

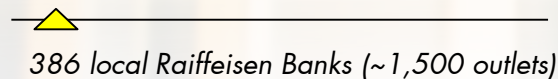
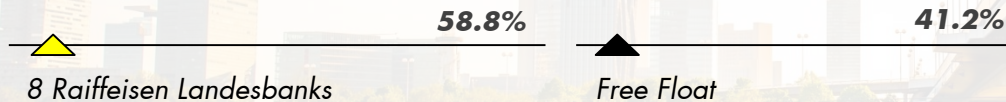
A cityscape at sunset with a prominent skyscraper and a bridge in the foreground. The scene is bathed in the warm, golden light of the setting sun, with the sky transitioning from a pale blue to a soft orange. The skyscraper, with its distinctive twisted facade, stands out against the sky. In the foreground, a bridge with a series of tall, thin light poles extends across the frame. The water in the foreground reflects the light and the buildings.

# Raiffeisen Bank International

Mortgage Cover Pool Update - November 2019



# Raiffeisen Banking Group Overview



## RBI Ratings

	Moody's	S&P
Long-term	A3	BBB+
Outlook	Stable	Positive
Subordinated (Tier 2)	Baa3	BBB-

## Raiffeisen Banking Group (RBG)

Largest banking group in Austria with total assets of EUR 300 billion as of 31 December 2018

Composed of Raiffeisen Bank International, 8 Raiffeisen Landesbanks and 386 local Raiffeisen Banks

Solid funding profile with market share of around 30% in Austria of total customer deposits and superior brand recognition

# 01

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**Cover Pool**

# 02

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Appendix

## *Focus on RBI's core markets and large transactions*

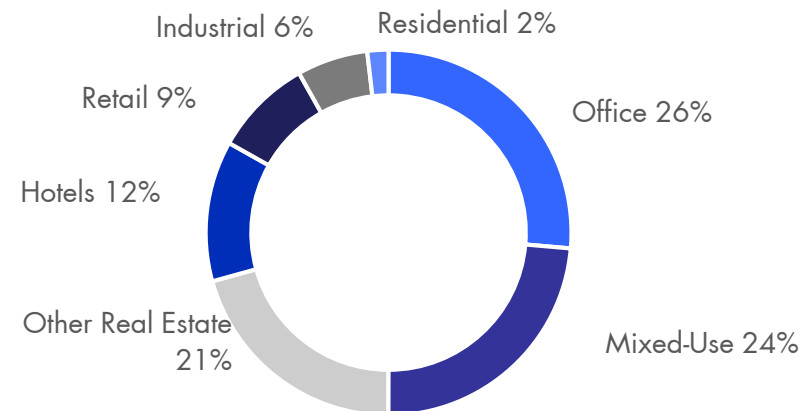
- RBI commercial real estate portfolio amounts to EUR 3,3 bn as of 30 September 2019
- RBI has traditionally been a key player in the big ticket CRE business with leading real estate developers and managers
  - Combination of local market access with an international franchise
- Capacity to underwrite and syndicate large financing transactions in RBI's core markets

## *Historical performance*





- Declining trend in defaults over the past 5 years
- Very low amount of stressed exposure
- Weighted collateral value coverage between 55% and 80%
- Combination of experienced valuation team in dedicated departments with unique access to local expertise in RBI's core markets





## *Well diversified portfolio across sub-industries with focus on office and mixed-use*

- Commercial real estate portfolio represents 16% of total corporate lending in RBI AG
  - Largest exposures to Office (26%) and Mixed-Use (24%)
  - Residential developments limited to Austria and Germany
  - Retail (shopping centers) focused on prime locations



as of 30 September 2019

	<b>Offices</b>	<b>Shopping &amp; Retail</b>
<i>Investment Volume</i> 	<ul style="list-style-type: none"><li>▪ Individual properties starting from approx. EUR 20 mn</li></ul>	<ul style="list-style-type: none"><li>▪ Individual properties starting from approx. EUR 20 mn</li></ul>
<i>Locations</i> 	<ul style="list-style-type: none"><li>▪ Prime locations in first and second tier cities</li><li>▪ Good access to local infrastructure and public transport</li><li>▪ Adequate parking facilities</li></ul>	<ul style="list-style-type: none"><li>▪ Downtown and suburban locations in first and second tier cities</li><li>▪ Established retail locations (pedestrian zones, clusters of retailers, residential areas)</li><li>▪ Good access to local infrastructure and public transport</li><li>▪ Adequate parking facilities</li></ul>
<i>Properties</i> 	<ul style="list-style-type: none"><li>▪ Maximum 10 years old (or last renovation not more than 5 years ago)</li><li>▪ No maintenance backlog</li><li>▪ Secondary usability or long-term lease contract with tenants of excellent credit standing</li></ul>	<ul style="list-style-type: none"><li>▪ Maximum 10 years old (or last renovation not more than 5 years ago)</li><li>▪ No maintenance backlog</li></ul>
<i>Rental Requirements</i> 	<ul style="list-style-type: none"><li>▪ Minimum term of 5 years, average remaining lease term of at least 3 years for multi-tenant properties</li><li>▪ Occupancy rate of at least 80% for existing buildings, adequate pre-lease status for greenfield projects</li><li>▪ Tenants with high creditworthiness</li><li>▪ Market-indexed rents</li></ul>	<ul style="list-style-type: none"><li>▪ Minimum term of 10 years for anchor tenants, average of at least 7 years for multi-tenant properties and remaining average of 5 years for existing properties</li><li>▪ Occupancy rate of at least 90%, adequate pre-lease status for greenfield projects</li><li>▪ Tenants with high creditworthiness</li><li>▪ Market-indexed rents</li></ul>

	<b>Hotels</b>	<b>Logistics Properties</b>	<b>Residential Properties</b>
– Investment Volume 	<ul style="list-style-type: none"> <li>Individual properties starting from approx. EUR 20 mn</li> </ul>	<ul style="list-style-type: none"> <li>Individual properties starting from approx. EUR 20 mn</li> </ul>	<ul style="list-style-type: none"> <li>Individual properties starting from approx. EUR 20 mn</li> </ul>
– Locations 	<ul style="list-style-type: none"> <li>Prime business hotel locations (CBD, airports, convention centers)</li> <li>Good access to local infrastructure and public transport</li> </ul>	<ul style="list-style-type: none"> <li>Classic logistics locations and key distribution centers</li> <li>Good access to transportation networks (motorways, rail, airports, ports (inland and sea))</li> </ul>	<ul style="list-style-type: none"> <li>Downtown and suburban locations in first and second tier cities</li> <li>Good access to local infrastructure and public transport</li> <li>Suitable parking facilities</li> </ul>
– Properties 	<ul style="list-style-type: none"> <li>Minimum 120 rooms</li> <li>Maximum 10 years old (or last renovation not more than 5 years ago)</li> <li>No maintenance backlog</li> </ul>	<ul style="list-style-type: none"> <li>Modern logistics and storage centers</li> <li>Maximum 5 years old</li> <li>No maintenance backlog</li> </ul>	<ul style="list-style-type: none"> <li>Residential for sale and/or rent</li> <li>Zoning to (re)build (new) residential properties must be in place</li> </ul>
– Agreements 	<ul style="list-style-type: none"> <li>Minimum term of 10 years</li> <li>International hotel operator</li> <li>Market standard provisions for renovations</li> </ul>	<ul style="list-style-type: none"> <li>Minimum term of 5 years</li> <li>Occupancy rate of at least 85%</li> <li>Tenants with high creditworthiness</li> <li>Market-indexed rents</li> </ul>	<ul style="list-style-type: none"> <li>Sale through a trustee according to Austrian law (<i>"Bauträgervertragsgesetz"</i>), sales revenues must be used to redeem loan</li> <li>For luxury residential projects specific pre-sale status required</li> </ul>

# RBI Mortgage Cover Pool - Key Highlights

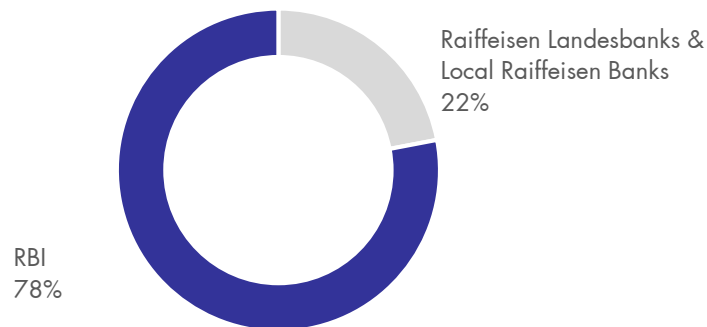
## Cover Pool Strategy and Governance

- RBI issues covered bonds under the Austrian Covered Bond Act (*Gesetz betreffend fundierte Bankschuldverschreibungen*) with dual recourse to the issuer (first) and the cover pool (next)
- Mortgage loans in the mortgage cover pool are originated by RBI or by the Raiffeisen Landesbanks and the local Raiffeisen Banks ("pooling")
- The cover pool is managed by a dedicated RBI-team and monitored by an independent government commissioner (*Regierungskommissär*)
- Cover pool reporting is in accordance with international standards and published together with the rating reports on RBI's website

## Key Facts as of 30 September 2019<sup>1</sup>

Cover Pool rating	Aa1 by Moody's
Total cover value	€1,826,714,030
Total bonds outstanding	€1,250,000,000
Minimum over-collateralization Moody's	19.0%
Nominal over-collateralization	46.1%
Number of loans	2,837
Number of borrowers	2,420
Weighted average remaining term	8.4 years
Weighted average LTV	54.1%

## Portfolio by Originator



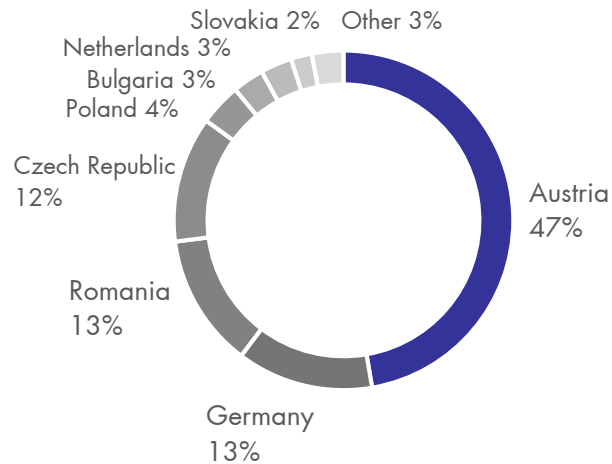
## Portfolio Risk Mitigants

- No FX risks, loans exclusively in EUR
- No non-performing loans
- No derivatives
- Cover value limited at 60% of market value
- Amounts above 60% market value serve as additional buffer as not included in cover value

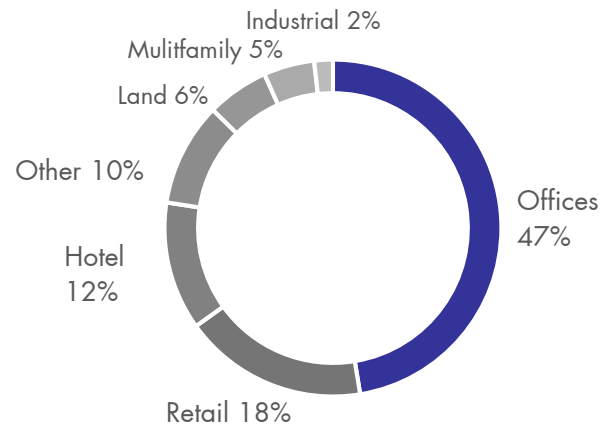
<sup>1</sup> Source: Moody's reporting; Total bonds outstanding are retained covered bonds; will be reduced to EUR 950 mn from EUR 1.25 bn in November 2019

# RBI Mortgage Cover Pool – Portfolio Structure

## by Location of Property



## by Type of Commercial Property

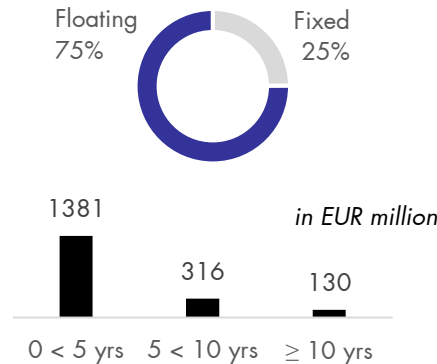


	Commercial	Residential
Asset balance	EUR 1,526,352,789	EUR 300,361,241
# of loans	371	2,466
# of borrowers	260	2,160
# of properties	428	2,250
Average LTV	53.9%	55.4%
WA remaining term	76 months	226 months
Geographic distribution	37% Austria 16% Germany 15% Romania	100% Austria

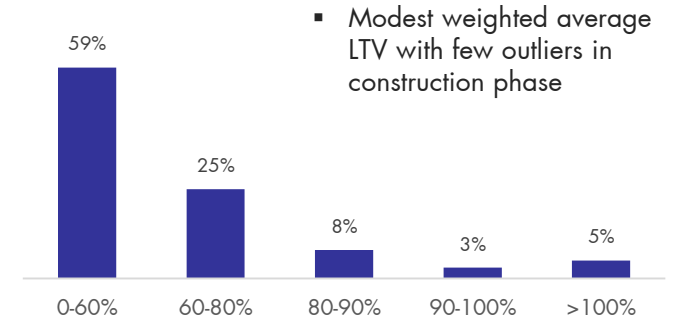
## Top Five Biggest Loans

Share of Portfolio	Location of property	Type of property
6%	Western Europe	Office
5%	Romania	Retail
3%	Czech Republic	Hotel
3%	Western Europe	Hotel
3%	Romania	Office

## by Interest Type & Maturity



## by Loan to Value



Source: Moody's reporting



# Cover Pool Management Process

## 1 Origination

- Assets are originated by:

**Raiffeisen Bank International**  
Standard credit and collateral process

**Austrian Raiffeisen Landesbanks and  
Local Raiffeisen Banks**  
Standard credit and collateral process

*Each is responsible for ongoing monitoring of customers and collateral*



## 2 Eligibility Check

- Eligibility of RBI and Raiffeisen bank assets is checked by the RBI Cover Pool & Public Finance department



## 3 Registration

- Eligible assets are included in the cover pool by entry in the cover pool register followed by notification to the government commissioner
- Registered cover assets are flagged in the core banking system of RBI and in the systems of the local Raiffeisen Banks



## 4 Issuance

- Issuance of covered bonds only after government commissioner approval based on sufficient coverage



## 5 Monitoring

- Ongoing monitoring and reporting to rating agency and government commissioner

01

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Cover Pool

02

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**Appendix**

Raiffeisen Bank International AG issues covered bonds in accordance with the Austrian Covered Bond Act (*Gesetz betreffend fundierte Bankschuldverschreibungen – "FBSchVG"*) based on two cover pools: the mortgage cover pool and the public finance cover pool

## Legal Basis of Covered Bond Issuance in Austria

**Fundierte Bankschuldverschreibungen**

**Pfandbriefe**

**Gesetz betreffend fundierte Bankschuldverschreibungen**  
(Covered Bond Act 1905)

**Hypothekendarlehenbankengesetz**  
(Mortgage Banking Act 1899)

**Pfandbriefgesetz**  
(Pfandbrief Law 1927)



 **Raiffeisen Bank  
International**

Historical Issuing Licenses

Former State Mortgage Banks  
(Landeshypothekenbanken)

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