Raiffeisen Bank International

Annual Regulatory Disclosure Report 2023

Publication details

With this document, Raiffeisen Bank International Aktiengesellschaft (RBI AG) fulfills its disclosure requirements under Part 8 of the Capital Requirements Regulation (CRR, EU 575/2013). Pursuant to Article 11 of the CRR, RBI AG is subject to the CRR provisions not only as an individual credit institution but also a consolidated group.

RBI has opted for the Internet as the medium for publishing its disclosures (www.rbinternational.com). The disclosure report as a main document is published once a year in conjunction with the publication of RBI's Annual Report whereby certain information regarding Article 450 CRR will not be available until July 2024 and will be reported at that time. Furthermore, specific information is published more often pursuant to Articles 432(1), 432(2) and 433 CRR and Guidelines EBA/GL/2014/14. Relevant disclosures are either published as separate documents in the section "Regulatory Disclosures" or included in the annual/quarterly reports in the section "Results & Reports" on RBI's homepage.

The information is based on the valid regulations on a consolidated basis for the RBI CRR Group at the time this document was published.

In this report, Raiffeisen Bank International (RBI) refers to the RBI Group, and RBI AG is used wherever statements refer solely to Raiffeisen Bank International AG.

The Head of Group Risk Data and Regulatory Reporting has attested that internal policies and controls are in place and adhered to, to ensure that RBI fulfils its disclosure requirements on consolidated level according to Part Eight of the CRR.

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Editor

Group Regulatory Reporting (Editor) supported by Active Credit Management, Asset Based Finance FI, Balance Sheet Risk Management, Bank & FI Subsidiaries, Capital Markets Business Management, Group Capital Steering, Group Collateral Management & HO Credit Control, Group Consolidation, Group ESG & Sustainability Management, Group IRB Coordination, Group People, Culture & Organization, Group Special Exposures Management, Group Supervisory Affairs & Regulatory Governance, Integrated Risk Management, Market Risk Management, Operational Risk Controlling, Reward and Recognition Strategy and Supply Chain Finance.

Supervisory Authorities

As a credit institution, RBI AG is subject to supervision by the Austrian Federal Ministry of Finance, European Central Bank (ECB), Austrian National Bank (OeNB) and the Austrian Financial Market Authority (FMA) and must comply with pertinent legal regulations, in particular the EU regulations (CRR), Austrian Banking Act (Bankwesengesetz, BWG) and the Austrian Securities Supervision Act (Wertpapieraufsichtsgesetz, WAG).

Exclusion of liability

Content

Article 435 CRR

Risk management objectives and policies

For a detailed description of RBI's risk strategies and processes, the structure and organization of the relevant risk management functions, as well as risk identification and risk management objectives and policies for each separate category of risk, please refer to the Risk Report in RBI's Annual Report.

Declaration by the management body on the adequacy of risk management arrangements

We hereby confirm that the risk management systems established at RBI and set out in the Functional Regulation "RBI Risk Strategy and Group Risk Manual – Risk-Oriented Bank Management" and its Supporting Documents are adequate in view of RBI's profile and strategy.

RBI is a universal banking group with international operations that focuses its business activities on Austria and the geographic region Central and Eastern Europe. The regional composition of economic capital, which is one of the main elements of risk steering in RBI, is shown in the table below (by Group unit domicile). This also illustrates the broadly balanced distribution of risk between Austria and the sub-regions in CEE, despite effects resulting from the military confrontation in Ukraine and the sanctions against Russia and Belarus.

in € thousand	2023	Share
Eastern Europe	2 547 986	29%
Austria	2 395 319	27%
Central Europe	2 282 112	26%
Southeastern Europe	1 601 012	18%
Total	8 826 428	100%

RBI's main business activities are within corporate banking, retail banking and other banking services. Investment banking and other market risk taking activities are limited in scope, with a substantial part of market risk stemming from foreign currency denominated equity of subsidiaries. The composition of economic capital by risk type in the table below shows the prevalence of credit risk in the Group's overall risk profile, as well as a balanced distribution between corporate and retail credit risk.

in € thousand	2023	Share
Credit risk corporate customers	1 480 649	17%
Credit risk retail customers	1 388 183	16%
FX risk capital position	1 342 961	15%
Credit risk sovereigns	1 158 867	13%
Market risk	839 749	9%
Operational risk	756 635	9%
Participation risk	734 806	8%
Owned Property Risk	322 086	4%
Credit risk financial institutions	300 300	3%
Liquidity risk	65 831	1%
CVA risk	16 055	0%
Risk buffer	420 306	5%
Total	8 826 428	100%

The Group uses a confidence level of 99.90 per cent to calculate economic capital. In order to limit the risks taken by the Group, the overall economic capital has to be covered, with a sufficiently large cushion, by internal capital. In compliance with the ICAAP Directive published by the European Central Bank, the additional tier 1 capital (AT1) is not used to calculate the internal capital. Furthermore, based on the climate risk stress test, a Pillar 2 deduction item with respect to climate & physical risk has been introduced in 2022. Details on ESG exposures, risk and strategies are disclosed in the Pillar 3 disclosures on ESG risks.

In comparison to year-end 2022 the Economic Capital recorded a slight increase as of year-end 2023. The strong increase of the credit risk towards sovereigns was mainly due to rating deteriorations, an increased exposure as well as concentration effects. This rise was in part compensated by decreases in the credit risk towards corporate and retail customers.

Thanks to an increase in the internal capital, the utilization of available risk capital (the ratio of economic capital to internal capital) as of year-end 2023 slightly decreased to 57.6 per cent, down from 58.0 per cent as of year-end 2022. In its Group Risk Appetite Framework, RBI has set the risk tolerance threshold for the utilization ratio of internal capital by economic capital at 90 per cent.

Governance arrangements

Recruitment policy for the Management Board and Supervisory Board

The aim of the policy is to select members of the Management Board and the Supervisory Board pursuant to the Fit & Proper Policy in such manner as to ensure qualified management, control, supervision, and consultation, which is not only in compliance with the statutory requirements, but also aligned with our internal recruiting and diversity policy. The candidates should be in a position, due to their integrity, motivation, values, independence, and character, to fulfill the tasks of a member of the Management Board or Supervisory Board at RBI and to safeguard the reputation of the company.

In the selection of members, the composition of the relevant management body is considered, and the required expertise and professional experience as well as diversity considerations are taken into account.

Number of directorships

Annex 1 contains a detailed overview of the number of directorships held by members of the Management Board and Supervisory Board.

Description of the diversity strategy

RBI is actively committed to ensuring equal opportunities for all employees regardless of age, gender, nationality, sexual orientation, physical or mental ability, religion or world view. This principle applies across all areas of human resource management, from employee selection to salaries all the way to appraisals and career development. The RBI Group diversity and inclusion policy defines RBI's attitude, roles and responsibility with regard to diversity and establishes the principle of implementing a diversity strategy at RBI. All subsidiaries have appointed diversity officers and adopted local strategies. For example, the diversity and inclusion strategy drawn up at head office in 2021 aims to embed the issue throughout the Group, moving away from individual initiatives toward holistic, leadership-driven diversity and inclusion according to the following five principles:

- Our engagement and commitment to diversity and inclusion begins at the very highest level of management
- Our management teams are diverse and aware of the importance of diversity
- We empower all employees to contribute to an inclusive work culture
- We actively integrate diversity and inclusion into HR processes and practices
- We work transparently and on the basis of data

Key focuses for 2023 were gender, LGBTQI+ and people with disabilities.

The key components of the RBI Group diversity and inclusion policy include RBI's diversity vision and mission statement and the daily implementation guidelines: "RBI believes that diversity adds value. Capitalizing on the opportunities of diversity provides long-term benefits to the company and its employees as well as to the economy and society as a whole. RBI is continuing Raiffeisen's 130-year-long success story as it embraces diversity. RBI actively and professionally harnesses the potential of diversity to give clients the best possible service as a strong partner and to position itself as an attractive employer." More information on diversity is available on the RBI website at www.rbinternational.com → Sustainability & ESG → Diversity & Inclusion. The RBI Group diversity and inclusion policy defines a strategy for filling Management Board and Supervisory Board positions, whereby hiring must consider both diversity and compliance with statutory requirements. Important diversity aspects include age, gender and geographic origin. The main requirements for holding such a position also include solid educational background and professional experience, preferably in roles related to fintech companies, banks or financial institutions. The formalization of the hiring process (at all levels), the focus placed on women in the internal succession pipeline and the support given to women in their careers facilitate decision-making and the attainment of the targets we have set for ourselves. RBI aims for the boards to include a wide range of qualifications and expertise in order to obtain the broadest possible variety of experience and diverse opinions, collectively resulting in sound decision-making.

The composition of the Management Board and Supervisory Board should be structured so that the board members' geographic origins reflect the diversity of RBI's markets and its cultural context. With respect to the age structure of the Management Board and Supervisory Board, in order to achieve a good balance, the board members should preferably not have all been born in the same decade. The aim is for women to fill 35 per cent of the positions within the Supervisory Board, Management Board and Tier 2 management of RBI by no later than 2024. Of the six Management Board members of RBI AG, currently four are from Austria, one from Poland, and one from Ukraine. Members of non-Austrian origin therefore constituted 33 per cent of the Management Board at the end of 2023 (2022: 33 per cent). All the Supervisory Board members are of Austrian origin. The ages of the Supervisory Board members range between 49 and 69 (2022: from 48 to 68), and of the Management Board between 45 and 64 (2022: from 44 to 63).

Measures taken to promote women to the Management Board, the Supervisory Board and into executive positions

RBI is convinced that having leadership teams that are diverse in terms of gender, age, geographic origin, education and professional background is essential to optimize quality of decision making and minimize groupthink. It thus assumes that diversity ultimately contributes positively to the company's performance. While the diversity of the management team is satisfactory in terms of age, geographic origin, education and professional background, RBI aims to further increase the proportion of women in management. The Nomination Committee has therefore set a target for RBI AG of filling 30 per cent of the positions on the Supervisory Board and Management Board with women by 2026. For Supervisory Board, Management Board and upper management (Tier 2 and Tier 3 management), the target is 35 per cent. As per 31 December 2023, the corresponding proportion was 35 per cent (2022: 27 per cent). Women held the following proportions of Tier 3 management positions and higher (positions with staff responsibility) at RBI AG:

Supervisory Board, 28 per cent (2022: 28 per cent); Management Board, 17 per cent (2022: 0 per cent); Tier 2 management, 35 per cent (2022: 35 per cent) and Tier 3 management, 29 per cent (2022: 26 per cent). Female employees make up 47 per cent (2022: 46 per cent) of the total workforce. RBI AG therefore meets the legal requirement for the share of women on its Supervisory Board within the calculation parameters of stock corporation law.

The following figures include RBI AG and 12 network banks in CEE and Raiffeisen Bausparkasse Gesellschaft m.b.H., Raiffeisen Kapitalanlage-Gesellschaft m.b.H., Raiffeisen-Leasing Gesellschaft m.b.H, as well as Valida Holding AG and Kathrein Privatbank Aktiengesellschaft. The proportion of women in the Supervisory Board, Management Board and the second tier of management totaled 35 per cent at year-end 2023 (2022: 34 per cent). The target ratio for 2024 is 35 per cent. In the RBI Group, female employees make up 63 per cent (2022: 64 per cent) of the total workforce. Women held 20 per cent of Management Board positions (2022: 18 per cent) and 39 per cent of Tier 2 management positions (2022: 38 per cent). The proportion of women in Supervisory Board positions was 26 per cent (2022: 27 per cent).

Women are underrepresented in management for various reasons based on individual circumstances and the social environment as well as the company. Therefore, a strategy to increase the representation of women must encompass a wide variety of measures; however, it must be acknowledged that certain reasons cannot be addressed by organizational measures. The first set of measures focuses on work culture and aims to achieve a healthy work-life balance as well as a gender-sensitive design of the New World of Work. This includes conducting the work and family audit at RBI AG since 2020, and the promotion of active parental leave management. The work and family audit is a customized certification process for companies that is designed to provide support for the defining, evaluating and planning of family-friendly measures. In addition, this set of measures includes support for women in leadership positions and female talent through networking, coaching and mentoring programs. Examples include RBI's collaboration with women's networks such as the female factor and Fondsfrauen and its sponsoring of memberships in these networks for female RBI employees to give them the opportunity to participate in career training and mentoring programs. The objective is to create a work environment that provides equal career opportunities for men and women and to motivate and support female talent in applying for management roles.

The second set of measures aims to select and develop female talent in order to develop a pipeline of female succession candidates for leadership positions. The Management Board areas have set targets for a gender-balanced succession pipeline and have developed individual strategies for reaching them. These strategies include measures for recruiting new talent and developing internal talent. Best practice examples include the Women Empowerment Cercle in the COO/CIO Management Board area and the Women in Risk initiative in the CRO Management Board area, which are employee-driven initiatives supported by the Management Board members associated with them. The Women Empowerment Cercle has pursued the objective of institutionalizing networking among women since 2017 and is driven by Group IT Delivery employees. The initiative hosts target group-specific events and promotes the sharing of ideas, knowledge and experience with subsidiaries. Other programs include the Women Empowerment Journey launched in 2021 – a virtual clubhouse or regular panel discussions and participation in the Vienna Daughter's Day.

The Women in Risk initiative is a voluntary network of women in leadership positions in the risk sector. Its mission is to support each other and all women working in the risk sector by providing lectures, workshops and discussions.

Inclusion and unconscious bias have also been incorporated into existing training courses as new topics. For example, unconscious bias was added to the basic leadership training course to support the new managers at head office. In addition, special emphasis was placed on integrating diversity into various other events, such as welcome events for new employees or learning modules for high-potential talent.

The third set of measures relates to the selection of upper management (first and second tier below the Management Board) and is aimed at improving the selection process. It includes establishing an internal office for the Group-wide recruitment of managers in order to achieve multiple aims, including the execution of the diversity and inclusion strategy. The office ensures that selection procedures are clear and transparent, which increases the number of qualified applicants. The measures apply to the entire selection process: including job advertisements (gender-appropriate wording), predefined and clear selection criteria, anonymized testing and focusing on the female talent pool. Structured interviews are conducted for each vacancy. Hiring decisions are based on predefined criteria catalogs. In addition, relevant stakeholders are made aware of candidate lists that are insufficiently diverse. A recruitment agency is brought in if needed. Each recruitment agency is carefully evaluated, including with regard to its diversity and inclusion strategy and its ability to reach a broad, diverse pool of applicants for a vacant position. In addition to the selection process, the measures also focus on raising awareness among managers to take responsibility to increase the percentage of women in management positions. Every management team of a Management Board area has defined its own targets and strategies for increasing the percentage of women in the first and second tier of management below board level. This bundle of measures provides medium- and long-term impetus to bring about cultural change and promote diversity at the company.

Risk Committee

RBI has established a Risk Committee pursuant to Section 39d of the BWG. The Risk Committee holds at least one meeting per year. On 3 June 2014, the inaugural meeting of the Risk Committee took place. In 2023, four meetings were held.

Information to management

The consolidated risk development is reported by the Risk Controlling division to the Management Board on a quarterly basis. In addition, the Management Board reports on the risk development at meetings of the Supervisory Board on a quarterly basis, as well as on an ad hoc basis if necessary.

The organizational unit Risk Controlling is responsible for centralized and independent risk controlling pursuant to Section 39 (5) BWG. The head of Risk Controlling reports to the CRO, is a member of the Risk Committee, and reports the results of the unit's activities to the Risk Committee of the Supervisory Board, to the RBI Management Board, and to the responsible division heads.

Regarding the risk strategy and major developments within RBI, the head of the Risk Controlling division reports to the Risk Committee of the Supervisory Board. The Risk Committee of the Supervisory Board advises the Management Board on current and future risk appetite and risk strategy. It supervises the implementation of this strategy in connection with the steering, supervision, and limitation of risks pursuant to the provisions of the BWG, and with respect to capitalization and liquidity.

Risk Reports

At Group level, the various risk reports address the development of the Group's portfolios and related risks to the risk committees, the Management Board as well as to the Supervisory Board. Risk-type-specific risk reports (i.e., credit risk, market risk, operational risk, liquidity risk, etc.) are complemented by the ICAAP report and the report on the Integrated Stress Test, which aggregate the risk measurements from the various risk types and compare them with the available capital or risk-taking capacity.

The quarterly Supervisory Board Risk Report summarizes the main results and findings of the various risk-type-specific risk reports and the ICAAP report, with a particular focus on the risk developments in the last quarter, as well as the utilization of the Internal Capital in relation to the approved Group Risk Appetite and the Risk Tolerance level. The Risk Report for the Risk Committee of the RBI Supervisory Board goes into further detail and also discusses the Group's risk appetite, its implementation, risk-adequate pricing, and the risk adequacy of the remuneration system. The Risk Report for the Risk Committee of the RBI Supervisory Board also includes the previously stand-alone Group Credit Risk Report, which provides comprehensive information on the development of credit exposures, including foreign currency exposures, defaulted and forborne exposure, and special exposures management. It covers the segments corporate, retail, FI and sovereign. Broken down from the Group level exposure and risk, developments are reported at unit and segment level. This includes also the utilization of portfolio thresholds at country level, the development of customer ratings, average probabilities of default, collateralization, forbearance, credit concentration measures, as well as foreign currency exposures to customers that are considered unhedged. The Risk Report for the Risk Committee of the RBI Supervisory Board is also discussed and acknowledged by the RBI Board of Management.

A dashboard consisting of indicators related to sound risk culture (e.g. number of risk relevant limit breaches, compliance with mandatory trainings, data quality) has been introduced in 2022, and is reported to GRC on quarterly basis. At least on a yearly basis risk culture dashboard is presented to the Risk Committee of the Supervisory Board as a focus topic.

The monthly ICAAP Report provides a monthly analysis to the Group Risk Committee (GRC) and the Management Board of the development of the overall risk situation in the economic perspective (Economic Capital 99.9%, 1 year), the development of Internal Capital, broken down from the Group level to a single unit view, and a comparison of the actual development with the Economic

Capital limit. Furthermore, the ICAAP Report also contains forecast calculations on risk and capital figures to identify potential events and developments which can influence the ongoing business.
The monthly Trigger Monitoring Report provides analysis regarding the current development of the Group via several ratios of different areas (e.g., Pillar I ratios, ICAAP figures, NPE ratios, profitability ratios etc.). The ratios and thresholds of these figures are set up within the Recovery Plan of RBI Group (RBI Group Recovery Plan). The monthly presentation takes place in the GRC.

The semi-annual Report on the Results from the Integrated Stress Test provides an analysis to the GRC and the Management Board in particular about the effect of the multi-year stress scenarios on the CET1 ratio in relation to the risk tolerance level. In addition, the maximum provisioning rate and NPE ratio, set in the NPE and Risk Cost Strategy for the Group, are tested, and a stressed Internal Capital utilization is calculated according to the different stress scenarios.

In 2022 a first climate risk stress test was performed covering transition and physical risk over short to long term stress horizons. A climate related stress test is performed at least on a yearly basis, and the results informs the internal capital adequacy process as well as strategic business process within the bank. It is worth mentioning that the methodologies around quantification of climate and environmental risks are emerging, and that a materiality assessment is performed at least on a yearly basis to assure that risks with potential material impact on the banks risk profile are adequately covered in the risk framework.

The quarterly NPE Dashboard, which is presented to the Management Board, provides reports on the fulfillment of the set targets, the reason for deviations and the actions needed to be taken (in case significant deviations are observed) in relation to the Group NPE and Risk Costs Strategy.

The weekly Market Risk Committee (MACO) Report provides the MACO with information on the development of profit and loss, the risks calculated and the limit utilization, as well as the results of scenario analyses and stress tests with respect to market risk.

The ALCO Report and the weekly Liquidity Risk Report provides the members of the Management Board and the members of the Group Asset/Liability Committee with comprehensive information on the liquidity situation, including the LCR and NSFR at RBI Group level and RBI AG (head office and branches), as well as for NWBs and selected units such as "Verbundunternehmen" and leasing units. The going concern and time-to-wall analysis are also provided at material currency level. Additionally, an intraday liquidity risk monitoring figure for RBI head office, the development of the asset encumbrance ratio for RBI Group and RBI head office and the ALM on concentration of CBC for RBI Group are reported. Finally, the number of limit violations YTD for each unit's going concern and time-to-wall report for total and material currencies are presented.

Article 436 CRR

Scope of application

Pursuant to Article 11 of the CRR, RBI is supervised by the ECB on a consolidated basis and is subject to the CRR provisions not only as an individual credit institution but also as a consolidated group.

The consolidated group is defined as all companies included in the consolidated financial statements. Due to different regulations the following two consolidated groups are distinguished:

- Consolidated group for legal/accounting purposes – IFRS 10
- Consolidated group for prudential/regulatory purposes – Article 30 BWG, Article 18 CRR and Article 19 CRR

Consolidated group for accounting purposes

All material subsidiaries controlled directly or indirectly by RBI AG are fully consolidated. The Group has control over an entity when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Structured entities are entities in which the voting or similar rights are not the dominant factor for determining control, e.g. if the voting rights are solely related to administration activities and the relevant activities are governed by contractual agreements.

As in the case of subsidiaries, consolidation of structured entities is necessary if the Group has control over the entity. In the Group, the need to consolidate structured entities is reviewed as part of the securitization transaction process in which the structured entity is either formed by the Group with or without participation of third parties or in which the Group with or without participation of third parties enters into contractual relationships with existing structured entities.

In order to determine when an entity has to be consolidated, a number of control factors need to be examined:

- The purpose and constitution of the entity
- The relevant activities and how they are determined
- The Group's ability to determine the relevant activity through its rights
- The Group's exposure to risks of or its rights to variable returns
- The Group's ability to use its power over the investee in order to affect the amount of variable returns.

Material interests in associated companies – the Group exerts a significant influence on financial and operating policies of these companies – are valued at equity and reported under investments in associates. Profit or losses occurring in companies valued at equity are shown on a net basis in current income from associates. The rules applicable to companies valued at equity (offsetting acquisition costs against proportional fair net asset value) are the same as those that apply to fully consolidated companies. In principle, IFRS financial statements of associated companies are used. Changes in equity of companies valued at equity are also treated in the consolidated accounts as changes in equity.

Shareholdings in subsidiaries not included in the consolidated financial statements because of their immateriality and shareholdings in companies which have not been valued at equity are shown under financial investments and are measured at amortized cost.

Of the 198 entities in the Group, 113 are domiciled in Austria (2022: 108) and 85 abroad (2022: 90). They comprise 24 banks, 111 financial institutions, 11 companies rendering bank-related ancillary services, 6 financial holding companies and 44 other companies. Due to their insignificance in relation to the Group's assets, financial situation, and earnings, 362 subsidiaries were omitted from consolidation. These are recognized at cost as shares in affiliated companies under securities and equity participations. Total assets of unconsolidated companies account for less than 1 per cent of the Group's total assets.

A list of companies, which includes information on the accounting and the regulatory consolidation method for each entity (EU LI3), can be found in the dedicated document in tabular form.

Consolidated group according to regulatory requirements

There were 151 companies (including branches) in the RBI CRR Group as of 31 December 2023.

The basis for regulatory consolidation is the Capital Requirements Regulation (CRR). This differs from the consolidated group for accounting purposes in that only companies which are specialized in bank and other financial businesses have to be included. This means affiliated companies with non-bank business do not have to be included in the regulatory consolidated group. According to Article 19 CRR, institutions, financial institutions or ancillary services undertakings need not be included in the consolidation where the total amount of assets and off-balance sheet items of the undertaking concerned is less than the smaller of the following two amounts:

- €10 million
- 1 per cent of the total amount of assets and off-balance sheet items of the parent undertaking or the undertaking that holds the participation.

Moreover, competent authorities can permit the exclusion of the following participations on a case-by-case basis:

- The undertaking concerned is situated in a third country where there are legal impediments to the transfer of the necessary information
- The undertaking concerned is of negligible interest only with respect to the objectives of monitoring credit institutions
- The consolidation of the financial situation of the undertaking concerned would be inappropriate or misleading as far as the objectives of the supervision of credit institutions are concerned.

Fully consolidated subsidiaries

According to Article 18 CRR, RBI is required to carry out a full consolidation of all subsidiaries that are institutions and financial institutions. Article 19 CRR applies to the regulatory consolidated group. Each unit not exceeding a balance sheet total of € 10 million is not included. This applies to 63 units of minor importance.

Proportional consolidation

According to Article 18 (2) CRR, permission for proportional consolidation may be given by competent authorities on a case-by-case basis. Currently proportional consolidation is not applied in RBI.

At equity valuation

An associated company is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of an entity in which shares are held. There is no control or joint management of decision-making processes. As a rule, significant influence is assumed if the Group holds 20 to 50 per cent of the voting rights. In the assessment as to whether the Group has the ability to exert a significant influence on another entity, the existence and the effect of potential voting rights which are actually usable, or convertible are taken into account. Examples of further parameters for assessing significant influence are representation on executive committees and supervisory boards (supervisory board in Austrian joint stock companies) of the entity and material business dealings with the entity. Shares in associated companies are valued at equity.

According to Article 18 (7) of Regulation (EU) 2019/876 ('CRR2') an institution shall apply the equity method where an institution has a subsidiary which is an undertaking other than an institution, a financial institution or an ancillary services undertaking or holds a participation in such an undertaking

As a result of Article 18 (7), RBI applies for 60 participations the equity method by 31 December 2023. For the remaining participations, the effect on regulatory capital is negligible and they continued to be valued at cost.
Annex 3 contains a list of companies valued at equity.

Companies deducted from the total capital

According to CRR Article 36 (1) (f-l), direct, indirect, and synthetic holdings in common equity tier 1 capital instruments have to be deducted from common equity tier 1 capital. The deduction amount depends on the threshold calculated according to CRR Article 46 and 48. As RBI does not exceed the threshold, no participations are deducted from common equity tier 1 capital.

Impediments to the transfer of funds

In some countries in which RBI CRR Group operates, the payment of dividends is subject to certain restrictions. Such restrictions are for example due to applicable minimum capital requirements or liquidity requirements or other requirements from local regulators. In some countries, the prior approval of the respective local regulator for the distribution of own funds is required.

Aggregate amount by which actual funds are less than the required minimum in all subsidiaries not included in the consolidation

There are no material capital deficiencies for subsidiaries not included in the consolidation.

Quantitative disclosure

For numerical information and the differences in the scopes of consolidation (templates EU LI1 and EU LI2) please refer to the dedicated document in tabular form.

Article 437 CRR

Own Funds

Statement of financial position

Differences between balance sheet positions in the audited financial statements and the regulatory capital calculation are based on the different consolidation scopes.

in € thousand	2023
Shareholders' equity according to the group's balance sheet	19 849 405
Differences due to scope of consolidation	-17 990
Institutional protection scheme (IPS)	-503 821
Non-controlling interests	1 232 668
Minority adjustments due to Basel III	-538 767
Anticipated dividend	-504 461
AFS Reserve	29 384
Regulatory adjustments	-147 932
IFRS9-Transitional Arrangements	315 335
Goodwill	-51 695
Deferred tax assets	42 727
Intangible assets	-663 213
Deduction for securitizations	-52 251
Other adjustments	-12 141
Total tier 1 capital	17 880 592
Tier 2 instruments	2 137 914
Net provisions for reported IRB credit exposure	252 613
Other adjustments	-208 714
Total tier 2 capital	2 287 095
Total capital base	**20 167 687**

Summary of the main features of regulatory capital items

Common equity tier 1 (CET1) after deductions amounted to € 16,203 million, representing an increase of € 560 million compared to the 2022 year-end figure. The main driver of the increase was the net profit for the current financial year. Tier 1 capital after deductions increased € 562 million to € 17,881 million. The increase was primarily attributable to effects in CET1. Tier 2 capital decreased € 96 million to € 2,287 million due to the regulatory maturing of outstanding instruments. Total capital amounted to € 20,168 million, which represents an increase of € 466 million year-on-year.

Total risk-weighted assets (RWA) decreased by a total of € 4,016 million to € 93,664 million compared to the 2022 year-end figure. The main drivers for the reduction in credit risk were foreign currency effects from the Russian ruble and a decrease in the corporate and retail portfolio of € 3,684 million and € 1,437 million, respectively. The reduction was set against an increase of € 1,392 million in credit risk for governments and central banks, primarily due to higher risk weightings. Inorganic effects, which were primarily due to the implementation of the IRB approach at the Austrian savings and loan institution, resulted in a decrease of € 2,370 million. The RWAs for market risk increased due to the RWA backing of investments in foreign currencies, particularly those of the Russian subsidiary bank.

This resulted in a (transitional) CET1 ratio of 17.3 per cent, a (transitional) tier 1 ratio of 19.1 per cent and a (transitional) total capital ratio of 21.5 per cent.

Common equity tier 1 capital

Common equity tier 1 capital (CET1) includes the components of tier 1 capital, after applying phasing in rules, which are provided in CRR to adapt to the new requirements in the European Union, and deductions from CET1 after applying the threshold exemptions according to Article 36 and 48 CRR. Paid-in capital comprises subscribed capital and capital reserves of RBI. The subscribed capital and disclosed reserves are available over the lifespan of the company. All included instruments are fully eligible under Article 28 CRR. For information on changes in equity in the reporting period, please refer to the table "Statement of changes in equity" in the consolidated financial statements contained in the RBI Annual Report 2023.

Tier 1 capital

Tier 1 capital comprises CET1 capital plus Additional Tier 1 capital (AT1) less deductions from AT1 capital.

Tier 2 capital

The total tier 2 capital mainly consists of subordinated capital. Moreover, any excess of loan loss provisions over the amount of calculated expected losses for portfolios included under the IRB approach, up to a maximum of 0.6 per cent of the credit risk-weighted assets covered by the IRB approach, is included.

Quantitative disclosure

For numerical information on the composition of regulatory own funds (templates EU CC1 and EU CC2) please refer to the dedicated document in tabular form.

Article 437a CRR

Own funds and eligible liabilities

RBI is not identified as a global systemically important institution (G-SII). Therefore, the disclosure referred to in Article 437a CRR does not apply.

Article 438 CRR

Own funds requirements and risk-weighted exposure amounts

The following table provides an overview of the calculation methods that are applied to determine total capital requirements in the subsidiaries:

Unit	Credit risk Non-Retail	Retail	Market risk	Operational risk
Raiffeisen Bank International AG, Vienna (AT)	IRB	STA	Internal model, STA	STA
Raiffeisenbank a.s., Prague (CZ)	IRB	IRB	STA	STA
Raiffeisen Bank Zrt., Budapest (HU)	IRB	IRB	STA	STA
Tatra banka a.s., Bratislava (SK)	IRB	IRB	STA	STA
Raiffeisen Bank S.A., Bucharest (RO)	IRB	IRB	STA	STA
Raiffeisen Bank d.d. Bosna i Hercegovina, Sarajevo (BA)	IRB	IRB	STA	STA
Raiffeisenbank Austria d.d., Zagreb (HR)	IRB	STA	STA	STA
Raiffeisen Banka a.d., Novi Beograd (RS)	IRB	IRB	STA	STA
AO Raiffeisenbank, Moscow (RU)	IRB	STA	STA	STA
Raiffeisen Bank Sh.a., Tirana (AL)	IRB	IRB	STA	STA
Crédit Agricole Srbija AD, Novi Sad (RS)	STA	STA	STA	STA
Kathrein Privatbank Aktiengesellschaft, Vienna(AT)	STA	STA	n/a	STA
Raiffeisen Bausparkasse Gesellschaft m.b.H., Vienna (AT)	IRB	IRB	STA	STA
All other units	STA	STA	STA	STA

Internal Model: Only for risk of open currency positions and general interest rate risk in the trading book

Internal Capital Adequacy Assessment Process (ICAAP)

The ICAAP forms a part of the Pillar 2 requirements according to CRR. Maintaining an adequate level of capital is a core objective of the Group. Capital requirements are monitored regularly based on the actual risk level as measured by internal models, and the materiality of risks is taken into account in the selection of appropriate models. For the institution's approach to assessing the adequacy of its internal capital to support current and future activities, please refer to the Risk Report in RBI's Annual Report.

The European Central Bank, as the competent authority, has not stipulated that the result of the institution's internal capital adequacy assessment process - including the composition of the additional total capital requirements based on the supervisory review process as referred to in point (a) of Article 104 (1) CRR - be disclosed.

Quantitative disclosure

For numerical information on the own funds requirements and risk-weighted exposure amount (templates EU OV1, EU CR10, EU CR10.5 and EU INS1) please refer to the dedicated document in tabular form.

Article 439 CRR

Exposures to counterparty credit risk

Methodology used to assign internal capital according to Article 39a BWG and credit limits for counterparty credit exposures

If a counterparty in a derivative, repurchase, securities or commodities lending or borrowing transaction defaults, then losses can arise from reestablishing the contract with another counterparty. At RBI, this risk is measured using the mark-to-market approach for current exposure and a predefined method for estimating potential future changes in the exposure. For internal management purposes, potential price changes, which can affect the fair value of an instrument, are calculated specifically for different contract types based on historical market price changes. For FX and IR derivatives, the measurement methodology is based on the potential future exposure calculated using a full path dependent Monte Carlo simulation. The potential future exposure is then used as utilization of the limit. For all other products, haircuts are estimated from historical changes in their price. For Security Finance products, RBI applies, on a daily basis, an independent price verification approach (observable inputs according to IFRS 9 accounting categories) by using predefined price sources for the measurement of the exposure.
For derivative contracts, the standard limit approval process applies, where the same risk classification, limitation, and monitoring process is used as for traditional lending. In doing so, the weighted nominal exposure of derivative contracts is added to the customers' total exposure in the limit application and monitoring process as well as in the calculation and allocation of internal capital.

Policies for securing collateral and establishing credit reserves

An important strategy for reducing counterparty credit risk is the employment of credit risk mitigation techniques such as netting agreements and collateralization.

Master agreements have to be executed for repurchase transactions, securities lending transactions and OTC derivatives transactions. The majority of these agreements are based on widely used industry standards provided by market associations like ISDA or ICMA. Credit risk mitigation techniques are strictly subject to independent legal opinions which affirm the enforceability of the applied master agreement.

For OTC derivatives, RBI strives to establish standardized ISDA master agreements or similar industry standard agreements with all counterparties in order to perform close-out netting. With financial counterparties, RBI enters into credit support annexes (CSA) for full risk coverage for positive fair values on a daily basis.

As of 1 March 2017, the exchange of collateral for non-centrally cleared OTC derivatives between financial counterparties became mandatory according to the European Markets Infrastructure Regulation (EMIR) EU 648/2012. Starting on 1st September 2021, RBI is also subject to the exchange of initial margin for uncleared OTC derivatives under this regulation and uses an internal model (ISDA-SIMM) to determine initial margin requirements. RBI makes use of the exemption to reduce initial margin requirements according to Article 29 of Commission Delegated Regulation (EU) 2016/2251 by EUR 50 million for each group of counterparties. Therefore, no initial margin has been exchanged so far.

Regulations for correlation risks

Correlation risks between exposure and collaterals relating to repurchase transactions, securities lending transactions and collateralized lending are restricted by comprehensive risk limits. Limits are established to restrict correlations of collaterals with the following risks:

- Counterparty risk
- Country risk
- Issuer risk in the case of securities collateral

Correspondent limits exist on the counterparty level and on the overall volume of accepted collaterals.

Correlation risks between derivative transactions and assets received to cover credit exposure are limited by a restrictive list of eligible collaterals. Following common market practice, most of bilateral exposures are collateralised with cash EUR. Securities collateral only contribute to a marginal share and are approved on single basis to control correlation and wrong-way-risks. To avoid risks incurred by currency mismatch of the underlying collateral, intra-group transactions related to cleared transactions are collateralised in the same currency as the cleared transaction. For unsecured derivatives transactions with corporates the strategy is to permit only hedging transactions without general wrong-way risk attached.

RBI has identified securities finance (i.e., repo, reverse repo, sell & buy back, buy & sell back, and securities lending) as the main field of business operations where wrong-way risks can arise, either general or specific wrong-way risks. Several restrictions are in place and have been implemented in the respective IT systems. They are monitored and controlled on a daily basis by an independent controlling unit.

- Specific wrong-way risk is forbidden in general, meaning risks related to collateral provided under GMRA and GMSLA agreements must not be identical to the credit risk of the concluding counterpart or a group of connected clients the counterpart belongs to. An exception to this general rule is only allowed for covered bonds, entitling the segregation of claims in case of bankruptcy; these covered bonds must be bonds according to CRR 575/2013 Article 129.

- For general wrong-way risks, RBI has identified specific countries where the correlation between government debt and the financial sector holding such government debt is considered to be high. For these countries, an overlap regulation has been established limiting counterparts, collateral and the total gross amount of business volume to be undertaken.

An additional field of important business operations is undertaken in derivatives which are secured by CSA. As only cash is accepted as collateral, wrong-way risks are not considered to be an issue in this business field. For unsecured derivatives transactions with corporates the strategy is to permit only hedging transactions without general wrong-way risk attached.

CRR rating downgrade

After the entry into force of Commission Delegated Regulation (EU) 2016/2251 dealing risk mitigation techniques for non-centrally cleared derivatives in January 2017, credit support agreements between financial counterparties must not include rating-dependent thresholds.

A deterioration in credit quality could affect collateral posted under client clearing agreements which entitle the clearing member to increase initial margin requirements above the amount required by the central counterparty. In view of the volume of RBI´s centrally cleared derivatives business, the good relationship with RBI´s clearing members and the rating as of 31 December 2023 of A- (Standard & Poor's) and A1 (Moody's), RBI's estimates of the maximum amount of additional collateral are shown in the table below:

Rating grade	S&P	Moody´s	Max. additional collateral requirement in € thousand
1	AAA	Aaa	0
2	AA+	Aa1	0
3	AA	Aa2	0
4	AA-	Aa3	0
5	A+	A1	0
6	A	A2	0
7	A-	A3	0
8	BBB+	Baa1	0
9	BBB	Baa2	80 000
10	BBB-	Baa3	160 000
11	BB+	Ba1	160 000
12	BB and below	Ba2 and below	160 000

Quantitative disclosure

For numerical information on the counterparty credit risk (templates EU CCR1, EU CCR2, EU CCR5, EU CCR6, EU CCR7 and EU CCR8) please refer to the dedicated document in tabular form.

As IMM (internal model method) for derivatives and SFTs is not applied, template EU CCR7A is not disclosed.

Article 440 CRR

Countercyclical capital buffers

The tables mentioned below show the geographical distribution of credit exposures relevant for the calculation of the RBI countercyclical capital buffer referred to in Title VII, Chapter 4 CRR. Only a small number of jurisdictions where RBI Group has exposure applied countercyclical buffer rates of more than 0 per cent and are shown separately in the table, amounting to an institution-specific countercyclical capital buffer rate for RBI Group of 0.65 per cent as of 31 December 2023.

Quantitative disclosure

For numerical information on the countercyclical capital buffers (templates EU CCyB1 and EU CCyB2) please refer to the dedicated document in tabular form.

Article 441 CRR

Indicators of global systemic importance

RBI is not identified as a global systemically important institution (G-SII). Therefore, the disclosure referred to in Article 441 CRR does not apply.

Article 442 CRR

Exposures to credit risk and dilution risk

Definition of the terms "past due" and "impaired" for accounting purposes

Past due exposures

A financial asset is past due when a counterparty has failed to make a payment when that payment was contractually due.

Impaired exposures

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired include observable data about the following events:

- Significant financial difficulty of the issuer or the borrower;
- A breach of contract, such as a default or past due event;
- The lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, have granted the borrower a concession(s) that the lender(s) would not otherwise consider;
- It is becoming probable that the borrower will enter bankruptcy or other financial reorganization;
- The disappearance of an active market for that financial asset because of financial difficulties; or
- The purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses.

It may not be possible to identify a single discrete event; instead, the combined effect of several events may have caused financial assets to become credit-impaired.

Approaches and methods for determining value adjustments and provisions

Troubled loans (where debtors are expected to run into financial difficulties or delayed payment) need special handling. In non-retail divisions, problem loan committees of each Group member review problematic exposures. In case of the need for intensified handling and workout, the troubled loans are assigned either to a designated specialist or to a restructuring unit (workout department), which are both part of the risk or credit risk management divisions. Employees of workout units are specially trained and experienced. They typically handle medium-sized to large cases and are assisted by in-house legal departments and/or by external specialists. Workout units play a decisive role in accounting for, analyzing and booking provisions for impairment losses (write-offs, value adjustments, provisioning). Losses caused by troubled loans may be reduced by their early involvement. Cases in which restructuring, or liquidation take place are analyzed by RBI to determine their causes. Lending processes are then adapted as necessary on the basis of those results.

Default and workout standards in the retail area are defined for the whole restructuring and collection process for private individuals and small enterprises. A restructuring guideline defines the Group's restructuring framework, including the strategy, organization, methods, monitoring and controlling. In the collection process customers are classified into the three categories "Early", "Late" and "Recovery", for which respective standardized customer handling processes are defined.

At each balance sheet date, an assessment is made as to whether there is any objective evidence that a financial asset or group of financial assets is impaired (please see "Impaired exposures").

Credit risk is accounted for by impairment provisions. The IFRS 9 impairment standard is followed, exposures being split into Stage 1 (no significant increase in credit risk), Stage 2 (significant increase in credit risk) and Stage 3 (already impaired assets). The trigger for Stage 3 is equivalent to the default definition used for internal credit risk management purposes. In Stage 1, provisions are calculated as 12-month expected credit losses, while in Stage 2 and 3 lifetime expected credit losses are applied.

In the non-retail business, for credit risks related to loans and advances to customers and banks, provisions are made in the amount of expected loss according to homogeneous Group-wide standards. Risk of loss is deemed to exist if the discounted projected repayment amounts and interest payments are below the carrying value of the loans, taking collateral into account. Portfolio-based impairments are calculated according to valuation models that estimate expected future cash flows for the loans in the respective loan portfolio based on loss experience history. This is carried out regularly having regard to economic conditions.

In the retail business for Stages 1 and 2, ECLs are calculated as the sum of present values of the marginal losses occurring in each month after the reporting date. The marginal losses are derived from individual parameters that estimate exposures and losses in the case of default and the marginal probability of default (PD) for each monthly period. The basis for all retail ECL component parameter estimates (PD, LGD, EAD) are the respective Pillar I/II models developed within the Basel framework, adjusted to comply with IFRS9 requirements. Survival analysis is the approach used for PD modeling for lifetime expected losses estimation. The parameter estimates are additionally overlayed with macro models according to 3 macroeconomic forecast scenarios.

The assignment of retail exposures between Stage 1 and 2 (staging) is performed using both quantitative and qualitative criteria. The quantitative analysis measures whether the remaining lifetime probability of default as of the reporting date minus the corresponding expected conditional PD from the original vintage curve is higher than the specified threshold. The threshold levels are estimated empirically for each separate portfolio, based on observed downgrades of exposures. The qualitative criteria are a set of fixed rules used as a back-stop, including most importantly: more than 30 days past due; forbearance status; holistic approach and other locally specific indicators.

In retail, the method to calculate Stage 3 ECL and provisions uses the Best Estimate of Expected Loss (BEEL) parameter. By definition, this parameter reflects the most probable loss potential for accounts in default which have similar risk and recovery profiles and provides a statistically derived estimated level of loss for such accounts.

Impairment provisions are not netted against corresponding receivables but are stated separately in the statement of financial position.

The entirety of the provision for impairment losses arising from loans reported in the statement of financial position is shown as a separate item on the assets side, below loans and advances to banks and customers. The provision for impairment losses arising from transactions off the statement of financial position is recorded under provisions for liabilities and charges.

Quantitative disclosure

For numerical information on the credit risk and credit quality (templates EU CR1, EU CR1-A, EU CR2, EU CQ1, EU CQ3, EU CQ4, EU CQ5 and EU CQ7) please refer to the dedicated document in tabular form.

The tables EU CQ2, EU CQ6 and EU CQ8 are not disclosed as RBI Group does not meet the 5% gross NPL ratio threshold.

Article 443 CRR

Encumbered and unencumbered assets

RBI is a universal bank whose primary activity is the traditional lending and borrowing business. The main types of encumbered assets in RBI are loans and advances followed by debt securities. The largest source of encumbrance is collateralized deposits which encumbers €11,0 billion of assets. A further €6,4 billion of assets are encumbered by covered bonds, €5,6 billion of assets are encumbered by repo transactions and central bank funding and €2,1 billion of assets are encumbered by derivatives.

The largest volume of unencumbered assets is loans and advances followed by debt securities which are to a large extent central bank eligible. 'Other assets' are the third largest group of unencumbered assets. Levels of collateralization are in line with market practice. Compared to 2022 the relative and absolute amounts of encumbered assets and central bank eligible assets have risen slightly while the unencumbered assets have decreased slightly. Intra-group asset encumbrance is not material.

Quantitative disclosure

For numerical information on the asset encumbrance (templates EU AE1, EU AE2 and EU AE3) please refer to the dedicated document in tabular form

Article 444 CRR

Use of the standardized approach

ECAI (External Credit Assessment Institution)

RBI utilizes the external sovereign ratings from **Standard & Poor's, Moody's and Fitch Ratings** for the calculation under the standardized approach. If available, the issue ratings of securities from Standard & Poor's and Moody's are applied. For all other exposure classes, if available, the ratings of Standard & Poor's are applied.

In the case of security items, external issuer ratings are applied for the equity calculation. If security items are held to mitigate risk, the issue ratings are applied to determine the haircuts.

The external ratings applied are mapped to the credit quality steps (rating notches) defined in the standardized approach for credit risk in accordance with standard mapping pursuant to CRR.

	ECAI Rating		
Rating notch	Standard & Poor's	Moody's	Fitch
1	AAA	Aaa	AAA
1	AA+	Aa1	AA+
1	AA	Aa2	AA
1	AA-	Aa3	AA-
2	A+	A1	A+
2	A	A2	A
2	A-	A3	A-
3	BBB+	Baa1	BBB+
3	BBB	Baa2	BBB
3	BBB-	Baa3	BBB-
4	BB+	Ba1	BB+
4	BB	Ba2	BB
4	BB-	Ba3	BB-
5	B+	B1	B+
5	B	B2	B
5	B-	B3	B-
6	CCC+	Caa1	CCC
6	CCC	Caa2	CC
6	CCC-	Caa3	CC
6	CC	Ca	C
6	C	Ca	C
6	D	C	D
7	NR	NR	NR

Quantitative disclosure

For numerical information on the exposure breakdown and (templates EU CR5 and EU CCR3) please refer to the dedicated document in tabular form.

Article 445 CRR

Exposure to market risk

For numerical information on the exposure to market risk (i.e., template EU MR1) please refer to the dedicated document in tabular form.

Article 446 CRR

Operational risk management

RBI Group currently calculates regulatory capital requirements for operational risks according to Basel II using the standardized approach. The Advanced Measurement Approach (AMA) was retired in the fourth quarter of 2022.

Quantitative disclosure

For numerical information on operational risk management (template EU OR1) please refer to the dedicated document in tabular form.

Article 447 CRR

Key Metrics

For numerical information of the key metrics (templates EU KM1) please refer to the dedicated document in tabular form.

Article 448 CRR

Exposure to interest rate risk on positions not held in the trading book

Interest rate risk in the banking book arises from differences in maturities and repricing schedules between RBI's assets and liabilities. There are relevant open positions for EUR, USD and CHF as major currencies as well as for local currencies of network banks located in Central and Eastern Europe.

Interest rate risk in the banking book is actively managed by Treasury in accordance with the interest rate strategy approved by the Group Asset Liability Committee (ALCO) and within given market risk limits approved by the Group Market Risk Committee (MACO).

This risk type is hedged by a combination of on- and off-balance sheet transactions. Instruments for hedging include off-balance sheet derivatives (interest rate swaps and – to a smaller extent – interest rate forwards and interest rate options). Hedge accounting according to IAS 39 is applied wherever applicable in order to avoid fluctuations in the income statement caused by the revaluation of derivatives.

The interest rate risk in the banking book is measured and controlled in a dual approach:

In the economic value-based approach all banking book positions are included in RBI's internal market risk model, which is also used for measuring market risk in the trading book. All banking book positions are subject to market risk limits (Basis Point Values and Value at Risk calculated on a daily basis) and included in the Pillar 2 economic capital measurement.

In contrast to the trading book, the interest rate behavior of certain positions has to be modeled in the banking book. In this respect, the modeling of own funds and of administered rate products (i.e., customer products without contractually agreed interest rate behavior such as current accounts or sight deposits) significantly influences the measured overall interest rate risk position. RBI models these banking book positions with a highly prudent approach. Own funds are modeled as overnight positions without interest rate sensitivity in terms of Basis Point Values and Value at Risk and therefore do not artificially offset long-term fixed receiver positions.

The interest rate risk of administered rate products is modeled based on a replicating portfolio methodology. The main idea behind this methodology is to define a replicating portfolio of plain vanilla instruments that are available on the market and mimic the historical interest rate behavior of the administered rate product the best. The structure of the replicating portfolios is used consistently for measuring the interest rate risk (Basis Point Values, Value at Risk) of administered rate positions as well as for internal funds transfer pricing.

The theoretical maximum duration of the replicating portfolio according to the Basel IRRBB Standards is up to 5 years for retail products and up to 4 years for corporate products. The actual durations for specific administered rate products on RBI's balance sheet vary currently between 1 month and 4.38 years for retail products and between 1 month and 0.67 years for corporate products. Semi-annual recalibrations and annual validations are performed in order to test whether the currently applied replicating portfolio models are still valid.

The optionalities present in the retail portfolio that affect the interest rate risk profile of the transactions (i.e. prepayment option, early withdrawal option and replenishment option) are taken into consideration and modeled according to the RBI optionality model. The models are currently applied to fixed rate loans for modelling embedded prepayment options. This model is based on linear regression using the historical development of optionalities as input. If no statistically significant parameters are found in the regression analysis, a moving average concept is applied. Only Raiffeisen Bank Russia has implemented a non-linear model.

Retail term deposits for building societies are modeled as well. During the six-year lifetime of the deposit a certain savings amount is agreed with the customer. In order to determine the targeted deposit volume in the future, a haircut based on a regular and early termination forecast is calculated and applied to the monthly modeled increase in the deposit volume. In order to achieve the agreed volume of the savings account regular (e.g., monthly) payment inflows are modeled. The additional agreed savings amount after application of the haircut is distributed across the remaining lifetime of the existing deposits.

The approach based on economic value is complemented by a future-oriented earnings-based approach in order to identify the main drivers of the bank's interest rate sensitive income statement positions, calculated on a monthly basis. Furthermore, this approach provides information necessary to manage and optimize the risk-return position as well as the structure of the balance sheet from an earnings-based point of view. The evolution of net interest income and valuation results are simulated under various balance sheet (maturities, margins, etc.) and market scenarios (parallel shift and twists of the yield curve, implied forward scenario, scenario according to market opinion, etc.)

The following table shows the variations in forecasted earnings (Net Interest Income) of RBI's banking book for the horizon of the next 12 months under a sudden parallel shift of +200bps and -200bps as a percentage of total forecasted earnings for a given currency in the scenario with stable interest rates, using the RBI Group model for repricing of administered rate products.

2023 in € thousand	+200 bp shift	-200 bp shift
ALS	2.80%	-9.70%
BGN	6.90%	-9.10%
BYN	-7.80%	5.40%
CHF	25.20%	-36.50%
CNY	1665.50%	-1952.60%
CNH	103.80%	-103.70%
CZK	-2.10%	-2.10%
EUR	5.20%	-17.60%
GBP	-57.00%	25.80%
HUF	5.20%	-8.50%
PLN	16.00%	-17.70%
RON	4.10%	-11.00%
RSD	9.00%	-12.40%
RUB	2.90%	-7.20%
SGD	82.30%	-82.20%
UAH	0.60%	-2.70%
USD	-9.00%	-6.90%
Other	-19.00%	-17.00%

The following table shows the change in the present value of RBI's banking book given a one basis point interest rate increase for the whole yield curve.

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
ALL	19	0	-1	-4	-10	11	25	-18	1	11	4	0
BAM	-58	2	-22	37	8	-3	-8	-37	-29	-6	-1	0
BGN	0	0	0	0	0	0	0	0	0	0	0	0
BYN	-6	2	2	6	-4	-3	-2	-2	-3	-2	0	0
CHF	-67	-25	-4	-1	5	4	2	-17	-10	-13	-7	-1
CNY	-2	0	-1	-1	0	0	0	0	0	0	0	0
CZK	-824	40	-18	-7	-214	-190	-188	115	-162	-173	-27	-1
EUR	-1 519	24	-123	26	123	-31	209	-180	-601	-719	-240	-8
GBP	-6	-4	2	1	0	-7	1	0	0	0	0	0
HUF	-314	6	1	-38	-14	-13	-88	-55	-106	-6	-1	0
PLN	-14	-2	-7	2	3	-1	-3	-4	-2	0	0	0
RON	110	4	11	2	-69	11	30	-50	167	4	-1	0
RSD	-34	1	3	10	-15	14	13	-16	-44	0	0	0
RUB	-68	-9	-30	-11	-148	-70	93	123	73	-73	-16	-2
SGD	0	0	0	0	0	0	0	0	0	0	0	0
TRY	0	0	0	0	0	0	0	0	0	0	0	0
UAH	-32	5	3	-2	-15	-14	-7	0	0	0	0	0
USD	58	18	-33	22	41	34	-20	-6	2	0	0	0
Other	-7	0	0	0	1	-1	-1	0	-1	-2	-3	0

A more extensive stress scenario is shown in the following table reflecting changes in the present value of RBI's banking book, when the parallel shift factors are increased as follows: The standard stress scenario is based on a sudden parallel downwards and upwards shift of the respective yield curve. Size of the shock follows the Austrian VERA regulation and varies between 100 and 400 basis points per currency. Stress results related to the yield curve are based on a full simulation, dynamic approach.

Changes in the present value of RBI's banking book in € thousand	Parallel shift down	Parallel shift up
ALL yield curve	-1 322	14 149
BAM yield curve	39 635	-28 831
BGN yield curve	-6	6
BYN yield curve	3 276	-1 929
CAD yield curve	20	-20
CHF yield curve	7 083	-6 583
CNH yield curve	-741	968
CNY yield curve	529	-520
CZK yield curve	175 988	-157 236
DKK yield curve	29	-29
EUR yield curve	210 277	-222 969
GBP yield curve	1 764	-1 639
HKD yield curve	-3	3
HUF yield curve	104 609	-81 031
NOK yield curve	115	-109
NZD yield curve	-1	1
PLN yield curve	4 067	-3 180
RON yield curve	-43 918	30 600
RSD yield curve	19 138	-12 555
RUB yield curve	26 782	-26 406
SEK yield curve	3 396	-1 367
SGD yield curve	6	-6
TRY yield curve	8	-8
UAH yield curve	13 153	-12 159
USD yield curve	-21 219	19 739

Quantitative disclosure

For numerical information on interest rate risks of non-trading book activities (template EU IRRBB11) please refer to the dedicated document in tabular form.

Article 449 CRR

Exposure to securitization positions

The goals pursued by RBI's securitization activities

RBI concludes securitization transactions with the aim of:

- Reducing regulatory capital requirements or economic capital or accessing additional funding sources;
- Obtaining interest income while achieving at the same time an attractive risk/return profile;
- Generating fee income.

In the course of dealing with securitization transactions, RBI focuses on the following risks in addition to credit risk:

- Reputation risk
- Liquidity risk
- Counterparty risk
- Country risk
- Currency risk
- Regulatory risk
- Market risk
- Dilution risk and
- Commingling risk

These aspects are addressed by the respective, dedicated internal governance processes. The assessment of these risks (if deemed significant) and their mitigation is included in the internal application and forms part of the decision-making process.

RBI only invests in selected asset classes at a senior level with investment grade ratings or respective insurance wrap or retains tranches of assets originated by RBI or its Group entities at senior or other tranche levels. There is no re-securitization activity within RBI.

RBI's roles in securitization transactions

RBI engages in securitization transactions as:

- Investor (traditional securitizations)
- Originator (traditional and synthetic securitizations)
- Arranger (traditional and synthetic securitizations)
- Servicer and back-up servicer (acting only for Group entities to meet market requirements)
- Sponsor (traditional securitization)

The approaches used by RBI to calculate the weighted exposure amount in relation to its securitization activities

A dedicated governance and risk management process is in place to monitor performance and changes in the securitization exposures.

The monitoring of changes in the credit and market risk of securitization exposures comprises three different layers – the originator (credit & collection policy, commingling risk, reputation, etc.), the underlying portfolio (concentrations, correlations, default, and delinquencies, etc.) and the securitization exposure's structural features (seniority, triggers, waterfall, credit enhancement, etc.). The credit process covers approval, review, and stress testing. During the credit process RBI analyzes and records a wide range of data relating to the securitization exposures in order to gain a comprehensive and thorough understanding thereof. In particular, RBI analyzes and records the retained net economic interest, the risk characteristics of the individual securitization position and of underlying exposure, reputation and loss experience in earlier securitizations, historical performance and structural features that can materially impact the performance of the securitization position. The limits are approved in line with the Credit Approval Authorities regulations of RBI Group.

Retained tranches of transactions where RBI or one of its Group entities acts as originator are related to synthetic transactions of portfolios originated in the ordinary course of business. No hedging instruments are in place related to such retained tranches.

Unfunded protection transactions related to synthetic securitization tranches where RBI or one of its Group entities acts as originator areentered into with multilateral development banks or other highly rated counterparties.

Since the end of October 2019, RBI Group has applied the new securitization framework (according to EU Regulation 2017/2401 and EU Regulation 2017/2402) to the securitization portfolio. Where the conditions set out in Art. 258 of EU Reg. 2017/2401 are met, the SEC-IRBA is applied. The tranche will be either fully deducted from capital (where X ≤ KIRB) or the tranche will be weighted with a risk weight that is derived using the regulatory formula according to Art. 259, 260 and which amounts to at least 10% for STS transactions and 15% for non-STS.

Where the SEC-IRBA cannot be used, the SEC-SA is applied. The tranche will be either fully deducted from capital (where X ≤ KA) or the tranche will be weighted with a risk weight that is derived using the regulatory formula according to Art. 261, 262 and which amounts to at least 10% for STS transactions and 15% for non-STS. If SRT is not recognized, the original RWA amount of the underlying assets is applied.

Where the SEC-SA and SEC-IRBA may not be used, SEC-ERBA is applied to all tranches rated by two recognized ECAIs (according to EU Directive 462/2013 of the European Parliament and of the Council of 21 May 2013). All tranches which carry a rating below the defined minimum rating, or for which no alternative approach can be used, will be deducted from capital.

The institution will use SEC-ERBA instead of SEC-SA in the cases prescribed by Art. 254(2) of EU Reg. 2017/2401.

Securitization transactions where RBI Group serves as originator do not fulfill the requirements to be treated as STS securitizations under Art. 262 of EU Reg. 2017/2401.

The Internal Assessment Approach is not used for origination positions.

Accounting policies

For securitization transactions, RBI applies the respective regulations in accordance with International Financial Reporting Standards (IFRS), in particular IFRS 10 together with IAS 27 concerning the possible consolidation of structured entities (SE's) and IFRS 9 for the applicable balance sheet reporting. After a decision on the need for consolidation of the SE has been made, RBI determines whether the derecognition principles according to IFRS 9 are met. If, in the course of a synthetic transaction, the originator of the underlying financial assets is provided with a guarantee for default losses on the transferred assets, the assumptions stated in Appendix B of IFRS 9 prevent the transferred asset from being derecognized. In other words, in the case of synthetic securitizations, the instruments involved are financial guarantees or credit derivatives whereby the respective definitions are included in IFRS 9.

In the reporting period (as in previous years) no assets were assigned to "awaiting securitization" and there were no changes regarding the methods, key assumptions, and inputs from the previous period for valuing securitization positions.

The following applies to securitization transactions:

- To determine whether the structured entity (SE) is to be included in the consolidated IFRS balance sheet, RBI evaluates whether so-called 'effective control' within the meaning of IFRS 10 is fulfilled and if this is the case the respective SE becomes fully consolidated in the Group financial statements.

- As a further consequence, any Group unit which has invested in securitization tranches of portfolios of other Group units reports such tranches as intragroup receivables which are subject to consolidation of intercompany positions (i.e., on the liability side, the Group reports a lower amount of securitization debt);

- The accounting treatment of a received financial guarantee depends on the concrete transaction structure and whether the received guarantee is considered as an integral part of the guaranteed debt instrument or not. If the received guarantee can be considered as an integral part of the loan, the expected credit loss (ECL) of the guaranteed loans also includes the expected cash flows from the financial guarantee to the extent that the expected losses are covered by the guarantee;

- Transactions which have, in substance, the form of a credit derivative need to be reported in the IFRS balance sheet at their respective market values.

Names of acknowledged rating agencies which are used for securitization transactions

There are no externally rated securitization transactions for which RBI acts as an originator.

Moody's Investors Service, Fitch Ratings, DBRS, Standard & Poor's and Scope Ratings are used from time to time in relation to traditional securitizations where RBI acts as an investor and/or arranger.

RBI as sponsor

RBI acts as sponsor in relation to Belvedere Financing S.A., an SSPE established under the Luxembourg Securitization Law. Belvedere Financing S.A. purchases trade receivables from different customers of RBI and finances those purchased receivables by issuing notes. RBI acts as portfolio administrator of Belvedere Financing S.A. as well as investor in the issued notes.

RBI as investor and arranger

RBI also provides a wide range of secured financing solutions to its customers, offering the entire service spectrum – from feasibility and structuring to financing and/or placement. This includes traditional secured funding and securitization techniques as well as bespoke solutions. Selectively, RBI supports customer transactions and/or invests in transactions as described above, i.e. receivables purchase and securitizations of different kinds. As such, RBI as an investor also has exposure to a variety of traditional securitization transactions including to Belvedere Financing S.A. backed by trade receivables originated by third parties.

RBI as originator

Securitization represents a particular form of either credit risk transfer and/or refinancing of loans or lease agreements on portfolio basis, whereby risks are transferred to, or funding is provided by institutional investors. The objective of the Group's securitization transactions is to optimize risk weighted assets or gain access to additional funding sources.

The following transactions, executed with external contractual parties, qualify as significant risk transfer (SRT) transactions in accordance with the CRR and were active in the reporting year. The stated amounts represent the securitized portfolio, the underlying receivables, as well as the externally placed tranche at financial year end.

in € thousand	Seller of claims or secured party	Date of contract	End of maturity	Maximum volume	Securitized portfolio	Outstanding portfolio (securitized and retained)	Portfolio	Externally placed tranche	Amount of externally placed tranche
Synthetic Transaction ROOF RBCZ 2023	Raiffeisen Bank a.s. Czech Republic (CZ)	June 2023	June 2033	960 000	935 076	2 815 109	Company loans	Mezzanine	59 597
Synthetic Transaction ROOF HR MORTGAGES 2023	Raiffeisenbank Austria d.d., Zagreb (HR)	December 2023	November 2035	659 595	659 594	694 310	Mortgage loans	Mezzanine	61 013
Synthetic Transaction ROOF CORPORATE 2023	Raiffeisen Bank International AG, Wien (AT)	September 2023	October 2033	1 852 000	1 852 000	7 759 026	Company loans	Mezzanine	101 860
Synthetic Transaction ROOF CROATIA 2022	Raiffeisenbank Austria d.d., Zagreb (HR)	December 2022	June 2034	365 654	361 994	628 258	Company loans	Mezzanine	25 596
Synthetic Transaction ROOF HUNGARY 2022	Raiffeisen Bank Zrt, Budapest (HU)	December 2022	March 2035	595 649	595 649	626 886	Mortgage loans	Mezzanine	75 647
Synthetic Transaction ROOF ROMANIA 2022	Raiffeisen Bank S.A., Bukarest (RO)	November 2022	June 2039	307 153	292 873	311 736	Company loans	Mezzanine	26 271
Synthetic Transaction ROOF CORPORATE 2022	Raiffeisen Bank International AG, Vienna (AT)	June 2022	December 2032	1 818 182	1 815 928	7 325 164	Company loans	Mezzanine	100 000
Synthetic Transaction ROOF CORPORATE 2021	Raiffeisen Bank International AG, Vienna (AT)	December 2021	December 2031	4 079 979	4 061 977	8 141 871	Company loans	Mezzanine	216 239
Synthetic Transaction ROOF CRE 2019	Raiffeisen Bank International AG, Vienna (AT)	October 2019	September 2029	1 262 072	994 972	2 884 875	Corporate loans, Project finance	Mezzanine	74 635
Synthetic Transaction EIF Western Balkans EDIF Serbia	Raiffeisen Bank Serbia, Belgrade (RS)	November 2018	December 2028	20 000	1 887	2 652	SME loans	Junior	226
Synthetic Transaction EIF COSME Serbia	Raiffeisen Bank Serbia, Belgrade (RS)	December 2020	June 2034	64 000	15 837	31 458	SME loans	Junior	1 679
Synthetic Transaction State Guarantee Serbia	Raiffeisen Bank Serbia, Belgrade (RS)	May 2020	April 2024	147 000	15 136	18 997	SME loans	Junior	4 541
Synthetic Transaction EIF DCFTA Ukraine	JSC Raiffeisen Bank Aval, Kyiv (UA)	December 2017	December 2031	176 300	50 024	71 463	SME loans	Junior	9 987
Synthetic Transaction EIF JEREMIE Romania	Raiffeisen Bank S.A., Bukarest (RO)	December 2010	December 2025	172 500	1	2	SME loans	Junior	1
Synthetic Transaction EIF JEREMIE Slovakia	Tatra banka a.s., Bratislava (SK)	March 2013	June 2025	60 000	412	588	SME loans	Junior	412
Synthetic Transaction EIF Western Balkans EDIF Albania	Raiffeisen Bank Sh.a., Tirana (AL)	December 2016	June 2028	17 000	1 642	1 842	SME loans	Junior	1 642
Synthetic Transaction EIF COSME Romania	Raiffeisen Bank S.A., Bukarest (RO)	April 2017	December 2034	434 000	71 214	96 053	SME loans	Junior	14 927
Synthetic Transaction EIF EASI Romania	Raiffeisen Bank S.A., Bukarest (RO)	July 2020	December 2032	65 000	14 342	15 899	SME loans	Junior	10 089
Synthetic Transaction EBRD Unfunded RSF Ukraine	RaiffeisenBank AVAL, Ukraine (UA)	October 2023	December 2029	50 000	10 066	20 146	Corporate and SME loans	Junior	4 464

The synthetic ROOF transactions are split into a senior, a mezzanine and a junior tranche. The credit risk of the mezzanine tranche is guaranteed by either institutional investors or supranationals, while the credit risk of the junior and senior tranches is retained. The following transactions were already active at the beginning of the year and are not terminated as of end of the year: ROOF CRE 2019, ROOF Corporate 2021, ROOF Corporate 2022, ROOF HUNGARY 2022, ROOF CROATIA 2022 and ROOF ROMANIA 2022.

In 2023 three new ROOF transactions were realized.

Raiffeisenbank a.s., Prague, executed ROOF RBCZ 2023. The credit risk of the mezzanine tranche is guaranteed, and cash collateralized, by institutional investors, while the credit risk of the junior and senior tranches is retained.

RBI AG executed ROOF CORPORATE 2023. The credit risk of the mezzanine tranche is guaranteed, and cash collateralized, by institutional investors, while the credit risk of the junior and senior tranches is retained.

Raiffeisenbank Austria d.d., Zagreb, executed ROOF HR MORTGAGES 2023. The credit risk of the mezzanine tranche is guaranteed by institutional investors, while the credit risk of the junior and senior tranches is retained.

As part of the EBRD Unfunded Risk Sharing Facility program, Raiffeisen Bank JSC, Kiev, signed a portfolio guarantee agreement which was funded by the EU and which is aimed to facilitate access to finance for private corporate companies under the Resilience and Livelihood Framework and the SME Competitiveness in Eastern Partnership program.

As part of the Western Balkans Enterprise Development and Innovation Facility, Raiffeisen Bank Serbia, Belgrade, signed a portfolio guarantee agreement which was funded by the EU and which is aimed at providing access to finance for small and medium-sized enterprises. Significant risk transfer for this transaction is being recognized from year-end 2022 onwards.

As part of the COSME initiative, Raiffeisen Bank Serbia, Belgrade, signed a portfolio guarantee agreement in 2020, which was funded by the EU and which is aimed at providing access to finance for small and medium-sized enterprises. Significant risk transfer for this transaction is being recognized from year-end 2022 onwards.

As part of a State Guarantee initiative, Raiffeisen Bank Serbia, Belgrade, signed a portfolio guarantee agreement in 2020, which was funded by the Serbian National Bank, and which is aimed at providing support during the COVID-19 crisis. Significant risk transfer for this transaction is being recognized from January 2021 onwards.

As part of the DCFTA initiative, Raiffeisen Bank JSC, Kiev, signed a portfolio guarantee agreement in 2017, which was funded by the EU and which is aimed at providing access to finance for small and medium-sized enterprises. Significant risk transfer for this transaction is being recognized from year-end 2021 on-wards.

As part of the JEREMIE initiative, the participating subsidiaries (Raiffeisenbank S.A., Bucharest, and Tatra banka a.s., Bratislava) have received guarantees from the European Investment Fund (EIF) to support lending to small and medium-sized enterprises. Since 2016 the Slovakian JEREMIE transaction has been converted into a funded credit guarantee via a Slovakian state-owned fund, EIF is no longer part of the transaction.

As part of the Western Balkans Enterprise Development and Innovation Facility, Raiffeisenbank Sh.a., Tirana, signed a portfolio guarantee agreement which was funded by the EU and which, like the JEREMIE initiatives, is aimed at providing access to finance for small and medium-sized enterprises.

As part of the COSME initiative, Raiffeisenbank S.A., Bucharest, signed a portfolio guarantee agreement in 2017, which was funded by the EU and which, like the JEREMIE initiatives, is aimed at providing access to finance for small and medium-sized enterprises. Significant risk transfer for this transaction is being recognized from year-end 2020 onwards.

As part of the EaSI initiative, Raiffeisenbank S.A., Bucharest, signed a portfolio guarantee agreement which was funded by the EU and which, like the JEREMIE initiatives, is aimed at providing access to finance for small and medium-sized enterprises.

The synthetic transaction ROOF MORTGAGES 2020 was terminated by 31 December 2023.

The Western Balkans Enterprise Development and Innovation Facility by Raiffeisenbank Austria d.d., Zagreb, was terminated in May 2023.

In addition to the early termination of the ROOF MORTGAGES 2020 transaction, a reimbursement asset of € 22 million was recognized for the ROOF CRE 2019 transaction, reflecting a deterioration of the underlying portfolio. The reimbursement asset mirrors the potential claim against the guarantor of the mezzanine tranche.

Quantitative disclosure

For numerical information on securitization exposures (templates EU SEC1, EU SEC3, EU SEC4 and EU SEC5) please refer to the dedicated document in tabular form.

Template EU SEC2 is not disclosed as RBI has no securitization exposures booked in the trading book.

Article 450 CRR

Remuneration policy

In compliance with Article 450 CRR the following information regarding the remuneration policy and practices of RBI Group for those categories of staff whose professional activities have a material impact on its risk profile is disclosed:

Basic characteristics of RBI's remuneration policies and practices

RBI Group's key remuneration principles are as follows:

- RBI Group uses a simple and transparent compensation system which reflects the Group's business strategy, is in line with the regulatory requirements and strives to improve the Group's capital base.
- The compensation principles and policies of RBI Group are consistent with and promote sound and effective risk-taking management practices and avoid incentives for inappropriate risk taking that exceed the tolerated risk of the institution, in particular through KPIs and management processes (e.g., performance management process, bonus pool approach).
- By aligning RBI Group's strategy, the Group's vision and the remuneration system, RBI Group strives to optimize risk on all levels to further promote sound and effective risk management which supports and leads to more accurate cost planning over a multi-year perspective.

RBI Group fosters the development, satisfaction and loyalty of its employees by providing financial stability and by focusing performance management on the development of staff members. The pay mix (proportion of variable compensation to fixed compensation) is well balanced. This provides every employee with an adequate living based on fixed income, thus allowing a fully flexible variable remuneration policy. It includes the possibility of no variable remuneration, while still providing financial security to employees. For functions with a very low or indirect influence on the company's results, there is no variable remuneration.

Both the Group, and the local institutional, performance are considered in the potential bonus in the following way. The potential bonus for RBI Board members depends entirely on the Group performance, while for all other bonus eligible staff at RBI head office the local performance and the Group performance are each assigned weights of 50 per cent. For the bonus pool of the remaining bonus eligible staff, the weight attached to Group performance is 33.3 per cent and the local company performance is assigned a weight of 66.7 per cent. This means that variable remuneration is influenced by the performance of RBI as a whole and the performance of the respective company, and less by factors at the level of the individual employee. Therefore, the probability of inappropriate risk-taking and undue risk assumption at the individual level is minimized.

RBI Group's bonus system differentiates between two categories of staff: Group executives and other bonus eligible staff. Group executives are individuals in top level management functions in RBI Group. This covers functions at RBI head office, selected on the basis of objective criteria, and board members of relevant RBI Group subsidiaries. For this group of employees, the bonus system is adapted in such a way as to further promote teamwork and avoid "silo-thinking" by focusing on overall Group and institutional performance.

The compensation system supports the efforts to maintain a sound capital base and ratios by limiting the influence of the variable portion of total compensation on the Group's capital position, especially in years with good business results. By putting an emphasis and focus on the capital base of RBI, the compensation structure is directly linked to the aforementioned key remuneration principles.

Decision-making process for the remuneration policy and the Remuneration Committee

RBI AG has established a Remuneration Committee of the Supervisory Board (REMCO) within the meaning of Section 39c of the Austrian Banking Act (BWG).

- REMCO consists of nine Supervisory Board members, three of whom are delegated from the Staff Council.

- The number and members from among the group of equity stakeholders is ascertained by resolution of the Supervisory Board. The Chairman of the Supervisory Board belongs to REMCO. The Supervisory Board members from among the employee representatives shall be entitled to be represented in the Committee by such members designated by them in such number as is in accordance with sec. 110 of the Labor Constitution Act (Arbeitsverfassungsgesetz, ArbVG), but this does not apply to meetings and votes concerning the legal relationship between the Company and the active or retired members of the Board of Management, with the exception of the granting of options on shares of the Company or of share transfer programs.
- At least one member of REMCO has specific knowledge and practical experience in the area of remuneration policy ("remuneration expert").
- If REMCO employs an advisor, it does not advise the Management Board in remuneration matters.
- The Chairman of REMCO and its Deputies are elected by the Supervisory Board.

REMCO has the following duties and responsibilities:

(a) The preparation of the following resolutions of the Supervisory Board:

(i) The preparation of the resolutions of the Supervisory Board concerning the principles for the remuneration of the members of the Management Board and the Supervisory Board pursuant to sec. 78a in conjunction with sec. 98a of the AktG ("Remuneration policy for the Management Board and the Supervisory Board" in accordance with 11 of the Bylaws of the Supervisory Board) and the preparation of the remuneration report to be produced by the Supervisory Board pursuant to sec. 78c of the AktG;
(ii) The preparation of resolutions on compensation, including those affecting risk and risk management, to the extent that such resolutions are to be adopted by the Supervisory Board and are not subject to the approval authority of the Remuneration Committee pursuant to lit. c), with the exception of those resolutions that fall within the competence of the Personnel Committee.

(b) Approval of the following measures:

(i) Establishing general principles of the remuneration policy and practices of the Company (RBI AG) taking into account the provision of sec. 39b of the BWG (including the annex to sec. 39b BWG), as well as the provisions of the Austrian Corporate Governance Code that are applicable in this respect and identifying the individuals to be regarded as risk personnel within the meaning of sec. 39b BWG;
(ii) Establishing general principles of the remuneration policy and practices for group companies of the Company (RBI Group) taking into account the provision of sec. 39b of the BWG (including the annex to sec. 39b BWG), and, in particular, establishing the selection process to be used for determining the extent to which these remuneration principles shall be applied to the individual group companies;
(iii) Establishing the performance management principles for the Management Board, taking into account the remuneration policy for the Management Board and the provisions of the Austrian Code of Corporate Governance;
(iv) Establishing principles concerning remuneration systems (taking into account the fixed and variable remuneration components and having regard to the principles of the Austrian Corporate Governance Code), which includes establishing principles concerning the granting of shares in profits or in turnover and the making of pension commitments to executives (leitende Angestellte) within the meaning of sec. 80 para. 1 of the Austrian Stock Corporation Act (Aktiengesetz, AktG);
(v) Granting options on shares of the Company or granting a program for the preferential transfer of shares of the Company to Management Board members, employees and executives of the Company or any of its affiliates as well as to members of the management boards and supervisory boards of affiliated companies. The possible adoption of a resolution by the shareholders' meeting within the meaning of the Austrian Corporate Governance Code shall not be affected thereby;
(vi) Deciding whether a "malus" or a "clawback event" within the meaning of the established remuneration principles has occurred (in a given year) and what consequences such an event shall have in view of the payout of any variable remuneration.

(c) Monitoring and regular review of the remuneration policy, remuneration practices and remunerative incentive structures, in each case in connection with the control, monitoring and limitation of risks in accordance with the provisions of the BWG, with the equity base and with liquidity, while also taking the long-term interests of shareholders, investors and employees of the Company as well as the interest of the economy in having a functioning banking sector and stable financial markets into consideration;

(d) Responsibility for monitoring the implementation of the remuneration policy and practices approved by it;

(e) Direct review of the remuneration of senior risk management executives and senior executives holding compliance functions;

(f) Preparing other resolutions concerning the topic of remuneration, including resolutions having an effect on risk and risk management, provided they have to be adopted by the Supervisory Board.

REMCO is also entitled at any time to request the Management Board to render report on the matters indicated above and to let the committee inspect any and all documentation that it may require for the proper fulfillment of its duties and responsibilities.

Four REMCO meetings took place in 2023 to decide on and take note of remuneration related topics.

Additionally, based on the requirements as provided by the Shareholder Rights Directive II (Directive (EU) 2017/828, implemented in Austrian law in sections 78a et seq. of the BWG), a remuneration report[1] for Board members as well as the Supervisory Board of RBI has been submitted to the General Assembly of RBI for advisory vote in 2023. This document contains the details about the remuneration received by the Board Members.

On a subsidiary level the compensation policies are structured in compliance with the RBI Group remuneration policy and are subject to approval by the respective local supervisory boards/REMCOs.

RBI AG's REMCO and the local supervisory boards/REMCOs take into account the input provided by all associated corporate functions (e.g., control functions, HR, Legal) about the design, implementation and oversight of the remuneration policies.

The Risk Committee, without prejudice to the duties and responsibilities of REMCO, reviews whether risk, capital, liquidity and the probability and timing of profit realization are appropriately reflected in the incentives offered by the internal remuneration system.

The design and structure of the remuneration system

As a Group-wide standard, an Identified Staff Assessment approach is used based on the qualitative and quantitative criteria provided for in Commission Delegated Regulation (EU) 2021/923 to determine those staff members whose professional activities have a material impact on RBI Group's and a single institution's risk profile.

For this category of employees ("Identified Staff"), the relevant internal regulations of RBI Group provide for specific rules and consequences concerning their variable remuneration in compliance with regulatory requirements. These internal regulations have been updated regularly since their introduction to reflect and to be in line with the most current developments in the regulation of variable remuneration.

The remuneration rules are coherently applied in RBI Group, unless any applicable local laws require a different procedure. The RBI Group remuneration policy provides that, based on stricter local legal provisions in some EU countries, deviation from the Group standards for payment of variable compensation to Identified Staff is possible (this is the case e.g. in Czech Republic, Croatia). The points described below apply to those Identified Staff.

Fixed and variable remuneration

Throughout the RBI Group detailed analysis has been conducted to define the fixed or variable nature of each remuneration element, following the regulatory definitions listed below for fixed compensation elements. Fixed compensation elements:

- are predetermined;
- are non-discretionary;
- are transparent to staff and set in a predefined and objective manner;
- are permanent (meaning maintained over time and tied to a specific role and organizational responsibilities);
- do not provide incentives for risk assumption;
- are non-revocable (without prejudice to local legislation);
- cannot be reduced, suspended or cancelled by the Network Unit (NWU);
- do not depend on performance.

[1] *https://www.rbinternational.com/de/investoren/corporate-governance.html*

Ratio between fixed and variable remuneration

The fixed and variable components of the total compensation are appropriately balanced. The target variable compensation amount represents a significant part of total remuneration but without leading to unreasonable volatility in employees' compensation and excessive risk taking.

The target variable compensation does not exceed in any case the mandatory legal or regulatory thresholds (i.e. shall be fully in compliance with any provisions on the maximum permissible amount of the total variable compensation component) and the allocation and payment of variable compensation to Identified Staff is made in compliance with the bonus cap.

The RBI Group remuneration rules establish that the variable component of Identified Staff remuneration shall in principle not exceed 100 per cent of the bonus relevant fixed component of the total remuneration for each individual.

Variable compensation

- is an important element of a total rewards philosophy and its purpose is to attract, motivate and retain employees.
- is based on clear performance criteria, which must be of both quantitative and qualitative nature and which are linked to risk-adjusted value creation. Any variable compensation program rewards and motivates behavior that drives specific company success and builds shareholder value.

The compensation philosophy actively reinforces the Group strategy to achieve its objectives.

If an employee is granted any variable compensation, it is to be paid for measured performance (Group, NWU, team and individual performance, depending on the respective employee category). Performance means results and behavior – "WHAT" and "HOW" – according to the NWU's/Group performance management system. All variable compensation schemes therefore are linked to performance management or a comparable target-setting system.

A "profit sharing approach" (for example, employee receives a percentage of income/profit/cash collected/money recovered, etc. irrespective of performance) is not supported, as it does not include all necessary elements of variable compensation schemes defined in the remuneration policy.

Variable compensation is reasonable and balanced in comparison to base pay (pay mix) and in line with regular local market practice. Each variable compensation scheme has a defined target for variable pay. Target variable compensation can be either expressed in per cent of base pay or in a local currency amount, and it represents the level of variable compensation for a 100 per cent performance level.

The pay mix (proportion of variable compensation to base pay) is balanced and reflects the impact on risk taking and "compliance" behavior of the employees (how much risk is an employee exposing the company to; is he/she incentivized to any degree to ignore company rules). It varies depending on the employee's position and role (e.g. sales functions or functions higher in the hierarchy may have a higher variable to fixed ratio than service or support functions or functions lower in the hierarchy).

Unethical or non-compliant behavior overrules any good financial performance generated and diminishes the staff member's variable compensation.

The performance management process provides differentiation of individual performance levels (low performer to high performer) and the variable pay-out corresponds to this. Performance differentiation is a necessary element of a performance culture – high performers are differentiated from average and low performers.

At NWU level, financial measures for variable compensation cover risk-adjusted profit and cost management related measures.

The variable compensation systems (with respect to measurement of performance and allocation within the institution) reflect all types of current and future risk, including difficult-to-measure risks such as liquidity risk, reputation risk and operational risk and take into account the cost of the capital and the liquidity required.

Control functions such as Risk Management and Compliance are involved in the process of establishing the appropriate measurements for variable compensation.

As a general principle, all employees can be eligible for variable compensation. There is a difference in variable compensation scheme design and level based on function, relative value of a position (job grades) and hierarchy (e.g., the higher in the hierarchy, the higher the respective bonus amount). The differentiation follows internal standards and local market practice.

Severance payments

Severance payments are the amounts paid to staff members in connection with the early termination of their employment contract. They are paid either based on mandatory legal requirements (labor law, collective agreements, etc.), mandatorily following a decision of a court or on a voluntary basis (i.e. voluntary severance payments). They do not provide for a disproportionate reward, but for an appropriate compensation of the staff member in cases of early termination of the contract. They reflect performance achieved over time and do not reward failure or misconduct. Severance pay is not awarded where there is an obvious failure which allows for the immediate cancellation of the contract or the dismissal of staff.

Severance payments may include redundancy compensation for loss of office and may be subject to a non-competition clause in the contract.

In the following situations additional payments - made because of the early termination of a contract - are considered as severance payments:

a) The NWU terminates the contracts of staff because of a failure of the NWU (including the following situations):
   (i) where the NWU benefits from government intervention or is subject to early intervention or resolution measures in accordance with Directive 2014/59/EU;
   (ii) where the opening of normal insolvency proceedings of the NWU, as defined in Article 2(1)(47) of Directive 2014/59/EU, has been filed;
   (iii) where significant losses lead to the situation that the NWU no longer has a sound capital basis and, following this, the business area is sold or the business activity is reduced);

b) The NWU wants to terminate the contract following a material reduction of the NWU’s activities in which the staff member was active or where business areas are acquired by other institutions without the option for staff to stay employed in the acquiring institution;

c) The NWU and a staff member agree on a settlement in the case of a potential or actual labor dispute, to avoid a decision on a settlement by the courts.

Criteria for allocation of the amounts of severance payments to Identified Staff are defined by each relevant NWU in line with the provisions of remuneration policy, in compliance with the special remuneration provisions for Identified Staff based on EU and local legal provisions. The decision-making process and involvement of control functions is defined in each relevant NWU based on the local governance structure in accordance with local legal requirements.

Link between pay and performance

Performance is the basis for variable compensation and takes into account:

- individual/unit performance (including compliance with the RBI Group Code of Conduct and the Compliance regulations),
- the Group and subsidiary performance, risk costs, liquidity, and capital.

Individual performance is evaluated in relation to results achieved and behavior/competencies based on both quantitative and qualitative measures, assessed within the performance management process and by taking into account financial and non-financial criteria. Each employee’s objectives are derived from the organizational strategic priorities and from the relevant business line, department, and team goals. Thus, they are aligned with the overall business objectives. Each objective is weighted (in per cent of a total of 100 per cent) according to its specific importance and/or to the efforts needed for achieving it.

The scope of staff for whom variable remuneration is foreseen is determined by the functional structure (grade and business area structure) of each company, which is also the basis for all compensation and benefit processes. Group/unit performance is evaluated in relation to results achieved based on quantitative measures following a specific KPI set.

In RBI Group, before any variable compensation may be allocated or paid out, a certain set of pre-defined criteria has to be fulfilled. These criteria in particular take into account the financial situation and capital ratios of RBI AG, RBI Group and its institutions.

For Group executives, one of these pre-conditions is that the individual performance for the respective performance year has to reach the level of at least “fully meets expectations”. A bonus payment for Group executives therefore depends on the fulfillment of all the relevant, risk adjusted KPIs contained in the individual performance agreements. The final bonus amount is then determined based on the fulfillment of relevant KPIs on Group level (for 2023: ROE and CIR) for which strategic goals have been defined on both Group as well as local company level. This measure further enforces the focus on a multi-year approach and the commitment to our shareholders.

For other bonus-eligible staff, variable compensation is based on bonus pools on company level. For this employee category the relevant ROE and CIR strategic goals have been defined on both Group as well as local company level.

Every variable remuneration system has fixed minimum and maximum performance grades and thus defines maximum payout values. Bonuses in general are linked to risk-adjusted measures, sustainable profit targets and capital costs of RBI Group and each entity within the Group.

Following a consistent approach for the whole RBI Group, members of the Management Board are also measured against a set of KPIs, either as performance or step-in criteria for bonus allocation. They are reviewed annually and aligned to regulatory requirements. Target numbers are derived from the budget approved by the Supervisory Board.

Besides the qualitative performance criteria, there are quantitative performance criteria which take into account the following factors (among others):

1. The company's business strategy and long-term interests of the credit institution:
    a. CET 1 ratio (step-in)
    b. SREP ratio (step-in)
    c. Mid-term ROE
    d. Mid-term Cost-Income Ratio

2. Solid risk management and long-term growth:
    a. Recovery / workout
    b. Adherence to risk cost budget

3. All current and future risk, cost of capital and cost of liquidity:
    a. RORAC
    b. Portfolio quality
    c. Consolidated profit

The payment of a bonus is linked to the achievement of annually agreed goals from four or five areas based on a balanced scorecard approach. These are weighted financial goals (adjusted to the respective function, e.g., return on risk-adjusted capital, total costs, risk-weighted assets), customer and employee goals, as well as process/efficiency/infrastructure goals and, where necessary, additional goals. The amount of the bonus is determined based on ROE and the cost/income ratio; the targets to be achieved are based on RBI's medium-term return on equity target and thus consider a period spanning several years. Payment of bonuses is deferred as set forth in the BWG and implemented according to internal regulations.
Management Board members' contracts specify a maximum bonus. A maximum limit is in place for all variable compensation components. Other remuneration consists of compensation for board-level functions in affiliated companies, payments to pension funds and for reinsurance policies, as well as other insurance and benefits.

Control functions

The performance measures for control functions, such as risk, audit and compliance functions reflect specific requirements for these functions. Objectives for staff engaged in control functions are set in a manner that is independent from the performance of the business areas they oversee and commensurate with their key role in the firm. Individual performance criteria for those employees are not to be directly linked to the NWU's overall results (e.g., NPAT, RORAC).

Employees engaged in control functions are compensated independently of the business unit they supervise, have appropriate authority and their remuneration is determined on the basis of achievement of their organizational objectives linked to their functions, regardless of the results of the business activities they monitor. The mix of fixed and variable remuneration is weighted in favour of fixed remuneration.

Guaranteed variable remuneration

Guaranteed variable remuneration is not consistent with sound risk management or the pay-for-performance principle and is not a part of prospective remuneration plans.

Guaranteed variable compensation is exceptional, can only occur where the NWU has a sound and strong capital base and cannot be granted for longer than the first year of employment. NWUs can only award guaranteed variable compensation once to the same single staff member. These requirements also apply at a consolidated and sub-consolidated level and include situations where staff receive a new contract from the same NWU or another institution within the scope of consolidation of RBI Group.

Regulatory implications on variable compensation

Deferral, vesting, retention

The remuneration policy of RBI Group provides for the following specific principles for the allocation, vesting and payment of variable remuneration to the Identified Staff with material risk impact on the risk profile of the respective NWU/the Group:

For RBI Group institutions with a potential impact on the Group risk profile the following principles apply:

- 60 per cent of the total variable remuneration is paid out up-front (50 per cent thereof in cash and 50 per cent in form of RBI phantom shares)
- 40 per cent of the total variable remuneration is subject to deferral and paid out pro rata over a period of at least four (in Austria: five) years; 50 per cent of the deferred variable remuneration is paid in cash and 50 per cent in form of RBI phantom shares.

Furthermore, in the event of a particularly high variable compensation amount, at least 60 per cent of the variable remuneration will be subject to deferral.

For other categories of employees having a less material impact on the company's risk profile, appropriate remuneration principles and risk alignment mechanisms have been implemented.

Due to stricter local legislations defined in some countries, the respective units use different parameters from the above mentioned (e.g. Croatia).

Ex ante and ex post risk adjustment

In RBI Group the variable remuneration (including the deferred part) may only be paid or vest if this is sustainable according to the financial situation of RBI AG and the financial situation of RBI Group or the respective subsidiary, and justified according to the performance of the Group, RBI AG or the subsidiary, the business unit and the individual concerned. A Malus event (as described below) may entail the reduction or forfeiture of outstanding (deferred) variable remuneration. A Clawback event (as described below) entails the loss of all deferred payments and the clawback of all payments made with regard to the variable remuneration.

Malus

A Malus event may entail the reduction or forfeiture of outstanding (deferred) bonus payments.

In particular, the following events constitute a Malus event:

- If a Clawback event occurs (see below);
- A competent regulator orders a limitation or stop of variable compensation for the Group and/or NWU;
- Evidence of risk relevant misbehavior, serious error, non-compliance with due diligence requirements or serious breaches by the employee (e.g., breach of code of conduct and other internal rules, especially concerning risks) or failure to meet appropriate standards of fitness and propriety;
- RBI Group and/or subsequently the business unit in which the employee works suffers a significant downturn in its financial performance;
- RBI Group and/or the business unit in which the employee works suffers a significant failure of risk management, i.e., a risk adjustment of the assessment of the performance is made because ex-post risk assessment reveals that the original risk assessment was too positive;
- Significant changes in RBI Group's and/or the NWU´s economic or regulatory capital base (e.g., RBI Group and/or the NWU is not fulfilling or close to not fulfilling regulatory capital requirements);
- Any regulatory sanctions where the conduct of the Identified Staff member contributed to the sanction;
- Significant contribution to subdued or negative financial performance or other conduct with intent or severe negligence which led to significant losses.

Clawback

A Clawback event entails the loss of all deferred payments and the Clawback of all payments made with regard to the bonus.

Clawback is applied in the case of:

- Fraud, criminal offense or misleading information provided by the employee with high negative impact on the bank's credibility and profitability or
- Allocation or payment of variable compensation in willful violation of the remuneration principles provided for in the internal RBI Group remuneration principles or in willful violation of mandatory banking law provisions.

Each year every NWU conducts a Malus and Clawback check in compliance with the RBI Group Malus & Clawback instructions and other applicable Group standards/instructions and each NWU shall ensure enforceability of the defined Malus and Clawback events under local labor law.

For the avoidance of doubt if any deferred variable compensation payment is reduced or forfeited based on Malus or Clawback the respective amount is irrevocably lost and is not to be paid in later years.

Use of phantom shares

The legal obligation of payment of at least 50 per cent of the variable remuneration in equity instruments is complied with in RBI Group by means of an RBI phantom share plan applicable in all relevant institutions of RBI Group.

50 per cent of the up-front and 50 per cent of the deferred variable remuneration is divided by the average closing price of RBI AG's shares on the Vienna Stock Exchange in the business year the variable remuneration is awarded for, serving as the basis for calculating the bonus. Thereby, a certain amount of RBI phantom shares is determined. This number of RBI phantom shares is fixed for the entire duration of the deferral period. After the expiration of the respective retention period, the amount of specified RBI AG phantom shares is multiplied by RBI AG's average closing share price for the previous financial year.

The RBI phantom shares are subject to a one-year retention period (with the exception of units where the local legislation is stricter).

In countries where the local legislation does not allow the usage of RBI phantom shares, local phantom share values are determined and used (e.g., Czech Republic and Slovakia).

Quantitative Disclosure

For numerical information on the remuneration (templates EU REM1, EU REM2, EU REM3, EU REM4 and EU REM5) please refer to the dedicated document in tabular form.

Article 451 CRR

Leverage ratio

Within the framework of CRR and the Total Capital requirements, the leverage ratio was implemented as a new instrument to limit the risk of excessive indebtedness. According to Article 429 CRR, the leverage ratio is the ratio of capital to the leverage exposure. This means Tier 1 capital in relation to unweighted exposure on and off the statement of financial position.

As of 31 December 2023, there is a mandatory quantitative requirement of 3 per cent.

Description of the processes used to manage the risk of excessive leverage

As part of the recurring internal risk reporting, RBI monitors a comprehensive set of key risk and financial parameters and reports the results to the Asset and Liability Management Committee and the Management Board. Among other matters, this report covers the changes in and value of the leverage ratio according to CRR. The Group recovery plan and its governance rules stipulate that a potential negative development or the breach of internally set thresholds must be examined by the relevant bodies in order to facilitate early initiation of appropriate countermeasures.

Description of the factors that had an impact on the leverage ratio during the period to which the disclosed leverage ratio refers

As of 31 December 2023, the leverage ratio of RBI amounted to 7.80 per cent on a transitional basis (7.66 per cent on a fully phased-in basis) as compared to 7.35 per cent at year-end 2022. The increase was mainly driven by an increase in Tier 1 capital of € 0,719 million compared to the 2022 year-end figure due to the inclusion of the result for the period and due to a decrease of the overall exposure measure.

Quantitative disclosure

For numerical information on the leverage ratio (templates EU LR1, EU LR2 and EU LR3) please refer to the dedicated document in tabular form.

Article 451a CRR

Liquidity requirements

Qualitative information on LCR

Explanations regarding the main drivers of LCR results and the evolution of the contribution of inputs to the LCR's calculation over time

Both the average liquid assets and the net outflows decreased slightly. In general RBI Group shows a stable LCR result. The LCR consists of a solid retail deposit base in the network with a significant contribution of corporate deposits. The main drivers of volatility are interbank activities and secured financing transactions.

Explanations on the changes in the LCR over time

Changes in LCR over time are determined mainly by the development of the major balance sheet drivers like retail and corporate term deposits, or by the dynamics in loans to customers. Month-on-month volatility is mainly determined by the short-term capital markets business.

Explanations on the actual concentration of funding sources

The LCR only considers outflows within the next 30 days. Therefore, the main contribution to concentration risk comes from unsecured non-operational wholesale funding from corporates, banks, and other financial institutions. Internal models ensure that no or a very low liquidity value (stickiness) is applied to concentrated customers. Monitoring of such clients takes place in the internal stress test framework as well as through the Basel 3 Additional Liquidity Monitoring Metrics.

High-level description of the composition of the institution`s liquidity buffer

Half of the liquidity buffer consists of central bank reserves. The remaining part is mainly sovereign exposure.

Derivative exposures and potential collateral calls

Changes in LCR over time are determined mainly by the development of the major balance sheet drivers like retail and corporate term deposits, or by the dynamics in loans to customers. Month-on-month volatility is mainly determined by the short-term capital markets business.

Currency mismatch in the LCR

For RBI the currency denomination of liquid assets is consistent with the distribution by currency of net liquidity outflows. Assets held in a third country where there are restrictions as to their free transferability are only considered to meet liquidity outflows in that third country. Furthermore, restrictions on currency mismatches are set through FX limits in the internal stress testing framework and through open currency position limits.

Other items in the LCR calculation not captured in the LCR disclosure template but that the institution considers relevant for its liquidity profile

A description of the degree of centralization of liquidity management and interaction between the Group's units:

For the LCR calculation within RBI, a Group standard is implemented that also covers special requirements of local regulators. The calculation is carried out centrally for all units. Each subsidiary is responsible for fulfilling the LCR and internal stress test requirements on a standalone basis. A monitoring and limit system for the LCR and the internal stress test is implemented both at a single unit level as well as at the overall RBI level. Additionally, RBI is the central institution of Raiffeisen Banking Group. Its main responsibilities as the central institution include the administration and investing of liquidity reserves as well as the reconciliation of liquidity within the Raiffeisen Banking Group. The affiliated banks have to hold a liquidity reserve at RBI under Article 27a Austrian Banking Act and can rely on obtaining liquidity under certain conditions. RBI ensures that the liquidity reserve is available at all times.

Net Stable Funding Ratio

The NSFR position is mainly driven by the behaviour of customer loans and customer deposits, which can also generate intraperiod volatility from the short-term loan business and volatile part of deposits. Additionally, wholesale funding activities and capital generation activities as stable funding sources also affect the development of the NSFR. Nonetheless, the Group's funding structure remains driven by the solid customer deposit.

Quantitative disclosure

For numerical information on LCR and NSFR (templates EU LIQ1 and EU LIQ2) please refer to the dedicated document in tabular form.

Article 452 CRR

Use of the IRB approach to credit risk

Approaches or transition arrangements approved by the competent authorities

Approved approaches

Members of the Credit Institution Group that calculate risk-weighted exposure amounts using the Internal Ratings Based Approach at the consolidated and solo level

- Raiffeisen Bank International AG, Vienna (AT)
- Raiffeisenbank a.s., Prague (CZ)
- Raiffeisen Bank Zrt., Budapest (HU)
- Tatra banka a.s., Bratislava (SK)
- Raiffeisen Bank S.A., Bucharest (RO)
- Raiffeisen Bausparkasse Gesellschaft m.b.H., Vienna (AT)

Members of the Credit Institution Group that calculate risk-weighted exposure amounts using the Internal Ratings Based Approach at the consolidated level

- Raiffeisenbank Austria d.d., Zagreb (HR)
- AO Raiffeisenbank, Moscow (RU)
- Raiffeisen Bank Sh.a., Tirana (AL)
- Raiffeisen Bank d.d. Bosna i Hercegovina, Sarajevo (BA)
- Raiffeisen Banka a.d., Belgrade (RS)

Members of the Credit Institution Group and exposure classes for which permanent partial use has been applied

Exposure classes referred to in points (a) and (b) of Article 147 (2) CRR, where the number of material counterparties is limited and it would be unduly burdensome for the credit institution to implement a rating system for these counterparties – pursuant to points a) and b) of Article 150 (1) CRR.

Exposures in non-significant business units that are immaterial in terms of perceived risk profile as well as exposure classes that are immaterial in terms of size – pursuant to point c) of Article 150 (1) CRR.

That includes the following institutions:

- Subsidiaries of Raiffeisen Leasing International Gesellschaft m.b.H., Vienna (AT)
- Subsidiaries of Raiffeisen-Leasing Gesellschaft m.b.H., Vienna (AT)
- Kathrein & Co. Privatgeschäftsbank Aktiengesellschaft, Vienna (AT)
- Priorbank JSC, Minsk (BY)
- Raiffeisen Bank Kosovo J.S.C., Prishtina (XK)
- Other subsidiaries of RBI Credit Institution Group, which are ancillary services undertakings and immaterial in terms of size or risk profile.

Exposures to central governments, central banks (where it is applicable according to local law), regional and local governments and public sector entities, provided that exposures to central government are assigned a 0 per cent risk-weight under the standardized approach as provided in Article 114 (2) or (4) CRR, in accordance with Article 150 (1) lit d. or in Article 500a (3) CRR.

Exposures of a credit institution to a counterparty which is its parent undertaking, its subsidiary, a subsidiary of its parent undertaking or an undertaking linked by a relationship within the meaning of Article 12 (1) of Directive 83/349/EC established in the same country within the same banking group pursuant to point e) of Article 150 (1) CRR can be assigned a 0 per cent risk-weight under the conditions of Article 113 (6) CRR.

Exposures between institutions which meet the requirements set out in Article 113(7).

Exposures to institutions pursuant to Article 119 (4) CRR in form of minimum reserves with the European Central Bank or a central bank of an EU Member State and fulfilling the requirements of Article 119 (4) CRR.

Equity exposures to entities whose credit obligations qualify for a 0 per cent risk-weight under the standardized approach, in accordance with point g) of Article 150 (1) CRR.

State guarantees and state-reinsured guarantees in accordance with point j) of Article 150 (1) CRR

Approved temporary partial use

Members of the Credit Institution Group for which temporary partial use was applied

A stepwise implementation of the IRB approach pursuant to Article 148 CRR is applied for all institutions using the IRB approach at a later stage. Until then, the calculation of the minimum capital requirements is carried out according to the standardized approach for credit risk based on Part Three, Title II, Chapter 2 CRR. For the following institutions the temporary partial use is used:

- Raiffeisen Bank International AG, Vienna (AT)
- Raiffeisen Bank Aval JSC, Kiev (UA)
- Raiffeisen stavebni sporitelna, a.s; Prague (CZ)

Asset classes for which the temporary partial use was applied

A stepwise implementation of the IRB approach pursuant to Article 148 CRR is applied for asset classes for which the capital requirements are calculated in the IRB approach at a later stage. With the exception of Tatra banka a.s., Bratislava (SK), Raiffeisen Bank Zrt., Budapest (HU), Raiffeisenbank a.s. Prague (CZ), Raiffeisen Bank S.A. (RO), Raiffeisen Bank Sh.a., Tirana (AL), Raiffeisen Bank d.d. Bosna i Hercegovina, Sarajevo (BA), Raiffeisen Banka a.d., Belgrade (RS) and Raiffeisen Bausparkasse Gesellschaft m.b.H., 1190 Wien (AT), which calculate risk-weighted exposure amounts using the IRB approach, the calculation of the minimum capital requirements is carried out according to the standardized approach for credit risk based on Part Three, Title II, Chapter 2 CRR. For the following asset classes the temporary partial use is used:

- Exposures to retail customers that are secured by residential real estate
- Qualifying revolving retail exposures
- Other exposures to retail customers

Structure of the internal rating systems

External ratings are applied directly only for securitization items.

For all other items, an already existing external rating does not replace an internal rating and thus does not cancel the general obligation to create an internal rating. External ratings are not used as a model input factor in any rating model; they are solely used for the purpose of comparing them with internal ratings. When a rating is determined, external ratings and their documentation are viewed solely as additional information.

The comparison of external ratings against internal ratings in mapping tables is a central element particularly in the validation of low-default portfolios.

Below is a summary table on the exposure classes and the rating methods used for each:

	Rating Models									
Exposure Classes	PI	Micro SME	CORP	LCO	CPR	SMB	SLOT	INS	FIN	CIU
Retail	X	X								
Central banks and central governments										
Public sector entities and non-commercial organizations			X	X						
Financial institutions									X	
Corporate			X	X	X	X		X	X	X
Specialised Lending							X			
Private (non-retail)			X	X						
Equity exposures			X	X				X	X	

PI: Private individuals (retail), Micro SME: Small and medium enterprises, CORP: Corporate/Companies, LCO: Large companies, SMB: Small and medium business, SLOT: Project financing, INS: Insurance companies, SOV: Sovereigns, , FIN: Financial institutions, CIU:Collective investment undertakings

Use of internal estimates

Under the IRB approach, internal risk-parameter estimates are used not only to calculate capital requirements but are an essential part of credit decisions and credit management processes and also determine RBI's standard risk costs, profitability assessment and economic capital (Internal Capital Adequacy Assessment Process (ICAAP)).

Control mechanism for rating systems

The non-retail rating models are centrally validated at RBI AG for all members of the RBI Credit Institution Group by the Rating Model Validation Unit which is independent of risk origination units and from the Credit Risk Control Unit. The rating systems are reviewed using prescribed validation tests comprising the following methods:

- Assessment of the documentation of the rating models
- Assessment of the assumptions underlying the rating models (model design)
- Assessment of the data used for validation (data quality)
- Assessment of the application of rating results
- Distribution analyses
- Review of the discriminatory power of the final rating
- Assessment of the discriminatory power of the individual rating inputs and in certain sub-portfolios
- Comparison of the predicted and observed default rate (backtesting)
- Assessment of the stability of the rating model
- Calculation of the migration matrices and their analysis
- Review of the relationship between internal and external ratings (benchmarking)

The validation function with regards to the retail models is to a large extent centralized in the RBI head office, with the involvement of the subsidiaries in specific aspects where needed. Since most of the retail models are developed in the subsidiaries, the independence of the development and validation functions is naturally ensured by reporting to different members of the senior management as well as independently from the risk origination unit. To allow for developing some of the models in RBI head office, a separate unit for methodologies and model developments was formed, which reports to a different member of the senior management.

Validation concerning the Basel models differentiates between initial and periodic validations for new (or redeveloped) models and for models already operating. The domains of the validation include the following areas:

- Assessment of the model's performance (stability, discriminatory power, accuracy, and goodness of fit)
- Assessment of the assumptions underlying the rating models (model design)
- Assessment of the environment of the model (data representativeness)
- Assessment of the data quality and related processes
- Assessment of the rating processes and the use test

Group Internal Audit teams as well as local Internal Audit teams regularly assess the processes as described above (model development, validation) as well as the compliance of those processes with internal regulations and regulatory requirements. Changes to the processes are also audited by those teams before they become effective.

Description of the internal rating process

General information

A client is assigned to a certain rating method based on the exposure class at the time the rating is determined. This mapping between the client's exposure class and the adequate rating model is a fixed part of the rating databases, which document the individual steps in the creation of a rating along with the rating process itself.

In all RBI models, the strict "four-eyes principle" (dual control) applies to the determination of the rating. Compliance is documented in the rating databases. All individuals and committees involved in the rating process must be recorded in that database.

Clients classified as equity exposures are subject to the same rating model as clients classified as corporate or institutional exposures depending on client type. Risk-weighted exposure amounts are determined for these items using the PD/LGD method.

Rating corporates

Scope of application

Corporate clients are either allocated to Large Corporates, Corporates, Corporate purchased Receivables or the SMB rating model. The split between the Corporates and the SMB model is based on country specific thresholds for two criteria: "corporate client's turnover" and "exposure to bank". The split between Corporate and Large Corporate customers is based on thresholds for "total revenues" and "total assets", both of which have to be exceeded by Large Corporates. Corporate purchased receivables rating model is used for pools of corporate purchased receivables, i.e. those that are bought "in bulk".

Development and objective

The Corporates rating model was developed by RBI experts using internal data from all units of the Group and state-of-the-art statistical methods as well as expert opinions of rating analysts from RBI Vienna and several RBI units.

Quantitative and qualitative factors are statistically combined to obtain a comprehensive assessment of the client's creditworthiness.

Rating model

The Corporates rating model has essentially two components

- Quantitative analysis
- The model is based on the assessment of the corporate client's financial data. The quantitative variables as well as their weights have been estimated statistically in order to maximize discriminatory power over a one-year horizon
- Qualitative analysis

The qualitative model uses a set of key questions, which are answered by the analyst. The questions are operationalized to a large extent to ensure an objective assessment. The qualitative variables and their weights as well as the weights of the answers have been statistically estimated to maximize predictive power over a one-year horizon.

The two module scores are statistically combined to a total score which also include differentiation on industry, region, availability of the quantitative or qualitative information. The quality of financial information, the ownership support, and the recent development and forecast/projections are also considered in the final score.

The corporate client's rating ultimately emerges from the optimal combination of the final score followed by margin of conservatism and possible warning signs. The Corporates rating model differentiates risk depending on the customer's industry sector and country of risk.

Rating output

The Corporates rating model results in a rating grade on a 25-grade scale which is assigned a certain probability of default.

This client rating is an essential factor in the loan decision and significantly influences the terms granted to the customer. The rating subsequently serves as the basis for determining capital adequacy.

Rating process

The customer relationship manager obtains the financial data and supplementary information required for the rating. He then forwards those documents to the rating expert along with a request that the expert determine a rating. From that point on, the customer relationship manager has no direct influence on the determination of the rating apart from gathering additional information upon the request of the rating expert.

The input data is recorded and processed in the Corporates rating model solely by the rating expert. The process outcome is the issuance of a rating and thus an assignment of the client to an internal risk class. Ratings created in this manner are then documented in the rating database.

The rating analyst bears final responsibility for the rating and must critically assess the corporate client's financial data as well as relevant soft facts. Where necessary, the rating expert may adjust the rating to ensure a correct and fair assessment of the corporate client's creditworthiness.

Rating large corporates

Scope of application

The split between Corporate and Large Corporate customers is based on thresholds for "total revenues" and "total assets", both of which have to be exceeded by Large Corporates.

Development and objective

The Large Corporates rating model was developed by RBI experts using external rating and balance sheet data, internal data from all units of the Group and state-of-the-art statistical methods as well as expert opinions of rating analysts from RBI Vienna and several RBI units.

Quantitative and qualitative factors are combined to obtain a comprehensive assessment of the client's creditworthiness.

Rating model

The Large Corporates rating model has essentially three components:

- Quantitative analysis
  The model is based on the assessment of the corporate client's financial data. The quantitative variables as well as their weights have been estimated statistically with the aim to maximize discriminatory power over a one year horizon.
- Qualitative analysis
  The qualitative model uses a set of key questions, which are answered by the analyst. The questions are operationalized to a high extent so as to assure an objective assessment.
- Country risk factor based on rule of law from World Bank.

The module scores including the Rule of Law are combined to a total score. The quality of financial information, the ownership support, and the recent development and forecast/projections are also considered in the final score. The large corporate client's rating ultimately emerges from the optimal combination of the final score then followed by margin of conservatism and possible warning signs. The Large Corporates rating model differentiates risk depending on the industry sector and the country of risk of the customer.

Rating output

The Large Corporate rating model results in a rating grade on a 25-grade scale, which is assigned a certain probability of default.

This client rating is an essential factor in the loan decision and significantly influences the terms granted to the customer. The rating subsequently serves as the basis for determining capital adequacy.

Rating process

The customer relationship manager obtains the financial data and supplementary information required for the rating. He then forwards these documents to the rating expert along with a request that the expert determine a rating. From that point on, the customer relationship manager has no direct influence on the determination of the rating apart from gathering additional information upon the request of the rating expert.

The input data is recorded and processed in the Large Corporates rating model solely by the rating expert. The process outcome is the issuance of a rating and thus an assignment of the client to an internal risk class. Ratings created in this manner are then documented in the rating database.

The rating analyst bears final responsibility for the rating and must critically assess the corporate client's financial data as well as relevant soft facts. Where necessary, the rating expert can adjust the rating to ensure a correct and fair assessment of the corporate client's creditworthiness.

Rating corporate purchased receivables

Scope of application

Corporate purchased receivables rating model is used for pools of corporate purchased receivables, i.e. those that are bought "in bulk", as long as the purchased receivables fulfil all applicable regulatory requirements.

Development and objective

The Corporate purchased receivables rating model was developed by RBI Vienna experts from business and risk divisions using mainly internal data.

Rating model

The rating model is based on the assessment of the protracted loss history of a purchased receivables portfolio of the originator.

Rating output

To determine the final rating, the calculated probability of default is mapped on the rating model master scale using a 25-grade scale.

This rating is an essential factor in the loan decision and significantly influences the terms granted to the pool of receivables. The rating subsequently serves as the basis for determining capital adequacy.

Rating process

The product manager obtains the financial data and supplementary information required for the rating. She/he then forwards those documents to the rating expert along with a request that the expert determines a rating. From that point on, the product manager has no direct influence on the determination of the rating apart from gathering additional information upon the request of the rating expert.

The input data is recorded and processed in the Corporate purchased receivables rating model solely by the rating expert. The process outcome is the issuance of a rating and thus an assignment of the pool of receivables to an internal risk class. Ratings created in this manner are then documented in the rating database.

The rating analyst bears final responsibility for the rating and must critically assess the pool of receivables' financial data. Where necessary, the rating expert may adjust the rating to ensure a correct and fair assessment of the pool of receivables' creditworthiness.

Small and Medium Business (SMB) rating model

Scope of application

Corporate clients are allocated to either the Corporates or the SMB rating model according to the given country's threshold and based on two criteria: "corporate client's sales turnover" and "exposure to bank".

Development and objective

The SMB rating model was developed by RBI experts using internal data from all units of the Group and state-of-the-art statistical methods as well as expert opinions of rating analysts from RBI Credit Management Retail.
Quantitative, qualitative and behavioral factors are statistically combined to obtain a comprehensive assessment of the client's creditworthiness.

Rating model

The SMB rating model has three components:

- Quantitative analysis
  This rating model is based on the client's financial data. The quantitative rating is determined from financial ratios selected statistically based on strong predictive power.
- Qualitative analysis
  The qualitative model uses a set of key questions, which are answered by the analyst. The questions are operationalized to a high extent so as to assure an objective assessment. The qualitative variables and their weights as well as the weights of the answers have been statistically estimated to maximize predictive power over a one year horizon.
- Behavioral analysis
  In the behavioral component, information from SMB clients' current accounts, loans and leasing products is evaluated. Data is delivered automatically and in a monthly frequency for rating evaluation.
- The SMB client's rating ultimately emerges from the combination of the behavioral and depending on the availability of a financial statement either the quantitative or qualitative assessments, and allocates the client to the correct rating grade.

Rating output

The SMB model has a total of 25 rating notches for non-defaulted clients. This client rating is an essential factor in the loan decision and significantly influences the terms granted to the customer.

Rating process

The SMB client's rating ultimately emerges from the combination of the quantitative and behavioral assessments or - in case of missing financials – qualitative input factors are also considered in the rating assignment. The rating analyst bears final responsibility for correctness and validity of all input data (financials or qualitative factors) used in the rating process.

The streamlined rating process is implemented in the SMB Rating Database (SMB RDB) where all created ratings are stored and documented. The rating assignment can be automated, resulting in a system-approved rating if all necessary financial information is available.

In the manual rating process the calculated rating is confirmed by the risk department of the network unit (NWU) in keeping with the "four-eyes principle" (dual control). Where necessary, the rating expert can adjust the rating to ensure a correct and fair assessment of the SMB client's creditworthiness.

Banks and financial institutions

Scope of application

The RBI rating model for banks and bank-like institutions is applied when the creditworthiness of FI counterparties is assessed within RBI. The rating is a central element in the decision on whether or not to grant credit.

Development and objective

The RBI rating model for banks and bank-like institutions was revised in 2022. The revised rating model received regulatory approval in February 2023 and since May 2023 it is used in all risk management processes.

The RBI rating model for banks and bank-like institutions was statistically developed by RBI experts using internal data applying the same best practice methodology as was used for developing the corporate rating models. During the development process close cooperation with the rating analysts from RBI was maintained.

The structure of the revised rating model for banks and bank-like institutions was chosen to be consistent with approaches used by external rating agencies. The rating is created in three steps:

1) Viability Rating (i.e., standalone view or rating before consideration of support)
   Quantitative factors (e.g., balance sheet ratios), qualitative factors and the risk of the financial sector are statistically combined in the rating before considering support.

2) Risk Classification (i.e., rating after consideration of support)
   In the support module, ownership support and/or systemic support are assessed with respect to ability and willingness to provide support. Based on this assessment and following a strict logic, the viability rating can be improved leading to the risk classification rating.

3) Final Rating (i.e., after consideration of Country Ceiling)
In order to take into consideration the transfer risk of cross-border transactions, a country ceiling is applied.

Rating model

The rating model for banks is subdivided into the following modules (or risk functions): quantitative modules, qualitative modules, financial sector risk assessment and support module.

The following aspects are assessed in the quantitative module using ratios derived from the financial statements:

- Profitability
- Asset Quality
- Liquidity
- Balance Sheet Metrics
- Asset Structure

The following aspects are assessed in the qualitative module using a questionnaire with standardized possible answers:

- General & Business Position
- Asset Quality
- Funding & Liquidity
- Capitalization
- Profitability
- Outlook

The financial sector risk assessment (FiSRA) is designed to assess the riskiness and instability of the business and economic environment the client has to operate in. The FiSRA module is based on macro economic inputs.

The quantitative module and the qualitative module together with the FiSRA module lead to the viability rating, i.e. the stand-alone (or before support) assessment of the client's creditworthiness.

In the support module ownership support and/or systemic support are assessed in terms of willingness and ability to support. Depending on the results from the support module and following a fixed logic the viability rating can be improved by some notches or grades to yield the risk classification rating.

In order to take into consideration the transfer risk of cross-border transactions, a country ceiling is applied.

Rating output

The rating model for banks and bank-like institutions results in a rating grade on a 25-grade scale (the same 25-grade scale as is used for the Corporate rating models) which is assigned a certain probability of default.

During the process of rating the client, the analyst writes an analysis text containing the essential background details, basic information and qualitative assessments of the counterparty.

The rating of the client is an essential factor in the loan decision and significantly influences the terms granted. The rating subsequently serves as the basis for determining capital adequacy.

Rating process

The ratings for banks and bank-like institutions are created centrally by RBI AG in a specialized analysis department that works completely independently of any front office department. In a final step, the rating is created and archived in an internal rating database and made available to all Group entities from there.

The first rating is determined when a relationship is established with a new client. Every active client is rated once a year and/or after circumstances become known that lead to a rating change.

The rating analyst bears final responsibility for the rating and must critically assess the client's financial data as well as all relevant soft facts. If necessary, the rating expert can adjust the rating to ensure an appropriate assessment of the client's creditworthiness.

Insurance companies

Scope of application

The RBI rating model for insurance companies and undertakings similar to them is applied within the entire RBI Group to assess the creditworthiness of these companies and undertakings and is a central element in the decision on whether or not to grant credit.

Development and objective

The model was developed in-house in 2002 based on the experience gained from the banking model already in use since the mid-1990s. The model is applied uniformly worldwide to all insurance companies and undertakings similar to them.

The quantitative section of the model is based on a benchmark system and qualifies as an expert model.

Rating model

The rating model for insurance companies is divided into the following sections: the quantitative section, the qualitative section and risk assessment. The ratios applied to life and to non-life insurance differ, as do the weightings. The following parameters are reviewed in the quantitative section:

- Income
- Premium structure
- Capitalization and solvency
- Actuarial provisions
- Liquidity

The qualitative section assesses the company's environment and background information based, for example, on the following parameters:

- Owners and their creditworthiness
- Probability of internal and external support
- Changes in the legal environment
- General economic risk in the local market and in the local insurance market
- The position of the insurance company within the insurance sector

To estimate risk, the risk of the activities conducted by the insurance carrier is assessed based on activity type, the balance sheet and income structure of the activities, and the dependence of the activities on the economic and social environment.

Rating output

The model has ten notches (nine non-default notches and one default notch). Parallel to scoring, the analyst produces an analysis text containing the essential background details, basic information and qualitative assessments of the client.

Rating process

The rating for insurance companies is determined centrally by RBI AG in a specialized analysis department that works completely independently of any front office department.

The rating is created and archived in an internal rating database and made available to all Group entities from there.

The first rating is determined when a relationship is established with a new client. Every active client is rated once a year and/or after circumstances that lead to a rating change become known. Neither the analyst nor any other authority in the Group has the power to overrule the final rating.

Collective Investment Undertakings/Investment Funds (CIUs)

Scope of application

The rating model for CIUs is applied when the creditworthiness of fund counterparties is assessed within the RBI Group. The rating is a central element in the decision on whether or not to grant credit.

Development and objective

RZB devised the CIU rating model in 2006. The model is applied uniformly for funds worldwide, taking especially into consideration the special regulations for funds regulated under EU directive (UCITS funds).

The CIU rating developed by RZB is a credit risk rating, not an investment rating. The objective of the rating is to estimate the credit risk of counterparties which are organized in the legal or organizational structure of a Collective Investment Undertaking.

Rating model

The model has two components: quantitative scoring and qualitative scoring. In quantitative scoring, the scores are automatically calculated for the individual indicators based on benchmarks. The analysts assign qualitative scores manually with the aid of a scoring manual.

Rating output

The model has ten notches (nine non-default notches and one default notch). Parallel to scoring, the analyst writes an analysis text containing the essential background details, basic information and qualitative assessments of the counterparty.

Rating process

The ratings for CIUs are created centrally by RBI AG in a specialized analysis department that works completely independently of any front office department. In a final step, the rating is created and archived in an internal rating database and made available to all Group entities from there.

The first rating is determined when a relationship is established with a new client. Every active client is rated once a year and/or after circumstances that lead to a rating change become known.

Neither the analyst nor any other authority in the Group has the power to overrule the final rating.

Rating Specialized Lending

Scope of application

The term "specialized lending" as used in the EU Directive refers to structured financing and is a segment in the "Corporates" client class. This segment is differentiated from corporates in the narrower sense using the criteria defined in the EU Directive:

- Financing of assets
- Control over and access to the cash flow generated by the asset
- Control over and access to the asset itself
- The source of repayment of a project loan must be predominantly based on the cash flows generated by the assets (at least 80% over the maximum acceptable loan term), rather than on the cash flows produced by a broadly-operating company.

The model developed by RBI distinguishes between two submodels:

- Real estate finance
- Project finance

Development and objective

The rating model for specialized lending was developed in-house by RBI experts and incorporates market experience from all RBI markets.

The model applies what is referred to as the "slotting criteria" approach. That means the projects are classified in five risk classes specified under law. These risk classes do not substantively denote probabilities of default but rather a combination of economic performance (PD) and the situation of the bank as regards collateral (LGD).

Rating model

- Rating model is fully in compliance with regulatory technical standards (RTS) for Specialized lending;
- All required Factors and Sub-factors are implemented in the model and must be answered to calculate the rating;
- Weights assigned to Factors and Sub-factors are compliant with RTS limitations (5%-60%);
- Cash flow projection parameters and financed asset parameters are part of the rating information.

Rating output

Rating slot is assigned based on answers to the Factors and Sub-factors questions, in compliance with RTS. Weights for each Factor/Sub-factor were set internally.

Rating process

The product advisor/customer relationship manager/analyst proposes a rating. The "four-eyes principle" (dual control) applies, so the analyst/risk manager with rating responsibility is entitled to confirm the rating suggested by the advisor or to suggest another one. The rating tool shows both suggestions: the product advisor's and the risk manager's.

If the product advisor and risk manager suggested different ratings and fail to reach agreement on the rating, the rating suggested by the risk manager applies. However, the product advisor can initiate an "escalation process", which can culminate in an overruling of the rating by the CRO.

Private Individual (PI) rating model

Scope of application

Clients are classified as retail private individuals by their occupational status and assigned and assessed by the retail PI rating method.

Development and objective

The PI rating model methodology was developed by RBI AG Retail Risk Management and it is primarily based on empirical-statistical modelling techniques. The actual PI rating models are developed by experts in the RBI Credit Institution Group, using local customer databases in order to take into account local specificities for accurate assessment of the client creditworthiness. The PI rating method is applied in the case of applications for financing decisions (e.g. new retail loan applications) and regularly within the monthly update of the customer ratings (account management).

Rating model

The PI rating model has two main components:

- Statistical Scorecards
  Scorecards (application and behavioral), as account-level rating models, assigning scores based on sociodemographic information, account performance data (e.g. days past-due), product attributes as well as external (e.g. credit bureau agency) information. The assessment of existing clients' behavior is performed monthly and provides necessary and essential inputs for timely risk classification.
- Probability of Default Models
  The probability of default models employ the statistical scorecards' outputs and statistical calibration techniques in order to arrive at the client's final rating and pool allocation. In certain RBI subsidiaries such RBI Romania, the calibration is complemented by macroeconomic factors for further accuracy purposes.

Rating output

The PI rating model has a total of 14 rating grades. Client rating is an essential factor for retail loan decision making and lending terms, as well as serving as the basis for calculation of capital requirements.

Rating process

Retail PI clients' ratings are calculated monthly by validated statistical models and determined by experienced PI credit risk managers (e.g., for overrides and overrules) and stored historically in retail credit risk databases.

Micro SME (Small and Medium Enterprises) rating model

Scope of application

The Micro SME rating model applies to small commercial clients. This retail asset class can differ by RBI subsidiary, according to the given country's threshold that is based on two fundamental criteria: "exposure to bank" and "client's sales revenues".

Development and objective

The Micro SME rating model methodology was developed by RBI AG Retail Risk Management and it is based on either empirical-statistical or expert modelling techniques, or a combination of the two.

The actual Micro SME rating models are developed by experts in the RBI Credit Institution Group, using local customer databases in order to take into account regional specificities and local expert qualitative information for accurate assessment of the client creditworthiness. The Micro SME rating method is applied in the case of applications for financing decisions (e.g. new loan applications) and regularly within the monthly update of the customer ratings (account management).

Rating model

Like the PI rating model, the Micro SME rating model has two main components:

- Statistical Scorecards
  Scorecards (application and behavioral), as account-level rating models, assigning scores based on sociodemographic information, account performance data (e.g. days past-due), product attributes as well as external (e.g. credit bureau agency) information. The assessment of existing clients' behavior is performed monthly and provides necessary and essential inputs for timely risk classification.
- Probability of Default Models
  The probability of default models employ the statistical scorecards' outputs and statistical calibration techniques in order to arrive at the client's final rating and pool allocation.

Rating output

The Micro SME rating model has a total of 14 rating grades. Client rating is an essential factor for retail loan decision making and lending terms, as well as serving as the basis for calculation of capital requirements.

Rating process

Retail Micro SME clients' ratings are calculated monthly by validated models and determined by experienced Micro SME credit risk managers (e.g. for overrides and overrules) and stored historically in retail credit risk databases.

Definitions, methods and data for the estimation and validation of Probability of Default (PD)

The probabilities of default (PDs) to be estimated for each rating notch indicate the probability with which clients assigned to a given rating notch will default over the following 12 months.

The PDs are estimated internally for the following retail and non-retail rating models: PI, Micro SME, Corporates, Large Corporates, SMB, Financial Institutions, Insurance Companies and Collective Investment Undertakings (CIU).

The "slotting criteria" approach was selected for the specialized lending segment and covers the economic situation and the collateral situation of the bank. The specialized lending rating model results in an assignment of the client to one of the five risk classes under supervisory law in Article 153 (5) CRR (four non-default categories and one default category).

The PDs refer to a period of 12 months and contain an adequate margin of conservatism.

The estimation of the 12-month PD is based on the RBI definition of default, which is a bank specific implementation of the Basel II definition of default. In November 2019, the RTS 2018/171 under Article 178(6) on the materiality threshold for past due credit obligations, Regulation (EU) 2018/1845 of the European Central Bank and the latest EBA Guideline on Default Definition (EBA/GL/2016/07) (later named "new DoD") including more precise definitions of when a customer/facility is considered to be in default was implemented by RBI Group after thorough assessment by the ECB. The following factual elements of a default apply (areas of increased precision are marked in parenthesis):

- Material obligation being overdue for more than 90 days (updated thresholds) (thresholds were harmonized across the EU leading to an increase of the absolute triggers plus an update of the relative trigger connected by an "AND" instead of "OR" condition and the way days past due are counted)
- Initiation of insolvency proceedings
- Write-off of an exposure

- Call of an exposure
- Distressed restructuring of the loan (more detailed requirements in detection implemented)
- Waiving of interest payments
- Sale of an exposure with loss
- Revocation of banking license (applicable to financial institutions only)
- Payment moratorium (applicable to sovereigns only)
- Expected economic loss
- Cross default on product level (retail specific)

Additionally, the rules regarding curing from default were harmonized by including unified probation periods per default trigger.

The output of the statistical rating models (PI, Micro SME, Corporate, Large Corporate, SMB and FI) is an individual probability of default (PD), on a scale between 0% and 100%, allocated to each customer. These PDs are recalibrated to the long-term average default rates including potential adjustments. Based on the PDs, customers are allocated to a grade on a rating scale. For each rating grade, a lower and upper PD limit is defined. In the consecutive processes (for example for RWA calculation or margins), one representative PD per rating grade is used.

The low-default portfolio Insurance has such a small number of defaults that the default data from Moody´s Credit Risk Calculator was applied, beginning with the time series in January 1983 and scaled to a portfolio default rate representative of RBI's default experience, yet still conservative.

For the low-default portfolio CIU the estimation of the one-year default probability is based on internal default analysis. Consistent with Art. 179 (1) (d) and 179 (1) (f) CRR conservative add-ons are applied to the PD estimates.

Quantitative disclosure

For numerical information on the SA and IRB approach (templates EU CR6, EU CR6-A, EU CR8, EU CR9 and EU CCR4) please refer to the dedicated document in tabular form.

Article 453 CRR

Use of credit risk mitigation techniques

Management and recognition of credit risk mitigation

The following section outlines the policies and processes for collateral valuation and management in RBI. Besides the collateral mentioned herein, other types of collateral are recognized for internal risk calculations.

Collateral is only used for credit risk mitigation purposes, if the following conditions are fulfilled:

- the collateral is legally enforceable under the applicable jurisdiction
- there is sustainable market value of the collateral
- possibility of realization and willingness to realize
- there is no significant correlation between the quality of the secured exposure and the value of the collateral, i.e., the collateral value is not linked to the creditworthiness of the borrower

The collateral valuation is carried out by staff members who are independent of the credit decision process. Regular evaluations ensure that collateral is revalued at least once a year. The minimum revaluation frequency for financial collateral is 6 months. If required (e.g., change in market situation), a revaluation is carried out more often. Financial collateral with a market price is revalued automatically at current market prices on a daily basis. A longer revaluation interval leads to higher discounts.

Collateral valuation is based on current market prices, with an amount that can be recovered within a reasonable period taken into account. The methods of calculating the value and the setting of the haircut are specified by Collateral Management.

The following types of collateral are accepted:

- Financial collateral: cash, securities, life insurance
- Real estate
- Guarantees given by sovereigns and public sector entities, financial institutions, corporates (and individuals)
- Receivables
- Movables (for internal risk calculation only)

Financial collateral

Financial collateral is used for credit risk mitigation purposes, if the minimum requirements according to CRR are fulfilled.

Type of collateral and valuation

Cash on deposit

As cash on deposit, all kinds of accounts (fixed deposits, saving accounts, etc.) as well as savings books and cash assimilated instruments such as certificates of deposit are taken into account.

Cash deposit held by the lending credit institution

The market value is the pledged amount in the relevant currency of the cash deposit. The revaluation is carried out automatically by the collateral management system. No haircut is applied for this collateral type. Any maturity or currency mismatch of the protection is considered automatically when linked to the secured exposure.

Cash deposit held by a third-party bank

The market value is the pledged amount in the relevant currency of the cash deposit. Up to this pledged amount the borrower's probability of default (PD) is replaced by the PD of the third-party bank. Any maturity or currency mismatch of the protection is considered automatically when linked to the secured exposure.

Netting

On-balance sheet netting agreements

In the case of reciprocal balances with a counterparty (e.g., credit balances on some accounts and debit balances on others) and if a netting agreement is in place, the credit balance is used for credit risk mitigation purposes and therefore is linked to the exposure in calculations, if the minimum requirements according to CRR are fulfilled.

Master netting agreements covering repurchase transactions, securities or commodities lending or borrowing transactions and other capital market driven transactions

Transactions according to Article 196 CRR – especially repo and securities lending transactions – are managed in a department especially responsible for this kind of transaction using a special electronic data processing system. In order to recognize transactions for netting, only standard contracts fulfilling the minimum requirements according to CRR are used. Collateral provided within the scope of such transactions and borrowed securities or commodities have to fulfill the CRR criteria.

Gold

The market value is the pledged amount in the relevant currency of the cash deposit. Up to this pledged amount the borrower's probability of default (PD) is replaced by the PD of the third-party bank. Any maturity or currency mismatch of the protection is considered automatically when linked to the secured exposure.

Debt securities

For the purpose of credit risk mitigation debt securities of the following issuers are taken into account:

The market value is the pledged amount in the relevant currency of the cash deposit. Up to this pledged amount the borrower's probability of default (PD) is replaced by the PD of the third-party bank. Any maturity or currency mismatch of the protection is considered automatically when linked to the secured exposure.

The market value is the current market price on the stock exchange, which is updated automatically in the collateral management system. The haircut according to CRR is applied automatically. Any maturity or currency mismatch of the protection is considered automatically when linked to the secured exposure.

Equities and convertible bonds

Equities and convertible bonds listed on a recognized stock exchange are taken into account for credit risk mitigation purposes.

The market value of equities and convertible bonds is the current market price on the stock exchange. A revaluation is carried out automatically. The volatility adjustment for equities and convertible bonds listed on a recognized stock exchange is not based on external ratings. According to CRR, the eligibility and the haircut depend on being listed on a recognized exchange and being included in a main index. Any maturity or currency mismatch of the protection is considered automatically when linked to the secured exposure.

Investment funds

Units in collective investment undertakings are recognized as eligible collateral if they have a daily public price quoted and the collective investment undertaking is limited to investments in eligible instruments according to CRR.

If the single positions/investments of the collective investment undertaking are known (through at least monthly delivery of the single positions), the weighted haircut of the single position haircuts (the positions in which the collective investment undertaking is actually invested) is taken. If the single eligible positions/investments of the collective investment undertaking are unknown, the haircut equals the highest haircut of the position in which the collective investment undertaking is allowed to invest (concerning eligible positions).

The market value of equities and convertible bonds is the current market price on the stock exchange. A revaluation is carried out automatically. The volatility adjustment for equities and convertible bonds listed on a recognized stock exchange is not based on external ratings. According to CRR, the eligibility and the haircut depend on being listed on a recognized exchange and being included in a main index. Any maturity or currency mismatch of the protection is considered automatically when linked to the secured exposure.

Effect on credit risk mitigation

Apart from cash deposits held by a third-party bank, all financial collateral provided as security reduces the LGD (Loss Given Default) to 0 per cent for the respective collateral market value reduced by the haircut according to the aforementioned criteria. For cash deposits held by a third-party bank, the PD (Probability of Default) of the borrower is replaced by the PD of the third party bank.

Real estate collateral

For the purpose of credit risk mitigation, residential real estate and commercial real estate are used if the criteria and the minimum CRR requirements are fulfilled.

The valuation of real estate is based on the market value, which has to be reduced according to the results of the valuation, the pledged amount in the contract or prior-ranking charges, if necessary. The property valuation is based either on appraisal reports by external independent appraisers or on internal valuations of competent staff members who are independent of the credit decision process. The valuation is carried out according to generally recognized appraisal methods, mostly using the income capitalization approach. If applicable on an individual basis, the valuation is based on the sales comparison approach. Any maturity or currency mismatch of the protection is considered automatically when linked to the secured exposure.

Receivables

Account receivables are used for credit risk mitigation purposes, if they are linked to a commercial transaction or transactions with an original maturity of less than or equal to one year. Receivables in connection with securitizations, sub-participations or credit derivatives or receivables of affiliated companies are not taken into account. All receivables must fulfill the minimum requirements of CRR.

Market value is the receivables amount derived from the list of receivables submitted by the accounting department of the borrower on a regular basis. These lists of receivables are subject to regular reviews. Any maturity or currency mismatch of the protection is considered automatically when linked to the secured exposure.

Unfunded Credit Protection

All kinds of guarantees that are given by the below-mentioned protection providers and fulfill the minimum CRR requirements are considered as unfunded credit protection.

For the purpose of credit risk mitigation, liabilities of the following protection providers are taken into account:

- Central governments and central banks
- Regional governments
- Multilateral development banks
- International organizations, claims on which are treated with a risk weight of 0 per cent under the Standardized Approach
- Public sector entities, claims on which are treated as claims on institutions or central governments under the Standardized Approach
- Institutions

- Other corporate entities, including parent companies and subsidiaries as well as affiliated companies.

The most important protection providers in this regard are central governments, institutions and other corporate entities. The value of the unfunded credit protection is the guaranteed amount, in other words, the amount the protection provider has to pay if an event of default occurs. An accurate review of the economic capacity of the protection provider is a precondition for the valuation. Any maturity or currency mismatch of the protection is considered automatically when linked to the secured exposure.

Unfunded credit protection with a counter guarantee

If an exposure is secured by unfunded credit protection, which itself is counter guaranteed by unfunded credit protection from one of the following protection providers, the PD of the counter guarantor is taken into consideration for the RWA calculation if all requirements of CRR are fulfilled. The same applies to a counter guarantee from another credit protection provider (other than those mentioned below) if this counter guarantee is directly counter guaranteed by one of the following protection providers and the CRR requirements are fulfilled:

- Central governments and central banks
- Regional governments or local authorities
- Multilateral development banks
- International organizations
- Public sector entities, claims on which are treated according to Article 116 CRR

Credit derivatives

Credit default swaps, total return swaps and credit linked notes (to the extent of their cash funding) and instruments that are composed of such credit derivatives or that are economically effectively similar are recognized as eligible for the purpose of credit risk mitigation if the minimum requirements according to CRR are fulfilled. Counterparties respectively credit protection providers are primarily institutions. The value of the credit derivative is the guaranteed amount, which the counterparty has to pay, if an event of default/credit event occurs. An accurate review of the economic capacity of the protection provider is a precondition for the valuation. Any maturity or currency mismatch of the protection is considered automatically when linked to the secured exposure.

Main types of guarantors and credit derivative counterparties

At RBI level, the main type of guarantors – in terms of exposure – are corporates and sovereigns, and to a lesser extent financial institutions. With respect to creditworthiness, 75 per cent of exposures are in the first 10 rating classes.

Exposure to credit derivative counterparties is not material. Nonetheless, financial institutions are the main counterparty type for credit derivative transactions, with a residual amount of corporate exposure. With respect to creditworthiness, 100 per cent of exposures are in the first 10 rating classes.

Market or credit risk concentration in relation to credit risk mitigation

Concentration risk occurs when a large portion of instruments used for credit risk mitigation are concentrated in a limited number of types of credit risk mitigation instruments, are from a limited number of collateral providers or industries, or when a disproportional volume of collaterals is used for risk mitigation. Such concentration risk is managed by the following processes:

In the case of unfunded credit risk mitigation instruments issued by FIs and Sovereigns, secondary credit risk is assigned to the individual protection provider, which must be applied for in individual credit applications and which is reflected and approved as part of the guarantor's total credit exposure. Additionally, approval for potential country risk arising from the credit risk mitigation instrument is obtained separately.

In the case of other unfunded risk mitigation instruments, the value of the risk mitigation is assessed and approved in the approval process for the respective primary counterparty limit. In addition, the extent of the risk mitigation provided by the protection instrument is individually assessed by independent internal risk experts, taking into consideration the total exposure to the protection provider in relation to its individual credit standing before the risk mitigation effect is reflected in the internal collateral systems.

With regard to funded credit risk mitigation instruments, the wide geographical range of activities means there is no relevant concentration risk in terms of asset types, markets or collateral providers.

Quantitative disclosure

For numerical information on the CRM techniques (templates EU CR3, EU CR4, EU CR7 and EU CR7-A) please refer to the dedicated document in tabular form.

Article 454 CRR

Use of the advanced measurement approaches to operational risk

Currently all units of RBI Group are in Standardised Approach as the AMA was retired in the fourth quarter of 2022.

Article 455 CRR

Use of internal market risk models

VaR model

Scope of permission and characteristics of the model

At RBI an internal model for measuring market risks has been in place since 2010.

The method used is a hybrid simulation (Monte Carlo/historical) with 5,000 scenarios for the following risk factors: FX rates, interest rates (IR), selected equities for managed capital guarantee products (CPPI and OBPI), CDS and bond spreads including treasury basis spreads (BS). For Vega risk the hybrid method is used as well and applied to selected points on the surfaces of implied FX and interest rate volatilities.

Scenario generation is based on a two-year time series: in one simulation, the volatility estimator is influenced 80 per cent by the short-term local volatility and 20 per cent by unweighted long-term volatility, in a parallel simulation no weighting scheme is applied; the worse of the two results is then considered. Vega scenarios (also 5,000) are created separately and are also applied to the positions separately from the simulated changes in basic risk factors (FX, IR, BS). All VaR figures are calculated daily for an overnight time horizon and a confidence level of 99 per cent, i.e. VaR denotes the maximum loss that will statistically not be exceeded with a 99 per cent confidence level on the next day. For regulatory purposes, the 10-day VaR figures are calculated by multiplying the daily VaR result by the square root of 10. Positions in the regulatory trading book are delivered by the front office systems on a daily basis. The positions are repriced by means of a full revaluation.

The internal value-at-risk model was approved for the calculation of the capital requirement for market risks of RBI AG at single-entity level by the Austrian banking regulator for general interest rate risk and foreign-exchange risk including Vega risk.

Stressed VaR

The stressed VaR is calculated as the application of a historical (equally weighted 1 year) time series of returns to the current portfolio. The historical period is chosen in such a way that it causes the largest VaR (when selected) for the portfolio positions given at present. Generating the scenarios for stressed VaR is not as straightforward as for VaR, because adjustments preserving the standard deviation of the returns and avoiding negative interest rates are necessary in order to apply historical returns to current market values. Total risk calculated by the internal model with significance for the regulatory capital requirements is based on VaR and Stressed VaR for Foreign Exchange (FX), Interest Rates (IR), Basis Spreads (BS) and Vega according to CRR Art. 364.

Stress testing

A comprehensive stress testing concept complements the internal model VaR and sensitivity risk figures, which also constitute the market risk limit system. The stress tests reflect potential present value changes for predefined scenarios. The results with respect to market risk concentrations shown by these stress tests are reported to the Market Risk Committee on a weekly basis and taken into account when limits are set. Stress test reports for individual portfolios are included in the daily market risk reporting.

The market risk stress tests range from single risk factor changes (relative or absolute shifts, curve steepenings or flattenings, volatility surface deformations like skews, etc.) to simultaneous changes of several risk factors. For example, currencies and interest rate curves are grouped reflecting economic interdependencies of countries potential expected contagion in a crisis, correlations between interest rate curves; credit spread curves are grouped by industry and rating (investment grade vs. speculative grade) and underlying risk factors are stressed in combination with changes to their implied volatilities. Scenarios for basis risks are defined as parallel shifts over all tenor curves which are applied to two basis risk categories, namely FREQ (OIS, forward curves) and FXXC (FX, cross currency); additionally, correlation-based scenarios are calculated. Furthermore, event-driven historical or hypothetical scenarios like government debt crises, oil price shocks, etc., are implemented as needed.

Combinations of risk factors in given stress scenarios:

Stressed risk factors	FX	IR	Credit spreads	Implied Vols (FX. IR)	Equities	Basis Risk (FXXC, FREQ)
FX	X	X	X	X		
IR		X	X	X	X	
Credit spreads			X			
Implied Vols (FX, IR)				X		
Equities					X	
Basis Risk (FXXC, FREQ)						X

Back-testing and validation approaches

In addition to a qualitative analysis of returns, the risk measurement approaches employed are verified on an ongoing basis through back-testing and statistical validation techniques.

Risk theoretical and actual back-testing

For back-testing two comparisons are performed:

The "clean" or risk theoretical back-testing is the comparison of VaR figures to the theoretical profit and loss figures showing the hypothetical returns that the bank would have realized due to the actual changes in market parameters on the next day. The back-testing results in the past showed that the internal market risk model quickly reacts to changing market conditions.

The "dirty" or actual back-testing is done using the profit and loss (P&L) results from the front office systems. Due to the fact that the internal model is only approved for a restricted scope of market risks (FX and general interest rate risk including treasury basis spread but not other credit spreads; FX and IR vega risk, but no equity and specific interest rate risk), the hypothetical P&L figures of the internal model differ somewhat from the economic P&L figures, which include components that are not part of the VaR of the regulatory trading book.
An automatized separate process has been set up to effectively validate the calculated VaRs with the reported actual P&L figures on a regulatory trading book level as well as broken down into sub-nodes (portfolio) level.

Annual model validation

The internal model is independently validated by the Model Validation department.

Complementary to the quality assurance in the daily risk management process, an annual validation program is in place to ensure the soundness of the risk figures produced. In 2019, separation of validation between regulatory scope and economic capital scope was introduced.

The annual validation comprises two main parts. The first part verifies the statistical soundness of the risk numbers produced. To this end, the daily forecast of the P&L distribution is validated by different methods. On the one hand, the number of back-testing violations is analyzed. On the other hand, the whole forecast of the P&L distribution is statistically validated. These analyses are performed for a large number of portfolios and lead to an overall validation of the soundness of the model. The economic capital aspect focuses on the quality of the long-term forecasts.

In the second part, various model features are validated. Examples include the delivery of market data, the delivery of transaction data, and the quality of the pricing functions used in the internal model. Furthermore, all changes to the model are validated.

The validation and the development function are completely separated and strict rules for the validation process are defined. Any deficiencies detected are prioritized and the remedies included in the development process for the internal model.

The regulatory trading book

The scope of the regulatory trading book was defined as part of the regulatory approval process for the internal model for market risk and is the basis for the selection criteria for the positions used in the capital calculation.

Defining criteria for trading book positions are set out in the Market Risk Management Group Regulation as well as in the rulebook of the risk-taking trading department. These criteria influence the department / desk strategies, the range of approved products, and subsequently the associated risk limits.

The procedure ensuring that all FX risk and trading positions are included in the internal model capital calculation is anchored in the set-up of the market risk aggregation and reporting framework. Maintaining and keeping this framework up-to-date with respect to any portfolio and/or organizational changes is part of the daily market risk management tasks, supported by an automated system of checking procedures. The trading rulebook along with standardized as well as user-definable reports and ad-hoc analysis results provided by market risk management to risk takers and senior management allow for timely and active management of trading positions.

Valuation

The basis for a Group-wide aligned valuation process is provided by the fair value measurement rulebook, containing e.g. the applicable pricing hierarchy and procedures necessary in the event of illiquidity, along with the establishment of a regular valuation meeting at RBI head office. The latter is the decision-making body for RBI responsible for matters such as approvals, reviews and/or changes to valuation procedures, valuation models, and pricing parameters.

The valuation of new products including the treatment of pricing (availability of liquid pricing sources, respectively appropriate pricing parameters) is an integral part of the product approval process.

Prudent valuation

The requirement to perform a prudent valuation is set out in Article 105 of the CRR (Regulation (EU) 575/2013) and described in more detail in the Regulation (EU) 2016/101. The result of the prudent valuation needs to be used only for the purpose of calculating adjustments to Common Equity Tier 1 capital, where necessary.

RBI has designed and implemented a centralized calculation of additional valuation adjustments (AVAs) arising from prudent valuation with the internal model for market risk as its cornerstone. RBI centrally calculates the AVAs for all members of the RBI Group that are included in the daily market risk calculations. Additionally, RBI head office sets the principles other RBI Group members need to adhere to when performing their own standalone local calculation of AVAs. All results of the standalone local calculation of AVAs need to be reported back to RBI head office in order to properly include them in the overall prudent valuation results for RBI. All methods for the calculation of AVAs, both central and standalone local ones, need to be approved by the RBI MACO and the RBI Management Board.

The prudent valuation performed in RBI covers all 9 AVAs defined in Regulation (EU) 2016/101, whose individual characteristics are briefly summarized in the following table:

AVA	Motivation/description
1. Market price uncertainty (MPU)	▪ Market participants quote different bid or ask prices for the same financial instrument. ▪ It is unclear which of these is the "true" fair price.
2. Close-out costs (CoC)	▪ Different bid/ask spreads are quoted around "consensus" mid price. ▪ Relevant when assessing exit price of positions valued at mid price (RBI derivative positions are valued at mid price).
3. Concentrated positions (CP)	▪ Closing a large position might move the market price away from the one that was used to calculate the fair value of the position. ▪ Relevant for bond positions which represent a significant percentage of the outstanding amount.
4. Unearned credit spreads (CVA)	▪ Credit Value Adjustment (CVA) calculations also depend on market quoted parameters. ▪ CVA AVA aims to quantify uncertainty contained within these parameters.
5. Investing and funding costs (FVA)	▪ Aimed at quantifying uncertainty in the funding costs used when assessing the exit price.
6. Model risk (MOR)	▪ Quantifying the potential errors when applying a specific model in mark-to-model fair value measurement.
7. Operational risk (OP)	▪ By definition set to be equal to 10% of MPU+CoC. ▪ If AMA is applied in capital requirement calculation and it explicitly covers the valuation process, OP AVA can be set to zero (not implemented in RBI's AMA)
8. Future administrative costs (FAC)	▪ Aimed at accounting for the administrative costs of keeping the positions during their unwind/rundown process. ▪ Relevant for positions that can not be closed on the market quickly.
9. Early termination (ET)	▪ Aimed at quantifying the potential losses an institution might suffer in non-contractual early terminations of client trades.

Quantitative disclosure

For numerical information on the market risk models (templates EU PV1, EU MR2-A, EU MR2-B, EU MR3 and EU MR4) please refer to the dedicated document in tabular form.

Article 473a CRR

Introduction of IFRS 9

For numerical information on the influence of transitional arrangements on RBI's own funds and capital and leverage ratios (template IFRS 9-FL) please refer to the dedicated document in tabular form.

Article 449a CRR

Environmental, social and governance risks (ESG risks)

Introduction

Environmental risks are driven by environmental factors. They should be understood as the financial risks posed by the institutions' exposures to counterparties that may both potentially contribute to or be affected by climate change and other forms of environmental degradation (such as air pollution, water pollution, scarcity of fresh water, land contamination, biodiversity loss and deforestation).

Social risks arise from the financial impact generated by the misuse of human capital such the rights, well-being and interests of people and communities. This could refer to working conditions, health and safety, employee relations and diversity, employee training, inclusiveness, equality, community programs.

Governance risks refer to the governance practices of the institutions' counterparties or own invested assets, including the inclusion of ESG factors in policies and procedures under the governance of the counterparties. This may include, but it is not limited to, executive pay, board diversity and structure, shareholder rights, bribery and corruption, compliance, ethical standards (e.g., Data Ethics), fair tax strategy, etc.

RBI views Environmental, Social and Governance (ESG) risks as cross-dimensional risks that affect all areas of risk management. As such, considerations about ESG risk factors are continuously being embedded in the management of risk types in the already existing risk management framework. The largest focus with respect to risk assessment/measurement and investment in methodologies for scenario analysis and steering is currently on the environmental factors and in particular on climate change.

The climate-related and environmental risk transmitters may affect the credit, market, operational and liquidity risk of a financial institution and as such RBI Group has extended its risk framework to include the climate-related and environmental risk as a potential additional driver of the already existing risk types.

In the Pillar 2 framework of the Internal Capital Adequacy Assessment Process (ICAAP), the climate-related risk is captured by scenario analysis (stress test). Using the results of the scenario analysis, internal capital deduction items have been defined for transition risks (where the customers fail to align with transition to low carbon economy) and physical risks (e.g. collateral dam-age due to flooding, revenue loss due to extreme heat and drought).

In the operational risk framework including litigation risk, scenarios have been defined to account for forward looking risk triggered by environmental risks. Furthermore, RBI is exposed to potential reputational risk from climate-related and environmental risks which might affect demand for its products (e.g. green bonds, other deposits).

Considering that liquidity risk is triggered by short-term rapid changes, climate and environmental risks is from current pespective expected to have only mild effect liquidity risk profile. The largest effect is expected to be translated from respective credit and market risks realization by decreasing of liquidity inflows from loans and devaluation of liquidity buffer. But still the effect is expected to remain low taking into account mitigating factors such as the well diversified loans portfolio, the portfolio of liquidity buffer bonds and the expected limited effect on Retail exposures.

See also chapter ESG Risks of "RBI Annual Report 2023", page 194 ff.

As further outlined in the qualitative part underneath, methodologies to quantify ESG risks as well as the underlying data that are used as inputs to these methodologies are evolving. This disclosure reflects current available data, as well as methods developed to be in line with current best practices (e.g., stress test calculated using methodologies and scenarios from ECB 2022 climate stress test exercise) – both points expected to change/improve over the next coming years. Significant changes occurred in some areas of disclosure, either in the source, the scope of information being disclosed or approach for the assessment applied:

- Scope 3 financed emissions for following NACE sectors and industries were disclosed as of 2023-Q4, as proposed by the timeline for scope 3 disclosures specified in PCAF standard: B - Mining and quarrying, C – Manufacturing, F – Construction, H - Transporting and storage, N81 - Services to buildings and landscape activities.

- Assessment of the physical risk exposure was affected by new calibration of thresholds used to identify physical risk sensitivities, applied by an external provided.

- Households residential real estate alignment was assessed incorporating the properties of the financed object.

We emphasize that lack of Article 449a CRR ESG relevant data points is one of the main challenges when it comes to proper ESG risk assessment and further its management:

- The assessment of a counterparty's sustainability level needs to be based on accurate ESG data. Retrieving such data poses major challenges for customers and banks alike. For this purpose, RBI focuses of data sourcing from the largest emitters in our corporate loan portfolio, to capture the most relevant sources of GHG emissions as well as industries referenced as important in the regulatory Framework: Oil & Gas (EBA ITS as of 19. December 2022 || Annex II - Instructions for ESG prudential disclosures templates.pdf (europa.eu), p. 13). Besides meeting regulatory requirements, RBI strives to make data collection as easy and convenient as possible for our customers. For this purpose, ESG data is collected partly from public sources and partly directly from the customers.

When it comes energy efficiency information, there were multiple difficulties discovered during the year 2023 that explains different fill grades among the CEE countries:

- EPCs are not established in the local legislative (e.g. Belarus, Albania, Kosovo). Kosovo as example does not have certified verifiers to create an EPC.

- EPCs do exist but are not enforced by local law. For clients in those countries EPCs are created on private initiative by the client. RBI run with its CEE subsidiaries a collection initiative to increase level of EPC coverage on the collateral portfolio. For this purpose, all subsidiaries are collecting data on multiple levels (e.g. approaching customers directly via yearly reviews, scanning public available data bases for EPC labels already collected). Partially some NWUs approached their clients with incentives to give clients the required motivation to get an EPC and submit it to their subsidiary.

Another challenge with respect to data collection comes with the physical risk assessment. First, for Non-Financial Corporates (NFCs) the registration address /Head Quarter address of counterparties is used for the physical risk assessment as further information with respect to main operating facilities, value chain etc. is not yet available at granular and complete basis. This is an approximation that reduces the significance of the assessment for counterparties whose operations are in different regions. The lack of data did not allow a more refined approach to NFCs "physical risk relevant" location. We further highlight that internal data quality (mainly missing zip codes) as well as not yet complete geographical coverage by our data provider did not allow a physical risk assessment for the entire portfolio in scope.

In assessing a counterparty's ESG data, RBI relies on the completeness and correctness of data and documents received from counterparties and, where applicable, third-party vendors and public registers. Assessments regarding the fulfilment of technical criteria are also based on details and information provided by the counterparty, which cannot be verified. We cannot assume liability for the correctness and completeness of underlying data, as submitted by counterparties, and, where applicable, third-party vendors and public registers.

In view of the above, the disclosure is made based on information available as of December 2023, our best understanding of the regulatory requirements as well as banking diligence. Due to the outlined shortcomings in data quality, a lack of precise methodological guidance and widely shared and aligned practices, the interpretation of the results is subject to limitations and is expected to improve over the next years.

Environmental risk

	Business strategy and processes	
(a)	Institution's business strategy to integrate environmental factors and risks, taking into account the impact of environmental factors and risks on institution's business environment, business model, strategy and financial planning	Please refer to 'Principles for Responsible Banking (pg 10)', 'Customer Segments' (pg 15), 'Our sustainability strategy' (pg 16), 'RBI's climate and environmental business strategy' (pg 19), 'ESG & sustainability policies' (pg 35), 'Code of Conduct' (pg 44), 'UN Global Compact' (pg 45), 'Science-based targets' (pg 46), 'RBI risk management approach' (pg 70), 'Circularity' (pg 77) and 'ESG Rulebook for sustainable customers and transactions' (pg 96) and 'Greenwashing prevention check' (pg 99) in RBI Group's Sustainability Report 2023.
(b)	Objectives, targets and limits to assess and address environmental risk in short-, medium-, and long-term, and performance assessment against these objectives, targets and limits, including forward-looking information in the design of business strategy and processes	Please refer to 'RBI Group Strategy Map' (pg 18), 'UN Global Compact' (pg 45) and 'Science-based targets' (pg 46) in RBI Group's Sustainability Report 2023.
(c)	Current investment activities and (future) investment targets towards environmental objectives and EU Taxonomy-aligned activities	Please refer to 'Sustainable Finance Management' (pg 95) in RBI Group's Sustainability Report 2023.
(d)	Policies and procedures relating to direct and indirect engagement with new or existing counterparties on their strategies to mitigate and reduce environmental risks	Please refer to 'Code of Conduct' (pg 44), 'III. Steering approaches, reflecting risks and opportunities' (pg 86), 'IV. Risk processes and governance' (pg 91-95), 'ESG Rulebook for sustainable customers and transactions' (pg 96), 'Greenwashing prevention check' (pg 99) and 'Raising awareness' (pg 99) in RBI Group's Sustainability Report 2023.
	Governance	
(e)	Responsibilities of the management body for setting the risk framework, supervising and managing the implementation of the objectives, strategy and policies in the context of environmental risk management covering relevant transmission channels	Please refer to 'The Management Board and Supervisory Board' (pg 29), 'RBI risk management approach' (pg 70) and 'IV. Risk processes and governance' (pg 91-95) in RBI Group's Sustainability Report 2023.
(f)	Management body's integration of short-, medium- and long-term effects of environmental factors and risks, organisational structure both within business lines and internal control functions	Please refer to 'RBI Group Strategy Map' (pg 18), 'Internal audit' (pg 33), 'Internal Control System' (pg 52), 'IV. Risk processes and governance' (pg 91-95) and 'Greenwashing prevention check' (pg 99) in RBI Group's Sustainability Report 2023.
(g)	Integration of measures to manage environmental factors and risks in internal governance arrangements, including the role of committees, the allocation of tasks and responsibilities, and the feedback loop from risk management to the management body covering relevant transmission channels	Please refer to 'ESG Governance' (pg 28), 'Environmental risk' (pg 72), 'Circularity' (pg 77), 'IV. Risk processes and governance' (pg 91-95) and 'Performance Management' (pg 165 - 166) in RBI Group's Sustainability Report 2023.
(h)	Lines of reporting and frequency of reporting relating to environmental risk	Please refer to 'RBI risk management approach' (pg 70) and 'IV. Risk processes and governance' (pg 91-95) in RBI Group's Sustainability Report 2023.
(i)	Alignment of the remuneration policy with institution's environmental risk-related objectives	Please refer to 'RBI Group Strategy Map' (pg 18), 'IV. Risk processes and governance' (pg 91-95) and 'Performance Management' (pg 165 - 166) in RBI Group's Sustainability Report 2023.

	Risk management	
(j)	Integration of short-, medium- and long-term effects of environmental factors and risks in the risk framework	Please refer to 'RBI risk management approach' (pg 70), 'IV. Risk processes and governance' (pg 91-95) and 'Climate stress testing' (pg 89-90) in RBI Group's Sustainability Report 2023.
(k)	Definitions, methodologies and international standards on which the environmental risk management framework is based	Please refer to 'IV. Risk processes and governance' (pg 91-95) in RBI Group's Sustainability Report 2023.
(l)	Processes to identify, measure and monitor activities and exposures (and collateral where applicable) sensitive to environmental risks, covering relevant transmission channels	Please refer to 'Assessment of the materiality of climate and environment-related risks' (pg 73-77) in RBI Group's Sustainability Report 2023.
(m)	Activities, commitments and exposures contributing to mitigate environmental risks	Please refer to 'IV. Risk processes and governance' (pg 91-95), 'ESG Rulebook for sustainable customers and transactions' (pg 96), 'ESG expert opinion' (pg 98-99) and 'Greenwashing prevention check' (pg 99) in RBI Group's Sustainability Report 2023.
(n)	Implementation of tools for identification, measurement and management of environmental risks	Please refer to 'Assessment of the materiality of climate and environment-related risks' (pg 73-77) in RBI Group's Sustainability Report 2023.
(o)	Results and outcome of the risk tools implemented and the estimated impact of environmental risk on capital and liquidity risk profile	Please refer to 'RBI risk management approach' (pg 70), 'I. Identification & definition of ESG risks' (pg 72) and 'Climate stress testings' (pg 89-90) in RBI Group's Sustainability Report 2023.
(p)	Data availability, quality and accuracy, and efforts to improve these aspects	Please refer to 'Customer data collection' (pg 79) in RBI Group's Sustainability Report 2023.
(q)	Description of limits to environmental risks (as drivers of prudential risks) that are set, and triggering escalation and exclusion in the case of breaching these limits	Please refer to 'Climate stress testings' (pg 89-90) and 'IV. Risk processes and governance' (pg 91-95) in RBI Group's Sustainability Report 2023.
(r)	Description of the link (transmission channels) between environmental risks with credit risk, liquidity and funding risk, market risk, operational risk and reputational risk in the risk management framework	Please refer to 'Climate stress testings' (pg 89-90) and 'IV. Risk processes and governance' (pg 91-95) in RBI Group's Sustainability Report 2023.

Social risk

	Business strategy and processes	
(a)	Adjustment of the institution's business strategy to integrate social factors and risks taking into account the impact of social risk on the institution's business environment, business model, strategy and financial planning	Please refer to 'Our sustainability strategy' (pg 16), 'RBI's climate and environmental business strategy' (pg 19), 'ESG & sustainability policies' (pg 35), 'RBI Group Human Rights Policy' (pg 36), 'Code of Conduct' (pg 44), 'UN Global Compact' (pg 45), 'ESG Rulebook for sustainable customers and transactions' (pg 96), 'Retail customers' (pg 98), 'Greenwashing prevention check' (pg 99) and 'IV. Risk processes and governance' (pg 91-95) in RBI Group's Sustainability Report 2023.
(b)	Objectives, targets and limits to assess and address social risk in short-term, medium-term and long-term, and performance assessment against these objectives, targets and limits, including forward-looking information in the design of business strategy and processes	Please refer to 'RBI Group Strategy Map' (pg 18), 'UN Global Compact' (pg 45), 'ESG customer score' (pg 79) and 'ESG Rulebook for sustainable customers and transactions' (pg 96) in RBI Group's Sustainability Report 2023.
(c)	Policies and procedures relating to direct and indirect engagement with new or existing counterparties on their strategies to mitigate and reduce socially harmful activities	Please refer to 'RBI Group Human Rights Policy' (pg 36), 'Code of Conduct' (pg 44), 'III. Steering approaches, reflecting risks and opportunities' (pg 86), 'ESG Rulebook for sustainable customers and transactions' (pg 96), 'Greenwashing prevention check' (pg 99) and 'Raising awareness' (pg 99) in RBI Group's Sustainability Report 2023.
	Governance	
(d)	Responsibilities of the management body for setting the risk framework, supervising and managing the implementation of the objectives, strategy and policies in the context of social risk management covering counterparties' approaches to:	Please refer to 'RBI's climate and environmental business strategy' (pg 19), 'RBI risk management approach' (pg 70), 'ESG customer score' (pg 79) and 'IV. Risk processes and governance' (pg 91-95) in RBI Group's Sustainability Report 2023.
(i)	Activities towards the community and society	
(ii)	Employee relationships and labour standards	
(iii)	Customer protection and product responsibility	
(iv)	Human rights	
(e)	Integration of measures to manage social factors and risks in internal governance arrangements, including the role of committees, the allocation of tasks and responsibilities, and the feedback loop from risk management to the management body	Please refer to 'ESG Governance' (pg 28), 'Social and governance risks' (pg 72), 'ESG customer score' (pg 79) and 'IV. Risk processes and governance' (pg 91-95) in RBI Group's Sustainability Report 2023.
(f)	Lines of reporting and frequency of reporting relating to social risk	Please refer to 'Code of Conduct' (pg 44), 'IV. Risk processes and governance' (pg 91-95) and 'Employee involvement' (pg 167) in RBI Group's Sustainability Report 2023.
(g)	Alignment of the remuneration policy in line with institution's social risk-related objectives	Please refer to 'RBI Group Strategy Map' (pg 18) in RBI Group's Sustainability Report 2023.

	Risk management	
(h)	Definitions, methodologies and international standards on which the social risk management framework is based	Please refer to 'Applied ESG guidelines' (pg 10-11) and 'ESG customer score' (pg 79) in RBI Group's Sustainability Report 2023.
(i)	Processes to identify, measure and monitor activities and exposures (and collateral wher applicable) sensitive to social risk, covering relevant transmission channels	Please refer to 'ESG customer score' (pg 79) in RBI Group's Sustainability Report 2023.
(j)	Activities, commitments and assets contributing to mitigate social risk	Please refer to 'RBI Group Human Rights Policy' (pg 36) and 'ESG customer score' (pg 79) in RBI Group's Sustainability Report 2023.
(k)	Implementation of tools for identification and management of social risk	Please refer to 'ESG customer score' (pg 79) in RBI Group's Sustainability Report 2023.
(l)	Description of setting limits to social risk and cases to trigger escalation and exclusion in the case of breaching these limits	Please refer to 'Anti-money laundering" (pg 51) and 'IV. Risk processes and governance' (pg 91-95) in RBI Group's Sustainability Report 2023.
(m)	Description of the link (transmission channels) between environmental risks with credit risk, liquidity and funding risk, market risk, operational risk and reputational risk in the risk management framework	Please refer to 'IV. Risk processes and governance' (pg 91-95) and 'Assessment of the materiality of climate and environment-related risks' (pg 73) in RBI Group's Sustainability Report 2023.

Governance risk

	Governance	
(a)	Institution's integration in their governance arrangements governance performance of the counterparty, including committees of the highest governance body, committees responsible for decision-making on economic, environmental, and social topics	Please refer to 'Business Conduct' (pg 43), 'Code of Conduct' (pg 44), 'ESG customer score' (pg 79) and 'IV. Risk processes and governance' (pg 91) in RBI Group's Sustainability Report 2023.
(b)	Institution's accounting of the counterparty's highest governance body's role in non-financial reporting	Please refer to 'Social and governance risks' (pg 72) in RBI Group's Sustainability Report 2023.
(c)	Institution's integration in governance arrangements of the governance performance of their counterparties including:	Please refer to 'Code of Conduct' (pg 44), 'Handling conflicts of interest' (pg 50), 'Internal Control System' (pg 52), 'Social and governance risks' (pg 73), 'Prevention of greenwashing and negative ESG impacts' (pg 98), 'ESG expert opinion' (pg 98-99) and 'Employee involvement' (pg 167) in RBI Group's Sustainability Report 2023.
(i)	Ethical considerations	
(ii)	Strategy and risk management	
(iii)	Inclusiveness	
(iv)	Transparency	
(v)	Management of conflict of interest	
(vi)	Internal communication on critical concerns	
	Risk management	
(d)	Institution's integration in risk management arrangements the governance performance of their counterparties considering:	Please refer to 'Code of Conduct' (pg 44) and 'Social and governance risks' (pg 72) in RBI Group's Sustainability Report 2023.
(i)	Ethical considerations	
(ii)	Strategy and risk management	
(iii)	Inclusiveness	
(iv)	Transparency	
(v)	Management of conflict of interest	
(vi)	Internal communication on critical concerns	

Quantitative disclosure

For numerical information on the ESG prudential disclosure (templates 1 and 2, templates 5 to 8 and template 10) please refer to the dedicated document in tabular form.

Annex 1

Management Board

As of 31 December 2023, the Management Board of RBI consisted of six members. Details on the education and careers of the Management Board members (according to Article 435(2)(b) CRR) are available on RBI's website under https://www.rbinternational.com/en/who-we-are/facts-figures/boards.html.

Johann Strobl			
Directorships in RBI AG:	Management Board: Member (CEO)		
Number of directorships held in Supervisory Board and Management Board according to Art. 435 para 2 lit a CRR			
	Number of Directorships with an entity that pursues a commercial objective	Number of Directorships according to sec 5 para 1 lit 9a BWG	Number of Directorships with an entity that does not pursue a commercial objective
Supervisory Board:	5	1	1
Management Board:	1	1	5

Andreas Gschwenter			
Directorships in RBI AG:	Board of Management: Member (COO/CIO)		
Number of directorships held in Supervisory Board and Management Board according to Art. 435 para 2 lit a CRR			
	Number of Directorships with an entity that pursues a commercial objective	Number of Directorships according to sec 5 para 1 lit 9a BWG	Number of Directorships with an entity that does not pursue a commercial objective
Supervisory Board:	7	1	1
Management Board:	1	1	2

Lukas Januszewski			
Directorships in RBI AG:	Board of Management: Member (CIB: Products & Solutions)		
Number of directorships held in Supervisory Board and Management Board according to Art. 435 para 2 lit a CRR			
	Number of Directorships with an entity that pursues a commercial objective	Number of Directorships according to sec 5 para 1 lit 9a BWG	Number of Directorships with an entity that does not pursue a commercial objective
Supervisory Board:	5	0	0
Management Board:	1	1	0

Marie Valerie Brunner			
Directorships in RBI AG:	Board of Management: Member (CIB: Customer Coverage)		
Number of directorships held in Supervisory Board and Management Board according to Art. 435 para 2 lit a CRR			
	Number of Directorships with an entity that pursues a commercial objective	Number of Directorships according to sec 5 para 1 lit 9a BWG	Number of Directorships with an entity that does not pursue a commercial objective
Supervisory Board:	3	1	0
Management Board:	1	1	0

Hannes Mösenbacher			
Directorships in RBI AG:	Board of Management: Member (CRO)		
Number of directorships held in Supervisory Board and Management Board according to Art. 435 para 2 lit a CRR			
	Number of Directorships with an entity that pursues a commercial objective	Number of Directorships according to sec 5 para 1 lit 9a BWG	Number of Directorships with an entity that does not pursue a commercial objective
Supervisory Board:	4	0	1
Management Board:	1	1	1

Andrii Stepanenko			
Directorships in RBI AG:	Board of Management: Member (Retail)		
Number of directorships held in Supervisory Board and Management Board according to Art. 435 para 2 lit a CRR			
	Number of Directorships with an entity that pursues a commercial objective	Number of Directorships according to sec 5 para 1 lit 9a BWG	Number of Directorships with an entity that does not pursue a commercial objective
Supervisory Board:	9	0	0
Management Board:	1	1	0

Supervisory Board

As of 31 December 2023, the Supervisory Board of RBI consisted of the following members. Details on the education and careers of the Supervisory Board members (according to Article 435(2)(b) CRR) are available on RBI's website under https://www.rbinternational.com/en/who-we-are/facts-figures/boards.html.

Erwin Hameseder			
Directorships in RBI AG:	Supervisory Board: Chairman		
	Nomination, Personnel, Remuneration and Working Committee: Chairman		
	Audit Committee: First Deputy Chairman		
	Risk Committee: Second Deputy Chairman		
Number of directorships held in Supervisory Board and Management Board according to Art. 435 para 2 lit a CRR			
	Number of Directorships with an entity that pursues a commercial objective	Number of Directorships according to sec 5 para 1 lit 9a BWG	Number of Directorships with an entity that does not pursue a commercial objective
Supervisory Board:	14	3	10
Management Board:	0	0	0

Martin Schaller			
Directorships in RBI AG:	Supervisory Board: First Deputy Chairman		
	Digitalisation and Risk Committee: First Deputy Chairman		
	Nomination, Personnel, Remuneration and Working Committee: Second Deputy Chairman		
Number of directorships held in Supervisory Board and Management Board according to Art. 435 para 2 lit a CRR			
	Number of Directorships with an entity that pursues a commercial objective	Number of Directorships according to sec 5 para 1 lit 9a BWG	Number of Directorships with an entity that does not pursue a commercial objective
Supervisory Board:	2	1	1
Management Board:	1	1	12

Heinrich Schaller			
Directorships in RBI AG:	Supervisory Board: Deputy Chairman		
	Nomination, Personnel, Remuneration and Working Committee: First Deputy Chairman		
	Audit Committee: Second Deputy Chairman		
	Risk Committee: Member		
Number of directorships held in Supervisory Board and Management Board according to Art. 435 para 2 lit a CRR			
	Number of Directorships with an entity that pursues a commercial objective	Number of Directorships according to sec 5 para 1 lit 9a BWG	Number of Directorships with an entity that does not pursue a commercial objective
Supervisory Board:	12	2	3
Management Board:	1	1	4

Michael Höllerer			
Directorships in RBI AG:	Supervisory Board: Member		
Number of directorships held in Supervisory Board and Management Board according to Art. 435 para 2 lit a CRR			
	Number of Directorships with an entity that pursues a commercial objective	Number of Directorships according to sec 5 para 1 lit 9a BWG	Number of Directorships with an entity that does not pursue a commercial objective
Supervisory Board:	8	1	12
Management Board:	2	1	0

Eva Eberhartinger			
Directorships in RBI AG:	Supervisory Board: Member		
	Audit Committee: Chairwoman		
	Remuneration and Risk Committee: Member		
Number of directorships held in Supervisory Board and Management Board according to Art. 435 para 2 lit a CRR			
	Number of Directorships with an entity that pursues a commercial objective	Number of Directorships according to sec 5 para 1 lit 9a BWG	Number of Directorships with an entity that does not pursue a commercial objective
Supervisory Board:	1	1	0
Management Board:	0	0	0

Andrea Gaal			
Directorships in RBI AG:	Supervisory Board: Member		
	Digitalisation Committee: Chairwoman		
	Working, Audit, Remuneration, Nomination, Personnel and Risk Committee: Member		
Number of directorships held in Supervisory Board and Management Board according to Art. 435 para 2 lit a CRR			
	Number of Directorships with an entity that pursues a commercial objective	Number of Directorships according to sec 5 para 1 lit 9a BWG	Number of Directorships with an entity that does not pursue a commercial objective
Supervisory Board:	1	1	0
Management Board:	0	0	0

Manfred Wilhelmer			
Directorships in RBI AG:	Supervisory Board: Member		
Number of directorships held in Supervisory Board and Management Board according to Art. 435 para 2 lit a CRR			
	Number of Directorships with an entity that pursues a commercial objective	Number of Directorships according to sec 5 para 1 lit 9a BWG	Number of Directorships with an entity that does not pursue a commercial objective
Supervisory Board:	1	1	0
Management Board:	7	1	0

Michael Alge			
Directorships in RBI AG:	Supervisory Board: Member		
	Digitalisation Committee: Member		
Number of directorships held in Supervisory Board and Management Board according to Art. 435 para 2 lit a CRR			
	Number of Directorships with an entity that pursues a commercial objective	Number of Directorships according to sec 5 para 1 lit 9a BWG	Number of Directorships with an entity that does not pursue a commercial objective
Supervisory Board:	2	2	0
Management Board:	2	1	3

Rudolf Könighofer			
Directorships in RBI AG:	Supervisory Board: Member		
Number of directorships held in Supervisory Board and Management Board according to Art. 435 para 2 lit a CRR			
	Number of Directorships with an entity that pursues a commercial objective	Number of Directorships according to sec 5 para 1 lit 9a BWG	Number of Directorships with an entity that does not pursue a commercial objective
Supervisory Board:	6	1	1
Management Board:	4	1	10

Heinz Konrad			
Directorships in RBI AG:	Supervisory Board: Member		
	Nomination and Personell Committee: Member		
Number of directorships held in Supervisory Board and Management Board according to Art. 435 para 2 lit a CRR			
	Number of Directorships with an entity that pursues a commercial objective	Number of Directorships according to sec 5 para 1 lit 9a BWG	Number of Directorships with an entity that does not pursue a commercial objective
Supervisory Board:	3	2	1
Management Board:	3	1	8

Reinhard Mayr			
Directorships in RBI AG:	Supervisory Board: Member		
	Audit, Digitalisation Committee: Member		
Number of directorships held in Supervisory Board and Management Board according to Art. 435 para 2 lit a CRR			
	Number of Directorships with an entity that pursues a commercial objective	Number of Directorships according to sec 5 para 1 lit 9a BWG	Number of Directorships with an entity that does not pursue a commercial objective
Supervisory Board:	3	1	1
Management Board:	1	1	10

Birgit Noggler	
Directorships in RBI AG:	Supervisory Board: Member
	Risk Commitee: Chairwoman
	Working, Audit, Remuneration, Nomination and Personnel Committee: Member

Number of directorships held in Supervisory Board and Management Board according to Art. 435 para 2 lit a CRR

	Number of Directorships with an entity that pursues a commercial objective	Number of Directorships according to sec 5 para 1 lit 9a BWG	Number of Directorships with an entity that does not pursue a commercial objective
Supervisory Board:	7	2	0
Management Board:	1	1	3

Annex 2

Capital instruments

The following tables present the terms and conditions of RBI's capital instruments according to Article 437 (b) CRR. If "N/A" is inserted, the question is not applicable.

Issuer	Raiffeisen Bank International AG	Raiffeisen Bank International AG	Raiffeisen Bank International AG
Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	AT0000606306	XS1640667116	XS1756703275
Governing law(s) of the instrument	Austrian law	German/Austrian law	German/Austrian law
Regulatory treatment			
Transitional CRR rules	Common Equity Tier 1	Additional Tier 1	Additional Tier 1
Post-transitional CRR rules	Common Equity Tier 1	Additional Tier 1	Additional Tier 1
Eligible at solo/(sub-)consolidated/solo and (sub-)consolidated	Solo and consolidated	Solo and consolidated	Solo and consolidated
Instrument type (types to be specified by each jurisdiction)	Common Equity Tier 1 instrument according to Art 28 CRR	Additional Tier 1 instrument according to Art 52 CRR	Additional Tier 1 instrument according to Art 52 CRR
Amount recognized in regulatory capital as of 31 December 2023	EUR 1,001,515,332	EUR 645,700,000	EUR 497,000,000
Nominal amount of instrument	EUR 1,003,265,844	EUR 650,000,000	EUR 500,000,000
Issue price	N/A	100%	100%
Redemption price	N/A	100%	100%
Accounting classification	Shareholder's equity	Equity	Equity
Original date of issuance	25 April 2005	5 July 2017	24 January 2019
Perpetual or dated	N/A	Perpetual	Perpetual
Original maturity date	N/A	No maturity	No maturity
Issuer call subject to prior supervisory approval	N/A	Yes	Yes
Optional call date, contingent call dates, and redemption amount	N/A	15.12.2022; in addition tax and regulatory call rights; Optional redemption at par	15.06.2025; in addition tax and regulatory call rights; Optional redemption at par
Subsequent call dates, if applicable	N/A	Semi-annually	Semi-annually
Coupons / dividends			
Fixed or floating dividend/coupon	Floating	Fixed to Reset Rate	Fixed to Reset Rate
Coupon rate and any related index	N/A	5Y mid swap rate + margin of 5,954%	4.5% until 15.06.2025 and afterwards 5Y mid swap rate + margin of 3.877%
Existence of a dividend stopper	N/A	Yes	Yes
Fully discretionary, partially discretionary or mandatory (in terms of timing)	N/A	Fully discretionary	Fully discretionary
Fully discretionary, partially discretionary or mandatory (in terms of amount)	N/A	Fully discretionary	Fully discretionary
Existence of step up or other incentive to redeem	N/A	No	No
Noncumulative or cumulative	N/A	Non-cumulative	Non-cumulative
Convertible or non-convertible	N/A	Non-convertible	Non-convertible
If convertible, conversion trigger (s)	N/A	N/A	N/A
If convertible, fully or partially	N/A	N/A	N/A
If convertible, conversion rate	N/A	N/A	N/A
If convertible, mandatory or optional conversion	N/A	N/A	N/A
If convertible, specify instrument type convertible into	N/A	N/A	N/A
If convertible, specify issuer of instrument it converts into	N/A	N/A	N/A
Write-down features	N/A	Yes	Yes
If write-down, write-down trigger (s)	N/A	5,125% CET1 trigger on RBI Regulatory Group or Issuer level; statutory approach	5,125% CET1 trigger on RBI Regulatory Group or Issuer level; statutory approach
If write-down, full or partial	N/A	Fully or partially	Fully or partially
If write-down, permanent or temporary	N/A	Temporary	Temporary
If temporary write-down, description of write-up mechanism	N/A	Write Up at sole discretion of the Issuer to the extent permitted in compliance with the Applicable Supervisory Regulations (applied on a pro rata basis)	Write Up at sole discretion of the Issuer to the extent permitted in compliance with the Applicable Supervisory Regulations (applied on a pro rata basis)
Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Additional Tier 1	Tier 2	Tier 2
Non-compliant transitioned features	N/A	No	No
If yes, specify non-compliant features	N/A	N/A	N/A

Issuer	Raiffeisen Bank International AG	Raiffeisenbank a.s.	Raiffeisenbank a.s.
Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	XS2207857421	CZ0000300553	CZ0000301221
Governing law(s) of the instrument	German/Austrian law	German/Austrian law	German/Austrian law
Regulatory treatment			
Transitional CRR rules	Additional Tier 1	Additional Tier 1	Additional Tier 1
Post-transitional CRR rules	Additional Tier 1	Additional Tier 1	Additional Tier 1
Eligible at solo/(sub-)consolidated/solo and (sub-)consolidated	Solo and consolidated	Consolidated	Consolidated
Instrument type (types to be specified by each jurisdiction)	Additional Tier 1 instrument according to Art 52 CRR	Additional Tier 1 instrument according to Art 52 CRR	Additional Tier 1 instrument according to Art 52 CRR
Amount recognized in regulatory capital as of 31 December 2023	EUR 497,173,750	EUR 0	EUR 6,885,051
Nominal amount of instrument	EUR 500,000,000	EUR 70,000,000	EUR 25,200,000
Issue price	100%	100%	100%
Redemption price	100%	100%	100%
Accounting classification	Equity	Equity	Equity
Original date of issuance	29 July 2020	18 December 2014	30 January 2017
Perpetual or dated	Perpetual	Perpetual	Perpetual
Original maturity date	No maturity	No maturity	No maturity
Issuer call subject to prior supervisory approval	Yes	Yes	Yes
Optional call date, contingent call dates, and redemption amount	15.12.2026; in addition tax and regulatory call rights; Optional redemption at par	30.05.2025; in addition tax and regulatory call rights; redemption at par	30.05.2022; in addition tax and regulatory call rights; redemption at par
Subsequent call dates, if applicable	Semi-annually	Annually always on 30.5.	Annually always on 30.5.
Coupons / dividends			
Fixed or floating dividend/coupon	Fixed to Reset Rate	Floating	Floating
Coupon rate and any related index	6% until 15.12.2026 and afterwards 5Y mid swap rate + margin of 6.446%	12M EURIBOR + margin of 6,625% p.a.	12M EURIBOR + margin of 8.63% p.a.
Existence of a dividend stopper	No	Yes	Yes
Fully discretionary, partially discretionary or mandatory (in terms of timing)	Fully discretionary	Fully discretionary	Fully discretionary
Fully discretionary, partially discretionary or mandatory (in terms of amount)	Fully discretionary	Fully discretionary	Fully discretionary
Existence of step up or other incentive to redeem	No	No	No
Noncumulative or cumulative	Non-cumulative	Non-cumulative	Non-cumulative
Convertible or non-convertible	Non-convertible	Non-convertible	Non-convertible
If convertible, conversion trigger (s)	N/A	N/A	N/A
If convertible, fully or partially	N/A	N/A	N/A
If convertible, conversion rate	N/A	N/A	N/A
If convertible, mandatory or optional conversion	N/A	N/A	N/A
If convertible, specify instrument type convertible into	N/A	N/A	N/A
If convertible, specify issuer of instrument it converts into	N/A	N/A	N/A
Write-down features	Yes	Yes	Yes
If write-down, write-down trigger (s)	5,125% CET1 trigger on RBI Regulatory Group or Issuer level; statutory approach	7% CET1 trigger on Raiffeisenbank a.s. Regulatory Group or Issuer level; statutory approach	5,125% CET1 trigger on Raiffeisenbank a.s. Regulatory Group or Issuer level; statutory approach
If write-down, full or partial	Fully or partially	Fully or partially	Fully or partially
If write-down, permanent or temporary	Temporary	Temporary	Temporary
If temporary write-down, description of write-up mechanism	Write Up at sole discretion of the Issuer to the extent permitted in compliance with the Applicable Supervisory Regulations (applied on a pro rata basis)	Write Up at sole discretion of the Issuer to the extent permitted in compliance with the Applicable Supervisory Regulations (applied on a pro rata basis)	Write Up at sole discretion of the Issuer to the extent permitted in compliance with the Applicable Supervisory Regulations (applied on a pro rata basis)
Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Tier 2	Tier 2	Tier 2
Non-compliant transitioned features	No	No	No
If yes, specify non-compliant features	N/A	N/A	N/A

Issuer	Raiffeisenbank a.s.	Raiffeisenbank a.s.	Raiffeisenbank a.s.
Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	CZ0000302856	CZ0000302344	CZ0000303185
Governing law(s) of the instrument	German/Austrian law	German/Austrian law	German/Austrian law
Regulatory treatment			
Transitional CRR rules	Additional Tier 1	Additional Tier 1	Additional Tier 1
Post-transitional CRR rules	Additional Tier 1	Additional Tier 1	Additional Tier 1
Eligible at solo/(sub-)consolidated/solo and (sub-)consolidated	Consolidated	Consolidated	Consolidated
Instrument type (types to be specified by each jurisdiction)	Additional Tier 1 instrument according to Art 52 CRR	Additional Tier 1 instrument according to Art 52 CRR	Additional Tier 1 instrument according to Art 52 CRR
Amount recognized in regulatory capital as of 31 December 2023	EUR 7,953,810	EUR 7,758,150	EUR 6,690,867
Nominal amount of instrument	EUR 30,000,000	EUR 30,000,000	EUR 26,000,000
Issue price	100%	100%	100%
Redemption price	100%	100%	100%
Accounting classification	Equity	Equity	Equity
Original date of issuance	27 November 2020	28 November 2019	24 May 2021
Perpetual or dated	Perpetual	Perpetual	Perpetual
Original maturity date	No maturity	No maturity	No maturity
Issuer call subject to prior supervisory approval	Yes	Yes	Yes
Optional call date, contingent call dates, and redemption amount	30.05.2026; in addition tax and regulatory call rights; redemption at par	30.05.2025; in addition tax and regulatory call rights; redemption at par	30.05.2025; in addition tax and regulatory call rights; redemption at par
Subsequent call dates, if applicable	Annually always on 30.5.	Annually always on 30.5.	Annually always on 30.5.
Coupons / dividends			
Fixed or floating dividend/coupon	Fixed to the first call date	Floating	Floating
Coupon rate and any related index	7,183% p.a.	12M EURIBOR + margin of 6,625% p.a.	12M EURIBOR + margin of 6,625% p.a.
Existence of a dividend stopper	Yes	Yes	Yes
Fully discretionary, partially discretionary or mandatory (in terms of timing)	Fully discretionary	Fully discretionary	Fully discretionary
Fully discretionary, partially discretionary or mandatory (in terms of amount)	Fully discretionary	Fully discretionary	Fully discretionary
Existence of step up or other incentive to redeem	No	No	No
Noncumulative or cumulative	Non-cumulative	Non-cumulative	Non-cumulative
Convertible or non-convertible	Non-convertible	Non-convertible	Non-convertible
If convertible, conversion trigger (s)	N/A	N/A	N/A
If convertible, fully or partially	N/A	N/A	N/A
If convertible, conversion rate	N/A	N/A	N/A
If convertible, mandatory or optional conversion	N/A	N/A	N/A
If convertible, specify instrument type convertible into	N/A	N/A	N/A
If convertible, specify issuer of instrument it converts into	N/A	N/A	N/A
Write-down features	Yes	Yes	Yes
If write-down, write-down trigger (s)	7% CET1 trigger on Raiffeisenbank a.s. Regulatory Group or Issuer level; statutory approach	7% CET1 trigger on Raiffeisenbank a.s. Regulatory Group or Issuer level; statutory approach	7% CET1 trigger on Raiffeisenbank a.s. Regulatory Group or Issuer level; statutory approach
If write-down, full or partial	Fully or partially	Fully or partially	Fully or partially
If write-down, permanent or temporary	Temporary	Temporary	Temporary
If temporary write-down, description of write-up mechanism	Write Up at sole discretion of the Issuer to the extent permitted in compliance with the Applicable Supervisory Regulations (applied on a pro rata basis)	Write Up at sole discretion of the Issuer to the extent permitted in compliance with the Applicable Supervisory Regulations (applied on a pro rata basis)	Write Up at sole discretion of the Issuer to the extent permitted in compliance with the Applicable Supervisory Regulations (applied on a pro rata basis)
Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Tier 2	Tier 2	Tier 2
Non-compliant transitioned features	No	No	No
If yes, specify non-compliant features	N/A	N/A	N/A

Issuer	Raiffeisen Bank International AG	Raiffeisen Bank International AG	Raiffeisenbank a.s.
Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	AT0000285473	XS2189786226	CZ0003704900
Governing law(s) of the instrument	Austrian law	German/Austrian law	Czech law
Regulatory treatment			
Transitional CRR rules	Tier 2	Tier 2	Tier 2
Post-transitional CRR rules	Tier 2	Tier 2	Tier 2
Eligible at solo/(sub-)consolidated/solo and (sub-)consolidated	Solo and consolidated	Solo and consolidated	Solo and consolidated
Instrument type (types to be specified by each jurisdiction)	Tier 2 instrument according to Art 63 CRR	Tier 2 instrument according to Art 63 CRR	Tier 2 instrument according Art 63 CRR
Amount recognized in regulatory capital as of 31 December 2023	EUR 20,232,500	EUR 505,457,267	EUR 12,133,959
Nominal amount of instrument	EUR 20,000,000	EUR 500,000,000	CZK 300,000,000
Issue price	100%	99%	100%
Redemption price	100%	100%	100%
Accounting classification	Liability - at amortized cost	Liability - fair value hedge	At amortized costs
Original date of issuance	28 September 2005	18 June 2020	18 September 2019
Perpetual or dated	Dated	Dated	Dated
Original maturity date	28 September 2035	18 June 2032	18 September 2029
Issuer call subject to prior supervisory approval	Yes	Yes	Yes
Optional call date, contingent call dates, and redemption amount	28.Sep.25	15 December 2026; in addition tax and regulatory call rights; Optional redemption at par	18 September 2025
Subsequent call dates, if applicable	No	No	No
Coupons / dividends			
Fixed or floating dividend/coupon	Fixed Rate	Fixed to Reset Date	Fixed rate
Coupon rate and any related index	4.50%	2.875% p.a. until 18 June 2027/ 5-year EUR Mid-Swap + margin of 3.15%	4.06%
Existence of a dividend stopper	No	No	No
Fully discretionary, partially discretionary or mandatory (in terms of timing)	Mandatory	Mandatory	N/A
Fully discretionary, partially discretionary or mandatory (in terms of amount)	Mandatory	Mandatory	N/A
Existence of step up or other incentive to redeem	No	No	No
Noncumulative or cumulative	Non-cumulative	Non-cumulative	N/A
Convertible or non-convertible	Non-convertible	Non-convertible	Non-convertible
If convertible, conversion trigger (s)	N/A	N/A	N/A
If convertible, fully or partially	N/A	N/A	N/A
If convertible, conversion rate	N/A	N/A	N/A
If convertible, mandatory or optional conversion	N/A	N/A	N/A
If convertible, specify instrument type convertible into	N/A	N/A	N/A
If convertible, specify issuer of instrument it converts into	N/A	N/A	N/A
Write-down features	No	No	No
If write-down, write-down trigger (s)	N/A	N/A	N/A
If write-down, full or partial	N/A	N/A	N/A
If write-down, permanent or temporary	N/A	N/A	N/A
If temporary write-down, description of write-up mechanism	N/A	N/A	N/A
Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Senior instruments	Senior Non-Preferred instruments	Subordinated
Non-compliant transitioned features	No	No	No
If yes, specify non-compliant features	N/A	N/A	N/A

Issuer	Raiffeisen Bank International AG	Raiffeisen Bank International AG	Raiffeisen Bank International AG
Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	HP0CD130905_1	HP0MCD130905_1	XS2353473692
Governing law(s) of the instrument	Austrian law	Austrian law	Austrian law
Regulatory treatment			
Transitional CRR rules	Tier 2	Tier 2	Tier 2
Post-transitional CRR rules	Tier 2	Tier 2	Tier 2
Eligible at solo/(sub-)consolidated/solo and (sub-)consolidated	Solo and consolidated	Solo and consolidated	Solo and consolidated
Instrument type (types to be specified by each jurisdiction)	Tier 2 instrument according to Art 63 CRR	Tier 2 instrument according to Art 63 CRR	Tier 2 instrument according to Art 63 CRR
Amount recognized in regulatory capital as of 31 December 2023	EUR 1,730,832	EUR 2,529,375	EUR 500,880,173
Nominal amount of instrument	EUR 5,000,000	EUR 2,500,000	EUR 500,000,000
Issue price	100%	100%	99%
Redemption price	100%	100%	100%
Accounting classification	Liability - at amortized cost	Liability - at amortized cost	Liability - fair value hedge
Original date of issuance	15 September 2005	27 September 2005	17 June 2021
Perpetual or dated	Dated	Dated	Dated
Original maturity date	15 September 2025	27 September 2035	17 June 2033
Issuer call subject to prior supervisory approval	No	No	Yes
Optional call date, contingent call dates, and redemption amount	No	27 September 2025, 100%	19 June 2028
Subsequent call dates, if applicable	No	No	No
Coupons / dividends			
Fixed or floating dividend/coupon	Fixed Rate	Fixed Rate	Fixed to Call Date
Coupon rate and any related index	4.22%	4.50%	1,375% p.a. until Call Date / 7 year EUR Mid-Swap Rate +160bps
Existence of a dividend stopper	No	No	No
Fully discretionary, partially discretionary or mandatory (in terms of timing)	Mandatory	Mandatory	Mandatory
Fully discretionary, partially discretionary or mandatory (in terms of amount)	Mandatory	Mandatory	Mandatory
Existence of step up or other incentive to redeem	No	No	No
Noncumulative or cumulative	Non-cumulative	Non-cumulative	Non-cumulative
Convertible or non-convertible	Non-convertible	Non-convertible	Non-convertible
If convertible, conversion trigger (s)	N/A	N/A	N/A
If convertible, fully or partially	N/A	N/A	N/A
If convertible, conversion rate	N/A	N/A	N/A
If convertible, mandatory or optional conversion	N/A	N/A	N/A
If convertible, specify instrument type convertible into	N/A	N/A	N/A
If convertible, specify issuer of instrument it converts into	N/A	N/A	N/A
Write-down features	No	No	No
If write-down, write-down trigger (s)	N/A	N/A	N/A
If write-down, full or partial	N/A	N/A	N/A
If write-down, permanent or temporary	N/A	N/A	N/A
If temporary write-down, description of write-up mechanism	N/A	N/A	N/A
Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Senior instruments	Senior instruments	Senior unsecured
Non-compliant transitioned features	No	No	No
If yes, specify non-compliant features	N/A	N/A	N/A

Issuer	Raiffeisen Bank International AG	Raiffeisen Bank International AG	Raiffeisen Bank International AG
Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	SSD_20130801_01	HP0FD050905_2	XS2534786590
Governing law(s) of the instrument	German law	Austrian law	Austrian Law
Regulatory treatment			
Transitional CRR rules	Tier 2	Tier 2	Tier 2
Post-transitional CRR rules	Tier 2	Tier 2	Tier 2
Eligible at solo/(sub-)consolidated/solo and (sub-)consolidated	Solo and consolidated	Solo and consolidated	Solo and consolidated
Instrument type (types to be specified by each jurisdiction)	Tier 2 instrument according to Art 63 CRR	Tier 2 instrument according to Art 63 CRR	Tier 2 instrument according to Art 63 CRR
Amount recognized in regulatory capital as of 31 December 2023	EUR 4,706,290	EUR 15,699,093	EUR 497,954,222
Nominal amount of instrument	EUR 5,000,000	EUR 40,000,000	EUR 500,000,000
Issue price	100%	100%	99%
Redemption price	100%	100%	100%
Accounting classification	Liability - fair value option	Liability - fair value option	Liability - fair value hedge
Original date of issuance	07 August 2013	15 September 2005	20 September 2022
Perpetual or dated	Dated	Dated	Dated
Original maturity date	07 August 2028	15 December 2025	20 December 2032
Issuer call subject to prior supervisory approval	Yes	No	Yes
Optional call date, contingent call dates, and redemption amount	No	No	20 December 2027
Subsequent call dates, if applicable	No	No	No
Coupons / dividends			
Fixed or floating dividend/coupon	Fixed Rate	Fixed Rate	Fixed to Call Date
Coupon rate and any related index	5.45%	4.00%	7.375% p.a. until Call Date / 5.25 Y Mid-Swap rate + 520bps
Existence of a dividend stopper	No	No	No
Fully discretionary, partially discretionary or mandatory (in terms of timing)	Mandatory	Mandatory	Mandatory
Fully discretionary, partially discretionary or mandatory (in terms of amount)	Mandatory	Mandatory	Mandatory
Existence of step up or other incentive to redeem	No	No	No
Noncumulative or cumulative	Non-cumulative	Non-cumulative	Non-cumulative
Convertible or non-convertible	Non-convertible	Non-convertible	Non-convertible
If convertible, conversion trigger (s)	N/A	N/A	N/A
If convertible, fully or partially	N/A	N/A	N/A
If convertible, conversion rate	N/A	N/A	N/A
If convertible, mandatory or optional conversion	N/A	N/A	N/A
If convertible, specify instrument type convertible into	N/A	N/A	N/A
If convertible, specify issuer of instrument it converts into	N/A	N/A	N/A
Write-down features	No	No	No
If write-down, write-down trigger (s)	N/A	N/A	N/A
If write-down, full or partial	N/A	N/A	N/A
If write-down, permanent or temporary	N/A	N/A	N/A
If temporary write-down, description of write-up mechanism	N/A	N/A	N/A
Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Senior instruments	Senior instruments	Senior instruments
Non-compliant transitioned features	No	No	No
If yes, specify non-compliant features	N/A	N/A	N/A

Issuer	Raiffeisen Bank d.d.	Raiffeisen Bank International AG	Raiffeisen Bank International AG
Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)		HP0FSS030206_1	AT0000A1E5F7
Governing law(s) of the instrument	Law of Bosnia and Herzegovina	Austrian law	Austrian law
Regulatory treatment			
Transitional CRR rules	Tier 2	Tier 2	Tier 2
Post-transitional CRR rules	Tier 2	Tier 2	Tier 2
Eligible at solo/(sub-)consolidated/solo and (sub-)consolidated	Solo and consolidated	Solo and consolidated	Solo and consolidated
Instrument type (types to be specified by each jurisdiction)	Tier 2 instrument according Art 63 CRR	Tier 2 instrument according to Art 63 CRR	Tier 2 instrument according to Art 63 CRR
Amount recognized in regulatory capital as of 31 December 2023	EUR 23,713,805	EUR 500,251	EUR 3,021,213
Nominal amount of instrument	EUR 23,000,000	EUR 20,000,000	CZK 270,000,000 / EUR -10 920 555,00
Issue price	100%	100%	98%
Redemption price	100%	100%	100%
Accounting classification	At amortized costs	Liability - fair value option	Liability - fair value hedge
Original date of issuance	18 November 2022	13 February 2006	04 May 2015
Perpetual or dated	Dated	Dated	Dated
Original maturity date	18 November 2032	13 February 2024	04 May 2025
Issuer call subject to prior supervisory approval	No	No	Yes
Optional call date, contingent call dates, and redemption amount	N/A	No	No
Subsequent call dates, if applicable	No	No	No
Coupons / dividends			
Fixed or floating dividend/coupon	Floating Rate	Fixed Rate	Fixed Rate
Coupon rate and any related index	EURIBOR + margin of 5.5% p.a.	4.24%	5.40%
Existence of a dividend stopper	No	No	No
Fully discretionary, partially discretionary or mandatory (in terms of timing)	N/A	Mandatory	Mandatory
Fully discretionary, partially discretionary or mandatory (in terms of amount)	N/A	Mandatory	Mandatory
Existence of step up or other incentive to redeem	No	No	No
Noncumulative or cumulative	N/A	Non-cumulative	Non-cumulative
Convertible or non-convertible	Non-convertible	Non-convertible	Non-convertible
If convertible, conversion trigger (s)	N/A	N/A	N/A
If convertible, fully or partially	N/A	N/A	N/A
If convertible, conversion rate	N/A	N/A	N/A
If convertible, mandatory or optional conversion	N/A	N/A	N/A
If convertible, specify instrument type convertible into	N/A	N/A	N/A
If convertible, specify issuer of instrument it converts into	N/A	N/A	N/A
Write-down features	No	No	No
If write-down, write-down trigger (s)	N/A	N/A	N/A
If write-down, full or partial	N/A	N/A	N/A
If write-down, permanent or temporary	N/A	N/A	N/A
If temporary write-down, description of write-up mechanism	N/A	N/A	N/A
Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Subordinated	Senior instruments	Senior instruments
Non-compliant transitioned features	No	No	No
If yes, specify non-compliant features	N/A	N/A	N/A

Issuer	Raiffeisen Bank International AG	Raiffeisen Bank International AG
Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	AT0000A1FGP2	XS2049823763
Governing law(s) of the instrument	Austrian law	Austrian law
Regulatory treatment		
Transitional CRR rules	Tier 2	Tier 2
Post-transitional CRR rules	Tier 2	Tier 2
Eligible at solo/(sub-)consolidated/solo and (sub-)consolidated	Solo and consolidated	Solo and consolidated
Instrument type (types to be specified by each jurisdiction)	Tier 2 instrument according to Art 63 CRR	Tier 2 instrument according to Art 63 CRR
Amount recognized in regulatory capital as of 31 December 2023	EUR 1,380,438	EUR 505,040,812
Nominal amount of instrument	CZK 111,000,000 / EUR -4 489 562	EUR 500,000,000
Issue price	98%	99%
Redemption price	100%	100%
Accounting classification	Liability - fair value hedge	Liability - fair value hedge
Original date of issuance	03 July 2015	12 September 2019
Perpetual or dated	Dated	Dated
Original maturity date	03 July 2025	12 March 2030
Issuer call subject to prior supervisory approval	Yes	Yes
Optional call date, contingent call dates, and redemption amount	No	12 March 2025
Subsequent call dates, if applicable	No	No
Coupons / dividends		
Fixed or floating dividend/coupon	Fixed Rate	Fixed Rate
Coupon rate and any related index	5.40%	1.50%
Existence of a dividend stopper	No	No
Fully discretionary, partially discretionary or mandatory (in terms of timing)	Mandatory	Mandatory
Fully discretionary, partially discretionary or mandatory (in terms of amount)	Mandatory	Mandatory
Existence of step up or other incentive to redeem	No	No
Noncumulative or cumulative	Non-cumulative	Non-cumulative
Convertible or non-convertible	Non-convertible	Non-convertible
If convertible, conversion trigger (s)	N/A	N/A
If convertible, fully or partially	N/A	N/A
If convertible, conversion rate	N/A	N/A
If convertible, mandatory or optional conversion	N/A	N/A
If convertible, specify instrument type convertible into	N/A	N/A
If convertible, specify issuer of instrument it converts into	N/A	N/A
Write-down features	No	No
If write-down, write-down trigger (s)	N/A	N/A
If write-down, full or partial	N/A	N/A
If write-down, permanent or temporary	N/A	N/A
If temporary write-down, description of write-up mechanism	N/A	N/A
Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Senior instruments	Senior instruments
Non-compliant transitioned features	No	No
If yes, specify non-compliant features	N/A	N/A

Issuer	Raiffeisen Bank S.A.	Raiffeisenbank a.s.	Raiffeisenbank a.s.
Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	ROJX86UZW1R4		
Governing law(s) of the instrument	Romanian law	Austrian law	Austrian law
Regulatory treatment			
Transitional CRR rules	Tier 2	Tier 2	Tier 2
Post-transitional CRR rules	Tier 2	Tier 2	Tier 2
Eligible at solo/(sub-)consolidated/solo and (sub-)consolidated	Solo and consolidated	Solo and consolidated	Solo and consolidated
Instrument type (types to be specified by each jurisdiction)	Tier 2 instrument according Art 63 CRR	Tier 2 instrument according Art 63 CRR	Tier 2 instrument according Art 63 CRR
Amount recognized in regulatory capital as of 31 December 2023	EUR 96,470,777	EUR 24,768,380	EUR 7,500,303
Nominal amount of instrument	RON 480,000,000	EUR 25,000,000	EUR 7,500,000
Issue price	100%	N/A (loan format)	N/A (loan format)
Redemption price	100%	N/A (loan format)	N/A (loan format)
Accounting classification	Liability - fair value hedge	At amortized costs	At amortized costs
Original date of issuance	19 December 2019	14 December 2018	27 June 2019
Perpetual or dated	Dated	Dated	Dated
Original maturity date	19 December 2029	14 December 2028	27 June 2029
Issuer call subject to prior supervisory approval	Yes	Yes	Yes
Optional call date, contingent call dates, and redemption amount	No	14 December 2023	27 June 2024
Subsequent call dates, if applicable	No	No	No
Coupons / dividends			
Fixed or floating dividend/coupon	Floating Rate	Floating Rate	Floating Rate
Coupon rate and any related index	ROBOR3M + 3.5%	zero floored 6M EURIBOR + 3.7%	zero floored 3M EURIBOR + 3.7%
Existence of a dividend stopper	No	No	No
Fully discretionary, partially discretionary or mandatory (in terms of timing)	Mandatory	N/A	N/A
Fully discretionary, partially discretionary or mandatory (in terms of amount)	Mandatory	N/A	N/A
Existence of step up or other incentive to redeem	No	No	No
Noncumulative or cumulative	Non-cumulative	N/A	N/A
Convertible or non-convertible	Non-convertible	Non-convertible	Non-convertible
If convertible, conversion trigger (s)	N/A	N/A	N/A
If convertible, fully or partially	N/A	N/A	N/A
If convertible, conversion rate	N/A	N/A	N/A
If convertible, mandatory or optional conversion	N/A	N/A	N/A
If convertible, specify instrument type convertible into	N/A	N/A	N/A
If convertible, specify issuer of instrument it converts into	N/A	N/A	N/A
Write-down features	No	No	No
If write-down, write-down trigger (s)	N/A	N/A	N/A
If write-down, full or partial	N/A	N/A	N/A
If write-down, permanent or temporary	N/A	N/A	N/A
If temporary write-down, description of write-up mechanism	N/A	N/A	N/A
Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Senior instruments	Senior unsecured	Senior unsecured
Non-compliant transitioned features	No	No	No
If yes, specify non-compliant features	N/A	N/A	N/A

Issuer	Raiffeisenbank a.s.	Raiffeisenbank a.s.	Raiffeisenbank a.s.
Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)			CZ0003704595
Governing law(s) of the instrument	Austrian law	Austrian law	Czech law
Regulatory treatment			
Transitional CRR rules	Tier 2	Tier 2	Tier 2
Post-transitional CRR rules	Tier 2	Tier 2	Tier 2
Eligible at solo/(sub-)consolidated/solo and (sub-)consolidated	Solo and consolidated	Solo and consolidated	Solo and consolidated
Instrument type (types to be specified by each jurisdiction)	Tier 2 instrument according Art 63 CRR	Tier 2 instrument according Art 63 CRR	Tier 2 instrument according Art 63 CRR
Amount recognized in regulatory capital as of 31 December 2023	EUR 8,000,324	EUR 3,000,121	EUR 9,070,566
Nominal amount of instrument	EUR 8,000,000	EUR 3,000,000	CZK 300,000,000
Issue price	N/A (loan format)	N/A (loan format)	100%
Redemption price	N/A (loan format)	N/A (loan format)	100%
Accounting classification	At amortized costs	At amortized costs	At amortized costs
Original date of issuance	27 November 2020	28 May 2021	26 September 2017
Perpetual or dated	Dated	Dated	Dated
Original maturity date	27 November 2030	28 May 2031	26 September 2027
Issuer call subject to prior supervisory approval	Yes	Yes	Yes
Optional call date, contingent call dates, and redemption amount	27 November 2025	28 May 2026	26 September 2022
Subsequent call dates, if applicable	No	No	No
Coupons / dividends			
Fixed or floating dividend/coupon	Floating Rate	Floating Rate	Fixed Rate
Coupon rate and any related index	zero floored 3M EURIBOR + 3.8%	zero floored 6M EURIBOR + 3.7%	4.4%
Existence of a dividend stopper	No	No	No
Fully discretionary, partially discretionary or mandatory (in terms of timing)	N/A	N/A	N/A
Fully discretionary, partially discretionary or mandatory (in terms of amount)	N/A	N/A	N/A
Existence of step up or other incentive to redeem	No	No	No
Noncumulative or cumulative	N/A	N/A	N/A
Convertible or non-convertible	Non-convertible	Non-convertible	Non-convertible
If convertible, conversion trigger (s)	N/A	N/A	N/A
If convertible, fully or partially	N/A	N/A	N/A
If convertible, conversion rate	N/A	N/A	N/A
If convertible, mandatory or optional conversion	N/A	N/A	N/A
If convertible, specify instrument type convertible into	N/A	N/A	N/A
If convertible, specify issuer of instrument it converts into	N/A	N/A	N/A
Write-down features	No	No	No
If write-down, write-down trigger (s)	N/A	N/A	N/A
If write-down, full or partial	N/A	N/A	N/A
If write-down, permanent or temporary	N/A	N/A	N/A
If temporary write-down, description of write-up mechanism	N/A	N/A	N/A
Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Senior unsecured	Senior unsecured	Subordinated
Non-compliant transitioned features	No	No	No
If yes, specify non-compliant features	N/A	N/A	N/A