and relatively low risk costs again formed the basis for the positive financial performance of the banks in CE/SEE. Albeit unevenly distributed across the region, the emerging monetary easing increased pressure on net interest margins. However, the banks also succeeded in protecting core income through investments in fixed-income assets (including government bonds) and additional safeguarding measures. This ensured the sector's ability to absorb the inflationary growth in costs and at the same time cushion the special taxes that were introduced on a large scale within the region in 2024 (additionally in Slovakia and Romania). The earlier commencement of monetary easing in the non-euro markets, the generally good situation on the labor markets and the targeted state support facilitated a recovery in lending to individuals, whereas corporate demand for credit did not yet reach a turnaround on a broader regional basis. The refinancing situation of banks remained favorable as regards customer deposits (the reallocation of accounts to expensive time deposits largely ceased), with a noticeable improvement for international bond issuances (MREL). The banking markets in Eastern Europe experienced stable profitability while facing their own challenges, such as stricter sanctions and continuing inflation in Russia or progress towards a normalized monetary policy in Ukraine.

Business performance at Raiffeisen Bank International AG

Business development

RBI AG is one of Austria's leading corporate and investment banks. In the Corporates business area, it serves major international and multinational customers as well as Austria's largest companies. They benefit from RBI AG's comprehensive expertise and service portfolio in areas such as capital markets, export finance, trade finance, cash management and sustainable finance.

The business segment Institutional Clients groups business with banks, insurance companies, Asset Managers, Payment Service Providers and other financial intermediaries. The business line covers as well the business with public institutions like Finance Ministries, Export Credit Agencies, Supranational banks etc. The business segment stands for an integrated client-centric approach towards these clients. RBI Group serves these clients through an extensive product and service range, including, inter alia, clearing, settlement and payment services, custody, and depository banking. Furthermore, RBI group offers to its institutional clients capital market products and securities transactions as well as wholesale funding via debt capital markets, loans, securitization and fund finance transactions. The business segment IC is strong in offering advisory services to institutional clients with the aim to support their ESG transaction to more sustainable business growth.

The Capital Markets business includes trading on own account and for third parties. RBI AG offers its customers individually tailored solutions for liquidity and balance-sheet management, and for managing interest rate and currency risks as well. Its particular strengths are interest rate, currency and credit products for the DACH and CEE regions. Cash products, derivatives and structured products are also offered, as well as debt capital raising via bond issuance. A professional structuring team as well as strong sales and placement power ensure successful project execution.

In the Raiffeisen Certificates, Retail Bonds & Equity Trading business area, RBI AG, as a leading and multi-award-winning Austrian certificate provider, offers more than 6,000 investment and leverage products that allow risk/opportunity-optimized investing, particularly for retail customers. This is a cross-asset offering aimed at customers in the DACH region as well as many markets in Central and Eastern Europe. Raiffeisen certificates and retail bonds are publicly offered in 12 countries in both the primary and secondary markets through stock exchanges, trading platforms and via RBI as a systematic internalizer. The business area also includes market making and proprietary trading activities in equities, equity derivatives and commodities, with a focus on Central and Eastern Europe. RBI is one of the leading market makers on various stock exchanges in this segment.

The Treasury and Group Subsidiaries and Equity Investments businesses are internal control areas for the management of refinancing and the bank's investment portfolio.

Corporates

The Corporates business area manages Austrian and international corporate customers. In addition to Austria's largest companies, it focuses on Western European corporate customers with operations in CEE, large Central and Eastern European customers and multinational commodity and trading companies.

Despite challenging geopolitical and economic developments, the corporate banking business managed from Vienna performed well in the year under review. The bank's comprehensive support to corporate customers further strengthened its position as a relationship bank.

The corporate business continued to deliver solid results even though income was down on the strong previous year. Despite low investment activity in Western Europe and the resulting subdued demand for credit in RBI's region, traditional lending and – thanks to the bank's outstanding product expertise – structured project and acquisition finance, real estate finance, trade finance and export finance remained important sources of income in the year under review. Deposits also made a significant contribution, albeit less than in the previous year due to the changing interest rate environment. The strict reduction plan for the remainder of the Russian business continued to be executed in line with regulatory requirements.

The deteriorating economic situation significantly increased risk costs year-on-year. Overall, the Corporates business area delivered solid results despite the challenging environment.

Sustainable finance activities continued to expand during the year under review. Customer demand for advisory services in sustainability and sustainable financing solutions remained strong. There is a growing interest in the structuring of sustainable bonds (green and sustainability bonds) and promissory note loans in particular. Strong interest in ESG (environmental, social, governance) is reflected in the volume of ESG-compliant financing, which grew further year-on-year. The ESG framework for our business activities was refined further with the evolution of the Climate & Environmental Business Strategy into the RBI Group Climate and Environmental Transition Plan.

The customer care approach for corporate clients serviced in several countries was improved further to achieve a more uniform service across the RBI Group. One key component in this strategy was the roll-out of Copernicus, the Group-wide customer relationship management system, for corporate customers served from Vienna.

Institutional Clients

The Institutional Clients (IC) Business Segment demonstrated robust performance in 2024, maintaining a strong position across most products. Both group wide (without RU/BY) and headquarters' Gross Income showed better-than-planned development and contributed well to the entire result of RBI Group. .

The primary drivers of this business performance were the Capital Markets (, Investment products (Certificates), Debt Capital Markets (DCM) and Payments businesses. This success is attributed to a strong pipeline in core markets of the group and the on-boarding of new clients . The terminated business activities in Russia could be compensated by strong business in other regions, but the lower interest environment in some of the CEE markets impacted the result, compared to the exceptionally strong 2023. The Trade Finance and Payments businesses adopted even more risk-prudent approach, reflecting the elevated geopolitical risks while the Capital Markets activities could compensate and significantly supported the bottom line result of the Business Line.

Our goal and mission is that we accompany our clients to all regions of the world, delivering comprehensive support and services.

ESG initiatives continued to be a focal point at both the headquarters and in the CEE subsidiaries , with increasing demand for advisory for beginners as well as for those in transition within IC clientele in respect of ESG and sustainable banking services (investments, trade finance and financing) The IC Business continued to implement the "One Business Bank" strategy by establishing and adapting its coverage approach, focusing segment-wise, e.g. n assuring dedicated and enhanced coverage to global banks, which are vital infrastructure for RBI group and to local banks, which are important users of RBI Groups products and services for accessing the international markets.

Our data-driven initiatives, including the adoption of AI technologies, have improved our way of working, supporting even better and more efficient sales performance (usage of analytics to increase Trade Finance Sales, implementation of sales signals for cap markets transactions and progressing on implementation of AI Sales assistant for relationship managers

Capital Markets

2024 was marked by important monetary policy decisions, with the European Central Bank’s interest rate cuts foremost among them. These measures had a significant impact on market conditions and enabled RBI AG to act successfully through appropriate trading strategies.

Foreign exchange trading was in line with the previous year’s results despite lower trading volumes and tighter bid-ask spreads. This was driven by increased internalization of electronic foreign exchange trading in the interbank market with institutional and corporate customers as well as positioning across a broad range of currencies. These achievements were supplemented by continued stable profitability in the banknote business.

Money market and securities financing activities also contributed significantly to income. Lower business volumes were offset by wider margins on EUR funding. Digitization and automation were intensified in the front office and operations to increase efficiency.

Fixed income trading results were close to the previous year’s levels. Widening asset swap spreads on many of the government bonds traded by RBI, coupled with high volatility, posed a significant challenge. Spreads on RBI bonds, on the other hand, narrowed again. It should be noted that the bank was ranked third in the primary dealer ranking for Austrian government bonds and received primary dealer status for Slovenian government bonds.

In interest rate derivatives, the year under review saw a continuation of the positive trend of increased revenue with institutional and corporate customers as well as improved profits. This, together with local currency bonds, narrowly surpassed the previous year’s all-time high.

In 2024, Data & Solutions made significant progress and improvements in pricing, information systems, customer service and internal reporting. Many informational meetings were also held with corporate customers on interest rate derivative hedging that involved presentations of peer group analyses. In addition, a central bank sentiment indicator was developed using a large language model to analyze the opinions of 13 central banks.

Treasury

For medium to long-term refinancing, RBI AG uses long-term deposits and bond issues. Issuance is mainly done under RBI AG's EUR 25,000,000,000 Debt Issuance Program, which enables bonds to be issued in different currencies, formats and structures. RBI AG also has two dedicated programs for issuing small-volume bonds and certificates since the integration of Raiffeisen Centro Bank AG.

In 2024, RBI AG was again very active in the international capital markets in benchmark format to fulfil its funding plan. One € 500 million senior non-preferred issue in February was followed by two € 500 million senior preferred issues in May and September and a € 500 million subordinated Tier 2 issue in October. In November RBI AG placed € 650 million of additional core capital (Additional Tier 1). RBI AG's remaining refinancing requirements were covered by small unsecured private placements.

The total volume of multi-year deposits and issuance taken up in 2024 amounted to approximately € 4,720 million and had a weighted maturity of approximately five years. At year-end 2024, the total volume of outstanding issued unsecured bonds excluding AT1 amounted to approximately € 8,808 million.

Certificates and Equity Trading

Raiffeisen Certificates and retail bonds

Global equity markets performed well in 2024. With interest rates falling in the euro area and geopolitical uncertainty still high, capital and partial protection certificates were particularly popular among retail investors.

Total issuance increased 3.85 per cent year-on-year once again, making a significant contribution to Raiffeisen Bank International AG's funding. The volume outstanding at the end of 2024 is thus at an all-time high (up 15.26 per cent from the end of 2023). A total of € 2.47 billion in Raiffeisen certificates and retail bonds were traded in 2024.

In the Austrian Raiffeisen sector, the outstanding volume of Raiffeisen certificates and retail bonds reached a new record at the end of 2024 (up 16.9 per cent from 2023). Another increase in certificate volumes (up 4.3 per cent from 2023) was achieved in collaboration with the Raiffeisen banks and regional Raiffeisen banks, including individual issues and intensive training programs for advisors.

Digital tools and services were expanded as part of the efforts to make certificates and retail bonds accessible to the investing public at large. Product clarity was improved by the new product data sheets and the innovative presentation of secondary market products among the top picks on the raiffeisenzertifikate.at website.

Raiffeisen certificates and retail bonds are now actively offered in 10 countries in Central and Eastern Europe. The expansion was driven by Romania and the countries of the Western Balkans along with the core markets of Slovakia, the Czech Republic, Hungary, Croatia and Poland. An increase in volumes sold (up 12.2 per cent from 2023) underscores the importance and future potential of this region. This achievement was made possible by certificates tailored to customer requirements and regional market conditions as well as cooperation with the local network banks.

The digital market presence of certificates and retail bonds is underlined by the strong performance of volumes sold through EDI (Easy Digital Investing), Raiffeisenbank Czech Republic's online broker. Work is underway to roll this offering out to other countries. The Slovakian branch of RBI AG in Bratislava, whose business activities include the issuance of certificates for the Slovakian market, further improved its market penetration among retail customers.

Raiffeisen Certificates received several awards for its products and services in 2024: Raiffeisen Certificates was named Austria's Best Certificate House for the 18th time in a row at the Zertifikate Awards Austria ceremony. The team also achieved international success at the Structured Retail Products Awards 2024 in London and the SPi Awards in Lisbon, and was named Best Structured Products Bank in CEE by Capital Finance International (CFI).

Equity Trading

After a very bullish first quarter of 2024, equity markets generally moved into a flat, albeit more volatile, environment dominated by geopolitical issues and culminating in the US elections.

Activities in Eastern European markets continued to expand, while market-making conditions in Austria remained challenging.

The number of market-making mandates for equities and exchange-traded derivatives on the Central and Eastern European exchanges increased from 237 to 240. In 2024, RBI managed 114 mandates on the Warsaw Stock Exchange, 48 on the German stock and futures exchanges, 34 on the Vienna Stock Exchange, 29 on the Prague Stock Exchange, 14 on the Bucharest Stock Exchange and, for the first time, 1 mandate on the Ljubljana Stock Exchange. The number of market-making mandates for equities and exchange-traded derivatives on the Central and Eastern European exchanges increased slightly to 237 in total. At the end of the year, RBI was responsible for 108 mandates on the Warsaw Stock Exchange, 49 on the German stock exchanges, 38 on the Vienna Stock Exchange, 29 on the Prague Stock Exchange and 13 on the Bucharest Stock Exchange.

Group Subsidiaries and Equity Investments

RBI AG's participation strategy aims to safeguard and expand the strategic interests of RBI AG and to steadily increase the value of the overall portfolio.

During the year 2024 Group Subsidiaries & Equity Investments undertook additional efforts to reduce complexity in the ownership structure of several Austrian subsidiary banks and Financial Institutions. As a result of the implementation of a Holding optimization project on 6 November 2024, the following Austrian Banks and Financial Institutions became direct subsidiaries of RBI AG: Raiffeisen Bausparkasse GmbH, Raiffeisen Capital Management GmbH, Raiffeisen Factor Bank AG, Raiffeisen Leasing GmbH, Raiffeisen Leasing International GmbH, Raiffeisen Wohnbaubank AG, Valida Holding AG.

On 29 November 2024 RBI AG closed the sale of 87.74% of Priorbank JSC and 30% of JLLC "Raiffeisen-Leasing" through the sale of Raiffeisen CIS Region Holding GmbH. As a result of this divestment RBI AG owns 11 subsidiary banks in the CEE region.

The business operations of RBI AG and its bank subsidiaries are complemented by numerous additional Austrian and international subsidiaries in the strategic financial services sector as well as other participations, mostly in banking-related ancillary services. Apart the shifts mentioned below, there were no significant changes in the investment portfolio in 2024.

There was a significant write-up at RZB-BLS Holding GmbH (€ 92 million). Significant write-downs were booked at Raiffeisen Digital Bank AG (€ 23 million) to zero, additional commitment of a shareholder contribution of € 35 million) and AO Raiffeisenbank (€ 1,212 million).

Excluding the significant effects mentioned above, whose root causes were largely firm-specific, the rest of the portfolio exhibited a stable, slightly negative development. Though inflation has abated, companies continue to struggle with persistently high operational costs, which were somewhat mitigated by the mid-year reduction in interest rates and marginally higher consumer behavior.

Governance and administration of all participations is steered by RBI Group Subsidiaries and Equity Investments.

Retail

RBI AG's retail business consists exclusively of a portfolio of foreign currency retail mortgage loans at the Polish branch in Warsaw. As of 31 December 2024, the net carrying value of credit exposures (net of impairment losses) was approximately € 1.01 billion, comprising € 0.60 billion (2023: € 0.70 billion) of Swiss franc loans, € 0.30 billion (2023: € 0.40 billion) of euro loans and € 0.01 billion (2023: € 0.01 billion) of Polish zloty loans.

The branch does not currently engage in deposit gathering or new customer acquisition, focusing instead on servicing the foreign currency loans transferred to the branch until their final maturity and on providing services to the borrowers.

In 2024, as in previous years, the business environment was marked by legal disputes between customers holding residential mortgages denominated in Swiss francs and the banks. A provision of € 2,071 million (2023: € 1,652 million) was made for this still unresolved legal issue).

Polish banks continued their strong run in 2024 maintaining sector-wide profitability (RoE) around 15%. A pause in monetary easing of the National Bank of Poland has been supportive to core income, though many players also managed to defend their lending margins through other means.

The need for provisions in connection with foreign currency credit risks remains under close observation, although the predominant assumption is that additional provisions or necessary expenses will stagnate. Polish banks and RBI-PL attempt to reach out of court settlement agreements with customers – proactive pre-court settlements (before customers file a lawsuit) and in-court settlements (once customers filed a lawsuit).

Branches and representative offices

RBI AG operates a total of six branches in Bratislava, Frankfurt, London, Warsaw, Singapore and Beijing. As service branches, these branches support RBI AG in Vienna and the network banks in customer care and sales activities. In addition to these branches, RBI AG also operates representative offices in Paris, Stockholm, Mumbai, Seoul and Ho Chi Minh City.

RBI AG has a branch in Poland. The Polish portfolio mainly comprises retail customers' foreign-currency mortgage loans. The branch focuses on the administration of the foreign currency loans until their maturity, and additionally takes over the role of liquidator for selected investment funds. It also develops digital solutions for the market and investment banking business, as well as digital cloud solutions for RBI AG. In 2022, a competence center was also established for the core banking system Temenos T24.

Through its extensive knowledge of the local markets in Southeast Asia and its contacts with companies, banks and authorities, the Singapore branch supports customers in sales activities, and also in establishing branches or partnerships with local companies. Vice versa, the branch helps companies from the region forge contacts with companies and banks in Austria and Central and Eastern Europe.

The Beijing branch operates as a service branch and primarily supports the CIB business line of RBI and the network banks in customer service and sales activities relating to China. The Belt and Road initiative, under which the branch concluded various cooperation agreements with leading Chinese banks and funds as well as major companies and other financial institutions, is an important driver for international trade and direct investments between Central and Eastern Europe and China. The branch in Beijing supports CEE and Austrian corporates in the region and provides Chinese companies with access to RBI AG's home markets. Cooperation was also sustainably positive in the 2024 financial year, with a significant increase in the areas of new energy, digitalisation and e-mobility. In particular, RBI AG is increasingly involved in the transcontinental cash management and trading business of these companies and financial institutions, and is well positioned to offer local banking products in CEE to support the increasing Chinese investments in certain sectors.

The Frankfurt branch office successfully continued its consulting and structuring services in various forms of working capital financing, as well as its local sales-support activities for RBI AG in its business with subsidiaries of German corporate customers, especially in CEE. In 2024, further working capital financing mandates were secured and implemented for customers in RBI AG's focus markets, and business was further developed. In addition to winning new customers, another key task in the corporate customer business involves providing sales support for RBI AG's network, in close collaboration with the corporate customer departments of the RBI Group. The increasing demand from German SME corporate customers for contact points in Germany reflects customers' centralization of administration functions and decision-making authorities. Building contacts with decision makers at customers' head offices strengthens customer relationships in CEE and opens up cross-selling potential.

RBI AG has been present in London since 1989 and offers a broad range of services for different customer segments. Institutional customers are served by our Capital Market Bond Desk, which offers primary and secondary sales of sovereign and corporate bonds, including special CEE and CIS bonds in local currencies, as well as private placements and structured products. A special focus is on fund financing and alternative investments, where we offer products such as subscription credit facilities as part of our global asset-based finance activities. Our corporate desk provides corporate customers based in the United Kingdom and Ireland with an extensive range of financial products and services offered by RBI AG and the Group's network banks. The London branch is licensed and supervised by the Financial Conduct Authority.

The branch in Slovakia covers a broad range of services and structured products (certificates) for retail customers of Tatra banka a.s. in Slovakia. Following the integration into RBI AG, it has extended its range of services to include Group procurement services and Group reporting services.

Financial Performance Indicators

Statement of Financial Position

RBI AG's total assets were down € 248,822 thousand, or 0.3 per cent, to € 82,075,127 thousand in the 2024 financial year. On the assets side, the decrease is mainly due to lower balances at central banks and lower shares in affiliated companies due to a write-down on the shareholding in AO Raiffeisenbank. On the liabilities side, it mostly relates to a decline in deposits from customers and banks.

The € 2,183,888 thousand, or 21.9 per cent, fall in cash reserves and balances at central banks to € 7,802,335 thousand resulted mainly from decreased investment of surplus liquidity in the form of deposits at the Austrian National Bank.

Treasury bills and other bills eligible for refinancing with the central bank increased a significant € 2,022,396 thousand, or 23.0 per cent, to € 10,803,280 thousand in the past financial year, mainly as a result of the higher volume of government bonds.

Loans and advances to banks increased € 1,029,572 thousand year-on-year to € 14,596,507 thousand, mainly due to an increase of € 1,184,668 thousand in loans and advances repayable on demand.

Loans and advances to customers showed a slight decrease of € 81,127 thousand to € 27,618,821 thousand. The cyclical decline mainly reflected a € 699,234 thousand reduction in the loan volume. The decrease was partly offset by a € 452,117 thousand increase in repo and lending business. Value adjustments to loans and advances to customers increased € 103,079 thousand in 2024.

Debt securities and other fixed-income securities decreased € 174,179 thousand compared to the previous year-end, to € 3,619,755 thousand. This related to a € 252,314 thousand reduction in own debt securities held as assets.

Shares and other non-fixed-interest securities decreased € 176,318 thousand year-on-year to € 866,527 thousand, which is due to a € 185,559 thousand decrease in other non-fixed-interest securities.

Investments in affiliated companies decreased € 1,322,824 thousand to € 8,939,701 thousand. This mainly relates to a write-down of € 1,212,000 thousand at AO Raiffeisenbank and of € 22,700 thousand at Raiffeisen Digital Bank AG.

Other assets increased € 617,399 thousand, with a year-end carrying amount of € 7,606,944 thousand. This is mainly due to higher dividends receivable amounting to € 501,956 thousand. In addition, the carrying amount of coined and uncoined precious metals increased € 276,226 thousand. Conversely, receivables from treasury transactions (positive market values from derivative financial instruments in the trading book, including derivatives for capital guarantees and accrued interest from derivatives in the banking book) fell € 262,295 thousand.

On the liabilities side, deposits from banks showed a decline of € 1,181,226 thousand to € 25,503,419 thousand. Deposits from banks represent a significant source of funding for RBI AG at 31 per cent of total assets. Long-term money market transactions decreased € 866,598 thousand compared to the end of the previous year. There was also a decrease in longer-term deposits from central banks (€ 265,714 thousand) and repo business (€ 113,558 thousand). In contrast, short-term clearing business increased € 218,851 thousand.

Deposits from customers decreased € 2,160,727 thousand, or 10.9 per cent, to € 17,740,795 thousand. The decrease is mainly due to lower short-term clearing business and time deposits, which were down € 1,137,499 thousand and € 737,782 thousand, respectively, on the previous year-end. Long-term money market transactions were also down, with a decrease of € 527,244 thousand.

Securitized liabilities and supplementary capital according to CRR rose € 2,256,768 thousand year-on-year to € 21,443,714 thousand. During the reporting year, RBI AG issued a further unsecured, non-subordinated senior non-preferred bond for € 500,000 thousand (2023: € 500,000 thousand) with a maturity of five years.

Other liabilities showed a slight rise of € 138,047 thousand year-on-year to € 4,710,813 thousand. The increase mainly related to € 386,539 thousand higher short positions in trading. This was partly offset by a € 295,661 thousand decrease in liabilities from treasury transactions (negative market values from derivative financial instruments in the trading book and accrued interest from derivatives in the banking book).

The provisions included provisions of € 53,133 thousand for severance payments (31/12/2023: € 51,174 thousand), provisions of € 56,022 thousand for pensions (31/12/2023: € 61,475 thousand), tax provisions of € 34,604 thousand (31/12/2023: € 18,253 thousand), and other provisions of € 1,390,196 thousand (31/12/2023: € 816,794 thousand). The increase in tax provisions is mainly due to the allocation to the provision for corporation tax for 2024 in the amount of € 8,760 thousand and a provision in the amount of € 7,266 thousand from the transposition of the EU directive ensuring a global minimum level of taxation into Austrian law. The rise in other provisions mainly relates, in the amount of € 560,396 thousand, to higher provisions for litigation risks, the main item being the provision for litigation risks due to litigation concerning foreign currency loans in Poland. There was also a year-on-year increase in provisions for other expenses, which rose by € 55,542 thousand. This includes € 35,000 thousand for a pledged irrevocable shareholder contribution to Raiffeisen Digital Bank AG due in January 2025, € 16,895 thousand for potential repayment obligations in connection with the loss of the VAT exemption pursuant to the second sentence of Section 6 (1) No. 28 sentence 2 of the Austrian VAT Act (UStG) (see also the information on pending legal issues), and € 12,137 thousand for impending losses.

In relation to derivatives measured in functional units, hedge ineffectiveness, loan derivatives subject to individual valuation and non-netted foreign currency derivatives in UAH, there are provisions for impending losses in the amount of € 63,013 thousand as of 31/12/2024 (31/12/2023: € 82,482 thousand).

Total risk exposure at year-end 2023 was € 37,123,377 thousand (2023: € 40,461,266 thousand). Of that amount, credit risk accounted for € 30,059,228 thousand (2023: € 34,625,104 thousand), market risk for € 3,065,052 thousand (2023: € 2,598,770 thousand), and operational risk for € 3,788,531 thousand (2023: € 3,033,801 thousand). Total risk exposure was down around € 3,337,889 thousand year-on-year.

Common equity tier I (CET1) capital stood at € 7,913,771 thousand at year-end 2024 (2023: € 8,098,538 thousand). Tier 1 capital amounted to € 9,680,990 thousand (2023: € 9,705,412 thousand). Additional Tier 1 capital of € 650,000 thousand was issued in 2024. In addition, additional Tier 1 capital of € 475,800 thousand was repurchased. With the additional Tier 1 capital issued up to 2024, RBI AG has now completed its planned AT1 issuance program. Including accrued interest, additional Tier 1 capital before regulatory adjustments amounted to € 1,832,142 thousand as at 31/12/2024 (31/12/2023: € 1,655,025 thousand). Tier 2 capital amounted to € 2,208,093 thousand (2023: € 1,990,443 thousand). All in all, total capital amounted to € 11,889,082 thousand, compared to € 11,695,855 thousand at the end of the previous year. The CET1 ratio improved relative to the previous year's figure to 21.3 per cent (2023: 19.9 per cent). The Tier 1 ratio was 26.1 per cent and thus increased 2.2 percentage points year-on-year. The total capital ratio was 32.0 per cent (2023: 28.8 per cent). All capital ratios were comfortably above their respective requirements (including all buffer and Pillar 2 capital requirements).

The committed capital reserves of € 4,335,669 thousand (31/12/2023: € 4,334,726 thousand) were virtually unchanged in the financial year. The uncommitted capital reserves amounted to € 93,467 thousand (31/12/2023: € 93,179 thousand).

The number of treasury shares related to the share incentive program (SIP) for key personnel in the company (Management Board and senior executives) and members of the management boards of associated bank subsidiaries where the own shares were acquired in the years 2005 to 2009 amounted to 322,204 shares at year-end 2024. With a nominal value of € 983 thousand, this represented 0.1 per cent of share capital. As the share incentive programs expired in 2018, there is no further obligation to allocate treasury shares under them. The total number of treasury shares was 525,274 shares at year-end 2024 (2023: 573,938 shares).

Retained earnings covered legal reserves of € 5,500 thousand (31/12/2023: € 5,500 thousand) and other free reserves of € 2,395,234 thousand (31/12/2023: € 2,370,678 thousand). Of the other free reserves, an amount of € 526,606 thousand (31/12/2023: € 502,049 thousand) was earmarked for the Raiffeisen IPS. As a result of the agreement on the establishment of the institutional protection scheme and a corresponding decision of the Raiffeisen IPS Risk Council, a contribution of € 24,557 thousand (31/12/2023: € 98,135 thousand) was allocated to other reserves in 2024 as a reserve for the Raiffeisen IPS. The reserve for the Federal IPS is not eligible for inclusion in the calculation of own funds under the CRR.

The liability reserve of € 535,097 thousand was unchanged at 31/12/2024 (31/12/2023: € 535,097 thousand).

Earnings performance

In the 2024 financial year, RBI AG reported a decrease in net interest income of 22.4 per cent, or € 95,019 thousand, to € 328,396 thousand. The interest rate environment during the reporting period was marked by the decrease in the ECB's key interest rates to 3.15 per cent at the end of 2024 (31/12/2023: 4.5 per cent). The decline in net interest income at RBI AG is attributable to lower income from balances with central banks and a cyclical decline in customer business due to lower interest rates and volumes. The decreases were partly offset by an increase in net interest income from derivative transactions.

Income from securities and equity participations increased € 491,830 thousand to € 2,278,249 thousand due to higher dividend income from affiliated companies. The income from equity participations in the 2024 financial year mainly related, in the amount of € 2,200,000 thousand, to RS Beteiligungs GmbH.

The net amount of fee and commission income and fee and commission expenses showed a slight decrease of € 2,705 thousand to € 358,728 thousand. Of this decrease, EUR 32,104 thousand was due to a reduced volume of transactions in clearing, settlement and payment services, partly due to a reduction in transactions with Russia. Conversely, net fee and commission income from securities and custody business and from bond issues increased € 21,523 thousand. Net fee and commission income from the foreign currency, notes/coins and precious metals business also increased, with a year-on-year improvement of € 6,129 thousand.

The net profit on financial operations was positive at € 110,859 thousand in the 2024 financial year, € 54,053 thousand above the previous year's level (2023: € 56,806 thousand). This mainly reflected a € 73,459 thousand increase in net income from currency-based derivative, foreign currency and notes/coins business, partly reflecting the positive influence of successful hedging strategies, notably in relation to the currencies HUF and CZK. There was also an increase in net trading income from issues and certificates and from equity- and index-based transactions, which improved € 66,312 thousand due to a higher issue volume and the positive market environment. Net trading income from interest-based derivatives business was down € 83,355 thousand in the 2024 financial year, although this partly reflects interest rate hedging positions matching the certificates business and to the equity- and index-based transactions. Fixed-interest securities in the trading portfolio made a positive contribution to earnings in the amount of € 41,504 thousand, but were € 11,521 thousand below the previous year's income figure.

Other operating income includes staff and other administrative expenses passed on for services in the amount of € 144,199 thousand (2023: € 145,207 thousand), income from releases of provisions for impending losses from derivatives in the amount of € 26,174 thousand (2023: € 19,517 thousand), income from close-out fees for derivatives on the banking book in an amount of € 26,393 thousand (2023: € 97,778 thousand), income from the release of other provisions in the amount of € 7,653 thousand (2023: € 1,742 thousand) and income from on-charging, or services to be on-charged, to network banks of RBI AG in connection with the takeover of the digitalization projects of RBI Retail Innovation GmbH in the amount of € 34,027 thousand (2023: 0 thousand).

Operating income therefore totaled € 3,376,636 thousand, a 15.1 per cent increase year-on-year (2023: € 2,933,484 thousand).

Operating expenses were down 14.2 per cent relative to the 2023 financial year, to € 1,858,487 thousand. Staff expenses increased € 28,060 thousand, or 5.5 per cent, to € 534,106 thousand. The € 24,272 thousand increase in expenses for wages and salaries over the previous year reflects the inflation-related wage and salary rises and the larger headcount.

Other administrative expenses decreased € 31,551 thousand, or 6.1 per cent, to € 484,631 thousand. The decrease is primarily due to the cessation of contributions to the Single Resolution Fund (SRF), this having reached its target volume on 31 December 2023. Over and above this, other administrative expenses consisted mainly of IT expenses of € 207,739 thousand (2023: € 188,122 thousand), consulting and audit fees of € 118,012 thousand (2023: € 137,791 thousand), rent of € 38,737 thousand (2023: € 37,999 thousand), and communication expenses of € 25,669 thousand (2023: € 25,687 thousand). Depreciation of tangible and intangible assets showed a decrease of € 215 thousand to € 12,100 thousand in the reporting period (2023: € 12,315 thousand).

Sundry operating expenses decreased a significant € 303,795 thousand, or 26.9 per cent, in the past financial year to € 827,649 thousand. This includes provisions for impending losses on banking book derivatives in the amount of € 6,706 thousand (2023: € 19,816 thousand), allocations of other provisions (see also the "Provisions" item and under the heading "Litigation risk for foreign currency loans in Poland") in the amount of € 545,111 thousand (2023: € 873,400 thousand) and expenses of € 39,108 thousand (2023: € 157,002 thousand) from close-out fees for banking book derivatives. Also included are expenses for staff and other administrative expenses passed on for services in the amount of € 37,231 thousand (2023: € 30,113 thousand), expenses from the takeover of digitalization projects of RBI Retail Innovation GmbH in the amount of € 34,169 thousand (2023: € 0 thousand) and € 16,895 thousand from the allocation of provisioning for potential repayment obligations in connection with the loss of the VAT exemption pursuant to the second sentence of Section 6 (1) No. 28 sentence 2 of the Austrian VAT Act (UStG).

After deducting operating expenses from operating income, RBI AG generated an operating result of € 1,518,149 thousand for the 2024 financial year. This represents a year-on-year increase of € 750,653 thousand. As a consequence, the cost/income ratio (operating expenses divided by operating income) was 55.04 per cent (2023: 73.84 per cent).

Net income/expenses from the disposal and valuation of loans and advances and securities classified as current assets resulted in a net expense – in contrast to the previous year – of € 176,110 thousand (2023: net income of € 49,987 thousand). This development was due, firstly, to negative valuation results and proceeds from disposals of current assets, including losses from contract adjustments, and of banking book derivatives in the total amount of € 7,458 thousand (2023: plus € 149,120 thousand) and, secondly, to a decline in net income from the valuation of loans and guarantees to minus € 168,651 thousand (2023: minus € 99,133 thousand).

With regard to individual loan loss provisions, RBI AG reported a net allocation to provisions of € 263,496 thousand, an increase of € 49,930 thousand compared to the previous year. The increase is mainly due to increased individual loan loss provisions, which became necessary due to the current economic trends, for example in real estate financing. Conversely, as in the previous year, there was a net release of portfolio-based loan loss provisions. The outcome was once again a net release in the current financial year of € 84,993 thousand (2023: net release of € 106,086 thousand). This decline was mainly due to stage transfers and the defaults referred to above, such as in real estate financing, which led to the above-mentioned increase in individual loan loss provisions. Material and non-material contractual amendments generated book losses of € 9,087 thousand (2023: book gains of € 1,560 thousand). Net income from exceptional disposals of loan receivables amounted to minus € 545 thousand in the financial year (2023: minus € 1,224 thousand). As in the previous year, shares in investment funds realized neither income nor losses in the financial year.

Net income/expenses from the disposal and valuation of securities valued as financial investments and of investments in affiliated companies and equity participations included write-ups totaling € 111,139 thousand in the financial year, including € 91,886 thousand at RZB-BLS Holding GmbH, € 8,667 thousand at Raiffeisenbank JSC (AVAL), € 2,346 thousand at LOTA Handels- und Beteiligungs-GmbH and € 2,084 thousand at BAILE Handels- und Beteiligungsgesellschaft m.b.H. Investments in affiliated companies and equity participations were written down by a total of € 1,298,097 thousand in the financial year, including € 1,212,000 thousand at AO Raiffeisenbank, € 22,700 thousand at Raiffeisen Digital Bank AG and € 10,697 thousand at Salvelinus Handels- und Beteiligungsges.m.b.H. A provision was allocated in the amount of € 35,000 thousand corresponding to the amount of an irrevocable shareholder contribution to Raiffeisen Digital Bank AG pledged in December 2024 and due in January 2025. Disposals of investments in affiliated companies and equity participations resulted in a positive contribution to results of € 2,008 thousand in the financial year (2023: € 11,060 thousand). In total, € 1,184,950 thousand in losses (2023: € 572,637 thousand in gains) were reported on the valuation and disposal of investments in affiliated companies and equity participations. In the 2024 financial year, expenses of € 2,612 thousand (2023: € 4,229 thousand) were incurred from the sale and valuation of securities held as financial assets.

As a result, the profit on ordinary activities for the year under review amounted to € 154,478 thousand (2023: € 1,385,892 thousand).

The return on equity before tax (profit before tax divided by average equity in 2024, including AT1 instruments) was 1.6 per cent in the financial year (2023: 14.0 per cent).

The net reorganization gain of € 164,185 thousand shown for the 2024 financial year relates to a project implemented in the financial year to simplify the holding structure for various Austrian subsidiaries. In detail, it corresponds to the difference between the € 844,532 thousand carrying amount of the investment in RBI Beteiligungs GmbH and the € 1,008,717 thousand in net assets acquired.

The income tax item shows net income of € 12,354 thousand for the 2024 financial year (2023: income of € 14,410 thousand). This includes income from current income taxes of € 18,817 thousand (2023: € 15,105 thousand), deferred tax income of € 300 thousand (2023: tax expense of € 631 thousand) and tax expense for previous years of € 3,445 thousand (2023: tax income of € 7,943 thousand). Also included is foreign withholding tax in the amount of € 3,320 thousand (2023: € 8,007 thousand).

The return on equity after tax (net income after tax divided by average equity in 2024, including AT1 instruments) was 3.1 per cent (2023: 14.1 per cent).

The profit after tax in 2024 was, thus, € 307,908 thousand (2023: € 1,396,461 thousand).

After movements in reserves of minus € 24,557 thousand and profit of € 420,984 thousand brought forward from the previous year, net profit was € 704,335 thousand (2023: € 831,459 thousand).

Capital, share, voting and control rights

The following disclosures satisfy the provisions of § 243a (1) of the Austrian Commercial Code (UGB):

(1) As at 31 December 2024, the company's share capital amounted to € 1,003,265,844.05 and was divided into 328,939,621 voting common bearer shares. As at 31 December 2024, 525,274 (31 December 2023: 573,938) of those were own shares, and consequently 328,414,347 shares were outstanding at the reporting date.

(2) The Articles of Association contain no restrictions concerning voting rights or the transfer of shares. The regional Raiffeisen banks and direct and indirect subsidiaries of the regional Raiffeisen banks are parties to a syndicate contract (syndicate agreement) regarding RBI AG. The terms of this syndicate agreement include not only a block voting agreement and preemption rights, but also a prohibition on sales of the RBI shares held by the regional Raiffeisen banks (with few exceptions) , if the sale would reduce the regional Raiffeisen banks' aggregate shareholding in RBI AG (direct and/or indirect) to less than 40 per cent of the share capital plus one share.

(3) Raiffeisenlandesbank Niederösterreich-Wien AG holds directly and indirectly total around 25.00 per cent of the share capital of the company. By virtue of the syndicate agreement regarding RBI AG, the regional Raiffeisen banks and their direct and indirect subsidiaries as parties acting in concert as defined in § 1 (6) of the Austrian Takeover Act (ÜbG). The regional Raiffeisen banks hold a total of around 61.17 per cent of the voting rights. The remaining shares of RBI AG are held in free float, with no other direct or indirect shareholdings amounting to 10 per cent or more known to the Management Board.

(4) The Articles of Association do not contain any special rights of control associated with holding shares. According to the syndicate agreement for RBI AG, the regional Raiffeisen banks can nominate nine members of the RBI AG Supervisory Board. In addition to the members nominated by the regional Raiffeisen banks, the RBI AG Supervisory Board should also include three independent representatives of free-float shareholders who are not attributable to the Austrian Raiffeisen Banking Group.

(5) There is no control of voting rights arising from interests held by employees in the share capital.

(6) Pursuant to the Articles of Association, a person who is aged 68 years or older may not be appointed as a member of the Management Board or be reappointed for another term in office. The rule for the Supervisory Board is that a person who is aged 75 years or older may not be elected as a member of the Supervisory Board or be re-elected for another term in office. Moreover, no person who already holds eight supervisory board mandates in publicly traded companies may be a member of the Supervisory Board. Holding a position as chairman of the supervisory board of a publicly traded company would count twice for this purpose. The Annual General Meeting may choose to waive this restriction through a simple majority of votes if permitted by law. Any candidate who has more mandates for, or chairman positions on, supervisory boards in publicly traded companies must disclose this to the Annual General Meeting. There are no further regulations regarding the appointment or dismissal of members of the Management Board and the Supervisory Board beyond the provisions of the relevant laws. The Articles of Association stipulate that the resolutions of the Annual General Meeting are, provided that there are no mandatory statutory provisions to the contrary, adopted by a simple majority of the votes cast. Where the law requires a capital majority in addition to the voting majority, resolutions are adopted by a simple majority of the share capital represented in the votes. As a result of this provision, members of the Supervisory Board may be dis-missed prematurely by a simple majority. The Supervisory Board is authorized to adopt amendments to the Articles of Association that only affect the respective wording. This right may be delegated to committees. Furthermore, there are no regulations regarding amendments to the company Articles of Association beyond the provisions of the relevant laws.

(7) Pursuant to § 169 of the Austrian Stock Corporation Act (AktG), the Management Board has been authorized since the Annual General Meeting of 4 April 2024 to increase the share capital with the approval of the Supervisory Board – in one or more tranches – by up to € 501,632,920.50 through the issuance of up to 164,469,810 new voting common bearer shares in exchange for contributions in cash and/or in kind (including by way of the right of indirect subscription by a bank pursuant to § 153 (6) of the AktG) by 16 May 2029 at the latest and to fix the offering price and terms of the issue with the approval of the Supervisory Board. The Management Board is further authorized to exclude shareholders' subscription rights with the approval of the Supervisory Board (i) if the capital increase is carried out in exchange for contributions in kind, or (ii) if the capital increase is carried out in exchange for contributions in cash and the shares issued under the exclusion of subscription rights do not exceed 10 per cent of the company's share capital (exclusion of subscription rights). The (i) utilization of authorized capital with exclusion of the statutory subscription right in the event of a capital increase in return for a contribution in cash, and the (ii) implementation of the conditional capital resolved upon in the Annual General Meeting on 20 October 2020 in order to grant conversion or subscription rights to convertible bond creditors may not exceed 10 per cent in total of the share capital of the company. The utilization of the authorized capital in the form of a capital increase in return for a contribution in kind is not covered by this restriction.

This authorization replaces the authorization pursuant to § 169 AktG for the utilization of authorized capital, resolved at the General Meeting on 13 June 2019. Since then, neither the now expired authorization from June 2019 nor the currently valid authorization from April 2024 has been utilized.

The share capital is conditionally increased (conditional capital) pursuant to § 159 (2) 1 of the AktG by up to € 100,326,584 by issuing of up to 32,893,962 ordinary bearer shares. The conditional capital increase will only be implemented to the extent that use is made of an irrevocable right of conversion into or subscription to shares which the company grants to the creditors holding convertible bonds issued on the basis of the resolution passed at the Annual General Meeting on 20 October 2020, or in the event of having to fulfil a conversion obligation set out in the convertible bonds' terms of issuance. In both cases, the Management Board does not decide to allocate own shares. The issue price and the conversion ratio are to be calculated in accordance with recognized quantitative financial methodologies and the price of the company's shares in a recognized pricing procedure (calculation basis of the issuance price); the issue price may not be below the proportionate amount of the share capital. The newly issued shares from the conditional capital increase are entitled to a dividend equivalent to that of the shares traded on the stock exchange at the time of issuance. The Management Board is authorized, with the approval of the Supervisory Board, to determine the further details of the implementation of the conditional capital increase.

The Management Board was further authorized pursuant to § 174 (2) of the AktG by the Annual General Meeting on 20 October 2020, within 5 years from the date of the resolution, i.e. until 19 October 2025, with the consent of the Supervisory Board, to issue also in several tranches, convertible bonds with rights to convert into or subscribe to shares of the company or convertible bonds with conversion obligations (contingent convertible bonds pursuant to § 26 of the Banking Act), including convertible bonds that meet the requirements for Additional Tier 1 capital instruments pursuant to Regulation (EU) No. 575/2013 of the European Parliament and the Council of 26 June 2013 on supervisory requirements for credit institutions and investment firms, as amended, with full exclusion of shareholders' subscription rights. The authorization includes the issuance of convertible bonds in a total nominal amount of up to € 1,000,000,000 with rights to convert into or subscribe to up to 32,893,962 ordinary bearer shares of the company with a proportionate amount of the share capital up to € 100,326,584. The issue price and the conversion ratio are to be calculated in accordance with recognized quantitative financial methodologies and the price of the company shares in a recognized pricing procedure (calculation basis of the issuance price); the issue price of the convertible bonds may not be below the proportionate amount of the share capital. In this respect, the Management Board is authorized to determine all further issuance and structural features as well as the issuance terms and conditions of the convertible bonds, in particular the interest rate, issue price, term of validity and denomination, provisions protecting against dilution, conversion period, conversion rights and obligations, conversion ratio and conversion price. The convertible bonds may also be issued – observing the limit of the corresponding equivalent value in euros – in the currency of the United States of America and in the currency of any other Organization for Economic Cooperation and Development (OECD) member state. The convertible bonds may also be issued by a company which Raiffeisen Bank International AG owns 100 per cent of, directly or indirectly. For this event, the Management Board is authorized to provide, with the consent of the Supervisory Board, a guarantee for the convertible bonds on behalf of the company and to grant the holders of the convertible bonds conversion rights into ordinary bearer shares of Raiffeisen Bank International AG and, if a conversion obligation is stipulated in the convertible bonds' issuance terms, to enable the obligation of conversion into ordinary bearer shares of Raiffeisen Bank International AG to be fulfilled; with the exclusion of the rights of shareholders to subscribe to the convertible bonds.

There have been no convertible bonds issued to date.

(8) The following material agreements exist, to which the company is a party, and which take effect, change, or come to an end upon a change of control in the company as a result of a takeover bid:

- RBI AG is insured under a group-wide D&O policy. In the event of a merger with another legal entity, the insurance policy would automatically cease at the end of the insurance period in which the merger took effect. In such cases, insurance cover only exists for claims for damages arising from breaches of obligations that occurred before the merger, which are reported to the insurer prior to the termination of RBI AG's group-wide D&O insurance cover.
- RBI AG is a member of the Professional Association of Raiffeisen Banks. Upon a change in control of RBI AG which results in the attainment of control by shareholders outside of the Raiffeisen Banking Group Austria, membership of the Professional Association of Raiffeisen Banks, as well as that of the Raiffeisen-IPS pursuant to Art. 113 (7) of the CRR, the Österreichische Raiffeisen-Sicherungseinrichtung eGen and of the Raiffeisen Customer Guarantee Scheme Austria may be terminated. RBI AG also serves as the central institution of the Raiffeisen Banking Group at a national level. Upon a change in control of RBI AG, related contracts (central institution of the liquidity group pursuant to § 27a of the BWG may end or change.
- The company's refinancing agreements and agreements concerning third-party financing for subsidiaries, which are guaranteed by the company, stipulate in some cases that the lenders can demand early repayment of the financing in the event of a change in control.

(9) There are no indemnification agreements between the company and its Management Board and Supervisory Board members or employees that would take effect in the event of a public takeover bid.

Non-financial Performance Indicators

RBI AG is exempt from the obligation to prepare a non-financial statement pursuant to Section 243b (7) UGB. The sustainability issues of RBI AG are presented in the consolidated non-financial statement in the Group management report of RBI. The Group management report with detailed information on developments in sustainability management is available in the Vienna Commercial Register and on the website at www.rbinternational.com

Intangible resources

In a very dynamic business environment, intangible resources are becoming increasingly important and represent key drivers for sustainable business and central value drivers for companies. These intangible value drivers cannot be adequately presented in standard financial reporting. There are a large number of intangible resources such as product and technology innovations, brands, customer satisfaction, employee qualifications and employee motivation.

In this section, RBI AG reports on the most important intangible resources, i.e. resources without physical substance, on which the company's business model is fundamentally dependent and which represent a source of value creation for the company, as well as the dependencies on them. Innovation and human resources are seen as the most important resources in this context and are therefore explained in detail below under Research and Development and Human Resources.

Research and Development

Due to the approach of developing products and technical solutions more centrally and subsequently making them available to all banks in the group, the current research and development activities of RBI AG are explained are discussed in the following statements.

Digitalization

The financial services industry is being reshaped by digitalization, leading to changing customer preferences in CEE toward digital banking. RBI aims to serve clients digitally by leveraging the benefits of digitalization: scale, efficiency, cost reduction, and faster delivery.

Customer acquisition is crucial for sustainable growth, with digital channels being one of the core focus areas. Most subsidiary banks can now onboard new customers completely digitally. With 49 per cent of all new RBI PI accounts initiated through digital channels in 2024, a 16 percentage points increase year-over-year.

With 65 per cent of RBI customers using mobile banking, digital is becoming the main acquisition and interactions channel. RBI is focusing on enhancing the availability and quality of services provided via mobile apps, using advanced analytics and tests to understand customers preferences while leveraging its branch network to educate customers on use of its digital channels.

RBI continues to enhance the maturity of the group’s digital offering by introducing new digital customer journeys and improving digital sales capabilities in the mobile app. 60 per cent of personal cash loans were sold via digital channels. RBI pioneers in many of its markets by offering innovative digital products to the customers: RBI’s Kosovo subsidiary was the first bank in the market to launch an end-to-end personal loan process with digital signature; Raiffeisen Bank in Serbia introduced end-to-end account opening for SME clients, aiding startups and new entrepreneurs to set up a bank account immediately after registering their newly established businesses. These innovations enhance RBI's digital footprint and have increased the lifetime contribution value from digital sales in total Retail sales from 29 per cent in 2023 to 44 per cent in 2024.

Digitalization is also crucial for corporate and institutional customers, with the main challenge being to streamline processes and reduce paper-based procedures. In 2024, RBI enhanced its CIB customer platform myRaiffeisen.com, introducing user-friendly digital document signing and Single Sign On (SSO) access for several subsidiary banks. RBI also improved digital products and services for international customers, especially around customer onboarding. More than 11,000 users are registered on RBI's platform myRaiffeisen, contributing to the increased group-wide digital service penetration in the CIB Business, which reached 44 per cent (excluding Russia and Belarus).

Clients further demand a central cash management hub for payments and reporting, which RBI is serving by implementing the new core cash management application CMIplus. It works as a primary corporate payments center, bringing real-time treasury and customer empowerment. RBI addresses clients' expectations for group-wide, transparent, near-time cross-border payments through SWIFT GPI payments, as well as a group customers payment tracker throughout the whole RBI network.

Following the launch of the FX platform R-Flex in Romania, Croatia and Hungary, RBI is continuing to develop the platform based on customer feedback. One of the latest features is rate alerts, which next to other functionalities of the platform have also contributed to the significant growth in the number of onboarded users to above 50,000 in 2024.

Innovation areas

Innovation is a core pillar of RBI's mission. To support a central strategic direction, educational elements, innovation programs and events were offered group-wide. Additionally, further efforts were made to explore new business models in the field of embedded finance and blockchain-based tokenization.

Artificial intelligence (AI) and blockchain technology remained strategically important fields in 2024.

In 2023, RBI launched a strategic internal AI transformation initiative with the goal of holistically evaluating and integrating AI technology into the organization. In January 2024, three streams for future activities were set up: change management and employee development, use case evaluation, and governance. Going forward, RBI will continue to develop the initiative, focusing on ensuring responsible and impactful usage of AI technology throughout the organization.

In the area of blockchain technology, a dedicated team monitored market developments. The team conducted a pilot project exploring crypto currencies offering, implementing an initiative investigating the feasibility of a stablecoin issued by a banking consortium, and further developed a potential product offering of a tokenized asset for retail customers. These activities reflect RBI's continuous efforts to utilize the potential of blockchain technology for fast and secure transactions, paving the way for innovative customer solutions.

IT

In 2024, RBI updated its IT strategy to focus on GenAI and its application across the value chain. RBI also reinforced its data-centric approach by ensuring easy access to high-quality data for data consumers. Additionally, RBI continued streamlining operations and automating processes to meet the demands for real-time services, enhancing client centricity and digitalization.

Agile

RBI's commitment to agility was demonstrated by further enhancing the maturity of enterprise agility, aiming to solidify leadership in the CEE region. In the financial year, focus was also put on the Operations Goes Adaptive (OgA) framework across the group. This initiative aims to establish end-to-end ownership, supporting exceptional customer experience, revenue growth, and operational excellence while driving cost efficiencies.

IT security

The cyber security footprint was significantly strengthened during 2024, with several initiatives aimed at improving cyber security hygiene, including identity & access management, RBI's Cyber Defense Center, network security and multifactor authentication. RBI is currently focusing on compliance with upcoming regulations in the area of IT risk, resilience and cyber security.

Cloud

In 2024, RBI continued to attach great emphasis to cloud technology, with cloud coverage for applications reaching 53 per cent across the entire group. RBI's technological strides were recognized with several awards and honors, including the Global Celent Award, highlighting its excellence in the banking sector's cloud journey.

People & skills

In an effort to consolidate RBI's position as a first-class IT employer, the Raiffeisen Tech Centers were launched in Romania and Kosovo in July 2024. These centers embody the company's commitment to providing global IT professionals with extensive growth opportunities and a strong emphasis on employee development.

Human Resources

The Group People, Culture & Organization (PC&O) division combines the areas of Human Resources (HR) and Organizational Development and Change Management. Combining these areas into a single division enables the Group to forge an integrated approach to staff leadership, culture and organizational development. In this respect, the PC&O division makes a significant contribution to the implementation of the RBI strategy and corporate objectives. A particular focus is placed on the efficient and seamless execution of personnel processes, encompassing tasks such as data administration, contract preparation or recruitment. In addition, the division is responsible for personnel development, career management, leadership development as well as professional education and training. In the area of organizational development, PC&O extends support for all restructurings and transformations within the Group, not least through change management and organizational design.

In 2024, RBI AG was honored multiple times as an employer of choice; these awards included LinkedIn Top Company 2024, Kununu Top Company 2024 and Leading Employers Top 1 per cent Austria 2024. To maintain this position in future too, it is important for the company to be aware of the expectations and demands of employees and potential applicants, and to position itself accordingly. Current labor market trends show that employees have a considerable need for job security, while at the same time placing great value on flexibility, work-life balance and mental wellbeing. People, and therefore also the employees, are greatly concerned about factors such as inflation and increasing geopolitical conflicts.

Innovations such as artificial intelligence (AI) are met with great curiosity on the one hand and with caution on the other. The rapid developments in the area of generative AI offers many opportunities for RBI. AI holds the potential to revolutionize the way people work and enhance efficiency. RBI's employees are therefore encouraged to explore the technology and consider how it could be used. Besides the possibility for using a version of ChatGPT tailored specifically to RBI, an AI platform available in the intranet provides information about current developments and learning opportunities. In addition, new, AI-based systems were introduced to make HR processes simpler, more efficient and more effective. This represents another step in RBI's technology and automation strategy.

The employer value proposition (EVP) is the essence of a brand from the employer perspective and comprises offers, advantages, incentives and the working environment a company provides to its employees. In its Glocal EVP approach, RBI combines the EVP of the entire Group with the local EVPs of the subsidiary banks. This creates an international employer brand that guarantees consistency but takes special local features into account at the same time. The introduction of the Glocal EVP is planned for January to March 2025.

Promoting an attractive and high-performing work culture is decisive for corporate success. Employee surveys offer a representative overview of the experiences within the company as a whole, and serves as input for discussions and targeted initiatives aimed at further increasing employees' commitment. Following the implementation of a new group-wide survey tool, another survey of the employees at head office was conducted in September.

Against the backdrop of the strong international structure, there was an increase in employees' desire to also work in other countries. Since July 2023, RBI AG is the first bank in Austria to allow its employees to work at locations in other EU countries for a certain period of time. The offer has been well received across all hierarchical levels.

As learning and continuous development contribute significantly to career satisfaction, learning as a matter of course in everyday work in order to keep pace with technological developments. The focus is on:

- Promoting a culture of learning, thereby repositioning learning as a priority within the company culture
- Developing a competency in and a flexible approach to leaning
- Achieving a higher level of automation and simplification through the use of new technologies
- Producing a portfolio of relevant learning content
- Devising uniform standards and quality criteria for learning formats and content (in terms of their approach to didactics, learning psychology and technology)

The retention of employees is influenced by various factors, including the quality of work relationships, the level of job and career satisfaction, and personal performance. To enhance retention, teams receive development support through a series of workshops, with a special focus on fostering mutual trust, open communication, and effective collaboration methods.

Managers receive support to optimize their role and guide their teams through periods of uncertainty and change, while giving due consideration to the individual needs and expectations of their team members. The training concentrated on bolstering individual resilience, fostering a common understanding of managerial expectations, and incorporating peer coaching and communication techniques.

An internal team specializing in change management and change communication was formed to provide optimal support for a wide array of transformations, ranging from minor reorganizations to significant overhauls. The goal is to properly equip managers and employees for the transformation process, guide them through the process, garner their commitment to the change, and provide support to individuals and teams throughout the change journey.

Artificial Intelligence (AI) holds the potential to revolutionize the way people work and enhance overall efficiency. Employees are encouraged to explore AI and consider how it could be used at RBI. Diverse learning formats, including eLearning, are offered to deepen employees' comprehension of AI and machine learning and discover the possibilities of this new technology while gaining insights into its limitations and potential challenges.

Corporate Governance

Further information can be found in the corporate governance report chapter of the annual report, as well as on the RBI website (www.rbinternational.com → Investors → Corporate Governance & Remuneration).

Risk report

Active risk management is a core competency of RBI AG. In order to effectively identify, measure, and manage risks the bank continues to develop its comprehensive risk management system. The implementation and management of ESG risks (environmental, social, corporate governance) was carried out in a cross-departmental project and covers all risk areas. At the beginning of 2024, ESG risk management was transferred to the respective risk management units of RBI. Risk management is an integral part of overall bank management. In particular, in addition to legal and regulatory requirements, it takes into account the nature, scale, and complexity of the business activities and the resulting risks. The risk report describes the principles and organization of risk management and describes current risk exposure in all material risk categories.

Risk management principles

RBI AG has a system of risk principles and procedures in place for measuring and monitoring risk, which is aimed at controlling and managing the bank's risks. The risk policies and risk management principles are laid out by the Management Board of RBI AG. These are regularly reported and discussed in the Supervisory Board committees. The fundamental risk policy principles include:

- Risk awareness
  A risk culture is promoted which consciously deals with the risks inherent in the banking business, in particular through the transparent presentation of information and the use of suitable methods.
- Risk appetite
  Risk-taking is cautious and requires a pre-defined minimum return on the risk.
- Risk management
  State-of-the-art risk management and risk controlling technologies are implemented which correspond to the materiality of the risks; risk data and risk report technologies are also effectively combined.
- Regulatory requirements
  All provisions and requirements of the supervisory authorities relating to risk management are taken into account and complied with.
- Integrated risk management
  Credit, country, market, liquidity, participation and operational risks are managed as key risks on a bank-wide basis. For this purpose, these risks are measured, limited, aggregated, and compared to available risk coverage capital.
- Standardized methodologies
  Risk measurement and risk limitation methods are standardized in order to ensure a consistent and coherent approach to risk management. This forms the basis for consistent overall bank management across all countries and business lines in RBI Group.
- Continuous planning
  Risk strategies and risk capital are reviewed and approved in the course of the annual budgeting and planning process, whereby special attention is paid to preventing risk concentrations.
- Independent control
  A clear personnel and organizational separation is maintained between business operations and all risk management or risk controlling activities.
- Ex ante and ex post control
  Risks are consistently measured within the scope of product selling and in risk-adjusted performance measurement. Thereby it is ensured that business in general is conducted only under risk-return considerations and that there are no incentives for taking high risks.
- New business areas
  New products and market launches are subject to a prior, specific risk analysis and risk assessment and are decided on by the relevant committees and bodies.

Organization of risk management

The Management Board of RBI AG ensures the proper organization and ongoing development of risk management. It decides which methods are to be employed for identifying, measuring, and monitoring risks, and makes steering decisions according to the risk reports and analyses. The Management Board is supported in undertaking these tasks by independent risk management units and special committees.

RBI AG's risk management functions are performed on different levels. RBI AG develops and implements the relevant concepts as the parent credit institution and in cooperation with the subsidiaries of the Group. The central risk management units are responsible for the adequate and appropriate implementation of the risk management processes throughout the company. In addition, they implement the risk policy in the respective risk categories and manage RBI AG's activities within the approved risk budget. The implementation and management of ESG risks (environmental, social, corporate governance) was carried out in a cross-departmental project and covers all risk areas. At the beginning of 2024, ESG risk management was transferred to the respective risk management units of RBI.

The central and independent risk controlling function under the Austrian Banking Act is performed by the Group Risk Controlling organizational area. Its responsibilities include developing the company-wide framework for overall bank risk management (integrating all risk types) and preparing independent reports on the risk profile for the Supervisory Board's Risk Committee, the Management Board and the heads of individual business units.

Risk committees

The Group Risk Committee is the most senior decision-making body for all of the Group's risk-related topic areas. It decides on the risk management methods and on the control concepts used for the overall Group and for key subdivisions, and is responsible for ongoing development and implementation of methods and parameters for risk quantification and for refining steering instruments. This also includes setting the risk appetite and the various risk budgets and limits at overall bank level as well as monitoring the current risk situation with respect to internal capital adequacy and the corresponding risk limits. It approves risk management and controlling activities (such as the allocation of risk capital) and advises the Management Board on these matters. The Group Risk Committee's scope of responsibility also includes resolution-related topics and decisions reflecting the respective guidelines & requirements of the Single Resolution Board (SRB).

The Group Asset/Liability Committee assesses and manages the statement of financial position structure and liquidity risks and defines the standards for internal funds transfer pricing. It plays an important role in planning long-term funding and the hedging of structural interest rate and foreign exchange risks. The Group Capital Management Committee and the Structural FX Committee are sub-committees of the Group Asset/Liability Committee and analyse, control and manage the regulatory capital ratios as well as the structural currency and interest rate risk of the capital position.

The Market Risk Committee controls market risks arising from trading and banking book transactions and establishes corresponding limits and processes. In particular, it relies on profit and loss reports, the risks calculated and the limit utilization, as well as the results of scenario analyses and stress tests with respect to market risks.

The Credit Committees are staffed by front office and back office representatives, with the staff assignments depending on the type of customer (corporate customers, banks and sovereigns). The committees decide upon the specific lending criteria for the different customer segments and countries and make all credit decisions concerning those segments and countries in connection with the credit approval process (depending on rating and exposure size).

The Problem Loan Committee is the most important committee in the evaluation and decision-making process concerning problem loans. It primarily comprises decision-making authorities; its chairman is the Chief Risk Officer (CRO) of RBI AG. Further members with voting rights are those members of the Management Board responsible for the customer divisions, the Chief Financial Officer (CFO), and the relevant division and departmental managers from risk management and special exposures management.

The Securitization Committee is the decision-making committee for limit requests in relation to securitization positions within the specific decision-making authority framework. It develops proposals for modifications to the securitization strategy for the Management Board. In addition, the Securitization Committee offers a platform for exchanging information regarding securitization positions and market developments.

The Group Operational Risk Management & Controls Committee comprises representatives of the business areas (retail, market and corporate customers) and representatives from Compliance (including financial crime), Internal Control System, Operations, Security, IT Risk Management and Risk Controlling, under chairmanship of the CRO. This committee is responsible for managing operational risk (including conduct risk). It derives and sets the operational risk strategy based on the risk profile and the business strategy and also makes decisions regarding actions, controls and risk acceptance.

The Group Security Committee is responsible for the implementation of and compliance with the Security Policy and the IT Risk Management Policy within the Group. This includes, inter alia, approving the Security Policy and the IT Risk Management Policy, defining key performance indicators and key risk indicators, which must be reported on at Group level and in the local security committees, and defining and checking the risk appetite in relation to IT risk and security.

The Data Governance Board is the Group's higher-level decision-making body for all subject areas relating to data governance. This also includes in particular topics relating to data quality as well as to compliance with the BCBS 239 principles.

The Artificial Intelligence Committee (AICO) is the cross-functional, senior steering committee for the RBI Group regarding Artificial Intelligence (AI) topics. These include strategic and regulatory oversight, performance monitoring, change management, education & learning, transparent communication, stakeholder engagement, BoM advisory and reporting, as well as being the escalation authority for AI related topics.

The Contingency/Recovery Committee is a decision-making body convened by the Management Board. The composition of the committee varies as circumstances require depending on the intensity and focus of the specific requirements pertaining to the situation (e.g. capital and/or liquidity). The core task of the committee is to maintain or recover financial stability in accordance with the Federal Act on the Recovery and Resolution of Banks (BaSAG) and the Banking Recovery and Resolution Directive (BRRD) in the event of a critical financial situation.

Quality assurance and internal audit

Quality assurance with respect to risk management refers to ensuring the integrity, soundness, and accuracy of processes, models, calculations, and data sources. This is to ensure that RBI AG adheres to all legal requirements and that it can achieve the highest standards in risk management operations.

Two very important functions in assuring independent oversight are performed by the divisions Audit and Compliance. Independent internal auditing is a legal requirement and a central pillar of the internal control system. Internal Audit periodically assesses all business processes and contributes considerably to securing and improving them. It sends its reports directly to the Management Board of RBI AG, which discusses them on a regular basis in its board meetings.

The Compliance Office is responsible for all issues concerning compliance with legal requirements in addition to and as an integral part of the internal control system. Thus, compliance with existing regulations in daily operations is monitored.

Moreover, an independent and objective audit, free of potential conflicts of interest, is carried out during the audit of the annual financial statements by the independent auditors.

Overall bank risk management

Maintaining an adequate level of capital is a core objective of the Company's risk management. Capital requirements are monitored regularly based on the risk level measured by internal models, and in choosing appropriate models the materiality of risks annually assessed is taken into account. This concept of overall bank risk management provides for meeting capital requirements from both a regulatory perspective (normative perspective) and from an economic point of view (economic perspective). Thus it covers the quantitative aspects of the internal capital adequacy assessment process (ICAAP) as legally required and as described in the ICAAP Directive published by the European Central Bank. RBI AG's overall ICAAP process is audited during the supervisory review process for the RBI credit institution group (RBI Kreditinstitutsgruppe) on an annual basis.

The Risk Appetite Framework (RAF) limits the Group's overall risk in line with the strategic business objectives and allocates the risk capital calculated to the different risk categories and business areas. The primary aim of the RAF is to limit risk, particularly in adverse scenarios and for major singular risks, in such a way as to guarantee compliance with regulatory minimum ratios. The Risk Appetite Framework is therefore closely linked with the ICAAP and the ILAAP (Internal Liquidity Adequacy Assessment Process) and sets concentration limits for the risk types identified as significant in the risk assessment. There is also a connection to the recovery plan as the risk capacity and risk tolerance limits in the RAF are aligned with the corresponding thresholds in the recovery plan. In addition, the risk appetite decided by the Management Board and the Group's risk strategy and its implementation are reported regularly to the Supervisory Board's Risk Committee.

Approach	Risk	Measurement technique	Confidence level
Economic perspective			
Economic capital	Risk that unexpected losses from the economic point of view exceed the internal capital	The unexpected loss for the risk horizon of one year (economic capital) may not exceed the current value of the tier 1 capital.	99.90 per cent
Normative perspective			
Stress scenarios	Risk of falling below a sustainable tier 1 ratio throughout an economic cycle	Capital and earnings projection for a three-year planning period based on assumptions of a significant downturn in the economy	Around 95 per cent, based on potential management decisions to reduce risk temporarily or raise additional equity capital

Economic perspective – economic capital approach

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

The following table shows the risk distribution of individual risk types to economic capital:

in € thousand	31/12/2024	Share	31/12/2023	Share
Participation risk	4,673,816	73.8 %	5,796,364	76.2 %
Credit risk corporate customers	479,599	7.6 %	550,118	7.2 %
Credit risk sovereigns	342,875	5.4 %	276,043	3.6 %
Market risk	193,679	3.1 %	301,253	4.0 %
Operational risk	147,278	2.3 %	101,310	1.3 %
Owned property risk	90,753	1.4 %	114,187	1.5 %
Credit risk banks	66,328	1.0 %	73,565	1.0 %
Credit risk retail customers	23,790	0.4 %	17,013	0.2 %
CVA risk	14,770	0.2 %	13,984	0.2 %
Risk buffer	301,645	4.8 %	362,192	4.8 %
Total	**6,334,535**	**100.0 %**	**7,606,029**	**100.0 %**

The economic capital decreased year-on-year to € 6,334,535 thousand. For RBI AG, the participation risk is the most material risk type in terms of amount, which also contributed significantly to the year-on-year decline. This decrease was mainly due to the depreciation of the book value of the participation in AO Raiffeisenbank.

RBI AG uses a confidence level of 99.90 per cent to calculate economic capital.

Economic capital is an important instrument in overall bank risk management and is used in allocating risk budgets. Economic capital limits are allocated to individual business areas during the annual budgeting process and are supplemented in day-to-day management by volume, sensitivity, and value-at-risk limits. At RBI AG, this is planned on a revolving basis for the upcoming three years and incorporates the future development of economic capital as well as available internal capital. Economic capital thus substantially influences plans for future lending activities and the overall limit for taking market risk.

Risk-adjusted performance measurement is also based on the indicator for economic capital. The profitability of a business unit is examined in relation to the amount of economic capital attributed to the unit in question (risk-adjusted profit in relation to risk-adjusted capital, RORAC), which yields a comparable performance indicator for all business units in the bank. That indicator is used in turn as a key figure in overall bank management and for future capital allocations to business units, and influences the remuneration paid to the Bank's executive management.

Normative perspective – stress scenarios

The analysis of the stress scenarios in the normative perspective of the ICAAP is intended to ensure that RBI AG has sufficiently high capital ratios at the end of the multi-year planning period, even in a severe macroeconomic downturn scenario. The analysis is based on a multi-year macroeconomic stress test where hypothetical market developments in a severe but realistic economic downturn scenario are simulated. The risk parameters considered include interest rates, foreign exchange rates and securities prices, as well as changes in default probabilities and rating migrations in the credit portfolio as well as losses from operational risks.

The integrated stress test focuses primarily on the capital ratios at the end of the multi-year observation period. These should not fall below a sustainable level, meaning that they should not require the bank to substantially increase capital or to significantly reduce its business activities. The current minimum amount of capital is therefore determined by the size of a potential economic downturn. The stress scenarios assumed incorporates recognition of the necessary loan loss provisions and potential pro-cyclical effects (which increase the minimum regulatory capital requirement) along with the impact of foreign exchange rate fluctuations and other valuation and earnings effects. Regulatory changes already known are taken into account for the planning period.

This perspective thus also complements traditional risk measurement methods based on the value-at-risk concept (which is in general based on historical data). Therefore, it can account for exceptional market situations that have not been observed in the past, and also permits estimation of the potential impact of such developments. The stress test also allows for analyzing risk concentrations (e.g. individual positions, industries, or geographical regions) and gives insight into profitability, liquidity situation, and solvency under extreme situations. Building on these analyses, RBI AG's risk management actively contributes to portfolio diversification, for example via limits for the total exposure to individual industry segments and countries and through ongoing updates to lending standards.

Credit risk

RBI AG's credit risk stems mainly from default risks that arise from business with retail and corporate customers, other banks and sovereign borrowers. It is by far the most important risk category for RBI AG, which is also indicated by internal and regulatory capital requirements. Credit risk is therefore analyzed and monitored both on an individual loan and customer basis as well as on a portfolio basis. Credit risk management and lending decisions are based on the respective credit risk policies, credit risk manuals, and the tools and processes which have been developed for this purpose. The internal control system for credit risks includes different types of monitoring measures, which are tightly integrated into the workflows to be monitored – from the customer's initial credit application, to the bank's credit approval, and finally to the repayment of the loan.

No lending transaction is performed in the non-retail segments before the limit application process has been completed. This process applies not only to new lending, but also to increases in existing limits, roll-overs, overdrafts, and to cases in which the borrower's risk profile is no longer the same as the profile that formed the basis for the original lending decision (e.g. with respect to the financial situation of the borrower, purpose or collateral). It also applies to the setting of counterparty limits in trading and new issuance operations, other credit limits, and to participations.

Credit decisions are made within the context of a competence authority hierarchy based on the size and type of the loan. Approval from the business and the credit risk management divisions is always required when making individual limit decisions or performing regular rating renewals. If the individual decision-making parties disagree, the potential transaction is decided upon by the next higher-ranking credit authority.

Credit exposure by asset classes (rating models):

in € thousand	31/12/2024	Share	31/12/2023	Share
Corporate customers	42,753,549	46.2 %	42,853,909	46.7 %
Project finance	2,970,052	3.2 %	2,562,816	2.8 %
Retail customers	3,025,698	3.3 %	2,797,094	3.0 %
Banks	24,064,062	26.0 %	22,863,788	24.9 %
Sovereigns	19,786,454	21.4 %	20,660,142	22.5 %
Total	**92,599,814**	**100.0 %**	**91,737,749**	**100.0 %**

Credit portfolio – Corporate customers

The internal rating models for corporate customers take into account qualitative parameters, various ratios from the statement of financial position, and profit ratios covering different aspects of customer creditworthiness for various industries and countries. In addition, the model for smaller corporates also includes an account behavior component.

The following table shows the total credit exposure according to internal corporate ratings (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 June 2024 the corporate customer rating models were recalibrated.

in € thousand		31/12/2024	Share	31/12/2023	Share
1	Minimal risk	1,396,903	3.3 %	1,454,211	3.4 %
2	Excellent credit standing	6,083,777	14.2 %	5,398,143	12.6 %
3	Very good credit standing	13,129,807	30.7 %	14,325,960	33.4 %
4	Good credit standing	12,593,522	29.5 %	12,479,463	29.1 %
5	Sound credit standing	5,498,715	12.9 %	5,469,893	12.8 %
6	Acceptable credit standing	1,693,830	4.0 %	1,858,430	4.3 %
7	Marginal credit standing	437,974	1.0 %	404,070	0.9 %
8	Weak credit standing/sub-standard	158,347	0.4 %	143,882	0.3 %
9	Very weak credit standing/doubtful	215,148	0.5 %	39,516	0.1 %
10	Default	1,545,506	3.6 %	1,279,396	3.0 %
NR	Not rated	21	– %	943	– %
Total		**42,753,549**	**100.0 %**	**42,853,909**	**100.0 %**

The total credit exposure for corporate customers decreased € 100,360 thousand compared to year-end 2023 to € 42,753,549 thousand.

The decline for corporate customers was primarily due to a reduction in credit and facility financing in Great Britain, Luxembourg and Spain, which was partly offset by increases in Germany and Switzerland.

The five grades rating model for project finance is based on the slotting criteria in accordance with EBA/RTS/2016/02.

in € thousand		31/12/2024	Share	31/12/2023	Share
6.1	Excellent project risk profile – very low risk	1,978,649	66.6 %	1,562,846	61.0 %
6.2	Good project risk profile – low risk	522,743	17.6 %	565,445	22.1 %
6.3	Acceptable project risk profile – average risk	205,387	6.9 %	91,022	3.6 %
6.4	Poor project risk profile – high risk	0	– %	152,988	6.0 %
6.5	Default	263,273	8.9 %	190,514	7.4 %
NR	Not rated	0	– %	0	– %
Total		**2,970,052**	**100.0 %**	**2,562,816**	**100.0 %**

Credit exposure to loans reported under project financing showed a decline of € 407,236 thousand to € 2,970,052 thousand as at 31 December 2024.

Credit portfolio – Retail customers

Credit exposure to retail customers according to internal rating:

in € thousand		31/12/2024	Share	31/12/2023	Share
0.5	Minimal risk	408,157	13.5 %	471,785	16.9 %
1.0	Excellent credit standing	323,957	10.7 %	367,028	13.1 %
1.5	Very good credit standing	98,169	3.2 %	121,710	4.4 %
2.0	Good credit standing	41,158	1.4 %	52,739	1.9 %
2.5	Sound credit standing	32,499	1.1 %	40,956	1.5 %
3.0	Acceptable credit standing	17,953	0.6 %	20,820	0.7 %
3.5	Marginal credit standing	8,932	0.3 %	11,573	0.4 %
4.0	Weak credit standing/sub-standard	8,861	0.3 %	7,063	0.3 %
4.5	Very weak credit standing/doubtful	12,733	0.4 %	17,113	0.6 %
5.0	Default	135,485	4.5 %	145,448	5.2 %
NR	Not rated	1,937,793	64.0 %	1,540,860	55.1 %
Total		**3,025,698**	**100.0 %**	**2,797,094**	**100.0 %**

The not rated credit exposure includes mainly credit card limits in Austria.

Credit portfolio – Banks

The following table shows the total 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 € thousand		31/12/2024	Share	31/12/2023	Share
1	Minimal risk	3,030,603	12.6 %	2,862,516	12.5 %
2	Excellent credit standing	1,839,065	7.6 %	2,606,044	11.4 %
3	Very good credit standing	15,535,808	64.6 %	13,887,198	60.7 %
4	Good credit standing	2,928,456	12.2 %	2,598,571	11.4 %
5	Sound credit standing	481,004	2.0 %	574,398	2.5 %
6	Acceptable credit standing	85,491	0.4 %	145,336	0.6 %
7	Marginal credit standing	59,240	0.2 %	23,291	0.1 %
8	Weak credit standing/sub-standard	7,866	– %	91,680	0.4 %
9	Very weak credit standing/doubtful	96,011	0.4 %	71,830	0.3 %
10	Default	343	– %	2,874	– %
NR	Not rated	175	– %	50	– %
Total		**24,064,062**	**100.0 %**	**22,863,788**	**100.0 %**

Total credit exposure to banks as at 31 December 2024 amounted to € 24,064,062 thousand, an increase of € 1,200,274 thousand compared to year-end 2023. This increase resulted mainly from a rise in repo transactions in France, Great Britain, Italy, Japan and Germany, which was partly offset by a decrease in Spain.

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 € thousand		31/12/2024	Share	31/12/2023	Share
1	Excellent credit standing	2,503,512	12.7 %	1,410,157	6.8 %
2	Very good credit standing	15,806,016	79.9 %	17,536,045	84.9 %
3	Good credit standing	1,095,342	5.5 %	1,243,979	6.0 %
4	Sound credit standing	319,194	1.6 %	396,683	1.9 %
5	Average credit standing	25,778	0.1 %	33,926	0.2 %
6	Mediocre credit standing	4,030	– %	10,851	0.1 %
7	Weak credit standing	410	– %	2,388	– %
8	Very weak credit standing	21	– %	20	– %
9	Doubtful/high default risk	19,496	0.1 %	18,429	0.1 %
10	Default	8,657	– %	7,664	– %
NR	Not rated	3,998	– %	0	– %
Total		**19,786,454**	**100.0 %**	**20,660,142**	**100.0 %**

Credit exposure to sovereigns decreased € 837,689 thousand to € 19,786,454 thousand compared to year-end 2023. The highest decrease was recorded in rating grade 2, which was mainly due to decreased money market transactions with the Austrian national bank and to rating upgrades to rating grade 1 in Germany. This decline was partly offset by an increase of bond portfolios in Austria, and by increased investments with the Austrian national bank.

Credit portfolio management

RBI AG's credit portfolio is managed, among other factors, on the basis of the portfolio strategy. This limits the exposure to different countries, industries and product types to avoid undesired risk concentrations. In addition, the long-term opportunities in the single markets are regularly analyzed. This enables future lending activities to be strategically repositioned at an early stage.

RBI AG's credit portfolio is broadly diversified by region and sector. The geographical breakdown of the loans on and off the statement of financial position reflects the broad diversification of the credit business in the European markets. These loans are broken down by region according to the borrower's country of risk as follows (countries with credit exposure greater than € 1 billion are shown separately):

in € thousand	31/12/2024	Share	31/12/2023	Share
Austria	37,536,679	40.5 %	37,881,272	41.3 %
Germany	11,140,401	12.0 %	10,184,070	11.1 %
France	8,564,605	9.2 %	7,315,069	8.0 %
Great Britain	3,390,935	3.7 %	3,371,626	3.7 %
Switzerland	2,988,497	3.2 %	2,895,921	3.2 %
Italy	2,460,820	2.7 %	2,183,659	2.4 %
Netherlands	2,359,228	2.5 %	2,245,376	2.4 %
Poland	2,296,422	2.5 %	2,592,395	2.8 %
Luxembourg	2,227,740	2.4 %	2,499,501	2.7 %
Far East	2,111,369	2.3 %	1,960,166	2.1 %
Spain	1,858,192	2.0 %	3,569,659	3.9 %
United States of America	1,445,368	1.6 %	1,287,412	1.4 %
Belgium	1,292,464	1.4 %	1,188,004	1.3 %
Czech Republic	1,253,212	1.4 %	1,435,323	1.6 %
Romania	1,245,909	1.3 %	1,022,437	1.1 %
Other	10,427,973	11.3 %	10,105,862	11.0 %
Total	**92,599,814**	**100.0 %**	**91,737,749**	**100.0 %**

RBI AG's loan portfolio increased € 862,065 thousand to € 92,599,814 thousand. The decrease in Spain of € 1,711,467 thousand to € 1,858,192 thousand resulted mainly from reduced repo transactions. France recorded an increase of € 1,249,536 thousand to € 8,564,605 thousand mainly due to increased repo transactions and bond portfolio. The increase in Germany resulted mainly from repo transactions and credit financing. The decline in Austria of € 344,593 thousand to € 37,536,679 thousand was mainly attributable to the decrease in money market business, which was mostly offset by an increase of bond portfolios, credit and facility financing, and repo transactions. Credit financing was mainly responsible for the negative development in Poland.

Risk policies and the assessment of credit ratings at RBI AG also take account of the borrowers' industries. Banking and insurance represent the largest industry class in the credit portfolio. However, this is largely attributable to exposures to members of the Austrian Raiffeisen Group. Sovereigns mainly includes securities of the Republic of Austria as issuer.

Credit exposure broken down by industry classification:

in € thousand	31/12/2024	Share	31/12/2023	Share
Financial Intermediation	36,553,646	39.5 %	37,553,230	40.9 %
Manufacturing	13,832,753	14.9 %	13,656,018	14.9 %
Public administration and defense and social insurance institutions	10,548,895	11.4 %	8,611,974	9.4 %
Wholesale and retail trade; repair of motor vehicles, motorcycles and personal and household goods	8,641,886	9.3 %	8,424,477	9.2 %
Real estate, renting and business activities	7,200,845	7.8 %	7,376,120	8.0 %
Electricity, gas and water supply	3,439,538	3.7 %	3,211,969	3.5 %
Private households	2,990,525	3.2 %	2,722,226	3.0 %
Education; health and social work; other community, social and personal service activities	905,840	1.0 %	2,556,718	2.8 %
Construction	1,872,765	2.0 %	1,724,748	1.9 %
Agriculture, hunting and forestry; fishing; mining and quarrying	638,453	0.7 %	964,673	1.1 %
Transport, storage and communication	1,381,820	1.5 %	920,275	1.0 %
Other	4,592,848	5.0 %	4,015,322	4.4 %
Total	**92,599,814**	**100.0 %**	**91,737,749**	**100.0 %**

The detailed credit portfolio analysis shows the breakdown by rating grade. 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. For retail asset classes, country-specific scorecards are developed based on uniform Group standards. Corresponding tools are used to produce and validate ratings (e.g. business valuation tools, rating and default databases).

Collateralization is one of the main strategies and an actively pursued measure for reducing potential credit risks. The value of collateral and the effects of other risk mitigation techniques are determined during the limit application process. The risk mitigation effect taken into account is the value that RBI AG expects to receive when it sells the collateral within a reasonable period. Types of eligible collateral are defined in the collateral list and relevant valuation guidelines. The collateral value is calculated according to uniform methods, including standardized calculation formulas based on market values, predefined minimum discounts, and expert assessments.

Credit default and workout process

The credit portfolio and individual borrowers are subject to constant monitoring. The main objectives of monitoring are to ensure that the borrower meets the terms and conditions of the contract and to keep track of the borrower's financial position. Such a review is conducted at least once annually in the non-retail asset classes (corporates, financial institutions, and sovereigns). This includes a rating review and the revaluation of financial and tangible collateral.

Problem loans (where debtors might run into material financial difficulties or a delayed payment is expected) need special treatment. If restructuring is necessary, problem loans are assigned either to a designated specialist or to a restructuring unit (workout department),which work independently of the market side and are also subject to a separate responsibility. Involving employees of the workout departments at an early stage can help reduce losses from problem loans and/or optimize the collateral structure of the loan.

Credit default is assessed on the basis of quantitative and qualitative criteria. First, a borrower is considered to be in default if its contractual payments are more than 90 days overdue. Second, a borrower is considered to be in default if it meets the criteria of unlikely payment, which indicate that the customer is in significant financial difficulty and is unlikely to meet its payment obligations. Any existing collateral (such as real estate, guarantees, etc.) is evaluated annually and on an ad hoc basis by collateral experts outside of the restructuring units. Only the values determined by these experts are used for calculations, such as impairments. A loan obligation is no longer classified as default if - after a period of at least three months (six months after a non-performing retail restructuring, and 12 months after a non-performing non-retail restructuring) – the customer has shown good payment discipline during this period and no further indications of a high probability of default have been identified.

As of end of December 2024, the NPE ratio of RBI AG was 3.2 per cent (December 31, 2023: 2.8 per cent), the NPE coverage ratio was 50.9 per cent (December 31, 2023: 51.8 per cent).

The following table shows the development of impairment losses on loans and provisions for liabilities off the statement of financial position during the financial year and the corresponding asset classes:

in € thousand	As at 1/1/2024	Allocation	Release[2]	Usage[1]	Reclassifications, exchange differences[3]	As at 31/12/2024
Individual loan loss provisions	**937,258**	**657,453**	**(368,333)**	**(135,186)**	**29,503**	**1,120,695**
Banks	991	19	(56)	(635)		319
Corporate customers	838,805	623,213	(332,286)	(131,880)	27,896	1,025,748
Retail customers	89,606	23,548	(25,823)	(3,460)	1,600	85,471
Sovereigns	4,840	7,146	(6,008)	789		6,767
Off-balance sheet obligations	3,016	3,527	(4,160)		7	2,390
Portfolio-based loan loss provisions	**194,446**	**431,473**	**(516,467)**	**0**	**(587)**	**108,865**
Banks	5,207	5,515	(3,865)		12	6,869
Corporate customers	141,221	317,932	(398,154)		295	61,294
Retail customers	14,263	8,485	(11,091)		(267)	11,390
Sovereigns	139	145	(66)			218
Off-balance sheet obligations	33,616	99,396	(103,291)		(627)	29,094
Total	**1,131,704**	**1,088,926**	**(884,800)**	**(135,186)**	**28,916**	**1,229,560**

1 This contains unwinding interest income from impaired customers and changes in internal interest exemptions
2 This contains changes in internal interest exemptions
3 This contains reclassifications of provisions and changes in customer categories

Country risk

Country risk includes transfer and convertibility risks as well as political risk and macroeconomic risk in a broader sense, which arises from cross-border transactions in foreign countries. Activities in core markets are given particular attention in this respect.

As part of an established approach across all RBI Group units, RBI AG's active country-risk management is ensured based on the country risk policy, which is set regularly and approved by the Management Board. This policy is part of the credit portfolio limit system and sets a strict limitation on cross-border risk exposure to individual countries. At the same time, the policy is designed to incentivize risk-taking within the RBI Group's core markets. The limit levels for individual countries are established using an internal model based on pillars such as the RBI Group's own capitalization, the internal sovereign rating, and the size and dynamics of the country and its banking sector. Over the past years geopolitical risks have gained in importance and attention within RBI's internal steering framework.

Country risk is also reflected through the internal funds transfer pricing system in product pricing and in risk-adjusted performance measurement. In this way, the bank offers the business units an incentive to hedge country risks (e.g. by seeking insurance with export credit insurance organizations or guarantors in third countries). The insights gained from the country risk analysis are not only used to limit total cross-border exposure, but also to manage the total credit exposure in each individual country (i.e. including the exposure that is funded by local deposits). RBI AG thus aligns its business activities with the expected economic development in different markets and enhances the broad diversification of its credit portfolio.

Counterparty credit risk

The default of a counterparty in a derivative, repurchase, securities lending transaction can lead to losses from reestablishing an equivalent contract. At RBI AG this risk is measured by the mark-to-market approach where a predefined add-on is added to the current positive fair value of the contract in order to account for potential future changes. For internal management purposes potential price changes, which affect the fair value of an instrument, are calculated specifically for different contract types based on historical market price changes.

For derivative contracts the standard limit approval process applies, where the same risk classification, limitation, and monitoring process is used as for traditional lending. Credit risk mitigation instruments such as netting agreements and collateralization represent an important strategy for reducing counterparty credit risk. In general, RBI AG strives to establish standardized ISDA master agreements with all major counterparties for derivative transactions in order to be able to perform close-out netting and credit support annexes (CSA) for full risk coverage for positive fair values on a daily basis.

Participation risk

The risks from listed and unlisted participations are also considered to be part of the banking book. They are reported separately under this risk category. Most of RBI AG's direct or indirect participations are fully consolidated in the consolidated financial statements and their risks are therefore captured in detail. Accordingly, the management, measurement and monitoring methods described for the other types of risk are used for the risks arising out of such participations.

The roots of participation risk and default risk are similar: a deterioration in the financial situation of a participation is normally followed by a rating downgrade (or default) of that unit. The calculation of the economic capital for participations is based on an extension of the credit risk approach according to Basel III.

RBI AG's participations are managed by RBI Group Subsidiaries & Equity Investments. It monitors the risks that arise from long-term participations in equity and is also responsible for the ensuing results. New investments are made only by RBI AG's Management Board on the basis of a separate due diligence.

Market risk

RBI AG defines market risk as the risk of possible losses arising from changes in market prices of trading and banking book positions. Market risk estimates are based on changes in exchange rates, interest rates, credit spreads, equity and commodity prices and other relevant market parameters (e.g. implied volatilities).

Market risks from the customer divisions are transferred to the Treasury division using the transfer price method. Treasury is responsible for managing structural market risks and for complying with the bank's overall limit. The Capital Markets division is responsible for proprietary trading, market making, and customer business in money market and capital market products.

Organization of market risk management

RBI AG measures, monitors, and manages all market risks for the bank as a whole.

The Market Risk Committee is responsible for strategic market risk management issues. It is responsible for managing and controlling all market risks. The bank's overall limit is set by the Management Board on the basis of the risk-taking capacity and income budget. This limit is apportioned to sub-limits in coordination with business divisions according to strategy, business model and risk appetite. The Market Risk Management department ensures that the business volume and product range comply with the defined and agreed strategy and risk appetite. It is responsible for developing and enhancing risk management processes, manuals, measurement techniques, risk management infrastructure and systems for all market risk categories and credit risks arising from market price changes in derivative transactions. Furthermore, Market Risk Management independently measures and reports all market risks on a daily basis.

All products in which open positions can be held are listed in the product catalog. New products are added to this list only after successfully completing the product approval process. Product applications are investigated thoroughly for any risks. They are approved only if the new products can be implemented in the bank's front- and back-office and risk management systems.

Limit system

RBI AG uses a comprehensive risk management approach for both the trading and the banking books (total-return approach). Market risk is therefore managed consistently in all trading and banking books. The following indicators are measured and limited on a daily basis in the market risk management system:

- Value-at-Risk (VaR) confidence level 99 per cent
  Value-at-Risk is the main market risk steering instrument in liquid markets and normal market situations. Two different methods of calculation are used, depending on the steering approach. The consistency between P&L and risk figures is in parallel necessary with the economic scope of RBI AG in order to ensure comprehensive control. For the overall portfolio including the banking book, a model is used that is based on a historical simulation and which is suitable for longer-term steering of the market risks from the banking books (ALL model, confidence level 99 per cent, risk horizon 20 days). The calculation is based on overlapping 20-day returns of the last seven years and is also used for allocating economic capital. For all market risks with a direct impact on the income statement, a model is used that provides a good forecast of short-term volatility (IFRS P&L model, confidence level 99 per cent, risk horizon 1 day). The Austrian Financial Market Authority has approved this approach as an internal model for calculating the total capital requirement for market risks for RBI AG's trading book. Both models calculate value-at-risk indicators for changes in the risk factors foreign currencies, interest rate trend, credit spreads, implicit volatility, stock indices and basis spreads.
- Sensitivities (to changes in exchange rates and interest rates, gamma, vega, equity and commodity prices)
  Sensitivity limits are to ensure that concentrations are avoided in normal market situations and are the main steering instrument under extreme market situations and in illiquid markets or in markets that are structurally difficult to measure.
- Stop loss
  Stop loss limits serve to strengthen the discipline of traders such that they do not allow losses to accumulate on their own proprietary positions but strictly limit them instead.

A comprehensive stress testing concept complements this multi-level limit system. It simulates potential present value changes of defined scenarios for the total portfolio. The results on market risk concentrations shown by these stress tests are reported to the Market Risk Committee and taken into account when setting limits. Stress test reports for individual portfolios are included in daily market risk reporting.

Value-at-Risk and theoretical market price changes of trading book

The following tables show the VaR (VaR ALL 99 per cent, 20 days and VaR IFRS P&L 99 per cent, one day) for the individual market risk categories in the trading books, while the overall risk is shown for the banking book. The IFRS-P&L model aims to measure short-term market fluctuations, while the ALL model focuses on measuring structural interest rate risks. Structural equity positions, structural interest rate risks, especially in euro, and also spread risks from bond books maintained as a liquidity buffer dominate RBI AG's VaR.

Model IFRS-P&L trading book VaR (99%, 1d) in € thousand	VaR as at 31/12/2024	Average VaR	Minimum VaR	Maximum VaR	VaR as at 31/12/2023
Currency risk	392	536	209	979	275
Interest rate risk	895	2,075	682	3,731	938
Credit spread risk	734	1,585	702	2,380	1,559
Vega risk[1]	-	-	-	-	463
Basis risk[2]	-	-	-	-	904
Total	**1,025**	**2,161**	**758**	**3,681**	**2,430**

1 Beginning with November 2024 the vega risk is calculated as part of the economic capital risk.

2 Beginning with June 2024 the basis risk is calculated as part of the interest rate risk.

Model IFRS-P&L total VaR (99%, 1d) in € thousand	VaR as at 31/12/2024	Average VaR	Minimum VaR	Maximum VaR	VaR as at 31/12/2023
Currency risk	1,928	2,609	1,178	4,665	4,127
Interest rate risk	1,545	2,809	1,247	8,467	7,294
Credit spread risk	1,893	2,596	1,695	3,987	3,410
Vega risk[1]	-	-	-	-	621
Basis risk[2]	-	-	-	-	1,897
Total	**3,352**	**4,976**	**3,085**	**11,416**	**11,299**

1 Beginning with November 2024 the vega risk is calculated as part of the economic capital risk.

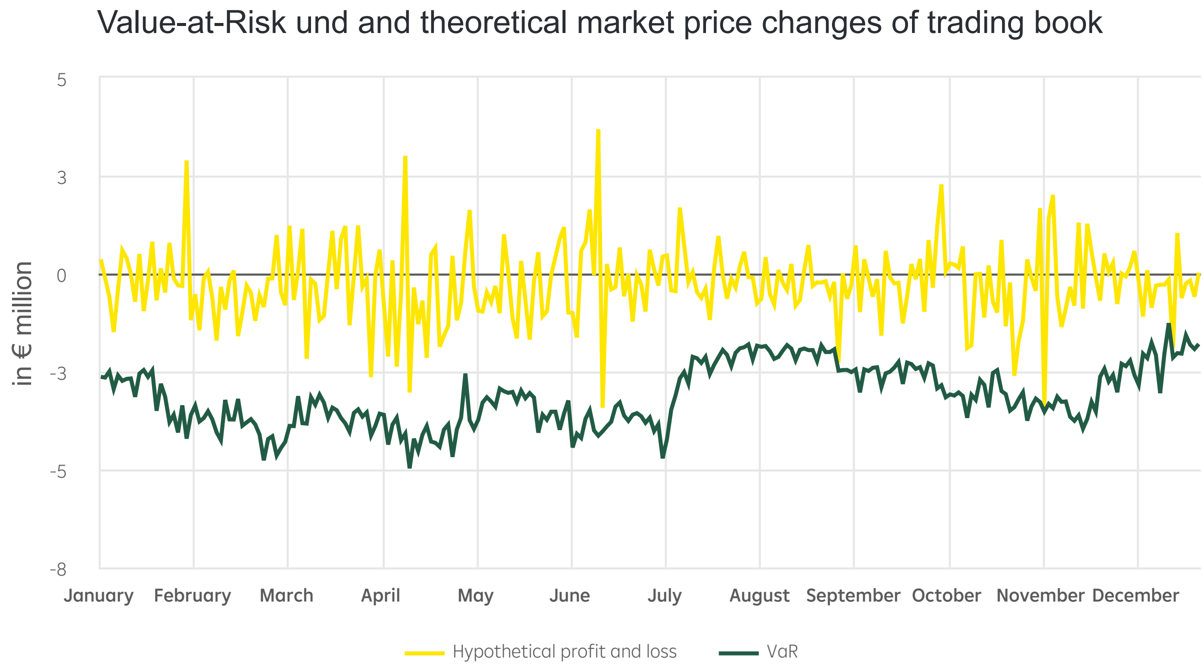
2 Beginning with June 2024 the basis risk is calculated as part of the interest rate risk.

Model ALL VaR (99%, 20d) in € thousand	VaR as at 31/12/2024	Average VaR	Minimum VaR	Maximum VaR	VaR as at 31/12/2023
Economic capital ALL	43,405	54,306	30,375	86,103	129,000
Vega risk ALL[1]	-	-	-	-	7,231
Total ALL	**44,286**	**57,209**	**32,862**	**90,156**	**136,231**
Economic capital banking book	42,857	47,801	29,320	91,273	121,488
Vega risk banking book[1]	-	-	-	-	6,907
Total banking book	**43,462**	**50,397**	**32,442**	**96,937**	**128,394**
Interest rate risk in the banking book	16,877	29,095	10,001	72,184	16,877

1 Beginning with November 2024 the vega risk is calculated as part of the economic capital risk.

Besides qualitative analysis of profitability, backtesting and statistical validation techniques are regularly used to monitor the risk measurement methods employed. If model weaknesses are identified, the methods are adjusted.

In the 2024 reporting year there was no hypothetical backtesting violation. The following chart compares VaR with the hypothetical profits and losses on a daily basis. VaR denotes the maximum loss that will not be exceeded with a 99 per cent confidence level within a day. It is compared to the respective theoretical gain or loss which would arise on the following day due to the actual market conditions at the time.



Interest rate risk in the trading book

The following table shows the largest present value changes in the trading book given a parallel one-basis-point interest rate increase (significant currencies shown separately). The trading book sensitivities presented are calculated as the total position of each node without considering the banking book positions.

31/12/2024 in € thousand	Total	< 3 m	> 3 to 6 m	> 6 to 12 m	> 1 to 2 y	> 2 to 3 y	> 3 to 5 y	> 5 to 7 y	> 7 to 10 y	> 10 to 15 y	> 15 to 20 y	> 20 y
CHF	0	(2)	2	1	0	0	0	0	0	1	0	0
CNY	4	0	0	4	0	0	0	0	0	0	0	0
CZK	(4)	5	(7)	(10)	6	4	(3)	8	(5)	1	(1)	(4)
EUR	21	13	8	1	(20)	16	14	(27)	80	(52)	(26)	16
GBP	1	0	0	0	1	0	0	0	0	0	0	0
HUF	8	3	2	0	(2)	10	1	1	(2)	(5)	(1)	0
NOK	1	0	0	0	0	0	0	0	0	0	0	0
PLN	(3)	(5)	(3)	3	2	0	(5)	4	0	0	0	0
RON	(4)	0	0	2	(2)	2	(4)	0	0	0	0	0
RUB	(1)	0	0	0	0	0	(1)	0	0	0	0	0
USD	(41)	(1)	(1)	(7)	(7)	(18)	(8)	0	0	(3)	(2)	6
Other	(8)	0	0	0	(5)	4	(3)	135	0	0	0	0

31/12/2023 in € thousand	Total	< 3 m	> 3 to 6 m	> 6 to 12 m	> 1 to 2 y	> 2 to 3 y	> 3 to 5 y	> 5 to 7 y	> 7 to 10 y	> 10 to 15 y	> 15 to 20 y	> 20 y
CHF	(10)	(1)	3	(10)	(3)	0	0	0	0	0	0	0
CNY	4	0	0	4	0	0	0	0	0	0	0	0
CZK	10	0	0	2	(1)	0	5	(1)	10	(2)	(1)	(1)
EUR	(49)	9	10	(3)	(5)	(31)	22	(32)	2	(21)	13	(13)
GBP	(4)	0	(2)	(1)	0	0	(1)	0	0	0	0	0
HUF	13	2	0	(4)	(2)	(1)	3	(2)	14	1	0	0
NOK	1	0	0	0	0	0	0	0	0	0	0	0
PLN	3	0	0	(8)	9	(1)	5	3	(4)	0	0	0
RON	(4)	0	0	0	0	(8)	4	0	0	0	0	0
RUB	(5)	0	(1)	0	(1)	0	(1)	0	(1)	0	0	0
USD	(1)	6	4	(13)	(12)	(4)	(16)	(5)	1	9	9	20
Other	44	(16)	(14)	33	17	44	(21)	37	(23)	14	(21)	(6)

Interest rate risk in the banking book

Different maturities and repricing schedules of assets and the corresponding liabilities (i.e. deposits and financing from money markets and capital markets) cause interest rate risk in RBI AG. This risk arises in particular from different interest rate sensitivities, rate adjustments, and other optionality of expected cash flows. Interest rate risk in the banking book is material for the euro and US dollar as major currencies.

This risk is mainly hedged by a combination of transactions on and off the statement of financial position where in particular interest rate swaps and – to a smaller extent – also interest rate forwards and interest rate options are used. Management of the statement of financial position is a core task of the Treasury division, which is supported by the Group Asset/Liability Committee. The latter uses scenarios and interest income simulations that ensure proper interest rate sensitivity in line with expected changes in market rates and the overall risk appetite. Interest rate risk in the banking book is not only measured in a value-at-risk framework but also managed by the traditional tools of nominal and interest rate gap analyses. The following table shows the change in the present value of the banking book given a one-basis-point parallel interest rate increase. The main currencies are shown separately.

31/12/2024 in € thousand	Total	< 3 m	> 3 to 6 m	> 6 to 12 m	> 1 to 2 y	> 2 to 3 y	> 3 to 5 y	> 5 to 7 y	> 7 to 10 y	> 10 to 15 y	> 15 to 20 y	> 20 y
CHF	(49)	(17)	(2)	0	1	0	(8)	(5)	(6)	(7)	(5)	(1)
CNY	(2)	0	(1)	(1)	0	0	0	0	0	0	0	0
CZK	(13)	3	0	0	(6)	(2)	(1)	(7)	4	(3)	0	0
EUR	(333)	144	20	118	(9)	43	(392)	(108)	89	(119)	(136)	17
GBP	(9)	0	0	(5)	(4)	0	0	0	0	0	0	0
HUF	(11)	1	(2)	(1)	1	(5)	(6)	0	0	0	0	0
PLN	(2)	0	(3)	(2)	(1)	3	0	0	0	0	0	0
SGD	0	0	0	0	0	0	0	0	0	0	0	0
USD	(8)	8	(12)	(3)	(5)	3	2	(1)	0	0	0	0
Other	(1)	0	0	0	5	(4)	2	0	0	(1)	(2)	0

31/12/2023 in € thousand	Total	< 3 m	> 3 to 6 m	> 6 to 12 m	> 1 to 2 y	> 2 to 3 y	> 3 to 5 y	> 5 to 7 y	> 7 to 10 y	> 10 to 15 y	> 15 to 20 y	> 20 y
CHF	(73)	(21)	(1)	(2)	(3)	(1)	(3)	(13)	(9)	(13)	(6)	(1)
CNY	(2)	0	(1)	(1)	0	0	0	0	0	0	0	0
CZK	(20)	4	0	(5)	(4)	(5)	1	(8)	(3)	0	0	0
EUR	(323)	(2)	(24)	141	124	(2)	(69)	(138)	(78)	(137)	(146)	7
GBP	(5)	(2)	3	0	(1)	(7)	2	0	0	0	0	0
HUF	(6)	1	(3)	3	2	(1)	(9)	(1)	1	0	0	0
PLN	(12)	(2)	(6)	1	0	(2)	(3)	0	0	0	0	0
SGD	0	0	0	0	0	0	0	0	0	0	0	0
USD	20	2	(27)	7	0	3	15	11	8	1	0	0
Other	0	(1)	0	1	3	4	(1)	0	(1)	(2)	(3)	0

Credit spread risk

The market risk management framework uses time-dependent bond and CDS-spread curves as risk factors in order to measure credit spread risks. It captures all capital market instruments in the trading and banking book.

Liquidity management

Principles

Internal liquidity management is an important business process within general bank management, because it ensures the continuous availability of funds required to cover day-to-day demands.

Liquidity adequacy is ensured from both an economic and a regulatory perspective. In order to approach the economic perspective RBI AG established a governance framework comprising internal limits and steering measures which complies with the Principles for Sound Liquidity Risk Management and Supervision set out by the Basel Committee on Banking Supervision and the Kreditinstitute-Risikomanagement-Verordnung (KI-RMV) issued by the Austrian regulatory authority.

The regulatory component is addressed by compliance with reporting requirements under Basel III (Liquidity Coverage Ratio, Net Stable Funding Ratio and Additional Liquidity Monitoring Metrics) as well as by complying with the regulatory limits.

Liquidity risk management during the war in Ukraine

Despite the ongoing war in Ukraine and intense media coverage of RBI, the liquidity position remained stable throughout 2024.

The ILAAP framework and governance once again proved to be solid and functioning even in times of crisis. Daily monitoring of the liquidity position using dynamic dashboards showed that the infrastructure and monitoring are effective and support quick reactions in times of crisis.

Organization and responsibility

Responsibility for ensuring adequate levels of liquidity lies with the overall Management Board. The board members with functional responsibility are the Chief Financial Officer (Treasury) and the Chief Risk Officer (Risk Controlling). Accordingly, the processes regarding liquidity risk are essentially run by two areas within the bank: Firstly the Treasury unit, which takes on liquidity risk positions within the strategy, guidelines and parameters set by the responsible decision-making bodies. Secondly, they are monitored and supported by the independent Risk Controlling unit, which measures and models liquidity risk positions, sets limits and supervises compliance with them.

Besides the responsible units in the line functions, the Asset/Liability Management Committee (ALCO) acts as the decision-making body with respect to all matters affecting the management of the liquidity position and statement-of-financial-position structure of RBI AG, including the definition of strategies and policies for managing liquidity risks. The ALCO takes decisions and provides standard reports on liquidity risk to the respective Management Boards at least on a monthly basis.

Liquidity strategy

Treasury units are committed to achieving KPIs and to complying with risk-based principles. The current set of KPIs includes general targets (e.g. for return on risk-adjusted capital (RORAC) or coverage ratios), as well as specific Treasury targets for liquidity such as a minimum survival period in defined stress scenarios or minimum liquidity targets in regulatory indicators. While generating an adequate structural income from maturity transformation which reflects the liquidity and market risk positions taken by the bank, Treasury has to follow a prudent and sustainable risk policy when steering the balance sheet. Strategic goals comprise a reduction in parent funding within the group, the sustainable management of the depositor base and of credit growth as well as continuous compliance with regulatory requirements and the internal limit framework.

Liquidity Risk Framework

Regulatory and internal liquidity reports and ratios are generated and determined based on particular modelling assumptions. Whereas the regulatory reports are calculated on specifications given by authorities, the internal reports are modelled with assumptions from empirical observations.

RBI AG has a substantial database along with expertise in forecasting cash flows arising from all material on- and off-balance sheet positions. The modelling of liquidity inflows and outflows is carried out on a sufficient granular level, differentiating between product and customer segments, and, where applicable, currencies as well. Modelling of customer deposits includes assumptions concerning the retention times for deposits after maturity. The model assumptions are quite prudent, e.g. there is a "no rollover" assumption on funding from banks and all funding channels and the liquidity buffer are stressed simultaneously.

The cornerstones of the economic liquidity risk framework are the Going Concern (GC) and the Time to Wall (TTW) scenario. The Going Concern report shows the structural liquidity position. It covers all main risk drivers which could detrimentally affect RBI AG in a business-as-usual scenario. The Going Concern models are important input factors for the liquidity contribution to the internal funds transfer pricing model. On the other hand, the Time to Wall report shows the survival horizon for defined adverse scenarios and stress models (market, reputational and combined crisis) and determines the minimum level of the liquidity buffer (and/or the counter-balancing capacity) for each Group unit.

The liquidity scenarios are modelled using a group-wide approach which considers local specifics where warranted due to influencing factors such as the market or the legal environment or certain business characteristics. When modelling cash inflows and outflows a distinction is at minimum made between products, customer segments and individual currencies (where applicable). For products without a contractual maturity, the distribution of cash inflows and outflows is calculated using a geometric Brownian motion which derives statistical forecasts for future daily balances from the observed, exponentially weighted historical volatility of the corresponding products. For market crisis scenario a special model for assessment of the potential liquidity outflow due to margin calls is in place. This model relies on Value-at-Risk calculations to estimate the potential depreciation of derivative portfolios involving counterparties with CSA or variation margin agreements. By incorporating this outflow into the liquidity risk stress test, a corresponding buffer is maintained to account for potential margin calls in extremely adverse situations.

The liquidity risk framework is continuously developed. The technical infrastructure is enhanced in numerous projects and data availability is improved in order to meet the new reporting and management requirements for this area of risk.

Risk appetite and liquidity limits

The liquidity position is monitored at the level of RBI AG and at the level of its branches and is restricted by means of a comprehensive limit system. Limits are defined both under a business-as-usual as well as under a stress perspective. In accordance with the defined risk appetite, each unit must demonstrate a survival horizon of several months (TTW) in a severe, combined stress scenario (reputational and market stress). This can be ensured either by a structurally positive liquidity profile or by a sufficiently high liquidity buffer. In a normal going-concern environment (GC), maturity transformation must be fully covered by the available liquidity buffer in the medium term. This means that the cumulative liquidity position over a period of up to one year must be positive. In the long term (one year or more), maturity transformation is permitted up to a certain level. For internal models, these limits are supplemented by limits for compliance with regulatory liquidity ratios, such as the liquidity coverage ratio (LCR). All limits must be complied with on a daily basis.

Liquidity monitoring

The bank uses a range of customized measurement tools and early warning indicators that provide board members and senior management with timely and forward-looking information. The limit framework ensures that the bank can continue to operate in a period of severe stress.

Monitoring of limits and reporting limit compliance is performed regularly and effectively. Any breach by Group units is reported to the Group ALCO and escalated. In such cases, appropriate steps are undertaken in consultation with the relevant unit or contentious matters are escalated to the next highest responsible body.

Liquidity stress test

Stress tests are conducted for RBI AG on a daily basis on Group level. The tests cover three scenarios (market, reputational and combined crisis), consider the effects of the scenarios for a period of several months and demonstrate that stress events can simultaneously result in a time-critical liquidity requirement in several currencies. The stress scenarios include the principal funding and market liquidity risks; all units of RBI AG are simultaneously subject to a severe combined crisis for all their major products. The results of the stress tests are reported to the Management Board and other members of management on a weekly basis; they also form a key component of the monthly ALCO meetings and are included in the bank's strategic planning and contingency planning.

A conservative approach is adopted when establishing outflow ratios based on historical data and expert opinions. The simulations assume a lack of access to the money or capital markets and simultaneously significant outflows of customer deposits. In this respect, the deposit concentration risk is also considered by assigning higher outflow ratios to large customers. Furthermore, stress assumptions are formulated for the drawdown of guarantees and credit obligations. In addition, the liquidity buffer positions are adapted by haircuts in order to cover the risk of disadvantageous market movements, and the potential outflows resulting from collateralized derivative transactions are estimated. The bank continuously monitors whether the stress assumptions are still appropriate or whether new risks need to be considered.

The time to wall concept has established itself as the main control instrument for day-to-day liquidity management and is therefore a central component of funding planning and budgeting. It is also fundamental to determining performance ratios relating to liquidity.

Liquidity buffer

As shown by the daily liquidity risk reports, the main Group units actively maintain and manage liquidity buffers, including high-quality liquid assets (HQLA) which are always sufficient to cover the net outflows expected in crisis scenarios. RBI AG has sizeable, unencumbered and liquid securities portfolios and favors securities eligible for Central Bank tender transactions in order to ensure sufficient liquidity in various currencies. The main Group units ensure the availability of liquidity buffers, test their ability to utilize central bank funds, constantly evaluate their collateral positions as regards their market value and encumbrance and examine the remaining counterbalancing capacity, including the funding potential and the salability of the assets.

Generally, a haircut is applied to all liquidity buffer positions. In the stressed liquidity report (time-to-wall), these haircuts include a market-risk specific haircut and a central bank haircut. While the market risk haircut represents the potential price volatility of the securities held as assets as part of the liquidity buffer, the central bank haircut represents an additional haircut for each individual relevant security that may be offered as collateral.

Intraday liquidity management

In compliance with regulatory requirements for intraday liquidity risk management, the available liquidity is calculated daily on the basis of the outflow assumptions of the regular liquidity stress report (time-to-wall) for RBI AG. In case of limit breaches, the intraday contingency and escalation process is triggered.

Contingency funding plan

Under difficult liquidity conditions, the units switch to a contingency process in which they follow predefined liquidity contingency plans. These contingency plans also constitute an element of the liquidity management framework and are mandatory for all significant Group units and thus also for RBI AG. The emergency management process is designed so that the Group can retain a strong liquidity position even in serious crisis situations.

Liquidity position

Funding is founded on a strong deposit base. Funding requirements are regularly updated to take account of balance sheet developments and to ensure that liquidity ratios are maintained in accordance with management requirements. The ability to procure funds is precisely monitored and evaluated by Treasury.

In the past year and to date, RBI AG's excess liquidity was significantly above all regulatory and internal limits (with a few exceptions in the area of internal sub-limits). The result of the internal time to wall stress test demonstrates that RBI AG would survive throughout the modelled stress phase of several months even without applying contingency measures.

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 the 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 off-balance sheet items and downward market movements in relation to positions which influence the liquidity counterbalancing capacity.

in € thousand	31/12/2024		31/12/2023	
Maturity	1 month	1 year	1 month	1 year
Liquidity gap	11,610,973	12,894,391	10,849,049	12,837,604
Liquidity ratio	125 %	116 %	125 %	115 %

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 (HQLA) to meet potential liability run offs that might occur in a crisis, which can be converted into cash to meet the liquidity needs for a minimum of 30 calendar days in a liquidity stress scenario.

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

in € thousand	31/12/2024	31/12/2023
Average liquid assets	**18,836,725**	**20,480,949**
Net outflows	**10,522,081**	**13,404,737**
Inflows	10,275,099	9,716,429
Outflows	20,797,180	23,121,167
Liquidity Coverage Ratio	**179 %**	**153 %**

The increase in RBI AG's liquidity surplus was due to the increase in net issuance activity in long-term wholesale financing, whereas the loan book remained stable. LCR recorded an additional positive effect from simultaneous reduction in the numerator (HQLA) and denominator (net outflows), without reducing the liquidity surplus.

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 that 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 held and of off-balance sheet positions.

RBI AG targets a balanced funding position.

in € thousand	31/12/2024	31/12/2023
Required stable funding	38,090,243	40,558,033
Available stable funding	44,944,826	47,374,467
Net Stable Funding Ratio	**118 %**	**117 %**

Operational risk

Operational risk is defined as the risk of losses resulting from inadequate or failed internal processes, people and systems or from external events, including legal risk. In this risk category internal risk drivers such as unauthorized activities, fraud or theft, conduct-related losses, modelling errors, execution and process errors, or business disruption and system failures are managed. External factors such as damage to physical assets or fraud are managed and controlled as well.

This risk category is analyzed and managed based on RBI AG's own historical loss data and the results of risk assessment. As with other risk types the principle of firewalling of risk management and risk controlling is also applied to operational risk at RBI AG. To this end, individuals are designated and trained as Operational Risk Managers for each division. Operational Risk Managers provide central Operational Risk Controlling with reports on risk assessments, loss events, indicators and measures. They are supported in their work by Dedicated Operational Risk Specialists (DORS).

Operational risk controlling units are responsible for reporting, implementing the framework, developing control measures and monitoring compliance with requirements. Within the framework of the annual risk management cycle, they also coordinate the participation of the relevant second line of defense departments (Financial Crime Management, Compliance, Vendor Management, Outsourcing Management, Insurance Management, Information Security, Physical Security, Business Continuity Management, Internal Control System, Technology Risk Management) and all first line of defense contacts (Operational Risk Managers).

Risk identification

Identifying and evaluating risks that might endanger the bank's existence (but the occurrence of which is highly improbable) and areas where losses are more likely to arise more frequently (but have only limited impact) are important aspects of operational risk management.

Operational risk assessment is executed in a structured manner according to risk categories such as business processes and event types. Moreover, risk assessment applies to new products as well. The impact of high probability/low impact events and low probability/high impact events is measured over a one-year and a ten-year horizon. Low probability/high impact events are quantified on the basis of scenarios. The internal risk profile, losses arising and external changes determine which cases are dealt with in detail. In addition, scenario analyses for focus topics such as ESG, model risks or cyber risks are specified via the Group.

Monitoring

In order to monitor operational risks, early warning indicators are used that allow prompt identification and minimization of losses.

Loss data is collected in a central database called Archer (an overall non-financial risk platform) in a structured manner according to the event type and the business line. In addition to the requirements for internal and external reporting, information on loss events is exchanged with international data pools to further develop operational risk management tools as well as to track measures and control effectiveness. Since 2010, RBI AG has been a participant in the ORX data pool (Operational Risk Data Exchange Association), whose data are currently used for internal benchmark purposes and analyses and as part of the operational risk model. The ORX data consortium is an association of banks and insurance groups for statistical purposes. The results of the analyses as well as events resulting from operational risks are reported in a comprehensive manner to the relevant Operational Risk Management Committee on a regular basis.

Quantification and mitigation

At the end of 2024, the equity requirement was calculated using the standardized approach.

The economic capital is based on an internal model with the input factors from the external and internal loss events and the group-wide scenarios. Risk-based management is carried out with the allocation on the basis of the input factors of the corresponding units and operating income for stabilization. The implementation of these high qualitative standards has already been rolled out in broad sections of the Group.

To reduce operational risk, business managers decide on preventive risk reduction actions such as risk mitigation or risk transfer. The progress and effectiveness of these actions is monitored by Risk Control. The former also define contingency plans and nominate responsible persons or departments for initiating the defined actions if losses in fact occur. In addition, several dedicated organizational units provide support to business units for preventing operational risks. An important role in connection with operational risk activities is taken on by Financial Crime Management and by Technology Risk Management. Financial Crime Management provides support for the prevention and identification of fraud. Technology Risk Management has an important role in defining and monitoring IT risks. RBI AG also organizes regular extensive staff training programs and has a range of contingency plans and back-up systems in place.

Loss data per category of operational risk for RBI AG is distributed across the Basel risk categories as follows, but do not include any loss events that are already reflected in the credit risk provisions:

in € thousand	31/12/2024	Share	31/12/2023	Share
Clients, Products and Business Practices	732,676	99.1 %	916,408	99.4 %
Excecution, Delivery and Process Management	5,080	0.7 %	584	0.1 %
External Fraud	1,653	0.2 %	370	– %
Employment Practices and Workplace Safety	100	– %	137	– %
Technology and Infrastructure Failures	41	0.0 %	245	0.0 %
Disasters and Public Safety	0	0.0 %	4,089	0.4 %
Total	**739,549**	**100.0 %**	**921,833**	**100.0 %**

In 2024, the external reporting for calculating operational losses was adapted to the internal reporting requirement. The group of individual events is now counted as one event (parent event) and the total loss amount of the group (sum of all losses which belong to the group) is assigned to the parent event.

Number of OpRisk events	31/12/2024	Share	31/12/2023[1]	Share
External Fraud	940	76.9 %	286	68.9 %
Excecution, Delivery and Process Management	272	22.3 %	117	28.2 %
Clients, Products and Business Practices	5	0.4 %	5	1.2 %
Technology and Infrastructure Failures	3	0.2 %	4	1.0 %
Employment Practices and Workplace Safety	2	0.2 %	1	0.2 %
Disasters and Public Safety	0	– %	2	0.5 %
Total	**1,222**	**100.0 %**	**415**	**100.0 %**

1 Previous-year figures adapted

Internal control and risk management system in relation to the accounting process

Introduction

The establishment and definition of a suitable internal control and risk management system with regard to the accounting process is extremely significant for RBI AG. The Finance Services Banking department, which is part of Group Accounting and is located in the CFO unit under the CEO, prepares and coordinates the annual financial statements of RBI AG. The foreign branches deliver financial statements to the head office. They themselves are responsible for preparing the financial statements, taking into account the applicable UGB/BWG accounting manual of RBI AG.

The annual financial statements are prepared on the basis of the relevant Austrian laws, above all the Austrian Banking Act (BWG) and the Austrian Commercial Code (UGB), which deal with the preparation of annual financial statements.

RBI AG's general ledger is maintained in SAP S4 HANA. The GEBOS core banking system fulfills important sub-ledger functions such as credit and deposit processing, and clearing, settlement and payment services. Other sub-ledgers exist in addition to GEBOS, including in particular:

- Wall Street Systems and Murex (Treasury transactions)
- GEOS und GEOS Nostro (securities settlement and nostro securities management)
- VEGA (Certificates and Equity-Trading)
- Clearing, settlement and foreign payment services
- Trade finance (guarantees and letters of credit)
- UBIX (stock exchange traded securities derivatives)
- ARTS/SE4 (Repo and lending business)
- SAP sub-ledgers (accounts receivable/accounts payable/fixed asset accounting)
- FineVare (loan loss provisioning)
- Cognos Controller for preparing the consolidated financial statements of RBI AG including branches

The accounting process can be described as follows:

- Day-to-day accounting

Day-to-day accounting records of business transactions are mainly posted to the respective integrated subledgers. The relevant accounting data is directly and automatically transferred to the general ledger. In addition, individual postings are recorded directly in the SAP general ledger.

The SAP general ledger has multi-GAAP functionality, meaning two equivalent general ledgers are maintained in parallel: one in accordance with UGB/BWG reporting standards and also a parallel ledger in accordance with IFRS. An operational chart of accounts exists for both of the general ledgers; depending on the respective content, all postings are effected either in both general ledgers simultaneously or only in one of the two. The parallelism of the entries and existence of the two parallel general ledgers removes the need for reconciliation from UGB/BWG to IFRS.

- Individual financial statements for RBI head office in accordance with UGB/BWG

The SAP trial balance in accordance with UGB/BWG results from the posting data of the respective subsystems of the banking operations which is delivered via automated interfaces. In addition, supplementary ledger-specific closing entries are made directly in SAP. These are independent of the respective subsystems. The sum of all these entries gives the statement of financial position and the income statement pursuant to UGB/BWG for RBI's head office excluding branches.

- Individual financial statements of RBI AG

In a final step, the financial statements of RBI AG in accordance with UGB/BWG are produced. These include head office and also the branches. Both the branch data and the closing data of head office are provided by automated transfer from the accounting systems into the IBM Cognos Controller consolidation system. The data are consolidated in this system, on the basis of which RBI AG's individual financial statements are prepared.

Control environment

In general, all Group-internal instructions can be retrieved from the Group Internal Law Database. With regard to accounting, mention should be made above all of the Group Accounts Manual, which contains a description of the following points in particular:

- Accounting rules for general and special transactions
- Measurement methods
- Required (quantitative) information in the notes

Further guidelines relate solely to RBI AG or only deal with functions within departments. The Corporate Directive Accounting Guidelines for example apply to the accounting system. These deal with the instruction process for the settlement of purchase invoices, cost refunds and the management of clearing accounts. Regulations in connection with bookkeeping and accounting within the framework of the separate financial statements according to the Austrian Commercial Code/Austrian Banking Act are set out in the UGB/BWG Accounting Manual.

Risk assessment

The assessment of the risk of incorrect financial reporting is based on various criteria taking into account appropriate escalation mechanisms. Valuations of complex financial instruments may lead to an increased risk of error. In addition, asset and liability items have to be valued for the preparation of the annual financial statements; in particular the assessment of the impairment of receivables, securities and participations, which are based on estimates of future developments, gives rise to a risk.

Control measures

The control measures encompass a wide range of reconciliation processes, notably the reconciliation between the general ledger in SAP and the sub-ledgers. Besides the four eyes principle, automation-aided controls and monitoring instruments dependent on risk levels are used, such as the reconciliation between accounting and balance sheet risk management. The duties assigned to individual positions are documented and updated on an ongoing basis. Particular emphasis is placed on effective deputizing arrangements to ensure that deadlines are not missed due to the absence of one person. The controls in the core processes are important for the financial statements process. These primarily involve measurement-related processes whose results have a significant influence on the financial statements (e.g. loan loss provisioning, derivatives, equity participations, personnel provisions, market risk).

The Audit Committee of the Supervisory Board considers the annual financial statements and the management report, which are also approved and adopted by the Supervisory Board in accordance with § 96(4) of the German Stock Corporation Act (AktG). They are published via the online platform Verlautbarungs- und Informationsplattform (EVI) and filed with the commercial register.

Information and communication

Information on the accounting treatment of the respective products is regularly exchanged with the specialist departments. For example, regular monthly meetings take place with the Capital Markets and Treasury departments, in which among other topics accounting for complex products is addressed. The Accounting team is also represented at regularly scheduled jour-fixe meetings during the product launch process in order to provide information on the technical aspects of accounting and their implications for product launches. Regular department events ensure that employees receive ongoing training on changes to accounting rules under UGB, BWG and IFRS.

As part of the reporting process, the Management Board receives monthly and quarterly reports analyzing the results of RBI AG. The Supervisory Board is also regularly informed about the results at its meetings.

RBI yearly publishes the annual report. During the year external reports are available quarterly for the consolidated results of RBI AG. The reporting cycle is quarterly: besides the consolidated financial statements, a semi-annual financial report and interim quarterly reports for the Group are published. In addition, reports have to be regularly provided to the banking supervisory authority.

Monitoring

Financial reporting is an important part of the ICS, in which the accounting processes are subject to additional monitoring and control, the results of which are presented to the Management Board and Supervisory Board. The Audit Committee is also responsible for monitoring the accounting process. The Management Board is responsible for ongoing company-wide monitoring. In accordance with the target operating model, three successive lines of defense are in place to meet the increased requirements for internal control systems.

The first line of defense is formed by the individual departments, where department heads are responsible for monitoring their business areas. Controls and plausibility checks are conducted on a regular basis within the departments, in accordance with the documented processes.

The second line of defense is provided by issue-specific specialist areas. These include, for example, Compliance, Data Quality Governance, Operational Risk Controlling or Security & Business Continuity Management. Their primary aim is to support the individual departments when carrying out control steps, to validate the actual controls and to introduce state-of-the-art practices within the organization.

Internal audits are the third line of defense in the monitoring process. Responsibility for auditing lies with Group Internal Audit at RBI AG. All internal auditing activities are subject to the Group Audit standards, which are based on the Austrian Financial Market Authority's minimum internal auditing requirements and international best practices. Group Audit's internal rules are additionally applicable (notably the Audit Charter). Group Audit regularly and independently verifies compliance with the internal rules within the RBI Group units. The head of Group Internal Audit reports directly to the Management Board.

Outlook

Economic outlook

Western Europe's economy is expected to accelerate only slightly in 2025. It is true that the dampening effect of interest rates should ease, the weakness in the industrial sector should end, and private consumption should benefit from inflationary wage increases. However, structural challenges facing Germany, one of Europe's economic heavyweights, are weighing on European growth. In addition, Trump's victory in the US presidential election has increased economic risks, especially for export-oriented countries. Foreseeable trade barriers would slow Europe's growth. A quick end to the war in Ukraine currently seems improbable. However, absent a further substantial military escalation, the war seems unlikely to have any additional negative implications for the economy in the euro area or the CE/SEE countries. Another risk factor is the situation in the Middle East. There are clear downside risks to economic development and upside risks to inflation that would materialize in the event of a significant military escalation. The ECB is expected to continue with the rate-cutting cycle it began last year, reducing interest rates from a restrictive level to a neutral one. The US Federal Reserve is also likely to continue to cut interest rates for the time being but given the inflationary impact of the new US president's foreseeable policies and the more dynamic economy, it will only have limited scope for further rate cuts.

The recovery in **Central Europe (CE)** is expected to accelerate in 2025, driven by continued strength in consumption on the back of strong labor market performance, real wage growth and cautious interest rate easing. Furthermore, investing is expected to continue to grow. On the other hand, growth is likely to be dampened somewhat by increased fiscal consolidation efforts as a result of the EU deficit procedures initiated against several countries. In addition, the geopolitical environment could take its toll since the threat of trade tariffs could have a negative impact on the euro area economy and the unfavorable environment could also put devaluation pressure on CEE currencies, which in turn could prevent further monetary easing. Forecasts suggest that Poland will remain the growth leader since the effects of the NGEU funds released will start to be fully felt in 2025.

Southeastern Europe (SEE) should continue to experience solid growth, with a strong labor market and historically low unemployment supporting consumption, while investment remains strong thanks to substantial inflows of external (EU) funds and foreign direct investment. By contrast, the region's largest economy, Romania, is expected to only continue to grow moderately since its twin deficits (current account and budget deficits) and high inflation have put a damper on growth.

The outcome of the US elections creates further risks for **Ukraine** in terms of external financing and external support for the war. Combined with the weakness of the agricultural sector and the energy shortages resulting from the attacks on the energy sector, growth is likely to remain below last year's level. Nevertheless, the economy has shown its ability to adapt to changing circumstances during the war, and growth is expected to remain solid. Key rate hikes in the wake of **Russia's** inflationary surge will quickly cool the country's previously overheated economy in 2025. A soft landing is the most likely scenario, although the risks of a harder landing are increasing with inflation remaining stubbornly high. Downward risks are increasing due to sanctions pressure and the global trade environment affecting Russian exports.

The **Austrian economy** is likely to return to a moderate growth trajectory following the recession in 2023 and 2024. Private consumption is expected to provide significant momentum, while investment is not expected to provide noteworthy support. The period of industrial weakness should be coming to an end, while the (residential) construction sector could see some growth after sharp declines in the past two years. Therefore, the forecast for the year as a whole is for merely modest growth of 0.9 per cent, which also reflects the expectation of US tariff increases. After all, the US is the second most important foreign market for Austrian companies. The economic downside risks clearly predominate, and a third year of recession cannot be ruled out. Inflation should continue to fall in the course of 2025. In the labor market, however, the unemployment rate is expected to continue to rise, albeit at a moderate pace.

Banking sector in Austria

In 2024, the banking sector continued to be affected by the regulatory decisions made in the past on mortgage lending standards for households, coupled with the dramatic change in interest rates precipitated by the shift in the ECB's interest rate stance. However, demand for credit, especially in the household segment, is likely to pick up again as a result of the change in the ECB's interest rate policy in June 2024 and its initial interest rate cuts. The scheduled expiration of the regulation for sustainable lending standards for residential real estate financing (KIM-V) at the end of June 2025, which tightens the rules on the granting of private residential real estate financing, should also have a positive effect on demand for credit. A certain trend reversal was already evident by the end of 2024, even though annual growth rates were still in negative territory. Nevertheless, overall demand for credit (household and corporate) is expected to remain moderate in 2025 amid the subdued economic environment. Given the interest rate structure of outstanding retail and corporate loans, which contain a significant proportion of variable-rate-only loans, risks costs are expected to increase moderately in 2025 since higher interest rates will likely adversely affect both private households and companies. The steep increases in net interest income that the banking sector posted in 2022 and 2023 started to normalize in 2024. This trend is expected to continue in 2025. Accordingly, domestic banks are expected to face increased margin and cost pressures. Similarly, capital market refinancing costs remain elevated across all bond classes due to the changed interest rate environment. On balance, however, the Austrian banking sector feels fundamentally well positioned to master the challenges ahead.

CEE banking sector

Although CE/SEE banks are highly lucrative, their profitability could weaken in 2025 since pressure on asset yields, competition, cost inflation and ongoing regulatory costs (including special taxes) will become a constraint. Potential downside factors for economic growth and inflation risks may affect asset quality and monetary easing cycles in the region, although the overall transition to lower interest rates is expected to continue. Combined with the EU funding factor, this will boost investment activity and thus support corporate credit demand, while lending to individuals should also maintain its healthy momentum (including a further pick-up in residential construction loans). This process will also be affected by several macroprudential tightening measures (higher capital buffers in selected markets), while banks also have to deal with the impact of the introduction of CRR3/CRDVI. ESG issues will also remain high on the agenda, with EU regulators setting the tone for the entire CEE region.

RBI AG's outlook for 2025

RBI AG expects a further decline in the interest rate environment for its main currencies EUR and USD in 2025. The downward trend is expected to slow in 2026, and interest rates are expected to flatten in 2027. Economic growth of 1.2 per cent is expected for the euro area in 2025, with growth coming in lower at 0.4 per cent for Austria. EU growth assumptions is expected to remain broadly unchanged in 2026 and 2027. Inflation is anticipated continuing to decline in 2025.

In the corporate customer business, deposit rates are expected to be adjusted in line with the macroeconomic outlook, resulting in margin compression. Corporate lending margins are projected to remain stable. In the Treasury business we expect stable development with comfortable compliance with liquidity and funding requirements.

The expected growth of average customer loan volumes shall improve interest income. RBI AG expects net fee and commission income to remain stable after declining significantly in 2024 due to a decrease in cross-border business in payment transactions and in connection with currency translation related to Russia. RBI AG expects a positive development in its core markets and core products as a result of strategic measures.

Compared to 2024, operating expenses are expected to remain stable, remaining below the rate of inflation. Moderate investment activity is also expected.

The risk costs are based on expected loss levels, macroeconomic assumptions, and risk model forecasts. The sanctions and compliance risk for Russia is closely monitored for all transactions. The volume of cross-border Russia-related business is expected to decrease further.

Russia

On 8 May, after intensive exchanges with the relevant authorities, RBI AG's Board of Management decided, for reasons of caution, to walk away from the originally planned STRABAG transaction.

On 5 September, a Russian court issued a preliminary injunction, by which shares of AO Raiffeisenbank are subject to a transfer ban with immediate effect. RBI AG is the 100 per cent shareholder of AO Raiffeisenbank. As a result of this decision RBI AG cannot transfer its shares in AO Raiffeisenbank. The decision is related to the legal proceedings initiated by MKAO Rasperia Trading Limited in Russia against STRABAG SE, its Austrian core shareholders and AO Raiffeisenbank. AO Raiffeisenbank is mentioned in the claim as related to the other defendants, although not accused of any wrongdoing. RBI AG is not a party to these proceedings.

On 20 January 2025, a Russian court decided that STRABAG SE and its Austrian core shareholders are liable to pay € 2.044 billion to Rasperia and that the verdict can be enforced against AO Raiffeisenbank's assets. AO Raiffeisenbank will appeal this decision with suspensive effect. Subject to further developments in Russian courts, RBI AG will take legal action in Austria, in full compliance with EU sanction law, to mitigate damages by seeking enforcement against Rasperia's assets in Austria.

AO Raiffeisenbank recognized a provision of € 840 million for the fourth quarter of 2024. In its verdict, the Russian court also acceded to Rasperia's request according to which the ownership rights to the shares in STRABAG SE held by Rasperia are to be transferred to AO Raiffeisenbank. However, Russian judgments have no binding effect in Austria and the transfer of the shares is therefore not enforceable. Furthermore, Rasperia's STRABAG SE shares are subject to an asset freeze under EU sanctions, which also currently prevents their transfer.

RBI AG continues to work on the sale of its Russian subsidiary AO Raiffeisenbank. The legal disputes complicate the sales process in which RBI AG seeks to sell a controlling stake in AO Raiffeisenbank – and will inevitably lead to further delays. The current capital reserves could completely absorb even a complete deconsolidation of the Russian subsidiary bank at a book value of zero, and all regulatory requirements would be met.

Meanwhile, business operations in Russia are being heavily scaled back also in accordance with ECB requirements; since the start of the war, loan business has already been reduced by nearly 70 per cent. RBI AG has also considerably reduced its clearing, settlement and payment services business. Apart from AO Raiffeisenbank, all correspondent bank relationships with Russian banks have been ended. AO Raiffeisenbank is taking steps to further reduce customer deposits

Statement of all legal representatives pursuant to § 124 (1) Z 3 Austrian Stock Exchange Act

We confirm to the best of our knowledge that the financial statement give a true and fair view of the assets, liabilities, financial positions and profit or loss of the company as required by the applicable accounting standards and that the management report gives a true and fair view of the development and performance of the business and the position of the company, together with a description of the principal risks and uncertainties the company faces.

Qualified electronically signed by:

Vienna, 17 February 2025
The Management Board

Johann Strobl m.p.
Chairman of the Board, CEO

Marie-Valerie Brunner m.p.
Member of the Board, CIB Customer Coverage

Andreas Gschwenter m.p.
Member of the Board, COO/CIO

Łukasz Januszewski m.p.
Member of the Board, CIB Products & Solutions

Hannes Mösenbacher m.p.
Member of the Board, CRO

Andrii Stepanenko m.p.
Member of the Board, Retail Banking

Independent Auditors’ Report

Report on the Audit of the Annual Financial Statements

Opinion

We have audited the annual financial statements of Raiffeisen Bank International AG, Vienna, which comprise the statement of financial position as at 31 December 2024, the income statement, and notes to the consolidated financial statements.

In our opinion, the accompanying financial statements comply with legal requirements and give a true and fair view of the financial position of the company as at 31 December 2024, and of its financial performance and for the year then ended in accordance with Austrian Generally Accepted Accounting Principles and the Austrian Banking Act.

Basis for Opinion

We conducted our audit in accordance with the Regulation (EU) No. 537/2014 and the Austrian Standards on Auditing. Those standards require the application of the International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with laws and regulations applicable in Austria and we have fulfilled our other professional responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements in a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

1. Recoverability of loans and advances to customers
2. Recoverability of shares in affiliated undertakings
3. Adequacy of provision for foreign currency loans in the branch in Poland

1. Recoverability of loans and advances to customers

Description and Issue

Loans and advances to customers are reported with an amount of EUR 27,6 billion after deduction of valuation allowances. They mostly are loans and advances to Austrian and international non-financial corporations and to a lower extent retail customers in the Polish branch.

The Bank describes the process for monitoring credit risk and the procedure for determining credit losses in the section “Recognition and Measurement Principles” of the notes to the financial statements and in section “Credit Risk” of the Risk Report in the Management Report.

Calculations of loan loss provisions for defaulted loans to corporates are based on losses determined for different weighted scenarios. These depend on the assessment of the economic situation and developments of the respective customer, the valuation of collateral, and the estimate of the amount and timing of the recoveries derived from these.

Specific loan loss provisions for retail customers and general loan loss provisions for loans and advances for which no default has been identified are based on models with statistical assumptions, which are used to estimate the expected credit loss. The

Bank uses the methodology of IFRS 9 to determine expected credit losses (12 months expected credit loss or, if the credit risk has increased significantly since initial recognition – lifetime expected credit loss).

Significant estimates and assumptions are required in determining the expected credit loss. These include rating-based probabilities of default, the expected development of the outstanding amount at the time of default and loss rates. The estimates take into account current and forward-looking information.

If the input parameter, assumptions, and models used do not cover all relevant risk factors, the bank temporarily uses post-model adjustments and adjustments for special risk factors.

The calculation of expected credit losses and the additional provisions from post-model adjustments and adjustments for other risk factors are based on assumptions and estimates that give rise to significant uncertainties with regard to the amount of the expected credit losses. Therefore, we have determined the recoverability of loans and advances to customers as a key audit matter.

Our response

In testing expected credit losses for loans and advances to customers, we performed the following significant audit procedures:

- We assessed the methodologies used to determine expected credit losses and their compliance with the Austrian Generally Accepted Accounting Principles and those of the Banking Act.
- We analyzed the documentation of the processes of monitoring loans and risk provisioning, and critically assessed whether these processes are suitable for identifying loan losses and adequately reflecting the recoverability of exposures. We also assessed the processes and tested key controls regarding their design and implementation, including the relevant IT systems, and tested their effectiveness on a sample basis.
- By performing analytical audit procedures, we examined changes of loans and advances with regard to the main characteristics relevant for the categorisation of the loans, such as quality, type of supervision, rating and level allocation as well as the development of risk provisions at customer and portfolio level throughout the year and in comparison with the previous year.
- We tested individual exposures selected on the basis of a sample determined according to selected risk criteria: For defaulted loans, we assessed the Bank's estimates of the amount and timing of recoveries, taking into account collateral, and examined whether the assumptions used in the calculation were appropriate and derived from internal or external evidence. For non-defaulted loans, we examined whether indicators of default exist.
- In order to assess the appropriateness of the expected credit losses for non-defaulted loans, we examined the plausibility of assumptions and the appropriateness of the models used, as well as the proper application of the models, with the assistance of specialists. In particular, we examined the assumptions in connection with forward-looking information, post-model adjustments, and special risk factor adjustments. Furthermore, we examined the appropriateness of the assumptions "probability of default", "loss given default" and the staging model, taking into account the results of the bank's internal validations, and reperformed selected calculation steps. In addition, IT specialists tested the effectiveness of key automated controls of the IT systems relevant for these calculations.
- Finally, we assessed whether the disclosures in the notes to the financial statements regarding the calculation of expected credit losses and the significant assumptions and estimation uncertainties are appropriate.

2. Recoverability of shares in affiliated undertakings

Description and Issue

Shares in affiliated undertakings represent a significant balance sheet item at Raiffeisen Bank International AG with a total amount of approximately EUR 8.9 billion. The Bank holds interests, often via holding companies, in particular in domestic and foreign credit institutions as well as in finance and project companies.

The Management Board describes the procedures for impairment testing for shares in affiliated undertakings in the section "Recognition and Measurement Principles" in the notes as well as in the section "Participation risk" of the Risk Report in the management report.

The Bank reviews whether there are triggers for an impairment or whether a reversal of a previous impairment is required.

Partly internal and partly external valuations are used to determine the recoverable amount. The valuations are based on assumptions and estimates regarding future business development and resulting returns to owners, especially in the form of dividends. The expected business performance is usually based on the budgeted figures approved by the corporate bodies of the respective companies. The discount rates used are derived from the financial and capital markets.

The parameter used in these calculations are based on assumptions that are subject to a high degree of uncertainty. Changes in these assumptions may lead to significantly different results. Due to the sensitivity of the valuation results and the high degree of discretion in the assumptions, we have identified the valuation of shares of affiliated undertakings as a key audit matter.

Our response

In auditing the valuation of shares in affiliated undertakings, we performed the following key audit procedures:

- We analyzed the processes for monitoring and valuation of shares in affiliated undertakings and critically assessed whether these processes are suitable for identifying necessary impairments or reversals of impairments and appropriately reflecting the recoverability of the shares.

- We reviewed the valuation models used, and – based on risk-based samples - the key planning assumptions and the valuation parameter with the involvement of our valuation specialists. We evaluated the planning and valuation parameters for selected valuations, based on external market data and historical data. We assessed the appropriateness of the interest rate parameters by comparing them with market- and industry-specific benchmarks and compared the cash flows used in the valuation model with the approved plans. The mathematical correctness of the valuations was verified on a sample basis.

- Finally, we assessed whether the disclosures in the notes to the financial statements on the determination of an impairment of shares in affiliated undertakings are appropriate.

3. Adequacy of provision for foreign currency loans in the branch in Poland

Description and Issue

As at 31 December 2024, the Bank has recorded provisions (partly in form of an accounting provision, partly as a deduction from carrying value) in connection with foreign currency loans in the branch in Poland in the amount of EUR 2,071 million.

The Bank describes the legal risks, the procedure for determining the provisions and related uncertainties in the chapter "Litigation risk for foreign currency loans in Poland" of the notes to the financial statements.

In connection with the necessary assumptions about the future behavior of borrowers and former borrowers, court decisions, and the duration of proceedings, there are considerable estimation uncertainties and scope for judgement in determining provision. Thus, we have determined the adequacy of the provision for foreign currency loans of the branch in Poland to be a key audit matter.

Our Response

In particular, we performed the following audit procedures in testing the adequacy of the "provision":

- We assessed the Bank's processes and controls for determining the "provision", including the key controls applied, and their suitability for ensuring the determination of an appropriate "provision".

- We verified the plausibility and critically assessed the Bank's method for determining the "provision", including the derivation of the underlying assumptions and their appropriateness.

- We verified the mathematical accuracy of the Bank's calculations.

- We obtained information from the lawyers engaged by the Bank for this subject matter and critically assessed this information.

- We reviewed the disclosure of the risks in the notes to the financial statements for appropriateness.

Other Information

The legal representatives are responsible for the other information. The other information comprises all information in the Annual Financial Report, except for the annual financial statements, the management report and the related auditor's reports.

Our audit opinion on the financial statements does not cover the other information, and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information mentioned above and assess whether it is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears misleading.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and the Audit Committee for the Financial Statements

Management is responsible for the preparation of the financial statements that give a true and fair view of the financial position of the Company and of its financial performance in accordance with Austrian Generally Accepted Accounting Principles and the Austrian Banking Act, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The audit committee is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with EU rules and Austrian Generally Accepted Auditing Standards, which require the application of the ISAs, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Regulation (EU) 537/2014 and with Austrian Generally Accepted Auditing Standards, which require the application of the ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that give a true and fair view.

We communicate with the audit committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the audit committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where relevant, actions taken to eliminate hazards or safeguards applied.

From the matters communicated with the audit committee, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other statutory and legal requirements

Report on the Management Report

Pursuant to Austrian Commercial Code, the management report is to be audited as to whether it is consistent with the financial statements and whether it has been prepared in accordance with the applicable legal requirements.

Management is responsible for the preparation of the management report in accordance with the Austrian Commercial Code.

We conducted our audit in accordance with laws and regulations applicable with respect to the management report.

Opinion

In our opinion, the management report is prepared in accordance with the applicable legal requirements, includes appropriate disclosures pursuant to section 243a UGB, and it is consistent with the financial statements.

Statement

Based on the findings during the audit of the financial statements and due to the thus obtained understanding concerning the Company and its circumstances no material misstatements in the management report came to our attention.

Additional Information in Accordance with Article 10 of EU Regulation (EU) 537/2014

We were elected as auditor of the Company at the annual general shareholders' meeting on 30 March 2023 for the fiscal year ending on 31 December 2024 and mandated by the chairman of the Supervisory Board on 31 March 2023. Furthermore, we were elected as auditor at the annual general shareholders' meeting on 4 April 2024 for the subsequent fiscal year and mandated by the chairman of the Supervisory Board on 17 April 2024. We are the auditor of the Company since the financial year ending 31 December 2021.

We confirm that the audit opinion in the section "Report on the Financial Statements" is consistent with the additional report to the audit committee referred to in article 11 of the EU regulation.

We declare that no prohibited non-audit services (article 5 par. 1 of the EU regulation) were provided by us and that we remained independent from the audited Company in conducting the audit.

Engagement Partner

The engagement partner responsible for the audit is Peter Bitzyk.

Qualified electronically signed by:

Vienna, 17 February 2025

Deloitte Audit Wirtschaftsprüfungs GmbH

Peter Bitzyk

Certified Public Accountant

Publication or sharing with third parties of the financial statements together with our auditors' opinion is only allowed if the financial statements and the management report are identical with the audited version. This audit opinion is only applicable to the German and complete financial statements with the management report. Section 281 para 2 UGB applies to alternated versions.

This translation is for convenience purposes only. Only the German original is legally valid and binding.

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