Raiffeisen Bank International

First Quarter Report
2024

Overview

Raiffeisen Bank International (RBI)			
Monetary values in € million	2024	2023	Change
Income statement	**1/1-31/3**	**1/1-31/3**	
Net interest income	1,455	1,385	5.1 %
Net fee and commission income	669	966	(30.8)%
General administrative expenses	(938)	(950)	(1.3)%
Operating result	1,263	1,509	(16.3)%
Impairment losses on financial assets	(25)	(301)	(91.6)%
Profit/loss before tax	952	877	8.6 %
Profit/loss after tax	721	700	2.9 %
Consolidated profit/loss	664	657	1.0 %
Statement of financial position	**31/3**	**31/12**	
Loans to banks	16,414	14,714	11.6 %
Loans to customers	100,434	99,434	1.0 %
Deposits from banks	27,924	26,144	6.8 %
Deposits from customers	120,938	119,353	1.3 %
Equity	20,419	19,849	2.9 %
Total assets	203,398	198,241	2.6 %
Key figures	**1/1-31/3**	**1/1-31/3**	
Return on equity before tax	19.2 %	18.7 %	0.5 PP
Return on equity after tax	14.5 %	14.9 %	(0.4) PP
Consolidated return on equity	15.0 %	15.8 %	(0.8) PP
Cost/income ratio	42.2 %	38.2 %	3.9 PP
Return on assets before tax	1.86 %	1.66 %	0.20 PP
Net interest margin (average interest-bearing assets)	2.98 %	2.75 %	0.23 PP
Provisioning ratio (average loans to customers)	0.22 %	0.93 %	(0.71) PP
Bank-specific information	**31/3**	**31/12**	
NPE ratio	1.9 %	1.9 %	0.1 PP
NPE coverage ratio	50.1 %	51.7 %	(1.6) PP
Total risk-weighted assets (RWA)	95,601	93,664	2.1 %
Common equity tier 1 ratio[1]	17.3 %	17.3 %	0.0 PP
Tier 1 ratio[1]	19.1 %	19.1 %	0.0 PP
Total capital ratio[1]	21.6 %	21.5 %	0.0 PP
Stock data	**1/1-31/3**	**1/1-31/3**	
Earnings per share in €	1.94	1.92	1.0 %
Closing price in € (31/3)	18.46	14.16	30.4 %
High (closing prices) in €	20.46	17.18	19.1 %
Low (closing prices) in €	17.77	12.82	38.6 %
Number of shares in million (31/3)	328.94	328.94	0.0 %
Market capitalization in € million (31/3)	6,072	4,658	30.4 %
Resources	**31/3**	**31/12**	
Employees as at reporting date (full-time equivalents)	44,980	44,887	0.2 %
Business outlets	1,506	1,519	(0.9)%
Customers in million	18.6	18.6	0.1 %

1 Transitional – including profit

From 1 January 2024, the calculation of the cost/income ratio has been slightly adjusted, the calculation is now exclusive of financial transaction tax (figures of previous periods were adapted). Further information can be found in the notes, chapter key figures.

In this report RBI denotes the RBI Group. If RBI AG is used it denotes Raiffeisen Bank International AG. Head office refers to Raiffeisen Bank International AG excluding branches.

Adding and subtracting rounded amounts in tables and charts may lead to minor discrepancies. Changes in tables are based on not rounded amounts. The ratios referenced in this report are defined in the consolidated financial statements under key figures.

Content

RBI in the capital markets

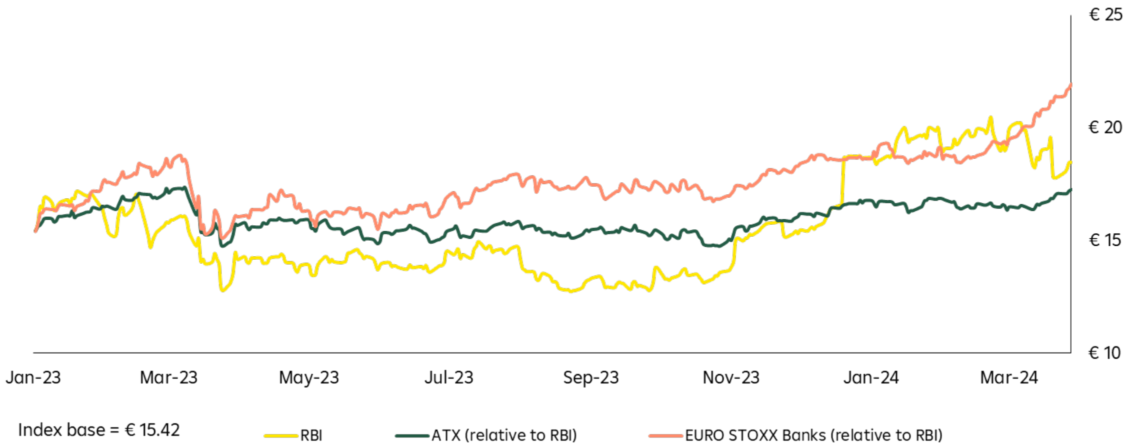
Performance of RBI stock

In the first quarter of 2024, the stock markets extended their positive performance from the previous quarter, with many indices hitting new all-time highs. Various factors drove investors buying. Stocks benefiting from innovations in artificial intelligence posted the strongest gains, particularly in the US. Market participants were also hoping for interest rate cuts from around mid-year, although their expectations have already been disappointed. Other contributing factors likely included good corporate results and the prospect of large dividends. Ongoing geopolitical risks and slowing economic growth, in contrast, played a rather unimportant role, at least in the first quarter.

Inflation rates in Europe and the US stabilized at low levels or continued to decline slightly. In response, the US Federal Reserve and the European Central Bank left their key interest rates unchanged in the first quarter, giving themselves leeway for possible cuts. Interest rate cuts could restore confidence in the economy as economic growth in the US and euro area is expected to be headed for a soft landing. The yield curve is still inverted in the bond markets, with yields on long-term bonds rising slightly again in the first quarter.

The RBI share was trading at € 18.67 at the start of the first quarter of 2024. At the end of the quarter, it was trading at € 18.46, representing essentially no change since the start of the year. The Austrian Traded Index (ATX) and the European banking index (Euro Stoxx Banks) rose in the first quarter, increasing 2.9 and 17.7 per cent, respectively.

Price performance since 1 January 2023 compared to ATX and Euro Stoxx Banks



RBI's business activity in Russia

On 19 December 2023, RBI announced its decision to acquire 28,500,000 shares of STRABAG SE via RBI's Russian subsidiary AO Raiffeisenbank, subject to regulatory approvals, merger clearance and the satisfactory completion of sanctions compliance due diligence.

RBI diligently verified the compliance of the announced acquisition with all applicable sanctions requirements prior to signing and announcing the transaction. Since then, all relevant authorities have been briefed in detail, and on a technical level all outstanding questions are being addressed. RBI stands by its initial assessment that the transaction fully complies with all applicable sanctions requirements.

Toward the end of the first quarter, MKAO Rasperia Trading Limited (Rasperia), which owns the 28,500,000 STRABAG SE shares that RBI intends to acquire, has been sold to Iliadis JSC, an unsanctioned investor. While this recent transaction is unrelated to RBI's announced acquisition of the STRABAG SE shares, it requires extensive compliance verifications. Subject to these verifications, Rasperia's new ownership structure should provide RBI comfort that no sanctioned individuals or entities will benefit directly or indirectly from RBI's announced acquisition of the STRABAG SE shares, nor from any related payments for these shares.

Nonetheless, RBI is continuing to work intensely on selling or spinning off the Russian subsidiary bank. However, both alternatives require numerous approvals from various Russian and European authorities, and from the respective central banks. The process is therefore not entirely in RBI's own hands. It is therefore very difficult to make a realistic forecast on when RBI will complete the deconsolidation of its Russian bank. Meanwhile, business operations in Russia are being reduced. The loan business has been scaled back since the war began. RBI has also considerably reduced its clearing, settlement and payment services business. Apart from Raiffeisenbank in Russia, all correspondent bank relationships with Russian banks have been ended. The current capital reserves could completely absorb even a complete deconsolidation of the Russian subsidiary bank at a hypothetical book value of zero.

Capital market communication

On 31 January 2024, RBI published the preliminary results of the 2023 financial year and held a web conference on them. The Management Board explained the financials, discussing the situation in Russia and Ukraine and its potential impact on RBI in detail, and fielded additional questions from approximately 400 participants in the subsequent Q&A session. The complete 2023 annual report was published on 22 February.

RBI's investor relations activities aim to provide maximum transparency for capital market players through flexible and innovative information sessions. Investor Relations managers and other RBI representatives participated in roadshows and conferences in Budapest, London, Milan, Paris, Prague, Vienna and Zurich in the first quarter. These activities were supplemented by a host of virtual events conducted via conference calls and web conferences. In addition, Investor Relations gave analysts and equity and debt investors the opportunity to individually talk to the CEO, CRO and Investor Relations by telephone or video conference. The discussions held with investors and analysts in the first quarter continued to focus on the situation in Ukraine, developments in Russia along with their potential impact on RBI as well as the intended acquisition of STRABAG shares.

A total of 18 equity analysts and 22 debt analysts (as at 31 March 2024) regularly provide investment recommendations on RBI.

RBI continuously strives to keep market participants fully informed. In the interest of making its communications as easily accessible and widespread as possible, RBI makes conference call presentations and other important events available as online webcasts. These can be viewed online at www.rbinternational.com → Investors → Events & Presentations.

Annual General Meeting and Dividend

RBI's Annual General Meeting for the 2023 financial year was held in Vienna on 4 April 2024 as a hybrid event that allowed shareholders to participate not only physically but also virtually. Shareholders made extensive use of the ability to attend through RBI's web-based AGM portal. All proposed resolutions on the agenda were adopted by a large majority. Among other things, the dividend proposed by the RBI Management Board of € 1.25 per share for the 2023 financial year was passed by the Annual General Meeting and distributed to the shareholders on 11 April 2024.

New issues

In February, RBI issued another senior non-preferred bond with a € 500 million benchmark, representing RBI's second issue in this format within six months. After an initial spread indication of 235 basis points, the final spread was fixed at 195 basis points above the mid-swap rate, with order books peaking at € 3.8 billion. The issue has a 5.5-year term, supports the credit rating of RBI under Moody's and offers a yearly coupon of 4.625 per cent.

RBI rating

In order to ensure an accurate assessment, RBI maintains regular contact with rating agency analysts and informs them about current developments in its business. RBI continues to be rated by Moody's Investors Service and Standard & Poor's. The rating assigned by Moody's was last adjusted in the third quarter of 2023 and the rating for the public-sector covered bonds was raised by one notch from Aa2 to Aa1. The other ratings remained unchanged. Standard & Poor's reaffirmed its rating for RBI in November 2023 due to the improved capital base of both RBI itself and as part of the Raiffeisen Banking Group with regard to risks from the Russia exposure and again emphasized RBI's good business performance and improved risk resilience despite the war in Ukraine.

Rating	Moody's Investors Service	Standard & Poor's
Long-term rating	A1	A-
Outlook	stable	negative
Short-term rating	P-1	A-2
Junior Senior Unsecured	Baa2	–
Subordinated (Tier 2)	Baa2	BBB
Additional Tier 1	Ba2(hyb)	BB
Public-sector covered bonds	Aa1	–
Mortgage covered bonds	Aa1	–

Shareholder structure

The regional Raiffeisen banks' holding was at approximately 61 per cent of RBI's shares, with the remaining shares in free float (as at 31 March 2024). The shareholder base is well diversified due to the broad geographic spread and various investment objectives.

Stock data and details

Share price (closing) on 31 March 2024	€ 18.46
Share price high/low (closing) in the first quarter 2024	€ 20.46/€ 17.77
Earnings per share from 1 January to 31 March 2024	€ 1.94
Book value per share as at 31 March 2024	€ 53.61
Market capitalization as at 31 March 2024	€ 6,072 million
Average daily trading volume (single count) in the first quarter 2024	491,627 shares
Free float as at 31 March 2024	approximately 39 %
ISIN	AT0000606306
Ticker symbols	RBI (Vienna Stock Exchange)
	RBI AV (Bloomberg)
	RBIV.VI (Reuters)
Market segment	Prime Market
Number of shares issued as at 31 March 2024	328,939,621

Financial calendar 2024

23 July 2024	Start of Quiet Period
30 July 2024	Semi-Annual Report, Conference Call
23 October 2024	Start of Quiet Period
30 October 2024	Third Quarter Report, Conference Call

Interim group management report

Market development

Many European countries experienced very subdued economic growth in 2023. A recovery was expected in early 2023 but failed to materialize in many cases. The industrial sector in particular proved to be a negative factor. However, a moderate economic recovery is generally expected over the course of 2024. It should largely be driven by private consumption given the predicted real wage increases. The chances of an export-led recovery, in contrast, are limited. GDP growth rates in the US and China are generally expected to be lower in 2024 than in the previous year. Inflation rates fell significantly in some countries in 2023. Although inflation is expected to continue declining in 2024, strong wage growth poses an upside risk, especially for prices of labor-intensive consumer goods. The ECB and the US Federal Reserve are likely to start cutting interest rates again in the course of 2024 in response to falling inflation rates. The CE/SEE region is also expected to see (further) rate cuts in 2024. A quick end to the war in Ukraine currently seems improbable. However, absent a further substantial military escalation, the war seems unlikely to have any additional negative implications for the economy in the euro area or the CE/SEE countries. Another risk factor is the situation in the Middle East. There are clear downside risks to economic development and upside risks to inflation that would materialize in the event of a significant military escalation.

The **euro area** economy grew 0.5 per cent in 2023, with overall economic activity stagnating at the end of 2023. Monthly indicators are not suggesting a significant rebound at the beginning of this year. However, the economy is expected to pick up moderately as the year progresses. Overall, GDP is expected to grow only slightly in 2024. Inflation is likely to remain above the ECB's target of two per cent on average in 2024. Strong wage growth, especially for labor-intensive consumer goods, is adding to inflationary pressures.

The **ECB** is likely to begin a prolonged cycle of rate cuts with an initial 25 basis point cut in June. According to the ECB, the key interest rate for monetary policy will remain the deposit rate. Further cuts of 25 basis points in the deposit rate are expected in September and December. Money market and swap rates are pricing in future rate cuts, resulting in inverted yield curves. This policy rate path should coincide with a drop in money market and swap rates from current levels. The balance sheet continues to shrink as redemptions from expiring bonds are no longer reinvested. Most of the (targeted) longer-term refinancing operations have already expired.

The **Austrian economy** was in recession for part of 2023, with real GDP falling 0.8 per cent for the year as a whole. This made the Austrian economy one of the worst performers in the euro area. This was due not only to the industrial and construction sectors, but also to the consumer-related services sector. However, an upturn is expected to start in mid-2024, although it is likely to be very moderate. The forecast for full-year GDP growth is therefore only 0.2 per cent. This is based on the assumption that positive momentum from private consumption will be offset by investment and export trends that are unusually subdued for a recovery. While manufacturing is expected to emerge from recession later in the year, the construction sector is likely to remain in recession throughout the year. Inflation will likely continue to fall in 2024 but not at the same pace as in 2023. The annual average inflation rate is expected to be 3.9 per cent.

The economies of **Central Europe (CE)** are expected to recover in 2024, albeit modestly, following recessions in Hungary and the Czech Republic and a sharp slowdown in Poland last year. This is expected to be driven primarily by rebounding consumer demand. The recovery will be supported by declining inflation, falling interest rates and robust wage growth. Investment momentum should remain fundamentally positive but may slow somewhat due to irregular disbursements of EU funds (transition from one EU budget to the next). The funds finally released from the NGEU program should boost growth in Poland and make it the region's growth leader in 2024. The current disinflationary trend in the region appears to be gradually coming to an end, with inflation risks generally tilted to the upside. The monetary easing already underway will support moderate growth this year, while growth is expected to approach its somewhat higher potential rate thereafter.

The **Southeastern Europe (SEE)** region showed above-average economic momentum in 2023 compared to the CE region and most of Europe. This was due in part to high EU investments, a successful tourist season in Croatia and Albania and strong remittances to countries with large diasporas. Even if the relative growth advantage over the CE region diminishes in 2024, the continued inflow of EU funds combined with strong investment activity, positive labor market developments and robust wage growth should enable slightly higher GDP growth. However, the weak external environment, slightly higher inflation and a later start to monetary easing will keep growth below potential.

In **Ukraine**, the ongoing war continues to weigh on the economy and reconstruction. However, supported by government and central bank policies, private consumption and a recovery in manufacturing, the economy in 2023 showed its ability to further adapt to the war conditions and partially recovered from the losses in 2022 (GDP growth of 5.3 per cent in 2023 compared to a decline of 28.8 per cent in 2022). In 2024, the rebound in real private consumption, strong public spending, a moderate recovery in investment and less dead weight from foreign trade should allow GDP to grow around 4.9 per cent.

Supported by substantial fiscal measures, the **Russian economy** proved resilient in 2023 despite the war, the associated sanctions, self-imposed trade isolation and subdued investor interest. Fiscal stimuli are expected to remain the cornerstone of otherwise sluggish growth in 2024, while the earlier devaluation of the ruble and associated rise in inflation will keep monetary conditions tight throughout the year. In Belarus, capital investment and low inflation led to a surprisingly strong recovery in 2023. The outlook for 2024 is more subdued due to financial and competitive challenges.

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

Region/country	2022	2023	2024f	2025f
Czech Republic	2.4	(0.2)	1.5	2.9
Hungary	4.6	(0.7)	2.2	3.4
Poland	5.3	0.2	3.1	3.8
Slovakia	1.8	1.1	2.1	2.1
Central Europe	**4.1**	**0.1**	**2.5**	**3.4**
Albania	4.9	3.4	3.5	3.9
Bosnia and Herzegovina	4.2	1.7	2.6	3.0
Croatia	7.0	3.1	3.0	2.6
Kosovo	4.3	3.3	3.9	4.0
Romania	4.1	2.1	2.8	3.5
Serbia	2.4	2.5	3.5	4.0
Southeastern Europe	**4.3**	**2.3**	**2.9**	**3.4**
Belarus	(4.7)	3.9	2.0	2.0
Russia	(1.2)	3.6	1.5	0.9
Ukraine	(28.8)	5.3	4.9	6.5
Eastern Europe	**(3.9)**	**3.7**	**1.8**	**1.4**
Austria	**4.8**	**(0.8)**	**0.2**	**1.4**
Euro area	**3.5**	**0.5**	**0.5**	**1.5**

Source: Raiffeisen Research, as of end of April 2024, (e: estimate, f: forecast); subsequent revisions are possible for years already completed

Significant events in the reporting period

Update on RBI's acquisition of 28,500,000 shares of STRABAG SE

On 19 December 2023, RBI announced its decision to acquire 28,500,000 shares of STRABAG SE via RBI's Russian subsidiary AO Raiffeisenbank, subject to regulatory approvals, merger clearance, and the satisfactory completion of sanctions compliance due diligence.

RBI diligently verified the compliance of the announced acquisition with all applicable sanctions requirements prior to signing and announcing the transaction. Since then, all relevant authorities have been briefed in detail, and on a technical level all outstanding questions are being addressed. RBI stands by its initial assessment that the transaction fully complies with all applicable sanctions requirements.

In March 2024, MKAO Rasperia Trading Limited (Rasperia), which owns the 28,500,000 STRABAG SE shares that RBI intends to acquire, has been sold to Iliadis JSC, an unsanctioned investor. While this recent transaction is unrelated to RBI's announced acquisition of the STRABAG SE shares, it requires extensive compliance verifications. Subject to these verifications, Rasperia's new ownership structure should provide RBI comfort that no sanctioned individuals or entities will benefit directly or indirectly from RBI's announced acquisition of the STRABAG SE shares, nor from any related payments for these shares.

RBI in advanced negotiations on the sale of its Belarusian subsidiary Priorbank

In February, RBI announced that it is in advanced negotiations on the disposal of its 87.74 per cent stake in Priorbank JSC and its subsidiaries, with Soven 1 Holding Limited, an investor from the United Arab Emirates, resulting in a potential exit of RBI from the Belarusian market.

The signing of the transaction is – among other conditions – pending proof of funds by the investor with transfer of full collateral for the transaction consideration.

Earnings and financial performance

At € 664 million, consolidated profit was € 7 million up on the previous year's figure. The devaluation in particular of the average exchange rate of the Russian ruble by 19 per cent had a negative effect on consolidated profit.

Core revenues (net interest income and net fee and commission income) were down € 227 million, or 10 per cent, to € 2,123 million. Net interest income increased € 70 million to € 1,455 million, above all as a result of growth in Central and Southeastern Europe. The net interest margin reached 2.98 per cent in the reporting period versus 2.75 per cent in the comparable period. The decline of € 297 million in net fee and commission income was attributable to Russia (down € 287 million), with both the active reduction of activities and also the currency devaluation resulting in a significant reduction. General administrative expenses decreased 1 per cent year-on-year, or € 12 million, to € 938 million. Russia reported a € 79 million decline, whereas almost all countries recorded increases, partly due to inflation. Risk costs of € 25 million, which were well below the previous-year figure of € 301 million, mainly related to head office (€ 35 million) and Russia (€ 22 million). Expenses for credit-linked, portfolio-based litigation provisions and annulments of loan agreements continued to have a negative impact of € 109 million (previous-year period: € 85 million). In the first quarter, € 140 million was recognized for governmental measures and compulsory contributions, € 96 million less than in the previous year, mainly due to lower contributions to the bank resolution fund as the fund volume had largely been reached.

Total assets increased approximately € 5 billion, or 2.6 per cent, to € 203 billion since the start of the year. Currency effects were responsible for a 0.2 per cent fall. On a currency-adjusted basis, customer business overall was stable with a € 1 billion increase. Since the start of the Russian war of aggression against Ukraine, loan volumes in Russia have been actively reduced. The decline since the start of 2024 amounted to € 0.2 billion and was largely attributable to mortgage loans and unsecured loans to households.

Comparison of results with the previous-year period

in € million	1/1-31/3/2024	1/1-31/3/2023	Change	
Net interest income	1,455	1,385	70	5.1 %
Dividend income	6	11	(5)	(42.7)%
Current income from investments in associates	17	30	(12)	(41.7)%
Net fee and commission income	669	966	(297)	(30.8)%
Net trading income and fair value result	17	86	(70)	(80.5)%
Net gains/losses from hedge accounting	6	(10)	15	–
Sundry operating income	32	(9)	41	–
Operating income	**2,201**	**2,459**	**(257)**	**(10.5)%**
Staff expenses	(525)	(562)	38	(6.7)%
Other administrative expenses	(299)	(277)	(22)	8.1 %
Depreciation	(114)	(111)	(3)	2.7 %
General administrative expenses	**(938)**	**(950)**	**12**	**(1.3)%**
Operating result	**1,263**	**1,509**	**(245)**	**(16.3)%**
Other result	(147)	(96)	(51)	53.0 %
Governmental measures and compulsory contributions	(140)	(236)	96	(40.8)%
Impairment losses on financial assets	(25)	(301)	275	(91.6)%
Profit/loss before tax	**952**	**877**	**75**	**8.6 %**
Income taxes	(231)	(176)	(55)	31.0 %
Profit/loss after tax	**721**	**700**	**21**	**2.9 %**
Profit attributable to non-controlling interests	(57)	(43)	(14)	32.4 %
Consolidated profit/loss	**664**	**657**	**7**	**1.0 %**

Operating income

Higher interest income in Central and Southeastern Europe resulted in a € 70 million increase in net interest income to € 1,455 million. At € 25 million, Slovakia reported the largest increase, mainly due to interest-rate driven higher income from customer loans and from deposits at the national bank. In Serbia, higher market interest rates also led to a € 15 million increase in net interest income, whereas interest expenses for customer deposits remained almost unchanged due to the excellent liquidity position. The € 13 million rise in net interest income in Romania was mainly due to volume-related higher interest income from liquidity investment (government bonds). In Hungary, volume-related higher interest income from debt securities and deposits at the national bank also led to a € 10 million increase in net interest income. The € 7 million rise in Albania was due in equal measure to currency and interest-rate effects. In contrast, head office reported a € 35 million decline in net interest income due to higher interest expenses for customer deposits and reduced liquidity. The € 8 million decline in net interest income in Russia was exclusively currency-related; in local currency terms, net interest income increased as a consequence of increased market interest rates.

The Group's average interest-bearing assets declined 3 per cent year-on-year, primarily due to declines at head office (central bank balances) and in Eastern Europe. The net interest margin improved 23 basis points to 2.98 per cent, which in addition to an increase in Eastern Europe – as a result of lower average interest-bearing assets – was attributable to a rise of 101 basis points in Serbia and a rise of 51 basis points in Slovakia.

Overall, net fee and commission income reduced € 297 million to € 669 million. Russia reported the strongest decline of € 287 million, while the other countries of the Group remained stable. The result from foreign exchange business was down € 161 million, primarily in spot foreign exchange business in Russia. This development was due to decreased volumes as a result of internal transaction limits and to lower margins in corporate customer and retail business. Net income from clearing, settlement and payment services decreased € 97 million as a result of lower volumes, most notably in Russia and at head office. Net income from the securities business also fell € 28 million due to lower fees, mainly in Russia.

Net trading income and fair value result declined € 70 million year-on-year to € 17 million. The decline was firstly due to the sharper reduction in the Group's own credit spread in connection with certificate issues reported at head office in the reporting period (2024: down 25 basis points, 2023: down 5 basis points). As a consequence, the negative valuation result increased € 29 million to minus € 36 million. On the other hand, net trading income in Russia fell € 26 million to € 20 million. This decline was primarily currency-related and/or resulted from reduced customer transactions in foreign currencies. In addition, valuation losses in connection with foreign currency positions also increased € 8 million in Hungary.

Other net operating income increased from minus € 9 million to € 32 million. In the previous-year period, net income from the sale of debt securities recorded a € 14 million loss, mainly in Belarus, and € 20 million was allocated in other provisions for litigation mainly in Russia.

General administrative expenses

General administrative expenses were down 1 per cent, or € 12 million, year-on-year to € 938 million. Staff expenses decreased € 38 million to € 525 million. Russia reported a € 78 million decline due to provisions for one-off payments in the previous-year period and partly also to currency effects. This contrasted with largely inflation-related increases in almost all countries of the Group, especially at head office (up € 16 million), in Slovakia (up € 6 million), and in Romania (up € 4 million). The main drivers of the increase of € 22 million in other administrative expenses were higher IT expenses (up € 19 million), mainly at head office, and higher legal expenses in Poland (up € 3 million). The cost/income ratio increased year-on-year from 38.2 per cent to 42.2 per cent, primarily due to the decline in operating income especially in Russia.

The number of business outlets fell 91 year-on-year to 1,506. The largest decline was reported in Serbia due to consolidations following the merger (down 46), as well as in Romania (down 12) and in Belarus (down 11). The average headcount increased 322 full-time equivalents year-on-year to 44,860, with around half of this attributable to head office (up 166). The largest decline was in Serbia (down 258).

Other result

Other result amounted to minus € 147 million in the reporting period after minus € 96 million in the previous-year period. Expenses for credit-linked and portfolio-based litigation provisions and annulments of loan agreements continued to have a negative effect of € 109 million (previous-year period: € 85 million). These mainly related to mortgage loans in Poland denominated in foreign currencies or linked to a foreign currency. In the first quarter, the expense of € 109 million in Poland mainly resulted from the adjustment of the discounting period, newly formed provisions due to negative first-instance court rulings and from losses on annulments of loan agreements. The measurement of shares in associated companies in the reporting period led to a minus of € 31 million, which mainly related to the shares in UNIQA Insurance Group AG.

Governmental measures and compulsory contributions

Governmental measures and compulsory contributions decreased € 96 million to € 140 million. Contributions to the bank resolution fund fell € 80 million as the establishment phase of the fund had almost been completed. This related to head office (down € 57 million), the Czech Republic (down € 9 million) and Slovakia (down € 5 million). The bank levy was down € 15 million, mainly in Hungary.

Impairment losses on financial assets

At € 25 million, impairment losses on financial assets were significantly lower in the reporting period than the figure of € 301 million in the comparable period, which was mainly reported in Eastern Europe. For defaulted loans (Stage 3), impairments of € 92 million net were recognized in the reporting period (previous-year period: € 63 million net). € 66 million related to non-financial corporations and € 31 million to households. At country level, Stage 3 impairment losses were primarily incurred in Russia (€ 43 million). In Stage 1 and Stage 2, net releases of € 66 million were recognized in the reporting period, most notably in Hungary, in Russia and in Ukraine (previous-year period: impairment losses of € 238 million, thereof € 223 million in Russia).

At the reporting date, the NPE ratio, at 1.9 per cent, remained unchanged from the year-end 2023 value. The NPE coverage ratio was 50.1 per cent at the reporting date, compared to 51.7 per cent at the end of 2023.

Income taxes

The increase in income taxes by € 55 million to € 231 million was attributable to special taxes as well as increases in profits, particularly in the Eastern Europe (up € 18 million) and the Southeastern Europe segment (up € 12 million). In the Central Europe segment, in addition to the increase in profit, the introduction of a new special tax in Slovakia (€ 21 million) in particular contributed to an increase of € 26 million. The effective tax rate at 24.3 per cent was more than 4 percentage points higher than in the comparable period. This was mainly due to non-tax-deductible expenses related to credit-related, portfolio-based litigation provisions and annulments of loan agreements in Poland, as well as the newly introduced special tax in Slovakia.

Comparison of results with the previous quarter

Quarterly results

in € million	Q1/2023	Q2/2023	Q3/2023	Q4/2023	Q1/2024	Change	
Net interest income	1,385	1,364	1,441	1,494	1,455	(39)	(2.6)%
Dividend income	11	7	10	8	6	(2)	(26.6)%
Current income from investments in associates	30	21	21	13	17	4	32.2 %
Net fee and commission income	966	732	667	677	669	(9)	(1.3)%
Net trading income and fair value result	86	30	89	(19)	17	36	–
Net gains/losses from hedge accounting	(10)	(7)	5	(16)	6	22	–
Other net operating income	(9)	51	15	5	32	27	>500.0 %
Operating income	**2,459**	**2,197**	**2,247**	**2,162**	**2,201**	**40**	**1.8 %**
Staff expenses	(562)	(606)	(491)	(548)	(525)	24	(4.3)%
Other administrative expenses	(277)	(323)	(271)	(354)	(299)	55	(15.5)%
Depreciation	(111)	(116)	(116)	(132)	(114)	18	(13.4)%
General administrative expenses	**(950)**	**(1,045)**	**(878)**	**(1,034)**	**(938)**	**96**	**(9.3)%**
Operating result	**1,509**	**1,152**	**1,369**	**1,128**	**1,263**	**136**	**12.1 %**
Other result	(96)	(354)	(138)	(317)	(147)	170	(53.6)%
Governmental measures and compulsory contributions	(236)	(2)	(22)	(24)	(140)	(115)	474.7 %
Impairment losses on financial assets	(301)	42	8	(142)	(25)	117	(82.2)%
Profit/loss before tax	**877**	**838**	**1,216**	**645**	**952**	**307**	**47.7 %**
Income taxes	(176)	(211)	(269)	(341)	(231)	110	(32.3)%
Profit/loss after tax	**700**	**627**	**947**	**304**	**721**	**417**	**137.3 %**
Profit attributable to non-controlling interests	(43)	(49)	(68)	(32)	(57)	(26)	80.7 %
Consolidated profit/loss	**657**	**578**	**879**	**272**	**664**	**392**	**143.9 %**

Development of the first quarter of 2024 compared to the fourth quarter of 2023

Net interest income was down € 39 million quarter-on-quarter to € 1,455 million. The largest decline of € 17 million was recorded in the Czech Republic, which was partly currency-related but mainly attributable to lower income from repo transactions caused by lower interest rates. In Hungary, falling market interest rates also exerted greater pressure on margins, which resulted in a € 11 million decrease in net interest income. The € 14 million decline in net interest income in Russia was mainly currency-related. The Group's net interest margin decreased 8 basis points to 2.98 per cent.

Net fee and commission income decreased € 9 million to € 669 million. The result from clearing, settlement and payment services fell € 17 million due to seasonally lower income, primarily in Romania and Hungary, as well as transaction-driven at head office. The result from foreign exchange business was down € 9 million, which was mainly due to margins at head office. Similarly, the result from loan and guarantee business and the result from customer resources distributed but not managed declined by € 5 million each. In contrast, net income from securities business rose € 22 million. The largest increases were recorded in Russia and at head office, with the growth in Russia being attributable to lower income in the previous quarter.

Net trading income and fair value result improved from minus € 19 million to plus € 17 million. A significant portion of the increase occurred at head office, where net trading income increased € 25 million to minus € 14 million. Improved valuation and trading results were primarily driven by the hedging of strategic interest rate positions and client trading in interest rate derivatives. Negative effects from the narrowing of the Group's own credit spreads in the certificates business were offset by positive interest rate related valuation effects from issues measured at fair value. Net trading income in Russia increased € 14 million to € 20 million. The improved result is mainly due to positive currency translation effects.

Other net operating income came in at € 32 million in the first quarter, well above the fourth-quarter level of € 5 million. Net income from insurance contracts was up € 11 million in the first quarter, mostly in Croatia. A total of € 5 million was allocated to other provisions in the first quarter, while allocations in the fourth quarter amounted to € 14 million. Also, sales of debt instruments in the previous quarter yielded losses of € 7 million, mainly in Slovakia and Hungary.

General administrative expenses were down € 96 million quarter-on-quarter to € 938 million. Staff expenses dropped € 24 million to € 525 million; other administrative expenses fell € 55 million to € 299 million; depreciation declined € 18 million to € 114 million. The main drivers of the decrease in the first quarter were higher staff expenses in the fourth quarter in countries such as Hungary (€ 7 million), Romania (€ 3 million) and Serbia (€ 3 million) as well as lower other administrative expenses (€ 55 million), in particular advertising, PR and promotional expenses (€ 16 million), office space expenses (€ 8 million), other non-income-related taxes (€ 9 million) and IT expenses (€ 4 million).

The other result increased € 170 million to minus € 147 million. This was mostly driven by lower new provisions for liabilities and charges due to negative first-instance court rulings and losses from the annulments of loan agreements in Poland, which amounted to € 109 million in the first quarter of 2024, after € 273 million in the fourth quarter. The measurement of shares in associated companies led to a minus of € 31 million in the reporting period, which mainly related to the shares in UNIQA Insurance Group AG.

Governmental measures and compulsory contributions were € 140 million in the first quarter, compared to € 24 million in the fourth quarter of last year, because most of them (€ 108 million) have to be posted in their entirety in the first quarter in accordance with the underlying provisions (IFRIC 21). Of this amount, € 77 million was attributable to bank levies, primarily in Hungary, and € 47 million to deposit insurance, mainly for Raiffeisen Bausparkasse Gesellschaft m.b.H., Czech Republic and Russia.

Impairment losses on financial assets were € 117 million lower in the first quarter at € 25 million after impairment losses on financial assets of € 142 million were recognized in the fourth quarter. In the first quarter, allocations at head office (€ 35 million), Russia (€ 22 million) and Raiffeisen Bausparkasse Gesellschaft m.b.H. (€ 18 million) were offset by net releases in Central Europe (€ 34 million) and Southeastern Europe (€ 13 million). In the fourth quarter, the allocations mainly related to head office (€ 132 million due to defaults at non-financial corporations).

The decrease in income taxes by € 110 million to € 231 million in the first quarter was mainly due to windfall taxes in the Czech Republic, Russia and Ukraine in the fourth quarter.

Statement of financial position

Total assets have increased by around € 5 billion, or 2.6 per cent in the year to date, with currency effects being responsible for a decline of 0.2 per cent. While the US dollar and the Belarus ruble appreciated 2 per cent and 1 per cent, respectively, the Hungarian forint, the Czech koruna and the Russian ruble depreciated 3 per cent, 2 per cent and 1 per cent, respectively.

Assets

in € million	31/3/2023	30/6/2023	30/9/2023	31/12/2023	31/3/2024	Change year-to-date	
Loans to banks	17,442	17,358	15,716	14,714	16,414	1,701	11.6 %
Loans to customers	105,336	101,806	101,931	99,434	100,434	1,000	1.0 %
hereof non-financial corporations	48,939	48,296	47,713	47,049	47,132	83	0.2 %
hereof households	40,806	40,525	39,848	39,674	39,404	(269)	(0.7)%
Securities	26,281	28,236	30,803	31,108	34,242	3,135	10.1 %
Cash and other assets	61,919	58,723	55,724	52,986	52,307	(679)	(1.3)%
hereof cash balances	51,511	48,383	45,286	43,234	41,943	(1,291)	(3.0)%
Total	**210,977**	**206,123**	**204,175**	**198,241**	**203,398**	**5,157**	**2.6 %**

The increase in loans to banks was mainly due to an increase in repo transactions of € 867 million in the Czech Republic and € 288 million in Serbia, while in Romania they increased € 768 million as a result of bond purchases and the deposit of excess cash with the central bank.

Loans to customers increased € 1,000 million in total. Head office saw an increase of € 1,536 million, or 6 per cent, mainly due to an increase in the volume of repo transactions with other financial corporations. Romania recorded a decrease of € 297 million, mainly at non-financial corporations, due to early repayments by energy utilities, while Hungary experienced a decrease of € 207 million, mainly at other financial corporations and non-financial corporations. The € 240 million decline among households and non-financial corporations in the Czech Republic was mostly currency-related. The loan volume in Russia decreased € 177 million, or 3 per cent, especially due to a reduction in mortgage loans and unsecured loans to households.

The increase in securities was primarily attributable to investments – especially in government bonds – at head office (up € 1,249 million, including trading securities) and in the Czech Republic (up € 1,018 million), Slovakia (up € 509 million) and Romania (up € 498 million).

The € 1,291 million decrease in cash balances was mostly caused by a € 2,944 million decrease in Slovakia, which was mainly driven by the redemption of TLTRO instruments and the deposit of excess cash with the central bank. Romania also contributed with a decrease of € 614 million. This decrease was largely offset by a € 945 million increase in repo transactions at head office, a € 780 million increase in liquidity management in Hungary and a € 733 million increase in demand deposits at banks in Russia.

Equity and liabilities

in € million	31/3/2023	30/6/2023	30/9/2023	31/12/2023	31/3/2024	Change year-to-date	
Deposits from banks	35,005	33,681	29,298	26,144	27,924	1,780	6.8 %
Deposits from customers	124,776	120,553	121,233	119,353	120,938	1,585	1.3 %
hereof non-financial corporations	49,850	45,827	45,813	45,084	45,268	183	0.4 %
hereof households	59,234	58,427	57,520	58,453	57,990	(462)	(0.8)%
Debt securities issued and other liabilities	31,971	32,561	33,792	32,894	34,117	1,223	3.7 %
Equity	19,225	19,329	19,851	19,849	20,419	570	2.9 %
Total	**210,977**	**206,123**	**204,175**	**198,241**	**203,398**	**5,157**	**2.6 %**

The € 1,780 million, or 7 per cent, increase in deposits from banks was mainly due to a volume-driven € 5,574 million increase in repo transactions at head office. This contrasted with repayments of TLTRO instruments in Slovakia amounting to € 2,216 million.

The € 1,585 million increase in deposits from customers compared to the end of the year was mainly due to a € 1,491 million increase in repo transactions with the government in the Czech Republic and a € 381 million increase in deposits from other financial corporations in Hungary. There was also an increase of € 275 million in Romania that is attributable to deposits from households and non-financial corporations in local and foreign currencies. In contrast, there were decreases of € 787 million at head office due to lower short-term deposits from other financial corporations and € 251 million in Russia, mainly due to lower deposits from households.

Debt securities issued and other liabilities increased € 1,223 million. Head office issued a € 500 million senior non-preferred benchmark bond during the reporting period. In addition, liabilities in Russia increased € 284 million, almost exclusively due to outstanding transactions related to dividends and other securities payments to be transferred to customers.

Liquidity and funding

With its strong liquidity position and proven processes for managing liquidity risk, RBI has put its high adaptability on display. In addition, it introduced separate monitoring of RBI's liquidity risk position – excluding the Russian subsidiaries – in 2023. The monitoring shows that RBI's liquidity risk position remains within the target values even without the Russian business. As of 31 March 2024, the liquidity coverage ratio was 196 per cent (31 December 2023: 189 per cent) while the net stable funding ratio (NSFR) was 143 per cent (31 December 2023: 141 per cent) compared to a regulatory limit of 100 per cent in each case.

Group funding is derived from a strong base of customer deposits – primarily from the retail business in Central and Southeastern Europe – and is supplemented by wholesale funding, mainly through RBI AG and the subsidiary banks. In addition to funding from the regional Raiffeisen banks, financing loans from third parties and interbank loans with third-party banks are also used. The loan/deposit ratio amounted to 83.8 per cent as at 31 March 2024 (31 December 2023: 83.8 per cent).

Equity on the statement of financial position

The equity, including non-controlling interests, increased by € 570 million to € 20,419 million since the beginning of the year.

Total comprehensive income of € 668 million comprised profit after tax of € 721 million and other comprehensive income of minus € 53 million. Currency fluctuations had a negative impact of minus € 112 million on the other comprehensive income, with devaluations of the Czech koruna by 2 per cent resulting in a negative contribution of € 64 million, the Hungarian forint by 3 per cent contributing € 37 million, and the Russian ruble by 1 per cent contributing € 31 million. On the other hand, there were positive effects from the other comprehensive income from companies valued at equity amounting to € 44 million, as well as from hedging of net investments in the Hungarian forint (€ 13 million) and the Czech koruna (€ 12 million), resulting in a positive valuation result of € 24 million.

Total capital pursuant to the CRR/Austrian Banking Act (BWG)

Common equity tier 1 (CET1) after deductions amounted to € 15,931 million, representing a decrease of € 272 million compared to the 2023 year-end figure. The decrease was primarily due to the deduction of newly created impairments that were recognized without taking into account the profit for the first three months.

Tier 1 capital after deductions declined € 269 million to € 17,611 million. The decline was primarily attributable to effects in CET1. Tier 2 capital increased € 115 million to € 2,405 million due to the expiration of the transition provisions in IFRS 9. Total capital amounted to € 20,016 million, which represents a decrease of € 152 million compared to the 2023 year-end figure.

Total risk-weighted assets (RWA) increased € 1,938 million overall from the 2023 year-end figure to € 95,601 million. The main driver of the increase in credit risk was organic growth of € 1,826 million with sovereigns and banks. Market risk RWAs increased € 888 million due to currency fluctuations and internal model calculations.

This resulted in a (transitional) CET1 ratio of 16.7 per cent, a (transitional) tier 1 ratio of 18.4 per cent and a (transitional) total capital ratio of 20.9 per cent. If the first quarter results were included, the (transitional) CET1 ratio would be 17.3 per cent, the (transitional) tier 1 ratio 19.1 per cent and the (transitional) total capital ratio 21.6 per cent.

Risk management

For information on risk management, please refer to the risk report in the interim consolidated financial statements.

Outlook

The following guidance refers to RBI excluding Russia and Belarus. The 2024 guidance for the Group including Russia and Belarus has been suspended in light of the ECB's requirement to accelerate business reduction in Russia.

In 2024, net interest income is expected around € 4.0 billion and net fee and commission income around € 1.8 billion.

We expect customer loan growth to increase by 3 to 4 per cent.

We expect general administrative expenses around € 3.3 billion, resulting in a cost/income ratio of around 52 per cent.

The provisioning ratio – before use of overlays – is expected to be around 50 basis points.

The consolidated return on equity is expected to be around 10 per cent in 2024.

At year-end 2024 we expect a CET1 ratio of around 14.6 per cent*.

Any decision on dividends will be based on the capital position of the Group excluding Russia.

*In a 'P/B Zero' Russia deconsolidation scenario.

Segment and country analysis

Segment reporting at RBI is based on the current organizational structure pursuant to IFRS 8. A cash generating unit within the Group is a country. For further information on segmentation, please refer to the chapter segment reporting in the interim consolidated financial statements as well as the RBI website (www.rbinternational.com → Investors → Reports).

Central Europe

in € million	1/1-31/3/2024	1/1-31/3/2023	Change	Q1/2024	Q4/2023	Change
Net interest income	404	367	10.0 %	404	428	(5.6)%
Dividend income	2	2	14.3 %	2	4	(40.9)%
Current income from investments in associates	2	(1)	–	2	1	22.6 %
Net fee and commission income	144	141	2.0 %	144	152	(5.2)%
Net trading income and fair value result	(14)	(8)	68.1 %	(14)	2	–
Net gains/losses from hedge accounting	6	(3)	–	6	(8)	–
Other net operating income	9	5	71.3 %	9	10	(11.6)%
Operating income	**552**	**503**	**9.7 %**	**552**	**589**	**(6.3)%**
General administrative expenses	(252)	(236)	6.7 %	(252)	(271)	(7.0)%
Operating result	**300**	**267**	**12.4 %**	**300**	**318**	**(5.6)%**
Other result	(108)	(86)	26.3 %	(108)	(279)	(61.2)%
Governmental measures and compulsory contributions	(89)	(121)	(26.5)%	(89)	(2)	>500.0%
Impairment losses on financial assets	34	(12)	–	34	(6)	–
Profit/loss before tax	**136**	**48**	**185.2 %**	**136**	**32**	**327.6 %**
Income taxes	(64)	(38)	67.0 %	(64)	(66)	(3.2)%
Profit/loss after tax	**72**	**9**	**>500.0%**	**72**	**(34)**	**–**
Return on equity before tax	12.2 %	4.5 %	7.7 PP	12.2 %	2.9 %	9.3 PP
Return on equity after tax	6.5 %	0.9 %	5.6 PP	6.5 %	–	–
Net interest margin (average interest-bearing assets)	2.52 %	2.32 %	0.20 PP	2.52 %	2.69 %	(0.17) PP
Cost/income ratio	44.0 %	45.1 %	(1.2) PP	44.0 %	44.2 %	(0.3) PP

From 1 January 2024, the calculation of the cost/income ratio has been slightly adjusted, the calculation is now exclusive of financial transaction tax (figures of previous periods were adapted). Further information can be found in the notes, chapter key figures.

The year-on-year increase in profit after tax was primarily attributable to an increase of € 49 million in operating income, which was driven by the positive trend in net interest income in Slovakia and Hungary. In Slovakia, largely rate-driven increases in income from customer loans and deposits at the central bank led to a rise of € 25 million in net interest income. In Hungary, net interest income rose € 10 million as a result of higher, volume-related income from debt securities and deposits at the central bank. General administrative expenses were up € 16 million, mainly due to higher staff expenses in Slovakia (up € 6 million) and in Hungary (up € 3 million) as well as higher IT and consulting expenses (both up € 3 million). The other result was reduced by expenses of € 109 million (comparable period: € 86 million) for credit-linked, portfolio-based litigation and annulments of loan agreements that related exclusively to mortgage loans in Poland. The decline of € 32 million in expenses for governmental measures and compulsory contributions was attributable to a lower bank levy in Hungary and a smaller contribution to the bank resolution fund in the Czech Republic. Risk costs fell € 46 million above all in Hungary and Slovakia, largely due to higher net releases as a consequence of improved macroeconomic conditions. The increase in income taxes was mainly attributable to the introduction of a special (windfall) tax in Slovakia.

in € million	Poland 1/1-31/3/2024	Poland 1/1-31/3/2023	Slovakia 1/1-31/3/2024	Slovakia 1/1-31/3/2023
Net interest income	4	0	116	91
Dividend income	0	0	0	0
Current income from investments in associates	0	0	2	(1)
Net fee and commission income	0	0	50	46
Net trading income and fair value result	0	0	4	4
Net gains/losses from hedge accounting	0	0	0	0
Other net operating income	2	0	0	0
Operating income	**6**	**0**	**171**	**140**
General administrative expenses	(17)	(13)	(72)	(64)
Operating result	**(12)**	**(13)**	**99**	**76**
Other result	(109)	(86)	0	0
Governmental measures and compulsory contributions	(1)	(1)	(4)	(8)
Impairment losses on financial assets	8	5	2	(15)
Profit/loss before tax	**(113)**	**(95)**	**98**	**53**
Income taxes	0	0	(37)	(12)
Profit/loss after tax	**(113)**	**(95)**	**61**	**41**

in € million	Czech Republic 1/1-31/3/2024	Czech Republic 1/1-31/3/2023	Hungary 1/1-31/3/2024	Hungary 1/1-31/3/2023
Net interest income	151	153	133	123
Dividend income	2	2	0	0
Net fee and commission income	41	48	52	47
Net trading income and fair value result	1	(5)	(19)	(7)
Net gains/losses from hedge accounting	2	(1)	4	(2)
Other net operating income	6	4	2	1
Operating income	**202**	**201**	**172**	**162**
General administrative expenses	(96)	(98)	(67)	(61)
Operating result	**107**	**104**	**106**	**100**
Other result	0	0	0	0
Governmental measures and compulsory contributions	(17)	(26)	(68)	(86)
Impairment losses on financial assets	(4)	(9)	26	7
Profit/loss before tax	**86**	**69**	**64**	**22**
Income taxes	(17)	(20)	(10)	(6)
Profit/loss after tax	**70**	**48**	**54**	**15**

Southeastern Europe

in € million	1/1-31/3/2024	1/1-31/3/2023	Change	Q1/2024	Q4/2023	Change
Net interest income	344	299	14.9 %	344	343	0.1 %
Dividend income	0	0	(92.2)%	0	0	(93.2)%
Net fee and commission income	111	105	6.1 %	111	124	(10.5)%
Net trading income and fair value result	8	9	(18.1)%	8	22	(66.0)%
Net gains/losses from hedge accounting	0	0	(68.5)%	0	0	(44.5)%
Other net operating income	5	2	221.6 %	5	(11)	–
Operating income	**468**	**415**	**12.6 %**	**468**	**479**	**(2.4)%**
General administrative expenses	(184)	(175)	5.4 %	(184)	(226)	(18.5)%
Operating result	**283**	**241**	**17.8 %**	**283**	**253**	**11.8 %**
Other result	0	0	–	0	(24)	(99.7)%
Governmental measures and compulsory contributions	(20)	(20)	2.2 %	(20)	(8)	142.2 %
Impairment losses on financial assets	13	0	>500.0%	13	(25)	–
Profit/loss before tax	**276**	**221**	**25.0 %**	**276**	**196**	**40.9 %**
Income taxes	(45)	(33)	34.8 %	(45)	(33)	34.8 %
Profit/loss after tax	**231**	**187**	**23.3 %**	**231**	**162**	**42.2 %**
Return on equity before tax	32.3 %	28.4 %	3.8 PP	32.3 %	25.2 %	7.1 PP
Return on equity after tax	27.0 %	24.1 %	2.9 PP	27.0 %	20.9 %	6.1 PP
Net interest margin (average interest-bearing assets)	4.26 %	4.07 %	0.19 PP	4.26 %	4.34 %	(0.07) PP
Cost/income ratio	39.4 %	42.1 %	(2.7) PP	39.4 %	47.1 %	(7.7) PP

The increase in profit after tax was mainly due to higher net interest income. The principal drivers of the growth in net interest income were the higher interest rate level and larger loan volumes. Net interest income increased € 44 million or 15 per cent, including a contribution of € 15 million from Serbia, and resulted primarily from the increase in the reference interest rate in addition to volume-related growth. Romania also reported growth of € 13 million or 9 per cent, which was attributable to higher interest rates, in particular in foreign currency transactions. Albania reported growth of € 7 million or 27 per cent, mainly due to currency and interest rate movements. Net fee and commission income was also up € 6 million in the segment (mostly in Serbia: up € 4 million) and was driven by higher net income from clearing, settlement and payment services. General administrative expenses rose € 9 million, with staff expenses accounting for the largest share at € 6 million, mainly due to increases in Romania. Risk costs improved considerably thanks to the macroeconomic environment with a net release of € 13 million in the reporting period. The biggest declines in risk costs were seen in Serbia and Croatia – above all in connection with loans to households and non-financial corporations. In contrast, Romania reported a reduction of € 7 million in net releases, which was attributable to large releases in the previous year caused by adjustments to the risk models. The increase of € 12 million in income taxes to € 45 million was mainly earnings-related.

in € million	Albania		Bosnia and Herzegovina		Kosovo	
	1/1-31/3/2024	1/1-31/3/2023	1/1-31/3/2024	1/1-31/3/2023	1/1-31/3/2024	1/1-31/3/2023
Net interest income	31	25	22	19	18	15
Dividend income	0	0	0	0	0	0
Net fee and commission income	6	4	13	13	3	4
Net trading income and fair value result	1	0	0	0	0	0
Other net operating income	0	0	0	0	2	1
Operating income	**38**	**29**	**36**	**33**	**23**	**21**
General administrative expenses	(15)	(12)	(15)	(14)	(10)	(9)
Operating result	**24**	**18**	**21**	**19**	**13**	**11**
Other result	0	0	0	0	0	0
Governmental measures and compulsory contributions	(3)	(3)	(1)	(1)	(1)	0
Impairment losses on financial assets	5	6	0	(2)	(2)	(1)
Profit/loss before tax	**25**	**21**	**20**	**15**	**11**	**10**
Income taxes	(4)	(3)	(1)	(1)	(1)	(1)
Profit/loss after tax	**21**	**18**	**19**	**14**	**10**	**9**

in € million	Croatia		Romania		Serbia	
	1/1-31/3/2024	1/1-31/3/2023	1/1-31/3/2024	1/1-31/3/2023	1/1-31/3/2024	1/1-31/3/2023
Net interest income	44	41	153	140	74	59
Dividend income	0	0	0	0	0	0
Net fee and commission income	19	18	41	41	29	25
Net trading income and fair value result	1	1	2	4	3	3
Other net operating income	3	(2)	0	1	1	1
Operating income	**66**	**58**	**196**	**186**	**107**	**89**
General administrative expenses	(30)	(30)	(87)	(80)	(27)	(29)
Operating result	**36**	**28**	**110**	**106**	**80**	**59**
Other result	0	1	0	(1)	0	0
Governmental measures and compulsory contributions	0	(2)	(12)	(10)	(3)	(3)
Impairment losses on financial assets	2	(8)	1	8	7	(3)
Profit/loss before tax	**37**	**19**	**98**	**102**	**84**	**53**
Income taxes	(7)	(3)	(19)	(17)	(13)	(8)
Profit/loss after tax	**30**	**16**	**79**	**85**	**71**	**46**

Eastern Europe

in € million	1/1-31/3/2024	1/1-31/3/2023	Change	Q1/2024	Q4/2023	Change
Net interest income	496	504	(1.4)%	496	509	(2.4)%
Dividend income	0	0	–	0	0	–
Current income from investments in associates	0	1	(80.8)%	0	0	(23.8)%
Net fee and commission income	252	549	(54.1)%	252	239	5.4 %
Net trading income and fair value result	30	66	(53.7)%	30	14	117.5 %
Net gains/losses from hedge accounting	0	(1)	(54.1)%	0	0	–
Other net operating income	(2)	(33)	(95.0)%	(2)	1	–
Operating income	**777**	**1,085**	**(28.4)%**	**777**	**763**	**1.9 %**
General administrative expenses	(205)	(280)	(27.0)%	(205)	(234)	(12.5)%
Operating result	**573**	**805**	**(28.9)%**	**573**	**529**	**8.2 %**
Other result	(10)	(5)	104.6 %	(10)	(4)	153.0 %
Governmental measures and compulsory contributions	(12)	(16)	(26.7)%	(12)	(12)	(1.9)%
Impairment losses on financial assets	(17)	(306)	(94.6)%	(17)	34	–
Profit/loss before tax	**534**	**478**	**11.8 %**	**534**	**547**	**(2.3)%**
Income taxes	(118)	(100)	18.5 %	(118)	(238)	(50.4)%
Profit/loss after tax	**416**	**378**	**10.0 %**	**416**	**309**	**34.7 %**
Return on equity before tax	45.8 %	50.9 %	(5.1) PP	45.8 %	56.6 %	(10.8) PP
Return on equity after tax	35.7 %	40.3 %	(4.6) PP	35.7 %	32.0 %	3.7 PP
Net interest margin (average interest-bearing assets)	7.78 %	6.39 %	1.39 PP	7.78 %	7.99 %	(0.21) PP
Cost/income ratio	26.3 %	25.8 %	0.5 PP	26.3 %	30.7 %	(4.3) PP

The decrease of € 7 million in net interest income was driven by Russia and exclusively currency-related. In local currency, net interest income was up as a result of rising market interest rates. Net fee and commission income fell € 297 million. The decrease was especially seen in Russia as a result of lower volumes caused by internal transaction limits and lower margins in foreign exchange business, which led to a decline of € 156 million. Net fee and commission income from clearing, settlement and payment services was down € 80 million due to lower volumes, while net income from securities business decreased € 37 million as a result of lower fees. Net trading income and fair value result declined € 35 million primarily in Russia. The reduction was mainly currency-related and resulted from fewer customer transactions with foreign currencies. In contrast, other net operating income improved € 32 million after an allocation of € 17 million to other provisions in Russia in the previous year and a loss of € 14 million on the sale of debt securities in Belarus. General administrative expenses declined significantly in Russia due to provisions for one-off payments in the comparable period and partly due to currency development. Risk costs in the reporting period totaled € 17 million (comparable period: € 306 million), including allocations of € 22 million in Russia and releases of € 5 million in Ukraine. The allocations for Stage 3 amounted to € 43 million in Russia (primarily non-financial corporations and households). In contrast, € 16 million were released in Ukraine in Stage 2 (mainly non-financial corporations). The year-on-year increase in income taxes was due to the positive earnings development above all in Russia and Ukraine. In Ukraine, the windfall tax also led to an increase in the tax rate to 25 per cent (comparable period: 18 per cent). In Russia, the higher tax burden corresponded to the effective tax rate.

in € million	Belarus 1/1-31/3/2024	Belarus 1/1-31/3/2023	Russia 1/1-31/3/2024	Russia 1/1-31/3/2023	Ukraine 1/1-31/3/2024	Ukraine 1/1-31/3/2023
Net interest income	26	27	368	377	103	101
Dividend income	0	0	0	0	0	0
Current income from investments in associates	0	0	0	1	0	0
Net fee and commission income	27	30	208	496	17	24
Net trading income and fair value result	5	8	20	46	5	12
Net gains/losses from hedge accounting	0	0	0	(1)	0	0
Other net operating income	1	(15)	(3)	(18)	0	(1)
Operating income	**59**	**49**	**593**	**900**	**125**	**135**
General administrative expenses	(18)	(19)	(141)	(220)	(46)	(42)
Operating result	**40**	**31**	**452**	**681**	**80**	**94**
Other result	0	0	(8)	(7)	(2)	2
Governmental measures and compulsory contributions	0	0	(9)	(13)	(3)	(3)
Impairment losses on financial assets	0	2	(22)	(280)	5	(28)
Profit/loss before tax	**40**	**32**	**414**	**381**	**81**	**65**
Income taxes	(10)	(8)	(88)	(80)	(20)	(11)
Profit/loss after tax	**30**	**24**	**326**	**301**	**61**	**53**

Group Corporates & Markets

in € million	1/1-31/3/2024	1/1-31/3/2023	Change	Q1/2024	Q4/2023	Change
Net interest income	233	226	3.5 %	233	256	(8.7)%
Dividend income	1	2	(57.1)%	1	0	149.2 %
Current income from investments in associates	4	4	5.2 %	4	4	8.9 %
Net fee and commission income	147	158	(6.7)%	147	150	(1.9)%
Net trading income and fair value result	13	57	(77.4)%	13	21	(39.6)%
Net gains/losses from hedge accounting	(3)	(4)	(39.1)%	(3)	1	–
Other net operating income	32	29	10.1 %	32	26	25.0 %
Operating income	**428**	**472**	**(9.2)%**	**428**	**458**	**(6.5)%**
General administrative expenses	(221)	(199)	10.9 %	(221)	(262)	(15.7)%
Operating result	**207**	**272**	**(23.9)%**	**207**	**196**	**5.9 %**
Other result	(2)	1	–	(2)	(2)	(13.4)%
Governmental measures and compulsory contributions	(15)	(25)	(38.4)%	(15)	(10)	52.1 %
Impairment losses on financial assets	(63)	15	–	(63)	(151)	(58.4)%
Profit/loss before tax	**127**	**263**	**(51.6)%**	**127**	**33**	**289.4 %**
Income taxes	(28)	(58)	(52.0)%	(28)	(15)	86.0 %
Profit/loss after tax	**100**	**206**	**(51.5)%**	**100**	**18**	**459.8 %**
Return on equity before tax	11.8 %	27.8 %	(15.9) PP	11.8 %	3.4 %	8.5 PP
Return on equity after tax	9.3 %	21.7 %	(12.4) PP	9.3 %	1.8 %	7.4 PP
Net interest margin (average interest-bearing assets)	1.52 %	1.43 %	0.09 PP	1.52 %	1.64 %	(0.12) PP
Cost/income ratio	51.6 %	42.2 %	9.4 PP	51.6 %	57.2 %	(5.7) PP

The year-on-year decrease in profit after tax mainly reflected net allocations of € 63 million to impairments of financial assets (previous year period: releases of € 15 million) and the reduction of € 44 million in net trading income and fair value measurements at head office. The decrease was primarily attributable to the steeper fall in our own credit spreads in connection with certificate issues in the reporting period (2024: decline of 25 basis points, 2023: decline of 5 basis points). As a result, the negative valuation result increased € 29 million. In addition, Corporate Customers reported higher valuation losses on loans measured at fair value. In the reporting period, net allocations to loan loss provisions related mainly to real estate loans in Stage 2 and 3 at head office as well as households in connection with building society loans. Net interest income was up € 8 million to € 233 million. Net fee and commission income fell € 11 million to € 147 million mainly at head office. General administrative expenses increased € 22 million, mostly as a result of higher staff expenses that mainly reflected salary adjustments under collective agreements together with an increase in the headcount and higher IT expenses at head office.

Corporate Center

in € million	1/1-31/3/2024	1/1-31/3/2023	Change	Q1/2024	Q4/2023	Change
Net interest income	(25)	(14)	85.9 %	(25)	(45)	(43.6)%
Dividend income	458	105	335.8 %	458	288	58.9 %
Current income from investments in associates	12	26	(54.6)%	12	8	46.1 %
Net fee and commission income	17	14	24.7 %	17	15	16.2 %
Net trading income and fair value result	(26)	(43)	(39.0)%	(26)	(91)	(71.2)%
Net gains/losses from hedge accounting	(2)	(2)	(7.6)%	(2)	(6)	(67.9)%
Other net operating income	28	24	15.4 %	28	60	(53.6)%
Operating income	**462**	**110**	**318.2 %**	**462**	**230**	**100.6 %**
General administrative expenses	(116)	(95)	22.2 %	(116)	(122)	(4.2)%
Operating result	**345**	**15**	**>500.0%**	**345**	**109**	**217.8 %**
Other result	(27)	(7)	282.2 %	(27)	(2)	>500.0%
Governmental measures and compulsory contributions	(2)	(53)	(95.3)%	(2)	8	–
Impairment losses on financial assets	11	11	7.5 %	11	2	379.8 %
Profit/loss before tax	**327**	**(34)**	**–**	**327**	**117**	**178.9 %**
Income taxes	24	57	(58.1)%	24	12	95.5 %
Profit/loss after tax	**351**	**23**	**>500.0%**	**351**	**130**	**171.0 %**

Higher dividend income – largely higher intra-group dividends – resulted in an increase of € 353 million. The expense for governmental measures and compulsory contributions fell € 50 million to € 2 million, mainly because no contributions were paid into the resolution fund at head office, as the establishment phase of the fund had almost been completed. In contrast to those positive effects, general administrative expenses were up € 21 million. This reflected higher staff expenses from salary adjustments under collective agreements and an increase in the headcount at head office together with higher IT expenses. The other result amounted to minus € 27 million in the reporting period (comparable period: minus € 7 million). The valuation of shares in associated companies led to impairment losses of € 31 million in the reporting period. These related mostly to the shares in UNIQA Insurance Group AG with an impairment of € 26 million. Net interest income was down € 12 million largely due to higher financing costs at head office.

Interim consolidated financial statements

(Condensed interim consolidated financial statements as at 31 March 2024)

Company

Raiffeisen Bank International AG (RBI AG) is registered in the commercial register of the Commercial Court of Vienna under FN 122119m. Its address is Am Stadtpark 9, 1030 Vienna.

RBI regards Austria, where it is a leading corporate and investment bank, as well as Central and Eastern Europe (CEE) as its home market. 12 markets in the region are covered by subsidiary banks, the Group also comprises numerous other financial services providers, for instance in the field of leasing, asset management, factoring and M&A. RBI not only offers Austrian and international companies a broad range of products in corporate and investment banking, but also a comprehensive coverage in CEE. Through an extensive branch network, local companies of all sizes as well as private customers are supplied with high quality financial products. RBI maintains representative offices and service branches in selected Asian and Western European locations to support its business activities. In total, RBI's around 45,000 employees serve 18.6 million clients at around 1,500 business outlets located mostly in CEE.

Since the company's shares are traded on a regulated market as defined in § 1 (2) of the Austrian Stock Market Act (BörseG) (prime market of the Vienna Stock Exchange) and numerous RBI AG issues are listed on a regulated market in the EU, RBI AG is required by § 59a of the Austrian Banking Act (BWG) to prepare consolidated financial statements in accordance with the International Financial Reporting Standards (IFRS). The eight regional Raiffeisen banks are core shareholders that collectively hold approximately 61 per cent of the shares, with the remaining shares in free float.

As a credit institution within the meaning of § 1 of the Austrian Banking Act, RBI AG is subject to regulatory supervision by the Financial Market Authority located at Otto-Wagner-Platz 5, A-1090 Vienna (www.fma.gv.at) and the European Central Bank located at Sonnemannstraße 22, D-60314 Frankfurt am Main (www.bankingsupervision.europa.eu).

The condensed interim consolidated financial statements as at 31 March 2024 was neither fully audited nor reviewed.

Statement of comprehensive income

Income statement

in € million	Notes	1/1-31/3/2024	1/1-31/3/2023
Net interest income	[1]	1,455	1,385
Interest income according to effective interest method		2,087	2,187
Interest income other		634	259
Interest expenses		(1,266)	(1,061)
Dividend income	[2]	6	11
Current income from investments in associates	[3]	17	30
Net fee and commission income	[4]	669	966
Fee and commission income		929	1,203
Fee and commission expenses		(260)	(237)
Net trading income and fair value result	[5]	17	86
Net gains/losses from hedge accounting	[5]	6	(10)
Other net operating income	[6]	32	(9)
Operating income		**2,201**	**2,459**
Staff expenses		(525)	(562)
Other administrative expenses		(299)	(277)
Depreciation		(114)	(111)
General administrative expenses	**[7]**	**(938)**	**(950)**
Operating result		**1,263**	**1,509**
Other result	[8]	(147)	(96)
Governmental measures and compulsory contributions	[9]	(140)	(236)
Impairment losses on financial assets	[10]	(25)	(301)
Profit/loss before tax		**952**	**877**
Income taxes	[11]	(231)	(176)
Profit/loss after tax		**721**	**700**
Profit attributable to non-controlling interests	[29]	(57)	(43)
Consolidated profit/loss		**664**	**657**

Other comprehensive income and total comprehensive income

in € million	Notes	1/1-31/3/2024	1/1-31/3/2023
Profit/loss after tax		**721**	**700**
Items which are not reclassified to profit or loss		**(11)**	**18**
Remeasurements of defined benefit plans	[27]	0	0
Fair value changes of equity instruments	[17]	(3)	5
Fair value changes due to changes in credit risk of financial liabilities	[19]	(5)	12
Share of other comprehensive income from companies valued at equity	[24]	(4)	0
Deferred taxes on items which are not reclassified to profit or loss	[11]	1	0
Items that may be reclassified subsequently to profit or loss		**(42)**	**(238)**
Exchange differences		(112)	(259)
Hedge of net investments in foreign operations	[22]	24	(15)
Adaptations to the cash flow hedge reserve	[22]	(2)	29
Fair value changes of financial assets	[17]	2	15
Share of other comprehensive income from companies valued at equity	[24]	47	0
Deferred taxes on items which may be reclassified to profit or loss	[11]	(2)	(8)
Other comprehensive income		**(53)**	**(220)**
Total comprehensive income		**668**	**480**
Profit attributable to non-controlling interests	[29]	(45)	(54)
hereof income statement	[29]	(57)	(43)
hereof other comprehensive income		12	(10)
Profit/loss attributable to owners of the parent		**623**	**427**

Earnings per share

in € million	1/1-31/3/2024	1/1-31/3/2023
Consolidated profit/loss	664	657
Dividend claim on additional tier 1	(27)	(27)
Profit/loss attributable to ordinary shares	**636**	**630**
Average number of ordinary shares outstanding in million	328	328
Earnings per share in €	**1.94**	**1.92**

As no conversion rights or options were outstanding, no dilution of earnings per share occurred. The dividend on additional tier 1 capital is calculated; the effective payment is based on the decision of the Management Board at the respective payment date.

Statement of financial position

Assets

in € million	Notes	31/3/2024	31/12/2023
Cash, balances at central banks and other demand deposits	[12]	41,943	43,234
Financial assets - amortized cost	[13]	144,421	139,302
Financial assets - fair value through other comprehensive income	[17, 23]	2,841	2,992
Non-trading financial assets - mandatorily fair value through profit/loss	[18, 23]	931	949
Financial assets - designated fair value through profit/loss	[19, 23]	173	185
Financial assets - held for trading	[20, 23]	6,583	5,783
Hedge accounting	[22]	1,152	1,160
Fair value adjustments of the hedged items in portfolio hedge of interest rate risk	[22]	(390)	(365)
Investments in subsidiaries and associates	[24]	855	820
Tangible fixed assets	[25]	1,656	1,672
Intangible fixed assets	[25]	968	970
Current tax assets	[11]	72	69
Deferred tax assets	[11]	209	218
Other assets	[26]	1,983	1,253
Total		**203,398**	**198,241**

Equity and liabilities

in € million	Notes	31/3/2024	31/12/2023
Financial liabilities - amortized cost	[15]	168,438	164,711
Financial liabilities - designated fair value through profit/loss	[19, 23]	1,121	1,088
Financial liabilities - held for trading	[21, 23]	8,542	8,463
Hedge accounting	[22]	1,414	1,466
Fair value adjustments of the hedged items in portfolio hedge of interest rate risk	[22]	(543)	(514)
Provisions for liabilities and charges	[27]	1,622	1,644
Current tax liabilities	[11]	184	242
Deferred tax liabilities	[11]	33	43
Other liabilities	[28]	2,167	1,248
Equity	[29]	20,419	19,849
Consolidated equity		17,633	17,009
Non-controlling interests		1,170	1,231
Additional tier 1		1,616	1,610
Total		**203,398**	**198,241**

Statement of changes in equity

in € million	Subscribed capital	Capital reserves	Retained earnings	Cumulative other comprehensive income	Consolidated equity	Non-controlling interests	Additional tier 1	Total
Equity as at 1/1/2024	**1,002**	**4,988**	**15,600**	**(4,580)**	**17,009**	**1,231**	**1,610**	**19,849**
Capital increases/ decreases	0	0	0	0	0	0	0	0
Allocation dividend - AT1	0	0	0	0	0	0	0	0
Dividend payments	0	0	0	0	0	(105)	0	(105)
Own shares	0	1	0	0	2	0	6	7
Other changes	0	0	0	0	0	0	0	(1)
Total comprehensive income	0	0	664	(41)	623	45	0	668
Equity as at 31/3/2024	**1,002**	**4,990**	**16,263**	**(4,621)**	**17,633**	**1,170**	**1,616**	**20,419**
Equity as at 1/1/2023[1]	**1,002**	**4,990**	**13,634**	**(3,601)**	**16,024**	**1,126**	**1,610**	**18,761**
Capital increases/ decreases	0	0	0	0	0	0	0	0
Allocation dividend - AT1	0	0	0	0	0	0	0	0
Dividend payments	0	0	0	0	0	(21)	0	(21)
Own shares	0	0	0	0	0	0	(4)	(4)
Other changes	0	0	9	0	9	0	0	9
Total comprehensive income	0	0	657	(230)	427	54	0	480
Equity as at 31/3/2023	**1,002**	**4,989**	**14,300**	**(3,832)**	**16,460**	**1,159**	**1,606**	**19,225**

1 Equity as at 1/1/2023 includes the published capital effect caused by the introduction of IFRS 17 per 31/3/2023.

Statement of cash flows

in € million	Notes	1/1-31/3/2024	1/1-31/3/2023
Cash, balances at central banks and other demand deposits as at 1/1	**[12]**	**43,234**	**53,683**
Operating activities:			
Profit/loss before tax		952	877
Adjustments for the reconciliation of profit/loss after tax to the cash flow from operating activities:			
Depreciation, amortization, impairment and reversal of impairment on non-financial assets	[7, 8]	114	117
Net provisioning for liabilities and charges and impairment losses on financial assets	[6, 10, 27]	116	399
Gains/losses from the measurement and derecognition of assets and liabilities	[5, 8]	72	108
Current income from investments in associates	[3]	(17)	(30)
Other adjustments (net)[1]		(1,386)	(1,190)
Subtotal		**(150)**	**281**
Changes in assets and liabilities arising from operating activities after corrections for non-cash positions:			
Financial assets - amortized cost	[13]	(3,080)	(4,158)
Financial assets - fair value through other comprehensive income	[17, 23]	107	224
Non-trading financial assets - mandatorily fair value through profit/loss	[18, 23]	14	(8)
Financial assets - designated fair value through profit/loss	[19, 23]	10	(1)
Financial assets - held for trading	[20, 23]	(955)	(885)
Other assets	[26]	(855)	(105)
Financial liabilities - amortized cost	[15]	5,000	2,767
Financial liabilities - designated fair value through profit/loss	[19, 23]	56	89
Financial liabilities - held for trading	[21, 23]	184	436
Provisions for liabilities and charges	[27]	(153)	(160)
Other liabilities	[28]	324	189
Interest received	[1]	2,544	2,033
Interest paid	[1]	(1,170)	(741)
Dividends received	[2]	12	14
Income taxes paid	[11]	(289)	(253)
Net cash from operating activities		**1,601**	**(278)**
Investing activities:			
Cash and cash equivalents from changes in scope of consolidation due to materiality		0	(6)
Payments for purchase of:			
Investment securities and shares	[13, 16, 18, 24]	(4,028)	(2,332)
Tangible and intangible fixed assets	[25]	(93)	(100)
Proceeds from sale of:			
Investment securities and shares	[13, 16, 18, 24]	1,449	628
Tangible and intangible fixed assets	[25]	11	38
Net cash from investing activities		**(2,661)**	**(1,772)**
Financing activities:			
Capital decreases		7	(4)
Inflows subordinated financial liabilities	[15, 19]	0	2
Outflows subordinated financial liabilities	[15, 19]	(18)	(28)
Dividend payments		(55)	(21)
Cash flows for leases		(15)	(23)
Inflows from changes in non-controlling interests		0	0
Net cash from financing activities		**(80)**	**(74)**
Effect of exchange rate changes		(150)	(48)
Cash, balances at central banks and other demand deposits as at 31/3	**[12]**	**41,943**	**51,511**

1 Other adjustments (net) mainly include the deduction of net interest income and dividend income; the corresponding cash flows are shown under the items interest received, interest paid and dividends received.

Segment reporting

As a rule, internal management reporting at RBI is based on the current organizational structure. This matrix structure means that each member of the Management Board is responsible both for individual countries and for specific business activities. A cash generating unit (CGU) within the Group is a country. The presentation of the countries includes all operating units of RBI in the respective countries (in addition to subsidiary banks, e.g. also leasing companies). Accordingly, the RBI management bodies – Management Board and Supervisory Board – make key decisions that determine the resources allocated to any given segment based on its financial strength and profitability, which is why these reporting criteria are a material component in the decision-making process. The segments are also presented accordingly in compliance with IFRS 8. When assigning countries to the individual reportable segments, in addition to long-term economic similarities such as equity risk premiums, potential market growth and net interest margins, the expected risk and return levels are also taken into account when allocating resources. According to IFRS 8.12, it is also required that the following economic characteristics are taken into account when composing the reportable segments. The countries are combined into a reportable segment if the products and services offered are the same. In addition to the uniform production processes and sales channels, the target groups such as corporate customers, private customers and institutional customers are also similar in the individual segments. Banking regulations in each country are mainly monitored by central banks. In all countries, the central bank is responsible for formulating and implementing monetary policy, maintaining financial stability, and regulating the banking sector. The reconciliation contains mainly the amounts resulting from the elimination of intra-group results and consolidation between the segments.

This results in the following segments:

- Central Europe: Czech Republic, Hungary, Poland and Slovakia
- Southeastern Europe: Albania, Bosnia and Herzegovina, Croatia, Kosovo, Romania and Serbia
- Eastern Europe: Belarus, Russia and Ukraine
- Group Corporates & Markets (business booked in Austria): Operating business at head office divided into subsegments: Austrian and international corporate customers, Financial Institutions & Sovereigns, the trading of equity instruments and capital market financing, and business with the institutions of the Raiffeisen Banking Group (RBG). This segment also includes capital market-based customer and proprietary business in Austria as well as financial service providers and special companies such as e.g. Raiffeisen Digital Bank AG (digital retail banking activities), Kathrein Privatbank Aktiengesellschaft, Raiffeisen Leasing Group, Raiffeisen Factor Bank AG, Raiffeisen Bausparkasse Gesellschaft m.b.H., Valida Group (pension fund business) and Raiffeisen Kapitalanlage-Gesellschaft mit beschränkter Haftung. Furthermore, companies with banking activities valued at equity are allocated to this segment.
- Corporate Center: Central group management functions at head office (e.g. treasury) and other group units (participation companies and joint service companies), minority interests as well as companies with non-banking activities valued at equity.

1/1-31/3/2024 in € million	Central Europe	Southeastern Europe	Eastern Europe	Group Corporates & Markets
Net interest income	404	344	496	233
Dividend income	2	0	0	1
Current income from investments in associates	2	0	0	4
Net fee and commission income	144	111	252	147
Net trading income and fair value result	(14)	8	30	13
Net gains/losses from hedge accounting	6	0	0	(3)
Other net operating income	9	5	(2)	32
Operating income	**552**	**468**	**777**	**428**
General administrative expenses	(252)	(184)	(205)	(221)
Operating result	**300**	**283**	**573**	**207**
Other result	(108)	0	(10)	(2)
Governmental measures and compulsory contributions	(89)	(20)	(12)	(15)
Impairment losses on financial assets	34	13	(17)	(63)
Profit/loss before tax	**136**	**276**	**534**	**127**
Income taxes	(64)	(45)	(118)	(28)
Profit/loss after tax	**72**	**231**	**416**	**100**
Profit attributable to non-controlling interests	(30)	0	(23)	(4)
Profit/loss after deduction of non-controlling interests	**42**	**231**	**393**	**96**
Return on equity before tax	12.2 %	32.3 %	45.8 %	11.8 %
Return on equity after tax	6.5 %	27.0 %	35.7 %	9.3 %
Net interest margin (average interest-bearing assets)	2.52 %	4.26 %	7.78 %	1.52 %
Cost/income ratio	44.0 %	39.4 %	26.3 %	51.6 %
Loan/deposit ratio	83.5 %	67.0 %	40.3 %	168.3 %
Provisioning ratio (average loans to customers)	(0.36)%	(0.28)%	2.17 %	0.68 %
NPE ratio	1.2 %	1.8 %	2.4 %	2.9 %
NPE coverage ratio	59.0 %	66.0 %	70.2 %	32.8 %
Assets	65,074	34,483	28,279	65,460
Total risk-weighted assets (RWA)	24,564	16,358	21,785	26,260
Equity	4,626	4,059	5,862	4,754
Loans to customers	37,158	18,403	7,944	37,443
Deposits from customers	49,508	26,903	20,187	28,245
Business outlets	336	661	485	24
Employees as at reporting date (full-time equivalents)	9,866	12,584	16,776	3,593
Customers in million	4.0	5.0	7.1	2.5

1/1-31/3/2024 in € million	Corporate Center	Reconciliation	Total
Net interest income	(25)	3	1,455
Dividend income	458	(455)	6
Current income from investments in associates	12	0	17
Net fee and commission income	17	(3)	669
Net trading income and fair value result	(26)	6	17
Net gains/losses from hedge accounting	(2)	4	6
Other net operating income	28	(41)	32
Operating income	**462**	**(485)**	**2,201**
General administrative expenses	(116)	40	(938)
Operating result	**345**	**(445)**	**1,263**
Other result	(27)	0	(147)
Governmental measures and compulsory contributions	(2)	0	(140)
Impairment losses on financial assets	11	(4)	(25)
Profit/loss before tax	**327**	**(449)**	**952**
Income taxes	24	0	(231)
Profit/loss after tax	**351**	**(449)**	**721**
Profit attributable to non-controlling interests	0	0	(57)
Profit/loss after deduction of non-controlling interests	**351**	**(449)**	**664**

Return on equity before tax	–	–	19.2 %
Return on equity after tax	–	–	14.5 %
Net interest margin (average interest-bearing assets)	–	–	2.98 %
Cost/income ratio	–	–	42.2 %
Loan/deposit ratio	–	–	83.8 %
Provisioning ratio (average loans to customers)	–	–	0.22 %
NPE ratio	–	–	1.9 %
NPE coverage ratio	–	–	50.1 %
Assets	35,927	(25,825)	203,398
Total risk-weighted assets (RWA)	20,591	(13,956)	95,601
Equity	7,659	(6,541)	20,419
Loans to customers	1,019	(1,533)	100,434
Deposits from customers	757	(4,662)	120,938
Business outlets	–	–	1,506
Employees as at reporting date (full-time equivalents)	2,161	–	44,980
Customers in million	0.0	–	18.6

1/1-31/3/2023 in € million	Central Europe	Southeastern Europe	Eastern Europe	Group Corporates & Markets
Net interest income	367	299	504	226
Dividend income	2	0	0	2
Current income from investments in associates	(1)	0	1	4
Net fee and commission income	141	105	549	158
Net trading income and fair value result	(8)	9	66	57
Net gains/losses from hedge accounting	(3)	0	(1)	(4)
Other net operating income	5	2	(33)	29
Operating income	**503**	**415**	**1,085**	**472**
General administrative expenses	(236)	(175)	(280)	(199)
Operating result	**267**	**241**	**805**	**272**
Other result	(86)	0	(5)	1
Governmental measures and compulsory contributions	(121)	(20)	(16)	(25)
Impairment losses on financial assets	(12)	0	(306)	15
Profit/loss before tax	**48**	**221**	**478**	**263**
Income taxes	(38)	(33)	(100)	(58)
Profit/loss after tax	**9**	**187**	**378**	**206**
Profit attributable to non-controlling interests	(21)	0	(20)	(3)
Profit/loss after deduction of non-controlling interests	**(11)**	**187**	**359**	**203**
Return on equity before tax	4.5 %	28.4 %	50.9 %	27.8 %
Return on equity after tax	0.9 %	24.1 %	40.3 %	21.7 %
Net interest margin (average interest-bearing assets)	2.32 %	4.07 %	6.39 %	1.43 %
Cost/income ratio	45.1 %	42.1 %	25.8 %	42.2 %
Loan/deposit ratio	84.0 %	71.7 %	40.1 %	161.1 %
Provisioning ratio (average loans to customers)	0.12 %	0.00%	9.05 %	(0.16)%
NPE ratio	1.3 %	1.9 %	2.3 %	1.4 %
NPE coverage ratio	57.7 %	69.2 %	70.7 %	41.3 %
Assets	65,220	31,744	33,855	69,706
Total risk-weighted assets (RWA)	26,736	16,968	22,266	29,273
Equity	4,659	3,559	5,074	4,042
Loans to customers	38,192	18,286	10,276	38,885
Deposits from customers	46,895	25,466	26,389	29,224
Business outlets	339	728	507	23
Employees as at reporting date (full-time equivalents)	9,746	12,709	16,759	3,397
Customers in million	3.8	4.9	7.1	2.4

From 1 January 2024, the calculation of the cost/income ratio has been slightly adjusted, the calculation is now exclusive of financial transaction tax (figures of previous periods were adapted). Further information can be found in the notes, chapter key figures.

1/1-31/3/2023 in € million	Corporate Center	Reconciliation	Total
Net interest income	(14)	3	1,385
Dividend income	105	(99)	11
Current income from investments in associates	26	0	30
Net fee and commission income	14	0	966
Net trading income and fair value result	(43)	5	86
Net gains/losses from hedge accounting	(2)	0	(10)
Other net operating income	24	(36)	(9)
Operating income	**110**	**(126)**	**2,459**
General administrative expenses	(95)	35	(950)
Operating result	**15**	**(91)**	**1,509**
Other result	(7)	0	(96)
Governmental measures and compulsory contributions	(53)	0	(236)
Impairment losses on financial assets	11	(8)	(301)
Profit/loss before tax	**(34)**	**(99)**	**877**
Income taxes	57	(4)	(176)
Profit/loss after tax	**23**	**(103)**	**700**
Profit attributable to non-controlling interests	0	0	(43)
Profit/loss after deduction of non-controlling interests	**23**	**(103)**	**657**
Return on equity before tax	–	–	18.7 %
Return on equity after tax	–	–	14.9 %
Net interest margin (average interest-bearing assets)	–	–	2.75 %
Cost/income ratio	–	–	38.2 %
Loan/deposit ratio	–	–	82.3 %
Provisioning ratio (average loans to customers)	–	–	0.93 %
NPE ratio	–	–	1.5 %
NPE coverage ratio	–	–	58.2 %
Assets	38,213	(27,761)	210,977
Total risk-weighted assets (RWA)	15,445	(12,096)	98,592
Equity	8,428	(6,537)	19,225
Loans to customers	1,318	(1,620)	105,336
Deposits from customers	1,188	(4,385)	124,776
Business outlets	–	–	1,597
Employees as at reporting date (full-time equivalents)	2,094	–	44,705
Customers in million	0.0	–	18.3

From 1 January 2024, the calculation of the cost/income ratio has been slightly adjusted, the calculation is now exclusive of financial transaction tax (figures of previous periods were adapted). Further information can be found in the notes, chapter key figures.

Notes

Principles underlying the consolidated financial statements

The condensed interim consolidated financial statements are prepared in accordance with the International Financial Reporting Standards (IFRS) published by the International Accounting Standards Board (IASB) and the international accounting standards adopted by the EU on the basis of IAS Regulation (EC) 1606/2002 including the applicable interpretations of the International Financial Reporting Interpretations Committee (IFRIC/SIC). For the preparation of the interim consolidated financial statements, the same accounting policies are applied as described in detail in the annual consolidated financial statements as at 31 December 2023. Furthermore, the interim consolidated financial statements also consider the requirements in accordance with IAS 34 regarding the form and content of interim financial reporting. Information on cyclical expenses and income is addressed in the interim group management report.

Some IFRS disclosures made outside the notes form an integral part of the consolidated financial statements. These are mainly explanations on net income from segments, which are included in the notes of the segment reporting. In addition to the disclosures pursuant to IFRS 7 which are included in the notes, the risk report section especially contains detailed information on credit risk market risk and liquidity risk.

Key sources of estimation uncertainty and critical accounting judgments

If estimates or assessments are necessary for accounting and measurement under IAS/IFRS rules, they are made in accordance with the respective standards. They are based on past experiences and other factors, such as planning and expectations or forecasts of future events that appear likely, based on current judgement. The estimates and underlying assumptions are reviewed on an ongoing basis. Alterations to estimates that affect only one period will be considered only in that period. If the following reporting periods are also affected, the alterations will be taken into consideration in the current and following periods. The critical assumptions, estimates and accounting judgments primarily affect impairment losses in the credit business, the fair value and impairment of financial instruments, deferred taxes, provisions for pensions and pension-related liabilities, provisions for litigation as well as the calculations used to determine the recoverability of goodwill and the intangible assets capitalized in the course of the initial consolidation. In addition, impairment tests for investments in associates are subject to assumptions and estimates.

In the context of the geopolitical situation, RBI is also exposed to higher risks related to foreign exchange translations. Details can be found in the section currencies.

Application of new and revised standards

Unless otherwise stated, the application of the following standards and interpretations did not have a material impact on the consolidated financial statements of RBI.

Amendments to IAS 1 (Classification of liabilities as current or non-current; effective date: 1 January 2024)

The amendments are intended to clarify the criteria for classifying liabilities as current or non-current. In future, only rights that exist at the end of the reporting period are to be decisive for the classification of a liability. In addition, supplementary guidelines for the interpretation of the criteria of the right to defer settlement of the liability by at least twelve months as well as explanatory notes on the fulfillment criteria were added.

Amendments to IAS 1 (Non-current liabilities with covenants; effective date: 1 January 2024)

The amendments clarify with regard to the classification of liabilities as current or non-current that only covenants that an entity must fulfil on or before the reporting date affect this classification.

Amendments to IFRS 16 (Lease Liability in a Sale and Leaseback Transaction; effective date: 1 January 2024)

The amendments contain requirements for the subsequent measurement of leases in the context of a sale and leaseback for seller-lessees. This is primarily intended to standardize the subsequent the subsequent measurement of lease liabilities to prevent inappropriate profit realization. In principle, the amendment means that the payments expected at the beginning of the term are to be considered in the subsequent measurement of lease liabilities as part of a sale and leaseback. In each period, the lease liability is reduced by the expected payments and the difference to the actual payments is recognized in profit and loss.

Amendments to IAS 7 and IFRS 7 (Supplier Finance Arrangements; effective date: 1 January 2024)

The amendments aim to improve transparency with regard to the effects of supplier finance arrangements on an entity's liabilities, cash flows and liquidity risk. For this purpose, existing disclosure requirements are supplemented by additional and mandatory qualitative and quantitative disclosures. In the first year, the disclosure requirements are only mandatory for the year-end financial statements and can be disregarded in the interim financial statements. Additionally, as of 31 March 2024 the amendments were not yet endorsed into EU-law. However, as there is already a recommendation from EFRAG for the endorsement, RBI expects that the endorsement will be closed within the year and the disclosure requirements will be applicable for the year-end.

Standards and interpretations not yet applicable

Information on this can be found in the Annual Report 2023, chapter principles underlying the consolidated financial statements.

Currencies

	2024		2023	
	As at	Average	As at	Average
Rates in units per €	**31/3**	**1/1-31/3**	**31/12**	**1/1-31/3**
Albanian lek (ALL)	102.870	103.660	103.880	114.758
Belarusian-ruble (BYN)	3.502	3.494	3.536	2.967
Bosnian marka (BAM)	1.956	1.956	1.956	1.956
Bulgarian lev (BGN)	1.956	1.956	1.956	1.956
Polish zloty (PLN)	4.312	4.326	4.340	4.693
Romanian leu (RON)	4.974	4.974	4.976	4.935
Russian ruble (RUB)	99.870	98.674	99.137	79.517
Serbian dinar (RSD)	117.142	117.167	117.174	117.325
Czech koruna (CZK)	25.305	25.071	24.724	23.724
Ukrainian hryvnia (UAH)	42.367	41.739	42.208	39.305
Hungarian forint (HUF)	395.260	389.110	382.800	387.240
US dollar (USD)	1.081	1.088	1.105	1.075

In the context of the geopolitical situation, RBI is exposed to increased risks related to foreign currency translations. The ECB stopped publishing an official EUR/RUB exchange rate, and an actual and factually achievable exchange rate (e.g. provided by Refinitiv or Electronic Broking Service (EBS): off-shore rate) established itself in addition to the theoretical, official exchange rate (rate determined by the Russian central bank on the basis of data from the Moscow Stock Exchange: on-shore rate). RBI is exposed to these risks particularly in the translation of monetary items denominated in a foreign currency and in the translation of fully consolidated foreign business operations. RBI uses the off-shore rate for both the translation of monetary items outside of Russia and the translation of the fully consolidated foreign business operation in Russia. As at 31 March 2024, the EUR/RUB exchange rate used by RBI (off-shore rate) was 99.87 and that of the Russian central bank (on-shore rate) was 99.53. For the Belarusian ruble and the Ukrainian hryvnia, the rates published by the respective central bank continued to be considered suitable rates by RBI.

In connection with similar circumstances, the IFRIC explicitly pointed out in its meeting on September 2018 (IFRIC Update 09-18) that companies in such a market environment must examine on an ongoing basis whether the exchange rate used represents the correct rate in accordance with IAS 21. Further information on underlying estimations and assumptions made by RBI can be found in the Annual Report 2023.

Consolidated group

	Fully consolidated	
Number of units	31/3/2024	31/12/2023
As at beginning of period	**192**	**192**
Included for the first time in the financial period	0	8
Merged in the financial period	0	(2)
Excluded in the financial period	(1)	(6)
As at end of period	**191**	**192**

Included units

In the first quarter of 2024 no entities were newly added to the scope of consolidation.

Excluded units

Company, domicile (country)	Share	Excluded as of	Reason
Companies rendering bank-related ancillary services			
Vindalo Properties Limited, Limassol (CY)	100.0 %	1/1	Materiality

Consequences and analysis of the armed conflict between Russia and Ukraine

Going Concern

The RBI Board of Management has prepared the consolidated financial statements as at 31 March 2024 on a going concern basis as they do not intend to liquidate RBI and based on current available information this is considered a realistic intention.

Planning continues to indicate that RBI has the required economic resources to be able to meet ongoing regulatory requirements as well as being able to fund business and liquidity needs (liquidity and funding profile, including forecasts of internal liquidity metrics and regulatory liquidity coverage ratios). The most recent internally generated stress testing scenarios for liquidity and capital requirements have shown that RBI has adequate resources to withstand reasonably possible downside scenarios. Additionally, RBI has robust systems in place to mitigate the operational disruption of doing business in a warzone including the threat of cyberattacks.

The RBI Board of Management has concluded that there are no material uncertainties that could cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval (29 April 2024) of the interim report to be issued.

Control event

The economic and political environment due to the war may indicate changes in the ability of an investor to control subsidiaries according to IFRS 10 in the affected areas. For RBI, especially Ukraine, Russia and Belarus can be counted among the affected areas.

In assessing control, RBI's examination includes if 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 according to the requirements of IFRS 10. If voting rights are relevant, RBI has control over an entity in which it directly or indirectly holds more than 50 per cent of the voting rights, except when there are indicators that another investee has the ability to determine unilaterally the relevant activities of the entity. RBI assesses evidence of control in cases in which it does not hold the majority of voting rights but has the ability to unilaterally govern the relevant activities of the entity. This ability may occur in cases in which RBI has the ability to control the relevant activities due to the extent and distribution of voting rights of the investees. If facts and circumstances indicate that there are changes to one or more elements of control, a reassessment whether control over the investee still exists is done.

When examining the facts and circumstances RBI carefully considered whether there have been changes that may significantly limit its ability to exercise the rights or governance provisions with respect to a subsidiary due to the war or the sanctions imposed. RBI has concluded that no changes are necessary in the assessment of control and that control was not lost over the subsidiaries in the affected areas.

Pro forma representation of the profit and loss statement and balance sheet excluding Russia

The tables below show the pro-forma profit and loss as well as the balance sheet for RBI excluding Russian operations. Due to the capital controls imposed by Russia the higher levels of regulatory capital in Russia can not be used for regulatory capital purposes in the rest of the group. The pro-forma CET 1 ratio excluding Russian operations under the assumption that the deconsolidation takes place with a price book value of zero would amount to 14.6 per cent compared to 17.3 per cent including Russian operations and first quarter results.

	RBI		Contribution Russia[1]		RBI excluding Russia	
in € million	**1/1-31/3/2024**	**1/1-31/3/2023**	**1/1-31/3/2024**	**1/1-31/3/2023**	**1/1-31/3/2024**	**1/1-31/3/2023**
Net interest income	1,455	1,385	336	361	1,119	1,024
Dividend income	6	11	0	0	6	11
Current income from investments in associates	17	30	0	1	17	29
Net fee and commission income	669	966	213	506	456	460
Net trading income and fair value result	17	86	19	45	(2)	42
Net gains/losses from hedge accounting	6	(10)	0	(1)	6	(9)
Other net operating income	32	(9)	(4)	(18)	36	10
Operating income	**2,201**	**2,459**	**564**	**893**	**1,637**	**1,565**
Staff expenses	(525)	(562)	(107)	(188)	(418)	(375)
Other administrative expenses	(299)	(277)	(19)	(18)	(280)	(258)
Depreciation	(114)	(111)	(11)	(11)	(104)	(101)
General administrative expenses	**(938)**	**(950)**	**(136)**	**(217)**	**(802)**	**(734)**
Operating result	**1,263**	**1,509**	**428**	**677**	**836**	**832**
Other result	(147)	(96)	(8)	0	(139)	(96)
Governmental measures and compulsory contributions	(140)	(236)	(9)	(13)	(131)	(223)
Impairment losses on financial assets	(25)	(301)	(22)	(280)	(3)	(21)
Profit/loss before tax	**952**	**877**	**389**	**384**	**562**	**492**
Income taxes	(231)	(176)	(88)	(80)	(143)	(96)
Profit/loss after tax	**721**	**700**	**302**	**304**	**419**	**396**
Profit attributable to non-controlling interests	(57)	(43)	0	0	(57)	(43)
Consolidated profit/loss	**664**	**657**	**302**	**304**	**362**	**353**

1 The contribution of Russia is defined as contribution to the Group and therefore deviates from the country results presented in the country view.

	RBI		Contribution Russia		RBI excluding Russia	
Assets in € million	**31/3/2024**	**31/12/2023**	**31/3/2024**	**31/12/2023**	**31/3/2024**	**31/12/2023**
Cash, balances at central banks and other demand deposits	41,943	43,234	7,651	6,695	34,292	36,540
Financial assets - amortized cost	144,421	139,302	9,904	10,305	134,517	128,998
Financial assets - fair value through other comprehensive income	2,841	2,992	3	3	2,837	2,988
Non-trading financial assets - mandatorily fair value through profit/loss	931	949	1	1	930	948
Financial assets - designated fair value through profit/loss	173	185	0	0	173	185
Financial assets - held for trading	6,583	5,783	40	48	6,543	5,735
Hedge accounting	1,152	1,160	36	10	1,116	1,150
Fair value adjustments of the hedged items in portfolio hedge of interest rate risk	(390)	(365)	(55)	(65)	(336)	(300)
Investments in subsidiaries and associates	855	820	1	1	854	819
Tangible fixed assets	1,656	1,672	193	185	1,464	1,486
Intangible fixed assets	968	970	73	70	895	900
Current tax assets	72	69	5	5	67	64
Deferred tax assets	209	218	113	111	96	107
Other assets	1,983	1,253	99	102	1,884	1,151
Total	**203,398**	**198,241**	**18,065**	**17,471**	**185,334**	**180,769**

Equity and liabilities in € million	RBI 31/3/2024	RBI 31/12/2023	Contribution Russia 31/3/2024	Contribution Russia 31/12/2023	RBI excluding Russia 31/3/2024	RBI excluding Russia 31/12/2023
Financial liabilities - amortized cost	168,438	164,711	12,823	12,656	155,616	152,054
Financial liabilities - designated fair value through profit/loss	1,121	1,088	1	1	1,121	1,088
Financial liabilities - held for trading	8,542	8,463	34	24	8,509	8,439
Hedge accounting	1,414	1,466	29	39	1,385	1,426
Fair value adjustments of the hedged items in portfolio hedge of interest rate risk	(543)	(514)	(37)	(45)	(507)	(469)
Provisions for liabilities and charges	1,622	1,644	183	248	1,439	1,396
Current tax liabilities	184	242	27	35	157	207
Deferred tax liabilities	33	43	6	6	27	37
Other liabilities	2,167	1,248	244	57	1,924	1,192
Equity	20,419	19,849	4,755	4,450	15,664	15,400
Consolidated equity	17,633	17,009	4,755	4,450	12,878	12,559
Non-controlling interests	1,170	1,231	0	0	1,170	1,231
Additional tier 1	1,616	1,610	0	0	1,616	1,610
Total	**203,398**	**198,241**	**18,065**	**17,471**	**185,334**	**180,769**

Concentration risk

Due to the outbreak of war in Ukraine, RBI's activities in Russia, Ukraine, and Belarus have been exposed to increased risk. The heightened risk is driven by several factors such as the destruction of livelihoods and infrastructure in Ukraine as well as the loss and blockading of ports, sanctions imposed on Russia, uncertainty about the length of the war and price instability and economic contraction in Eastern Europe. The exposure to Russia, Ukraine, and Belarus is presented in the tables below.

The first table shows a breakdown of the net carrying amount based on IFRS measurement categories as well as the nominal value of the off-balance exposure after impairments. The second table shows the concentration risk on counterparty level, whereby derivatives are shown separately. Both tables are based on country view based on IFRS 8 segmentation.

	31/3/2024				31/12/2023			
in € million	Russia	Ukraine	Belarus	Total	Russia	Ukraine	Belarus	Total
Financial assets - amortized cost	12,066	2,884	1,212	16,161	12,431	3,049	871	16,351
Financial assets - fair value through other comprehensive income	3	289	1	294	3	400	1	404
Non-trading financial assets - mandatorily fair value through profit/loss	3	0	0	3	3	0	0	3
Financial assets - designated fair value through profit/loss	0	0	0	0	0	0	0	0
Financial assets - held for trading	61	177	1	238	70	178	0	249
On-balance	**12,133**	**3,350**	**1,213**	**16,696**	**12,508**	**3,628**	**872**	**17,008**
Loan commitments, financial guarantees and other commitments	2,514	835	345	3,694	2,587	807	391	3,785
Total	**14,647**	**4,185**	**1,558**	**20,390**	**15,095**	**4,435**	**1,263**	**20,793**

	31/3/2024				31/12/2023			
in € million	Russia	Ukraine	Belarus	Total	Russia	Ukraine	Belarus	Total
Derivatives	52	3	1	56	62	4	0	66
Central banks	305	736	130	1,172	250	823	0	1,073
General governments	187	949	221	1,357	188	1,229	133	1,550
Banks	5,629	365	93	6,088	5,855	269	46	6,169
Other financial corporations	193	47	10	250	210	56	10	275
Non-financial corporations	3,325	1,114	531	4,969	3,380	1,121	466	4,968
Households	2,440	135	227	2,803	2,564	126	216	2,906
On-balance	**12,133**	**3,350**	**1,213**	**16,696**	**12,508**	**3,628**	**872**	**17,008**
Loan commitments, financial guarantees and other commitments	2,514	835	345	3,694	2,587	807	391	3,785
Total	**14,647**	**4,185**	**1,558**	**20,390**	**15,095**	**4,435**	**1,263**	**20,793**

Valuation of collateral in Ukraine

In Ukraine, there were many difficulties in determining the market value of collateral since the beginning of the war. These are on the one hand physical restrictions in some regions on the ability to conduct visual inspections and determine the potential level of damage and on the other hand the uncertainty about market development and transactions. For these reasons in occupied regions, non-eligible status was applied, and in regions with high risk of hostility or occupation significantly increased discounts were applied. For other areas of Ukraine, there are ongoing on-site visits, and the valuation of real estate was fully restored. The Ukrainian economy is adapting as far as possible to the demands of the prevailing war environment.

Impairment test for tangible fixed assets

Due to the war between Russia and the Ukraine, tangible and intangible fixed assets in both countries were examined for indicators that could lead to an impairment in accordance with IAS 36.

In Ukraine, the tangible fixed assets located in the occupied territories were written off to zero in 2022. All other tangible fixed assets were assessed individually and adjusted if damage occurred. This resulted in impairments of less than € 1 million in the first quarter 2024 as well as in previous-year period.

Due to changes in market prices, interest rates, rental prices and vacant properties, as a result of the geopolitical situation and a more detailed appraisal the impairment test for tangible fixed assets in Russia resulted in impairment losses below € 1 million (previous-year period: below € 1 million). The impairment test for intangible fixed assets did not result in any impairment losses in either the reporting period or the comparable period.

For the effects on the models for calculating impairments in accordance with IFRS 9, please refer to notes (31) Forward-looking information.

Notes to the income statement

(1) Net interest income

in € million	1/1-31/3/2024	1/1-31/3/2023
Interest income according to effective interest method	**2,087**	**2,187**
Financial assets - fair value through other comprehensive income	30	33
Financial assets - amortized cost	2,058	2,154
Interest income other	**634**	**259**
Financial assets - held for trading	68	71
Non-trading financial assets - mandatorily fair value through profit/loss	9	7
Financial assets - designated fair value through profit/loss	3	1
Derivatives – hedge accounting, interest rate risk	97	98
Other assets	454	82
Interest income on financial liabilities	3	0
Interest expenses	**(1,266)**	**(1,061)**
Financial liabilities - amortized cost	(1,001)	(783)
Financial liabilities - held for trading	(64)	(76)
Financial liabilities - designated fair value through profit/loss	(8)	(8)
Derivatives – hedge accounting, interest rate risk	(189)	(191)
Other liabilities	(2)	(1)
Interest expenses on financial assets	(2)	(2)
Total	**1,455**	**1,385**

in € million	1/1-31/3/2024	1/1-31/3/2023
Net interest income	1,455	1,385
Average interest-bearing assets	195,385	201,423
Net interest margin	**2.98 %**	**2.75 %**

Net interest income includes interest income of € 110 million (previous-year period: € 112 million) from marked-to-market financial assets and interest expenses of € 72 million (previous-year period: € 84 million) from marked-to-market financial liabilities.

Higher interest income in Central and Southeastern Europe resulted in a € 70 million increase in net interest income to € 1,455 million. At € 25 million, Slovakia reported the largest increase, mainly due to interest-rate driven higher income from customer loans and from deposits at the national bank. In Serbia, higher market interest rates also led to a € 15 million increase in net interest income, whereas interest expenses for customer deposits remained almost unchanged due to the excellent liquidity position. The € 13 million rise in net interest income in Romania was mainly due to volume-related higher interest income from liquidity investment (government bonds). In Hungary, volume-related higher interest income from debt securities and deposits at the national bank also led to a € 10 million increase in net interest income. The € 7 million rise in Albania was due in equal measure to currency and interest-rate effects. In contrast, head office reported a € 35 million decline in net interest income due to higher interest expenses for customer deposits and reduced liquidity. The € 8 million decline in net interest income in Russia was exclusively currency-related; in local currency terms, net interest income increased as a consequence of increased market interest rates. The net interest margin improved 23 basis points to 2.98 per cent, which in addition to an increase in Eastern Europe – as a result of lower average interest-bearing assets – was attributable to a rise of 101 basis points in Serbia and a rise of 51 basis points in Slovakia.

(2) Dividend income

in € million	1/1-31/3/2024	1/1-31/3/2023
Financial assets - held for trading	0	0
Non-trading financial assets - mandatorily fair value through profit/loss	0	1
Financial assets - fair value through other comprehensive income	3	3
Investments in subsidiaries and associates	3	6
Total	**6**	**11**

(3) Current income from investments in associates

in € million	1/1-31/3/2024	1/1-31/3/2023
Current income from investments in associates	17	30

(4) Net fee and commission income

in € million	1/1-31/3/2024	1/1-31/3/2023
Clearing, settlement and payment services	243	340
Loan and guarantee business	51	57
Securities	48	76
Asset management	67	62
Custody and fiduciary business	24	17
Customer resources distributed but not managed	13	15
Foreign exchange business	192	353
Other	31	46
Total	**669**	**966**

Overall, net fee and commission income reduced by € 297 million to € 669 million. Russia reported the strongest decline of € 287 million, while the other countries of the Group remained stable. The result from foreign exchange business was down € 161 million, primarily in spot foreign exchange business in Russia. This development was due to decreased volumes as a result of internal transaction limits and to lower margins in corporate customer and retail business. Net income from clearing, settlement and payment services decreased € 97 million as a result of lower volumes, most notably in Russia and at head office. Net income from the securities business also fell € 28 million due to lower fees, mainly in Russia.

Net fee and commission income from financial assets and financial liabilities that are not measured at fair value through profit or loss amounted to € 464 million (previous-year period: € 541 million).

1/1-31/3/2024 in € million	Central Europe	Southeastern Europe	Eastern Europe	Group Corporates & Markets	Corporate Center	Reconciliation	Total
Fee and commission income	**203**	**159**	**342**	**224**	**34**	**(33)**	**929**
Clearing, settlement and payment services	93	95	142	49	24	(23)	381
Clearing and settlement	12	12	83	0	7	(4)	109
Credit cards	14	12	3	15	2	0	46
Debit cards and other card payments	15	28	28	0	10	(9)	72
Other payment services	53	43	28	34	6	(10)	154
Loan and guarantee business	18	11	7	29	3	(1)	67
Securities	12	1	24	32	4	(4)	68
Asset management	6	7	6	86	0	0	104
Custody and fiduciary business	4	1	14	9	1	(1)	28
Customer resources distributed but not managed	9	8	6	0	0	0	24
Foreign exchange business	54	33	106	16	2	(2)	208
Other	7	2	37	3	0	0	49
Fee and commission expenses	**(59)**	**(48)**	**(90)**	**(77)**	**(17)**	**30**	**(260)**
Total	**144**	**111**	**252**	**147**	**17**	**(3)**	**669**

1/1-31/3/2023 in € million	Central Europe	Southeastern Europe	Eastern Europe	Group Corporates & Markets	Corporate Center	Reconciliation	Total
Fee and commission income	**193**	**147**	**634**	**243**	**22**	**(36)**	**1,203**
Clearing, settlement and payment services	87	86	223	71	18	(27)	458
Clearing and settlement	11	10	151	0	6	(4)	175
Credit cards	14	11	5	13	1	0	43
Debit cards and other card payments	13	26	38	0	8	(7)	78
Other payment services	49	40	28	58	4	(16)	163
Loan and guarantee business	17	11	10	32	1	(2)	70
Securities	10	2	61	30	1	(5)	99
Asset management	6	6	5	81	0	0	98
Custody and fiduciary business	3	1	10	8	0	(1)	22
Customer resources distributed but not managed	7	6	11	0	0	0	24
Foreign exchange business	55	31	265	17	1	0	369
Other	7	3	50	4	0	(1)	62
Fee and commission expenses	**(52)**	**(42)**	**(85)**	**(85)**	**(8)**	**35**	**(237)**
Total	**141**	**105**	**549**	**158**	**14**	**0**	**966**

(5) Net trading income, fair value result and net gains/losses from hedge accounting

in € million	1/1-31/3/2024	1/1-31/3/2023
Net gains/losses on financial assets and liabilities - held for trading	**(39)**	**(101)**
Derivatives	56	1
Equity instruments	26	13
Debt securities	11	16
Loans and advances	12	10
Short positions	0	0
Deposits	(10)	9
Debt securities issued	(139)	(147)
Other financial liabilities	4	(3)
Net gains/losses on non-trading financial assets - mandatorily fair value through profit or loss	**0**	**17**
Equity instruments	0	0
Debt securities	3	3
Loans and advances	(4)	14
Net gains/losses on financial assets and liabilities - designated fair value through profit/loss	**5**	**(5)**
Debt securities	(1)	0
Deposits	0	(2)
Debt securities issued	7	(2)
Exchange differences, net	**51**	**175**
Total	**17**	**86**

Net trading income and fair value result amounted to € 17 million in the first quarter (previous-year period: € 86 million). The head office recorded a negative contribution of € 14 million, which was mainly due to a decrease in its own credit spread in connection with certificate issuances by about 25 basis points. This resulted in a valuation result of minus € 36 million. Excluding this effect, the trading result at head office was € 22 million. Positive valuation and trading results were achieved, particularly from hedging strategic interest rate positions and from client trading in interest rate derivatives. The trading activities in Russia recorded a profit of € 20 million. The result was mainly due to positive effects from the currency conversion of US dollar and Chinese renminbi holdings as well as from valuation effects of foreign currency derivatives. In Hungary, the valuation losses associated with foreign currency positions amounted to € 16 million. However, these were offset by currency-related valuation gains, especially in Belarus, Serbia, the Czech Republic, and Slovakia, totaling € 15 million. In addition, mainly Ukraine and Raiffeisen Bausparkasse Gesellschaft m.b.H. achieved positive valuation gains from holdings in interest rate derivatives and securities amounting to € 11 million.

Net gains/losses from hedge accounting

in € million	1/1-31/3/2024	1/1-31/3/2023
Fair value changes of the hedging instruments	22	87
Fair value changes of the hedged items attributable to the hedged risk	(16)	(96)
Ineffectiveness of cash flow hedge recognized in profit or loss	0	0
Total	**6**	**(10)**

(6) Other net operating income

in € million	1/1-31/3/2024	1/1-31/3/2023
Gains/losses on derecognition of not modified financial assets and liabilities - not measured at fair value through profit/loss	**(1)**	**(14)**
Debt securities	1	(13)
Loans and advances	0	(2)
Debt securities issued	(2)	0
Other financial liabilities	0	0
Gains/losses on derecognition of non-financial assets held for sale	**1**	**0**
Investment property	0	0
Intangible fixed assets	0	0
Other assets	1	1
Net income arising from non-banking activities	**3**	**2**
Sales revenues from non-banking activities	21	28
Expenses from non-banking activities	(18)	(26)
Net income from additional leasing services	**6**	**5**
Revenues from additional leasing services	12	13
Expenses from additional leasing services	(5)	(7)
Net income from insurance contracts	**0**	**(2)**
Net rental income from investment property incl. operating lease (real estate)	**15**	**15**
Net rental income from investment property	5	5
Income from rental real estate	6	5
Expenses from rental real estate	(1)	(1)
Income from other operating lease	6	7
Expenses from other operating lease	(1)	(2)
Net expense from allocation and release of other provisions	**(5)**	**(20)**
Other operating income/expenses	**12**	**5**
Total	**32**	**(9)**
Other operating income	84	82
Other operating expenses	(57)	(90)

Other net operating income increased from minus € 9 million to € 32 million. In the previous-year period, net income from the sale of debt securities recorded a € 14 million loss, mainly in Belarus, and € 20 million was allocated in other provisions for litigation mainly in Russia.

(7) General administrative expenses

in € million	1/1-31/3/2024	1/1-31/3/2023
Staff expenses	(525)	(562)
Other administrative expenses	(299)	(277)
Depreciation of tangible and intangible fixed assets	(114)	(111)
Total	**(938)**	**(950)**

Staff expenses

in € million	1/1-31/3/2024	1/1-31/3/2023
Wages and salaries	(405)	(432)
Social security costs and staff-related taxes	(94)	(107)
Other voluntary social expenses	(15)	(13)
Expenses for defined contribution pension plans	(5)	(3)
Expenses/income from defined benefit pension plans	(1)	(1)
Expenses for post-employment benefits	(2)	(2)
Expenses for other long-term employee benefits excl. deferred bonus program	(1)	(1)
Staff expenses under deferred bonus program	(2)	(1)
Termination benefits	0	(1)
Total	**(525)**	**(562)**

Staff expenses decreased € 38 million to € 525 million. Russia reported a € 78 million decline due to provisions for one-off payments in the previous-year period and partly also to currency effects. This contrasted with largely inflation-related increases in almost all countries of the Group, especially at head office (up € 16 million), in Slovakia (up € 6 million), and in Romania (up € 4 million).

Other administrative expenses

in € million	1/1-31/3/2024	1/1-31/3/2023
Office space expenses	(26)	(29)
IT expenses	(114)	(94)
Legal, advisory and consulting expenses	(41)	(36)
Advertising, PR and promotional expenses	(25)	(22)
Communication expenses	(21)	(20)
Office supplies	(5)	(5)
Car expenses	(3)	(3)
Security expenses	(5)	(7)
Traveling expenses	(3)	(4)
Training expenses for staff	(4)	(4)
Other non-income related taxes	(19)	(20)
hereof financial transaction tax	(17)	(17)
Sundry administrative expenses	(33)	(33)
Total	**(299)**	**(277)**
hereof expenses for short-term leases	(3)	(4)
hereof expenses for leases of low-value assets	(1)	(1)

Depreciation of tangible and intangible fixed assets

in € million	1/1-31/3/2024	1/1-31/3/2023
Tangible fixed assets	(59)	(58)
hereof right-of-use assets	(20)	(20)
Intangible fixed assets	(55)	(53)
Total	**(114)**	**(111)**

(8) Other result

in € million	1/1-31/3/2024	1/1-31/3/2023
Net modification gains/losses	**(5)**	**2**
Gains/losses from changes in present value of non-substantially modified contracts	(4)	3
Gains/losses from derecognition due to substantial modification of contract terms	0	(1)
Impairment or reversal of impairment on investments in subsidiaries and associates	**(31)**	**(8)**
Impairment or reversal of impairment on non-financial assets	**1**	**(5)**
Goodwill	0	0
Other	1	(5)
Result from non-current assets and disposal groups classified as held for sale and deconsolidation	**(3)**	**0**
Net income from non-current assets and disposal groups classified as held for sale	4	0
Result of deconsolidations	(7)	0
Expenses for credit-linked, portfolio-based litigations and annulments	**(109)**	**(85)**
Total	**(147)**	**(96)**

Other result amounted to minus € 147 million in the reporting period after minus € 96 million in the previous-year period. Expenses for credit-linked and portfolio-based litigation provisions and annulments of loan agreements continued to have a negative effect of € 109 million (previous-year period: € 85 million). These mainly related to mortgage loans in Poland denominated in foreign currencies or linked to a foreign currency. In the first quarter, the expense of € 109 million in Poland mainly resulted from the adjustment of the discounting period, newly formed provisions due to negative first-instance court rulings and from losses on annulments of loan agreements.

The measurement of shares in associated companies in the reporting period led to a minus of € 31 million (previous-year period: minus € 8 million), which mainly related to the shares in UNIQA Insurance Group AG.

(9) Governmental measures and compulsory contributions

in € million	1/1-31/3/2024	1/1-31/3/2023
Governmental measures	**(77)**	**(92)**
Bank levies	(77)	(92)
Compulsory contributions	**(63)**	**(144)**
Resolution fund	(16)	(96)
Deposit insurance fees	(47)	(47)
Other compulsory contributions	0	0
Total	**(140)**	**(236)**

Governmental measures and compulsory contributions decreased € 96 million to € 140 million. Contributions to the bank resolution fund fell € 80 million as the establishment phase of the fund had almost been completed. This related to head office (down € 57 million), the Czech Republic (down € 9 million) and Slovakia (down € 5 million). The bank levy was down € 15 million, mainly in Hungary.

(10) Impairment losses on financial assets

in € million	1/1-31/3/2024	1/1-31/3/2023
Loans and advances	(61)	(248)
Debt securities	28	(48)
Loan commitments, financial guarantees and other commitments given	8	(4)
Total	**(25)**	**(301)**
hereof financial assets - fair value through other comprehensive income	2	(1)
hereof financial assets - amortized cost	(34)	(296)

At € 25 million, impairment losses on financial assets were significantly lower in the reporting period than the figure of € 301 million in the comparable period, which was mainly reported in Eastern Europe. For defaulted loans (Stage 3), impairments of € 92 million net were recognized in the reporting period (previous-year period: € 63 million net), € 66 million related to non-financial corporations and € 31 million to households. At country level, Stage 3 impairment losses were primarily incurred in Russia (€ 43 million). In Stage 1 and Stage 2, net releases of € 66 million were recognized in the reporting period, most notably in Hungary, in Russia and in Ukraine (previous-year period: impairment losses of € 238 million, thereof € 223 million in Russia).

Further details are shown under (13) Financial assets – amortized cost.

(11) Taxes

in € million	1/1-31/3/2024	1/1-31/3/2023
Current income taxes	(234)	(266)
Austria	(1)	(3)
Foreign	(234)	(262)
Deferred taxes	3	90
Total	**(231)**	**(176)**
Effective tax rate	24.3 %	20.1 %

The increase in income taxes of € 55 million to € 231 million resulted primarily from special taxes as well as significant increases in profits, particularly in the Eastern Europe (up € 18 million) and Southeastern Europe (up € 12 million) segments. In the Central Europe segment, in addition to the increase in profits, the introduction of a new tax in Slovakia (€ 21 million) was mainly responsible for the increase of € 26 million. The decrease in deferred taxes was primarily due to lower tax prepayments in Russia. At 24.3 per cent, the effective tax rate was more than 4 percentage points higher than in the comparable period, mainly due to non-tax-deductible expenses related to credit-linked and portfolio-based litigation provisions and annulments of loan agreements in Poland in the amount of € 109 million (previous-year period: € 85 million), as well as the newly introduced special tax in Slovakia and the increase in the tax rate to 25 per cent (previous-year period: 18 per cent) in Ukraine.

Tax assets

in € million	31/3/2024	31/12/2023
Current tax assets	72	69
Deferred tax assets	209	218
Tax claims from temporary differences	201	206
Loss carry forwards	8	12
Total	**281**	**287**

Tax liabilities

in € million	31/3/2024	31/12/2023
Current tax liabilities	184	242
Deferred tax liabilities	33	43
Total	**217**	**285**

Financial assets measured at amortized cost

(12) Cash, balances at central banks and other demand deposits

in € million	31/3/2024	31/12/2023
Cash in hand	3,930	4,126
Balances at central banks	22,023	24,581
Other demand deposits at banks	15,990	14,527
Total	**41,943**	**43,234**

The item cash, balances at central banks and other demand deposits at banks decreased € 1,291 million. This decrease resulted from lower balances at central banks (down € 2,558 million), mainly from Slovakia (down € 2,942 million), as the TLTRO-III expired in March. Additionally, this position also includes restricted balances with central banks amounting to € 73 million (previous year: € 21 million), which are not immediately available. The item other demand deposits at banks showed an increase of € 1,463 million, mainly from head office.

Under the item cash in hand, Ukraine, Russia, and Belarus reported a total of € 2,104 million, and Russia accounted for the largest portion.

On the reporting date, Ukraine, Russia, and Belarus reported cash and cash equivalents of € 1,367 million that are currently subject to legal restrictions and are therefore not available for general use by head office.

(13) Financial assets – amortized cost

	31/3/2024			31/12/2023		
in € million	Gross carrying amount	Accumulated impairment	Carrying amount	Gross carrying amount	Accumulated impairment	Carrying amount
Debt securities	**28,321**	**(190)**	**28,131**	**25,936**	**(214)**	**25,723**
Central banks	93	0	93	5	0	5
General governments	23,462	(81)	23,381	21,319	(86)	21,233
Banks	3,065	(1)	3,064	2,855	(1)	2,854
Other financial corporations	980	(65)	914	974	(69)	905
Non-financial corporations	721	(43)	678	783	(57)	726
Loans and advances	**119,188**	**(2,898)**	**116,290**	**116,468**	**(2,889)**	**113,580**
Central banks	8,827	(1)	8,826	7,860	0	7,860
General governments	2,240	(17)	2,223	2,150	(6)	2,144
Banks	7,590	(3)	7,587	6,855	(3)	6,852
Other financial corporations	11,786	(137)	11,649	10,699	(157)	10,542
Non-financial corporations	48,698	(1,645)	47,054	48,569	(1,596)	46,973
Households	40,047	(1,096)	38,951	40,335	(1,125)	39,209
Total	**147,509**	**(3,089)**	**144,421**	**142,405**	**(3,102)**	**139,302**

The carrying amount of the item financial assets – amortized cost increased € 5,118 million compared to year-end 2023.

The increase in debt securities of € 2,408 million resulted predominantly from purchases of government bonds (up € 2,148 million), mainly in the Czech Republic (up € 1,019 million), in Romania (up € 486 million), in Slovakia (up € 446 million) and at head office (up € 390 million).

The lending business showed an increase of € 2,710 million, mainly derived from short-term business (up € 2,887 million), especially at head office (up € 1,204 million) and in the Czech Republic (up € 835 million), mainly from repo business. Loans to non-financial corporations slightly increased € 81 million; a loan volume decrease in Romania (down € 210 million), mainly driven by increase of early loan repayments, was offset by an increase at head office (up € 302 million), predominantly from higher utilization of existing revolving credit facilities, and in Slovakia (up € 123 million), here due to increase in loans to corporate customers. Loans to households decreased € 258 million. An increase in mortgage loans in Slovakia (up € 50 million) was contrasted by a decrease in Czech Republic (down € 141 million), mainly currency-driven, and in Russia (down € 124 million), especially due to a reduction in unsecured loans to households and in mortgage loans.

In addition, there are financial assets – amortized cost of € 531 million in Russia from payments by issuers of local debt instruments that cannot currently be passed on to foreign investors due to existing US and EU sanctions and are therefore deposited with the Russian Deposit Insurance Agency. They are not available for general use by head office.

RBI's credit portfolio is well diversified in terms of type of customer, geographical region, and industry. The following tables show the financial assets – amortized cost by counterparty. This reveals the bank's focus on non-financial corporations and households.

Gross carrying amount

	31/3/2024				31/12/2023			
in € million	Stage 1	Stage 2	Stage 3	POCI	Stage 1	Stage 2	Stage 3	POCI
Central banks	8,483	437	0	0	7,615	250	0	0
General governments	24,880	643	179	0	22,696	596	178	0
Banks	9,846	807	2	0	8,823	883	4	0
Other financial corporations	10,327	2,101	247	91	9,073	2,208	286	106
Non-financial corporations	38,651	8,695	1,961	113	38,499	8,993	1,741	120
Households	30,826	8,071	1,040	111	30,999	8,215	1,007	115
hereof mortgage	20,460	6,169	357	73	20,729	6,257	361	76
Total	**123,012**	**20,753**	**3,429**	**315**	**117,704**	**21,144**	**3,217**	**340**

Accumulated impairments

	31/3/2024				31/12/2023			
in € million	Stage 1	Stage 2	Stage 3	POCI	Stage 1	Stage 2	Stage 3	POCI
Central banks	0	(1)	0	0	0	0	0	0
General governments	(54)	(39)	(5)	0	(57)	(31)	(5)	0
Banks	(1)	(1)	(2)	0	(1)	(2)	(2)	0
Other financial corporations	(10)	(119)	(70)	(4)	(11)	(100)	(89)	(26)
Non-financial corporations	(178)	(473)	(989)	(48)	(179)	(497)	(926)	(52)
Households	(115)	(284)	(669)	(28)	(123)	(324)	(649)	(29)
hereof mortgage	(18)	(113)	(165)	(16)	(20)	(132)	(173)	(17)
Total	**(358)**	**(916)**	**(1,734)**	**(80)**	**(371)**	**(954)**	**(1,670)**	**(107)**

ECL coverage ratio

	31/3/2024				31/12/2023			
	Stage 1	Stage 2	Stage 3	POCI	Stage 1	Stage 2	Stage 3	POCI
Central banks	0.0 %	0.2 %	-	-	0.0 %	0.1 %	-	-
General governments	0.2 %	6.0 %	2.9 %	1.1 %	0.2 %	5.2 %	2.7 %	1.2 %
Banks	0.0 %	0.2 %	69.0 %	0.0 %	0.0 %	0.2 %	34.4 %	-
Other financial corporations	0.1 %	5.6 %	28.3 %	4.2 %	0.1 %	4.5 %	31.0 %	24.7 %
Non-financial corporations	0.5 %	5.4 %	50.4 %	42.2 %	0.5 %	5.5 %	53.2 %	43.2 %
Households	0.4 %	3.5 %	64.3 %	25.5 %	0.4 %	3.9 %	64.5 %	25.6 %
hereof mortgage	0.1 %	1.8 %	46.2 %	22.5 %	0.1 %	2.1 %	47.8 %	22.8 %
Total	**0.3 %**	**4.4 %**	**50.6 %**	**25.3 %**	**0.3 %**	**4.5 %**	**51.9 %**	**31.5 %**

Development of impairments

Development of impairments on loans and bonds in the measurement categories of financial assets – amortized cost, financial assets – fair value through other comprehensive income and other demand deposits at banks:

in € million	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	POCI Lifetime ECL	Total
As at 1/1/2024	**372**	**978**	**1,673**	**107**	**3,130**
Increases due to origination and acquisition	56	43	2	0	101
Decreases due to derecognition	(21)	(68)	(47)	(29)	(165)
Changes due to change in credit risk (net)	(36)	(33)	153	2	86
Changes due to modifications without derecognition (net)	0	0	0	0	1
Decrease due to write-offs	0	(1)	(44)	(2)	(47)
Changes due to model/risk parameters	0	0	0	0	0
Change in consolidated group	0	0	0	0	0
Foreign exchange and other	(10)	9	(1)	2	(1)
As at 31/3/2024	**360**	**929**	**1,736**	**80**	**3,105**
hereof fair value through other comprehensive income	1	8	2	0	10
hereof other demand deposits at banks	0	5	1	0	6

in € million	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	POCI Lifetime ECL	Total
As at 1/1/2023	**333**	**1,026**	**1,673**	**117**	**3,150**
Increases due to origination and acquisition	69	33	4	0	106
Decreases due to derecognition	(16)	(42)	(90)	(4)	(152)
Changes due to change in credit risk (net)	(29)	209	113	6	300
Changes due to modifications without derecognition (net)	0	0	1	0	0
Decrease due to write-offs	0	(1)	(83)	(4)	(88)
Change in consolidated group	0	0	0	0	0
Foreign exchange and other	(5)	(11)	(23)	0	(39)
As at 31/3/2023	**352**	**1,214**	**1,594**	**116**	**3,277**
hereof fair value through other comprehensive income	1	13	1	0	15
hereof other demand deposits at banks	0	0	1	0	1

Carrying amounts of financial assets – amortized cost by rating categories and stages

The credit quality analysis of financial assets is a point in time assessment of the probability of default of the assets.

- Excellent are exposures which demonstrate a strong capacity to meet financial commitments, with negligible or no probability of default (Non-retail PD range >0.0000 ≤ 0.0300 per cent and retail PD range >0.00 ≤ 0.17 per cent).
- Strong are exposures which demonstrate a strong capacity to meet financial commitments, with negligible or low probability of default (Non-retail PD range >0.0300 ≤ 0.1878 per cent and retail PD range >0.17 ≤ 0.35 per cent).
- Good are exposures which demonstrate a good capacity to meet financial commitments, with low default risk (Non-retail PD range >0.1878 ≤ 1.1735 per cent and retail PD range >0.35 ≤ 1.37 per cent).
- Satisfactory are exposures which require closer monitoring and demonstrate an average to fair capacity to meet financial commitments, with moderate default risk (Non-retail PD range >1.1735 ≤ 7.3344 per cent and retail PD range >1.37 ≤ 7.28 per cent).
- Substandard are exposures which require varying degrees of special attention and default risk is of greater concern (Non-retail PD range >7.3344 < 100.0 per cent and retail PD range >7.28 < 100.0 per cent).
- Credit-impaired are exposures which have been assessed as impaired (PD range 100.0 per cent for both Non-retail and retail).

The following table shows the connection between the rating categories and stages according to IFRS 9. It should be noted that for financial assets in Stage 1 and Stage 2, due to the relative nature of a significant increase in credit risk, it is not necessarily the case that Stage 2 assets have a lower credit rating than Stage 1 assets, although this is normally the case.

31/3/2024 in € million	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	POCI Lifetime ECL	Total
Excellent	18,879	949	0	0	19,828
Strong	39,452	3,258	0	1	42,712
Good	41,095	6,526	0	6	47,626
Satisfactory	19,122	6,187	0	15	25,323
Substandard	2,390	2,900	0	15	5,306
Credit impaired	0	0	3,361	260	3,621
Not rated	2,075	933	68	18	3,094
Gross carrying amount	**123,012**	**20,753**	**3,429**	**315**	**147,509**
Accumulated impairment	(358)	(916)	(1,734)	(80)	(3,089)
Carrying amount	**122,654**	**19,837**	**1,695**	**235**	**144,421**

31/12/2023 in € million	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	POCI Lifetime ECL	Total
Excellent	15,951	807	0	0	16,758
Strong	35,954	3,344	0	1	39,299
Good	41,001	7,000	0	7	48,008
Satisfactory	19,653	6,110	0	15	25,778
Substandard	2,602	2,949	0	10	5,560
Credit impaired	0	0	3,153	290	3,443
Not rated	2,544	935	63	17	3,560
Gross carrying amount	**117,704**	**21,144**	**3,217**	**340**	**142,405**
Accumulated impairment	(371)	(954)	(1,670)	(107)	(3,102)
Carrying amount	**117,333**	**20,190**	**1,547**	**233**	**139,302**

The category not rated includes financial assets for households (mainly in Serbia and Croatia), for which ratings are not yet available and whose classification is therefore based on qualitative factors.

(14) Modified assets

In the first quarter 2024 net modification effects amounted to minus € 4 million (previous-year period: plus € 3 million).

31/3/2024 in € million	Stage 1	Stage 2	Stage 3	POCI	Total
Net modifications gains/losses of financial assets	(1)	(1)	(1)	0	(4)
Amortized cost before the modification of financial assets	446	193	40	(3)	676
Gross carrying amount of modified assets as at 31/3, which moved to Stage 1 during the year	0	4	0	0	4

31/12/2023 in € million	Stage 1	Stage 2	Stage 3	POCI	Total
Net modifications gains/losses of financial assets	(9)	(8)	(8)	(1)	(27)
Amortized cost before the modification of financial assets	3,039	1,163	148	3	4,353
Gross carrying amount of modified assets as at 31/12, which moved to Stage 1 during the year	0	0	0	0	0

(15) Financial liabilities - amortized cost

in € million	31/3/2024	31/12/2023
Deposits from banks	**27,903**	**26,124**
Current accounts/overnight deposits	13,711	13,613
Deposits with agreed maturity	8,168	9,969
Repurchase agreements	6,025	2,542
Deposits from customers	**120,916**	**119,331**
Current accounts/overnight deposits	79,944	84,111
Deposits with agreed maturity	38,270	34,451
Repurchase agreements	2,702	769
Debt securities issued	**17,851**	**17,772**
Covered bonds	3,713	3,881
Hybrid contracts	507	499
Other debt securities issued	13,630	13,391
hereof convertible compound financial instruments	1,947	1,926
hereof non-convertible	11,683	11,465
Other financial liabilities	**1,768**	**1,484**
Total	**168,438**	**164,711**
hereof subordinated financial liabilities	2,152	2,167
hereof lease liabilities	368	371

Deposits with agreed maturity decreased by € 2,247 million mainly due to the repayment of TLTRO instruments in Slovakia. In contrast there was an increase at head office of € 517 million, which was attributable to deposits from credit institutions. Repurchase agreements increased by € 3,482 million due to business reasons.

Current accounts/overnight deposits from customers decreased € 4,167 million. A contrasting trend was evident in deposits with agreed maturity, which increased € 3,819 million across the Group.

Other financial liabilities increased particularly in Russia with an amount of € 196 million.

Deposits from banks and customers by asset classes:

in € million	31/3/2024	31/12/2023
Central banks	761	2,987
General governments	5,364	3,698
Banks	27,142	23,137
Other financial corporations	12,295	12,097
Non-financial corporations	45,267	45,084
Households	57,989	58,452
Total	**148,819**	**145,455**

(16) Fair value of financial instruments not reported at fair value

31/3/2024 in € million	Level I	Level II	Level III	Fair value	Carrying amount	Difference
Assets						
Cash, balances at central banks and other demand deposits	**0**	**41,943**	**0**	**41,943**	**41,943**	**0**
Financial assets - amortized cost	**24,131**	**1,990**	**115,924**	**142,045**	**144,421**	**(2,376)**
Debt securities	24,131	1,990	1,803	27,924	28,131	(207)
Loans and advances	0	0	114,121	114,121	116,290	(2,169)
Equity and liabilities						
Financial liabilities - amortized cost	**844**	**15,724**	**150,850**	**167,418**	**168,070**	**(653)**
Deposits from banks and customers[1]	0	0	147,805	147,805	148,452	(647)
Debt securities issued	844	15,724	1,277	17,845	17,851	(6)
Other financial liabilities	0	0	1,768	1,768	1,768	0

1 Not including lease liabilities in accordance with IFRS 7
Level I Quoted market prices
Level II Valuation techniques based on market data
Level III Valuation techniques not based on market data

31/12/2023 in € million	Level I	Level II	Level III	Fair Value	Carrying amount	Difference
Assets						
Cash, balances at central banks and other demand deposits	**0**	**43,234**	**0**	**43,234**	**43,234**	**0**
Financial assets - amortized cost	**21,474**	**2,246**	**113,497**	**137,217**	**139,302**	**(2,085)**
Debt securities	21,474	2,246	1,862	25,582	25,723	(141)
Loans and advances	0	0	111,636	111,636	113,580	(1,944)
Equity and liabilities						
Financial liabilities - amortized cost	**834**	**15,398**	**147,236**	**163,468**	**164,339**	**(871)**
Deposits from banks and customers[1]	0	0	144,287	144,287	145,084	(797)
Debt securities issued	834	15,398	1,465	17,697	17,772	(75)
Other financial liabilities	0	0	1,484	1,484	1,484	0

1 Not including lease liabilities in accordance with IFRS 7
Level I Quoted market prices
Level II Valuation techniques based on market data
Level III Valuation techniques not based on market data

Financial assets measured at fair value

(17) Financial assets – fair value through other comprehensive income

31/3/2024 in € million	Gross carrying amount	Accumulated impairment	Cumulative other comprehensive income	Carrying amount
Equity instruments	**182**	**–**	**–**	**182**
Banks	0	–	–	0
Other financial corporations	103	–	–	103
Non-financial corporations	78	–	–	78
Debt securities	**2,710**	**(10)**	**(41)**	**2,659**
General governments	1,837	(7)	(31)	1,798
Banks	743	(1)	(8)	734
Other financial corporations	3	0	0	3
Non-financial corporations	128	(2)	(1)	124
Total	**2,891**	**(10)**	**(41)**	**2,841**

31/12/2023 in € million	Gross carrying amount	Accumulated impairment	Cumulative other comprehensive income	Carrying amount
Equity instruments	**182**	**–**	**–**	**182**
Banks	0	–	–	0
Other financial corporations	101	–	–	101
Non-financial corporations	81	–	–	81
Debt securities	**2,864**	**(12)**	**(42)**	**2,810**
General governments	1,981	(9)	(33)	1,939
Banks	748	(1)	(8)	740
Other financial corporations	3	0	0	3
Non-financial corporations	132	(3)	(1)	128
Total	**3,045**	**(12)**	**(42)**	**2,992**

Carrying amounts of financial assets – fair value through other comprehensive income, excluding equity instruments, by rating categories and stages:

31/3/2024 in € million	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	POCI Lifetime ECL	Total
Excellent	360	0	0	0	360
Strong	874	8	0	0	882
Good	1,214	165	0	0	1,379
Satisfactory	2	3	0	0	5
Substandard	0	62	0	0	62
Credit impaired	0	0	2	0	2
Not rated	18	0	0	0	18
Gross carrying amount	**2,469**	**238**	**2**	**0**	**2,710**
Accumulated impairment	(1)	(8)	(2)	0	(10)
Cumulative other comprehensive income	(44)	3	0	0	(41)
Carrying amount	**2,424**	**234**	**1**	**0**	**2,659**

31/12/2023 in € million	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	POCI Lifetime ECL	Total
Excellent	371	4	0	0	375
Strong	1,005	8	0	0	1,013
Good	1,215	170	0	0	1,385
Satisfactory	2	3	0	0	6
Substandard	0	64	0	0	64
Credit impaired	0	0	2	0	2
Not rated	18	0	0	0	18
Gross carrying amount	**2,611**	**250**	**2**	**0**	**2,864**
Accumulated impairment	(1)	(9)	(2)	0	(12)
Cumulative other comprehensive income	(46)	4	0	0	(42)
Carrying amount	**2,564**	**244**	**1**	**0**	**2,810**

(18) Non-trading financial assets - mandatorily fair value through profit/loss

in € million	31/3/2024	31/12/2023
Equity instruments	**8**	**8**
Other financial corporations	8	7
Non-financial corporations	0	1
Debt securities	**365**	**374**
General governments	135	146
Banks	24	25
Other financial corporations	188	185
Non-financial corporations	18	18
Loans and advances	**559**	**567**
General governments	1	1
Banks	2	2
Other financial corporations	25	24
Non-financial corporations	78	76
Households	453	464
Total	**931**	**949**

(19) Financial assets and liabilities – designated fair value through profit/loss

Financial assets - designated fair value through profit/loss

in € million	31/3/2024	31/12/2023
Debt securities	**173**	**185**
General governments	151	155
Banks	15	22
Non-financial corporations	8	8
Total	**173**	**185**

Financial liabilities - designated fair value through profit/loss

in € million	31/3/2024	31/12/2023
Deposits from banks	**21**	**20**
Deposits with agreed maturity	21	20
Deposits from customers	**22**	**22**
Deposits with agreed maturity	22	22
Debt securities issued	**1,079**	**1,046**
Hybrid contracts	1	1
Other debt securities issued	1,079	1,046
hereof non-convertible	1,079	1,046
Total	**1,121**	**1,088**
hereof subordinated financial liabilities	0	0

(20) Financial assets – held for trading

in € million	31/3/2024	31/12/2023
Derivatives	**3,677**	**3,774**
Interest rate contracts	2,676	2,719
Equity contracts	326	201
Foreign exchange rate and gold contracts	607	797
Credit contracts	33	26
Commodities	1	1
Other	35	31
Equity instruments	**475**	**426**
Banks	49	50
Other financial corporations	137	126
Non-financial corporations	289	250
Debt securities	**2,432**	**1,583**
Central banks	48	64
General governments	2,049	1,210
Banks	248	224
Other financial corporations	11	22
Non-financial corporations	75	64
Total	**6,583**	**5,783**

Within the item financial assets – held for trading, the securities pledged as collateral, which the recipient is entitled to sell or pledge, amounted to € 165 million (previous year: € 46 million). The increase in debt securities was mainly due to the purchase of sovereign bonds at head office.

Derivative financial instruments

31/3/2024	Nominal amount	Fair value	
in € million		Assets	Equity and liabilities
Trading book	**197,996**	**3,455**	**(3,099)**
Interest rate contracts	143,173	2,515	(2,554)
Equity contracts	4,221	326	(65)
Foreign exchange rate and gold contracts	47,361	546	(455)
Credit contracts	1,901	33	(20)
Commodities	23	1	0
Other	1,316	35	(5)
Banking book	**16,510**	**222**	**(177)**
Interest rate contracts	10,562	161	(84)
Foreign exchange rate and gold contracts	5,928	61	(69)
Credit contracts	20	0	(23)
Total	**214,506**	**3,677**	**(3,275)**
OTC products	209,342	3,654	(3,252)
Products traded on stock exchange	5,164	23	(23)

31/12/2023	Nominal amount	Fair value	
in € million		Assets	Equity and liabilities
Trading book	**186,235**	**3,467**	**(3,168)**
Interest rate contracts	131,196	2,552	(2,598)
Equity contracts	5,057	201	(2)
Foreign exchange rate and gold contracts	47,559	656	(541)
Credit contracts	1,341	26	(20)
Commodities	21	1	0
Other	1,061	31	(7)
Banking book	**17,106**	**307**	**(211)**
Interest rate contracts	11,945	167	(88)
Foreign exchange rate and gold contracts	5,141	140	(109)
Credit contracts	20	0	(15)
Total	**203,341**	**3,774**	**(3,379)**
OTC products	199,937	3,759	(3,366)
Products traded on stock exchange	3,404	15	(13)

(21) Financial liabilities - held for trading

in € million	31/3/2024	31/12/2023
Derivatives	**3,275**	**3,379**
Interest rate contracts	2,638	2,686
Equity contracts	65	2
Foreign exchange rate and gold contracts	524	650
Credit contracts	43	35
Other	5	7
Short positions	**527**	**567**
Equity instruments	11	11
Debt securities	517	556
Debt securities issued	**4,739**	**4,517**
Hybrid contracts	4,739	4,517
Other financial liabilities	**1**	**1**
Total	**8,542**	**8,463**

(22) Hedge accounting and fair value adjustments of the hedged items in portfolio hedge

in € million	31/3/2024	31/12/2023
Positive fair values of derivatives in micro fair value hedge	**382**	**392**
Interest rate contracts	382	392
Positive fair values of derivatives in micro cash flow hedge	**1**	**1**
Interest rate contracts	1	1
Positive fair values of derivatives in net investment hedge	**11**	**5**
Positive fair values of derivatives in portfolio hedge	**759**	**762**
Cash flow hedge	190	151
Fair value hedge	569	611
Total	**1,152**	**1,160**

in € million	31/3/2024	31/12/2023
Fair value adjustments of the hedged items in portfolio hedge of interest rate risk	(390)	(365)
Total	**(390)**	**(365)**

in € million	31/3/2024	31/12/2023
Negative fair values of derivatives in micro fair value hedge	**484**	**491**
Interest rate contracts	484	491
Negative fair values of derivatives in micro cash flow hedge	**0**	**0**
Interest rate contracts	0	0
Negative fair values of derivatives in net investment hedge	**3**	**13**
Negative fair values of derivatives in portfolio hedge	**927**	**962**
Cash flow hedge	95	107
Fair value hedge	832	854
Total	**1,414**	**1,466**

in € million	31/3/2024	31/12/2023
Fair value adjustments of the hedged items in portfolio hedge of interest rate risk	(543)	(514)
Total	**(543)**	**(514)**

31/3/2024	Nominal amount	Fair value	
in € million		Assets	Equity and liabilities
Hedging instruments	**63,525**	**1,152**	**(1,414)**
Interest rate contracts	62,245	1,142	(1,411)
Foreign exchange rate and gold contracts	1,280	11	(3)
Total	**63,525**	**1,152**	**(1,414)**

31/12/2023	Nominal amount	Fair value	
in € million		Assets	Equity and liabilities
Hedging instruments	**62,055**	**1,160**	**(1,466)**
Interest rate contracts	60,285	1,152	(1,445)
Foreign exchange rate and gold contracts	1,771	8	(20)
Total	**62,055**	**1,160**	**(1,466)**

(23) Notes to fair value of financial instruments

In the tables below, the financial instruments reported at fair value in the statement of financial position are grouped according to items in the statement of financial position.

Assets	31/3/2024			31/12/2023		
in € million	Level I	Level II	Level III	Level I	Level II	Level III
Financial assets - held for trading	**2,587**	**3,985**	**12**	**1,629**	**4,140**	**14**
Derivatives	4	3,672	0	3	3,771	0
Equity instruments	451	24	0	410	12	4
Debt securities	2,131	288	12	1,216	357	10
Non-trading financial assets - mandatorily fair value through profit/loss	**285**	**42**	**604**	**295**	**38**	**616**
Equity instruments	1	7	0	1	6	1
Debt securities	284	35	46	294	32	48
Loans and advances	0	0	559	0	0	567
Financial assets - designated fair value through profit/loss	**156**	**18**	**0**	**160**	**25**	**0**
Debt securities	156	18	0	160	25	0
Financial assets - fair value through other comprehensive income	**2,094**	**489**	**257**	**2,238**	**495**	**259**
Equity instruments	21	0	160	20	0	162
Debt securities	2,073	489	97	2,218	495	97
Hedge accounting	**0**	**1,152**	**0**	**0**	**1,160**	**0**

Equity and liabilities	31/3/2024			31/12/2023		
in € million	Level I	Level II	Level III	Level I	Level II	Level III
Financial liabilities - held for trading	**521**	**8,021**	**0**	**559**	**7,904**	**0**
Derivatives	1	3,274	0	3	3,376	0
Short positions	519	8	0	556	11	0
Debt securities issued	0	4,739	0	0	4,517	0
Other financial liabilities	1	0	0	1	0	0
Financial liabilities - designated fair value through profit/loss	**0**	**1,121**	**0**	**0**	**1,088**	**0**
Deposits	0	42	0	0	42	0
Debt securities issued	0	1,079	0	0	1,046	0
Hedge accounting	**0**	**1,414**	**0**	**0**	**1,466**	**0**

Movements of financial instruments valued at fair value between Level I and Level II

The shifts from Level II to Level I related to bonds totaling € 8 million, for which market values were available at the reporting date. There were no reclassifications from Level I to Level II.

Movements of financial instruments at fair value in Level III

The total portfolio of Level III assets saw a net decrease of € 15 million in the reporting period. Financial instruments mandatorily recognized at fair value decreased by € 12 million net, mainly due to outflows in Hungary, Croatia and Austria. In the measurement category financial assets - fair value through other comprehensive income, there was a net reduction of € 2 million, mainly due to disposals in Austria. The volume of government bonds in the measurement category financial assets - held for trading decreased by € 2 million net, primarily due to sales in Albania. Out of the € 15 million, net decrease of around € 1 million was based on exchange rate fluctuations.

Assets in € million	As at 1/1/2024	Change in consolidated group	Exchange differences	Additions	Disposals
Financial assets - held for trading	14	0	2	23	(20)
Non-trading financial assets - mandatorily fair value through profit/loss	616	0	(2)	21	(30)
Financial assets - fair value through other comprehensive income	259	0	0	0	(2)
Total	**889**	**0**	**(1)**	**45**	**(52)**

Assets in € million	Gains/loss in P/L	Gain/loss in other comprehensive income	Transfer to Level III	Transfer from Level III	As at 31/3/2024
Financial assets - held for trading	(2)	(4)	0	0	12
Non-trading financial assets - mandatorily fair value through profit/loss	(1)	0	0	0	604
Financial assets - fair value through other comprehensive income	0	0	0	0	257
Total	**(4)**	**(4)**	**0**	**0**	**874**

Equity and liabilities in € million[1]	As at 1/1/2024	Change in consolidated group	Exchange differences	Additions	Disposals
Financial liabilities - held for trading	0	0	0	0	0
Total	**0**	**0**	**0**	**0**	**0**

Equity and liabilities in € million[1]	Gains/loss in P/L	Gain/loss in other comprehensive income	Transfer to Level III	Transfer from Level III	As at 31/3/2024
Financial liabilities - held for trading	0	0	0	0	0
Total	**0**	**0**	**0**	**0**	**0**

1 Values stated at 0 contain fair values of less than half a million euros.

Qualitative information on the valuation of financial instruments in Level III

Assets 31/3/2024	Fair value in € million[1]	Valuation technique	Significant unobservable inputs	Range of unobservable inputs
Financial assets - held for trading	**12**			
Supplementary capital	0	Indicative prices	Indications	–
Treasury bills, fixed coupon bonds	12	DCF method	Credit spread	2.07 - 172.87%
Forward foreign exchange contracts	0	DCF method	Interest rate	10 - 30%
Non-trading financial assets - mandatorily fair value through profit/loss	**604**			
Other interests	0	Simplified net present value method Expert opinion	–	–
Bonds, notes and other fixed-interest securities	46	Net asset value Financing auction/transaction costs Market price indication	(Auction-) Price	
Loans	559	Retail: DCF method (Black Scholes, prepayment option, withdrawal option etc.) Non-Retail: DCF method/ Financial option pricing Black Scholes (shifted), Hull-White trinominal tree	Discount spread (new business) Funding curves (liquidity costs) Credit risk premium (CDS curves)	1.08 - 3.44% over all currencies 0.26 - 4.01% over all currencies 0.10 - 11.08% (depending on the rating: from A to CCC)
Financial assets - designated fair value through profit/loss	**0**			
Fixed coupon bonds	0	Net assets	Price	–
Financial assets - fair value through other comprehensive income	**257**			
Other interests	43	Dividend discount model Simplified income approach DCF method	Credit spread Cash flow Discount rate Dividends Beta factor	–
Other interests	62	Adjusted net asset value	Adjusted equity	–
Other interests	55	Market comparable companies Transaction price Purchase price Cost approach Valuation report (expert judgement) Cost minus impairment	EV/Sales EV/EBIT P/E P/B	–
Treasury bills, municipal bonds	97	DCF method	Interest rate	–
Total	**874**			

Equity and liabilities 31/3/2024	Fair value in € million[1]	Valuation technique	Significant unobservable inputs	Range of unobservable inputs
Financial liabilities - held for trading	**0**			
Forward foreign exchange contracts	0	DCF method	Interest rate	10 - 30%
Total	**0**			

1 Values stated at 0 contain fair values of less than half a million euros.

Other assets and liabilities and equity

(24) Investments in subsidiaries and associates

in € million	31/3/2024	31/12/2023
Investments in affiliated companies	190	187
Investments in associates valued at equity	665	632
Total	**855**	**820**

(25) Tangible and intangible fixed assets

in € million	31/3/2024	31/12/2023
Tangible fixed assets	**1,656**	**1,672**
Land and buildings used by the group for own purpose	448	454
Office furniture, equipment and other tangible fixed assets	328	341
Investment property	416	412
Other leased assets (operating lease)	111	108
Right-of-use assets	353	357
Intangible fixed assets	**968**	**970**
Software	848	843
Goodwill	38	38
Brand	1	2
Customer relationships	12	13
Core deposits intangibles	48	51
Other intangible fixed assets	20	23
Total	**2,624**	**2,641**

(26) Other assets

in € million	31/3/2024	31/12/2023
Prepayments and other deferrals	355	340
Merchandise inventory and suspense accounts for services rendered not yet charged out	177	157
Non-current assets and disposal groups classified as held for sale	14	12
Other assets	1,437	743
Total	**1,983**	**1,253**

(27) Provisions

in € million	31/3/2024	31/12/2023
Provisions for off-balance sheet items	**198**	**206**
Other commitments and guarantees given according to IFRS 9	197	204
Other commitments and guarantees given according to IAS 37	1	2
Provisions for staff	**447**	**507**
Pensions and other post employment defined benefit obligations	183	182
Other long-term employee benefits	47	47
Bonus payments	215	275
Termination benefits	3	3
Other provisions	**977**	**931**
Pending legal issues and tax litigation	670	636
Restructuring	5	6
Onerous contracts	61	60
Other provisions	241	229
Total	**1,622**	**1,644**

Details on provisions for pending legal issues and tax litigation are available under (38) Pending legal issues.

(28) Other liabilities

in € million	31/3/2024	31/12/2023
Provisions for overdue vacations	87	74
Liabilities from insurance activities	289	280
Deferred income and accrued expenses	534	564
Sundry liabilities	1,258	330
Total	**2,167**	**1,248**

The increase in sundry liabilities was mainly due to transactions related to clearing services that had not been settled as at the reporting date.

(29) Equity and non-controlling interests

in € million	31/3/2024	31/12/2023
Consolidated equity	17,633	17,009
Subscribed capital	1,002	1,002
Capital reserves	4,990	4,988
Retained earnings	16,263	15,600
hereof consolidated profit/loss	664	2,386
Cumulative other comprehensive income	(4,621)	(4,580)
Non-controlling interests	1,170	1,231
Additional tier 1	1,616	1,610
Total	**20,419**	**19,849**

As at 31 March 2024, the subscribed capital of RBI AG as defined by the articles of incorporation amounted to € 1,003 million and the subscribed capital consisted of 328,939,621 non-par bearer shares. After deduction of own shares of 508,741, the stated subscribed capital totaled € 1,002 million.

Notes of financial instruments

(30) Loan commitments, financial guarantees and other commitments

in € million	31/3/2024	31/12/2023
Loan commitments given	36,912	36,601
Financial guarantees given	9,272	9,761
Other commitments given	4,978	4,939
Total	**51,163**	**51,301**
Provisions for off-balance sheet items according to IFRS 9	(197)	(204)

In addition to the provisions for off-balance sheet risks according to IFRS 9 presented, provisions of € 1 million were recognized for other commitments given in accordance with IAS 37 (previous year: € 2 million).

Nominal value and provisions for off-balance sheet liabilities from commitments and financial guarantees according to IFRS 9 shown by counterparties and stages – in accordance with § 51 (13) of the Austrian Banking Act (BWG):

31/3/2024	Nominal amount			Provisions for off-balance sheet items according to IFRS 9			ECL coverage ratio		
in € million	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
Central banks	0	0	0	0	0	0	0.1 %	-	-
General governments	250	1	20	0	0	0	0.0 %	32.8 %	0.0 %
Banks	2,121	250	0	0	0	0	0.0 %	0.1 %	100.0 %
Other financial corporations	5,972	497	6	(4)	(8)	0	0.1 %	1.6 %	2.0 %
Non-financial corporations	30,821	4,658	120	(41)	(79)	(35)	0.1 %	1.7 %	28.8 %
Households	5,534	895	16	(10)	(8)	(11)	0.2 %	0.8 %	66.4 %
Total	**44,698**	**6,301**	**163**	**(56)**	**(95)**	**(46)**	**0.1 %**	**1.5 %**	**28.2 %**

31/12/2023	Nominal amount			Provisions for off-balance sheet items according to IFRS 9			ECL coverage ratio		
in € million	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
Central banks	0	0	0	0	0	0	0.2 %	-	-
General governments	219	4	20	0	0	0	0.0 %	3.8 %	0.0 %
Banks	2,142	260	0	0	(1)	0	0.0 %	0.5 %	-
Other financial corporations	5,999	511	4	(10)	(5)	(3)	0.2 %	0.9 %	68.7 %
Non-financial corporations	30,883	4,915	109	(38)	(82)	(36)	0.1 %	1.7 %	33.2 %
Households	5,334	886	15	(11)	(8)	(10)	0.2 %	0.9 %	66.9 %
Total	**44,577**	**6,576**	**149**	**(58)**	**(96)**	**(49)**	**0.1 %**	**1.5 %**	**33.2 %**

Development of provisions for loan commitments, financial guarantees and other commitments given:

in € million	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
As at 1/1/2024	**58**	**96**	**49**	**204**
Increases due to origination and acquisition	9	7	0	17
Decreases due to derecognition	(6)	(6)	(4)	(16)
Changes due to change in credit risk (net)	(6)	(2)	1	(7)
Foreign exchange and other	0	0	0	(1)
As at 31/3/2024	**56**	**95**	**46**	**197**

in € million	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
As at 1/1/2023	**64**	**115**	**56**	**236**
Increases due to origination and acquisition	11	18	1	30
Decreases due to derecognition	(5)	(22)	(5)	(32)
Changes due to change in credit risk (net)	(9)	14	1	6
Foreign exchange and other	0	(3)	0	(3)
As at 31/3/2023	**62**	**122**	**53**	**237**

Nominal values of off-balance sheet commitments by rating categories and stages:

31/3/2024 in € million	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Excellent	979	159	0	1,138
Strong	17,512	1,214	0	18,726
Good	19,285	2,919	0	22,204
Satisfactory	4,776	1,585	0	6,361
Substandard	93	297	0	390
Credit impaired	0	0	162	162
Not rated	2,053	128	1	2,182
Nominal amount	**44,698**	**6,301**	**163**	**51,163**
Provisions for off-balance sheet items according to IFRS 9	(56)	(95)	(46)	(197)
Nominal amount after provisions	**44,643**	**6,206**	**117**	**50,966**

31/12/2023 in € million	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Excellent	415	73	0	488
Strong	18,297	1,320	0	19,616
Good	18,929	3,009	0	21,938
Satisfactory	4,969	1,687	0	6,656
Substandard	92	414	0	506
Credit impaired	0	0	148	148
Not rated	1,875	73	0	1,948
Nominal amount	**44,577**	**6,576**	**149**	**51,301**
Provisions for off-balance sheet items according to IFRS 9	(58)	(96)	(49)	(204)
Nominal amount after provisions	**44,518**	**6,480**	**99**	**51,098**

The category not rated includes off-balance sheet commitments for some private individuals for whom no ratings are available. The rating is therefore based on qualitative factors.

(31) Forward-looking information

The most significant assumptions used as a starting point for the expected credit loss estimates at quarter-end are shown below (source: Raiffeisen Research, February 2024).

Since 10-year government bonds are not issued either in Ukraine or Belarus, there are no long-term reference rates in these countries. Due to the current circumstances in Ukraine, no macroeconomic assumptions are currently being made about real estate prices. Belarus also lacks a short-term reference rate.

		Real GDP			Unemployment		
		2024	2025	2026	2024	2025	2026
Croatia	Upside scenario	4.1 %	4.0 %	3.6 %	5.9 %	5.8 %	5.9 %
	Base	2.5 %	2.6 %	2.6 %	6.7 %	6.5 %	6.4 %
	Downside scenario	0.1 %	0.5 %	1.1 %	8.4 %	8.0 %	7.5 %
Ukraine	Upside scenario	8.1 %	9.3 %	8.0 %	11.5 %	8.5 %	7.7 %
	Base	4.9 %	6.5 %	6.0 %	12.0 %	9.0 %	8.0 %
	Downside scenario	0.2 %	2.4 %	3.1 %	13.2 %	10.0 %	8.7 %
Belarus	Upside scenario	3.6 %	3.4 %	3.0 %	3.8 %	3.9 %	3.9 %
	Base	2.0 %	2.0 %	2.0 %	4.0 %	4.0 %	4.0 %
	Downside scenario	(0.4)%	(0.1)%	0.5 %	4.4 %	4.3 %	4.2 %
Austria	Upside scenario	1.1 %	2.2 %	1.9 %	5.1 %	4.8 %	4.5 %
	Base	0.2 %	1.4 %	1.4 %	5.4 %	5.2 %	4.8 %
	Downside scenario	(1.1)%	0.3 %	0.6 %	5.9 %	6.1 %	6.0 %
Poland	Upside scenario	4.5 %	4.7 %	4.4 %	4.2 %	4.4 %	5.1 %
	Base	3.1 %	3.5 %	3.5 %	5.2 %	5.3 %	5.7 %
	Downside scenario	2.0 %	2.5 %	2.8 %	6.5 %	6.4 %	6.5 %
Russia	Upside scenario	2.5 %	2.0 %	2.0 %	2.6 %	3.0 %	3.3 %
	Base	1.5 %	0.9 %	0.9 %	3.0 %	3.3 %	3.5 %
	Downside scenario	(0.7)%	0.0 %	0.0 %	3.8 %	4.0 %	4.0 %
Romania	Upside scenario	4.2 %	4.7 %	3.9 %	5.1 %	4.9 %	4.7 %
	Base	2.8 %	3.5 %	3.0 %	5.4 %	5.2 %	4.9 %
	Downside scenario	0.8 %	1.7 %	1.7 %	6.0 %	5.7 %	5.2 %
Slovakia	Upside scenario	3.3 %	3.2 %	2.6 %	4.9 %	4.9 %	4.9 %
	Base	2.1 %	2.1 %	1.8 %	5.8 %	5.7 %	5.5 %
	Downside scenario	0.3 %	0.5 %	0.7 %	7.9 %	7.5 %	6.8 %
Czech Republic	Upside scenario	2.8 %	4.1 %	3.7 %	3.5 %	3.3 %	3.2 %
	Base	1.7 %	3.2 %	3.0 %	3.8 %	3.6 %	3.4 %
	Downside scenario	0.1 %	1.8 %	2.0 %	4.6 %	4.2 %	3.9 %
Hungary	Upside scenario	4.1 %	4.9 %	5.2 %	3.3 %	3.3 %	3.3 %
	Base	3.0 %	4.0 %	4.5 %	3.8 %	3.7 %	3.6 %
	Downside scenario	1.3 %	2.5 %	3.5 %	4.9 %	4.7 %	4.3 %

		Long-term bond rate			Real estate prices		
		2024	2025	2026	2024	2025	2026
Croatia	Upside scenario	2.1 %	2.1 %	2.4 %	5.2 %	6.6 %	5.4 %
	Base	3.3 %	3.1 %	3.2 %	0.5 %	2.5 %	2.5 %
	Downside scenario	4.4 %	4.1 %	3.8 %	(3.0)%	(0.5)%	0.3 %
Ukraine	Upside scenario	n/a	n/a	n/a	n/a	n/a	n/a
	Base	n/a	n/a	n/a	n/a	n/a	n/a
	Downside scenario	n/a	n/a	n/a	n/a	n/a	n/a
Belarus	Upside scenario	n/a	n/a	n/a	11.2 %	9.7 %	8.6 %
	Base	n/a	n/a	n/a	7.0 %	6.0 %	6.0 %
	Downside scenario	n/a	n/a	n/a	0.7 %	0.5 %	2.1 %
Austria	Upside scenario	1.8 %	1.7 %	1.8 %	(5.7)%	3.0 %	2.4 %
	Base	2.8 %	2.6 %	2.5 %	(8.0)%	1.0 %	1.0 %
	Downside scenario	3.8 %	3.4 %	3.1 %	(9.7)%	(0.5)%	(0.1)%
Poland	Upside scenario	3.9 %	3.7 %	3.1 %	3.2 %	5.8 %	5.0 %
	Base	5.4 %	5.0 %	4.0 %	0.0 %	3.0 %	3.0 %
	Downside scenario	6.7 %	6.1 %	4.8 %	(2.4)%	0.9 %	1.5 %
Russia	Upside scenario	10.2 %	7.0 %	7.3 %	4.4 %	4.9 %	3.8 %
	Base	11.2 %	7.9 %	7.9 %	0.0 %	1.0 %	1.0 %
	Downside scenario	12.0 %	8.7 %	8.4 %	(6.6)%	(4.8)%	(3.1)%
Romania	Upside scenario	5.2 %	4.7 %	4.3 %	6.6 %	6.6 %	5.7 %
	Base	6.4 %	5.8 %	5.1 %	3.0 %	3.5 %	3.5 %
	Downside scenario	7.6 %	6.8 %	5.8 %	0.3 %	1.2 %	1.8 %
Slovakia	Upside scenario	2.6 %	2.4 %	2.5 %	5.7 %	8.9 %	7.2 %
	Base	3.6 %	3.3 %	3.1 %	(1.0)%	3.0 %	3.0 %
	Downside scenario	4.6 %	4.1 %	3.7 %	(6.0)%	(1.4)%	(0.1)%
Czech Republic	Upside scenario	2.6 %	2.5 %	2.7 %	4.4 %	6.8 %	5.7 %
	Base	3.6 %	3.4 %	3.3 %	0.0 %	3.0 %	3.0 %
	Downside scenario	4.6 %	4.2 %	3.9 %	(3.3)%	0.1 %	1.0 %
Hungary	Upside scenario	4.6 %	4.7 %	5.0 %	6.4 %	8.2 %	6.9 %
	Base	6.0 %	5.9 %	5.8 %	1.0 %	3.5 %	3.5 %
	Downside scenario	7.2 %	7.0 %	6.6 %	(3.0)%	0.0 %	1.0 %

		Consumer price index			Short-term interest rate		
		2024	2025	2026	2024	2025	2026
Croatia	Upside scenario	2.3 %	1.7 %	1.4 %	2.6 %	1.9 %	1.8 %
	Base	3.3 %	2.6 %	2.0 %	3.6 %	2.8 %	2.5 %
	Downside scenario	4.3 %	3.4 %	2.6 %	4.5 %	3.6 %	3.0 %
Ukraine	Upside scenario	2.6 %	5.0 %	4.0 %	18.1 %	12.9 %	10.2 %
	Base	6.6 %	8.5 %	6.5 %	20.8 %	15.4 %	11.9 %
	Downside scenario	10.3 %	11.8 %	8.8 %	23.1 %	17.3 %	13.3 %
Belarus	Upside scenario	0.4 %	2.3 %	3.0 %	n/a	n/a	n/a
	Base	7.6 %	8.6 %	7.5 %	n/a	n/a	n/a
	Downside scenario	14.3 %	14.5 %	11.7 %	n/a	n/a	n/a
Austria	Upside scenario	3.2 %	2.1 %	2.0 %	2.6 %	1.9 %	1.8 %
	Base	3.9 %	2.8 %	2.5 %	3.6 %	2.8 %	2.5 %
	Downside scenario	4.6 %	3.4 %	2.9 %	4.5 %	3.6 %	3.0 %
Poland	Upside scenario	3.9 %	1.2 %	2.1 %	3.2 %	2.5 %	1.7 %
	Base	5.3 %	2.4 %	3.0 %	5.7 %	4.7 %	3.2 %
	Downside scenario	6.7 %	3.7 %	3.9 %	7.7 %	6.5 %	4.5 %
Russia	Upside scenario	4.8 %	4.0 %	4.0 %	11.9 %	6.2 %	6.2 %
	Base	6.8 %	4.1 %	4.0 %	13.7 %	7.7 %	7.3 %
	Downside scenario	8.6 %	5.7 %	5.2 %	15.1 %	8.9 %	8.1 %
Romania	Upside scenario	4.3 %	2.5 %	2.3 %	3.9 %	3.1 %	2.5 %
	Base	5.7 %	3.8 %	3.2 %	5.9 %	4.9 %	3.7 %
	Downside scenario	7.0 %	5.0 %	4.0 %	7.6 %	6.3 %	4.8 %
Slovakia	Upside scenario	1.7 %	2.5 %	1.4 %	2.6 %	1.9 %	1.8 %
	Base	3.1 %	3.8 %	2.3 %	3.6 %	2.8 %	2.5 %
	Downside scenario	4.5 %	5.0 %	3.2 %	4.5 %	3.6 %	3.0 %
Czech Republic	Upside scenario	1.1 %	1.2 %	1.2 %	3.6 %	2.4 %	2.7 %
	Base	2.4 %	2.3 %	2.0 %	4.7 %	3.4 %	3.4 %
	Downside scenario	3.6 %	3.4 %	2.8 %	5.6 %	4.2 %	3.9 %
Hungary	Upside scenario	2.7 %	2.1 %	2.0 %	4.1 %	2.8 %	2.9 %
	Base	4.3 %	3.5 %	3.0 %	6.5 %	4.9 %	4.5 %
	Downside scenario	5.8 %	4.8 %	4.0 %	8.5 %	6.6 %	5.7 %

The weightings assigned to each scenario at quarter-end are as follows: 25 per cent optimistic, 50 per cent base and 25 per cent pessimistic scenarios.

Overlays and other risk factors

In situations where the existing input parameters, assumptions and modelling do not cover all relevant risk factors, post-model adjustments and specific risk factors are the most important types of overlays. This is generally the case if there are temporary circumstances, time restrictions to adequately incorporate relevant new information into the rating and if individual loans within a loan portfolio develop differently than originally expected. In view of the given circumstances, in particular the war in Ukraine and the economic dislocations it has caused, it is necessary to reflect additional risks in the impairments. All of these adjustments are approved locally by the subsidiaries and centrally by the Group Risk Committee (GRC). There are portfolio-specific adjustments due to the war and associated sanctions, which are presented in the category geopolitical risk.

For the central models in the corporate segment, the additional risk was considered using the risk factors, while in the local retail segment the risks were applied on top of the models. For retail exposures, post-model adjustments are the main types of overlays applied for the calculation of the expected credit losses. Generally, post-model adjustments are only a temporary solution to avoid potential distortions and typically not valid for more than one to two years. In contrast to the post-model adjustments, the other risk factors have a somewhat longer time horizon, as sanction risks, for example, can exist for longer. In addition, retail relevant ECL overlays are subject to earlier in-model adjustments due to a shorter time horizon.

The overlays are shown in the table below and split according to the relevant categories.

31/3/2024	Modeled ECL	Other special risk factors		Post-model adjustments		Total
in € million		Macroeconomic risk	Geopolitical risk	Macroeconomic risk	Geopolitical risk	
Central banks	1	0	0	0	0	1
General governments	80	1	20	0	0	100
Banks	4	0	5	0	0	9
Other financial corporations	140	0	0	0	0	140
Non-financial corporations	117	270	373	9	4	773
Households	322	0	0	86	10	417
Total	**663**	**271**	**398**	**95**	**13**	**1,440**

31/12/2023	Modeled ECL	Other special risk factors		Post-model adjustments		Total
in € million		Macroeconomic risk	Geopolitical risk	Macroeconomic risk	Geopolitical risk	
Central banks	0	0	0	0	0	0
General governments	86	1	10	0	0	97
Banks	5	0	15	0	0	20
Other financial corporations	126	0	0	0	0	126
Non-financial corporations	163	239	382	10	4	797
Households	360	0	0	96	9	466
Total	**740**	**239**	**407**	**106**	**13**	**1,505**

The overlays and other risk factors resulted in additional Stage 1 and Stage 2 provisions of € 777 million (previous year: € 765 million). Of this amount, € 412 million (previous year: € 420 million) related to geopolitical risk, € 365 million (previous year: € 345 million) to macroeconomic risk (spill-over effects and other). An amount of € 13 million (previous year: € 13 million) was recognized in the spill-over effects due to climate risks. Of this amount, € 5 million (previous year: € 4 million) relates to corporate customers and € 8 million (previous year: € 9 million) to retail customers.

Other special risk factors

For corporate customers, additional impairments were recognized in the amount of € 271 million (previous year: € 239 million) for macroeconomic effects. At end of March 2024, these effects only included the so called spill-over effects. These are risks that go beyond the country-specific branch matrix. Macroeconomic risk, so called spill-over effects, comprises expected downgrades of corporate clients due to circumstances such as higher energy prices, inflation, supply chain disruptions and due to lower revenues and higher costs because of the higher energy costs. Additional impairments in the amount of € 398 million (previous year: € 406 million) were recognized for EU and US sanctions against Russia and Belarus (€ 332 million) and for the effects of the war in Ukraine (€ 66 million). These impairments were recognized in response to the outbreak of war, the sanctions imposed and the uncertainties that have ensued, and based on RBI's internal monitoring and control policies. The exposures were also transferred to Stage 2 for other special risk factors that represent a significant increase in credit risk. Recognition of additional provisions in the amount of € 66 million (previous year: € 64 million) in Ukraine resulted from the modelling of the ongoing destruction of the country's energy infrastructure, ensuing blackouts, an extension of loan maturities and from provisions for areas in the combat zone.

For corporate customers we consider the possibility of a short-term disorderly scenario where carbon emissions are more expensive and fossil energy prices are higher to take account of climate and environmental risks. While for a diversified portfolio, like to RBI Group´s, the effects tend net out to a large degree, however there is an elevated risk in some sectors. These are sectors with customers with low environmental scores such as oil and gas industry and construction sector. Higher probability of defaults for these sectors may lead to an increase in the expected credit losses.

Post-model adjustments

Over the last year the retail customers were severely exposed to increasing inflationary pressure, which impacted their ability to cover their loans obligations. As part of the IFRS 9 framework, there are PD and LGD macro models at country and product level, which serve the need to address these high risks stemming from the macroeconomic environment. However, for certain countries and portfolios where the macroeconomic models either lag behind the key macroeconomic variables (inflation, interest rates, unemployment, etc.) or are not part of the model, post-model adjustments are implemented for identified high risk customer group. The latter involve a qualitative assessment of exposures for the expected significant increase in credit risk and their subsequent transfer from Stage 1 to Stage 2 as well as in particular cases increase of the PD and/or LGD estimates respectively. The criteria for identifying such credit exposures is based on information from the loan application and historical payment behavior and is subsequently refined using stressed macroeconomic variables. The post-model adjustments are reversed either after the risks have materialized by transferring the affected receivables to Stage 3 or if the expected risks do not materialize.

For the Ukrainian retail portfolio, which has been fully reclassified as Stage 2 since the beginning of the war, the assessment of provision coverage is based on local expert judgement, which is obtained from the regular contact with individual customers by the debt collection department. Furthermore, structured customer surveys are carried out to keep up to date with the needs and potential issues that could influence the repayment ability of the customers. For assets and customers located in occupied regions or territories, which run a high risk of hostilities or occupation, risk parameters were increased to take into account higher expected future losses due to the above-mentioned surveys. In addition, the scenario-based approach mentioned above for the quantification of potential future losses from the very dynamic situation of the war in the Ukraine was also applied to retail exposures, leading to additional impairments in the amount of € 13 million (previous year: € 13 million). There is currently ongoing redevelopment of the PD, LGD and macro models in the PI segment (expected implementation in Q2 2024), which would reflect the increased default rates over the last two years from one side and the new customer behavior from another side. Furthermore a top down assessment of mortgage collateral for retail customers was carried out to consider climate and environmental risks, which pose a very high physical risk (flooding, landslides, wildfires). In particular land around large rivers such as the Danube leads to a higher risk for mortgage collateral. Based on quantitative and qualitative data mortgages showing elevated risk, the loans were transferred into stage 2 on a collective basis, leading to a higher expected credit loss. Over the next years the above climate-related matters will be developed and included into the expected credit loss parameters.

Sensitivity analysis

To simulate a range for potential changes to estimates and the related change in impairments, the following sensitivity analyses of the most significant assumptions affecting the expected impairments were performed as follows.

The sensitivity analysis involved a recalculation of the impairments for expected credit losses in the existing models. The risk factors and post-model adjustments – except for the Stage 1 simulations – are fully included in all scenarios and are not subject to further adjustments. As a result of the complexity of the model, many drivers are not mutually exclusive.

The tables below provide a comparison between the reported accumulated impairment for expected credit losses for financial assets in Stage 1 and Stage 2 (weighted by 25 per cent optimistic, 50 per cent baseline and 25 per cent pessimistic scenarios), and then each scenario weighted by 100 per cent on its own. The optimistic and pessimistic scenarios do not reflect extreme cases in the sample space of the 25 per cent optimistic and pessimistic scenarios, but rather an economically plausible proxy. This means that these scenarios are at around 25 per cent and 75 per cent respectively on the distribution curve. In general, IFRS 9 specific estimates of risk parameters take historical default information into account and particularly the current economic environment (point in time) without forward-looking information. The effects of the estimates based on macroeconomic forecasts are shown in the forward-looking component. This information is provided for illustrative purposes.

31/3/2024	Accumulated impairment (Stage 1 and 2)		
in € million	Simulated scenario	Point in time component	Forward-looking component
100% Optimistic	1,340	1,367	(27)
100% Base	1,432	1,367	65
100% Pessimistic	1,557	1,367	190
Weighted average (25/50/25%)	**1,440**	**1,367**	**73**

31/12/2023	Accumulated impairment (Stage 1 and 2)		
in € million	Simulated scenario	Point in time component	Forward-looking component
100% Optimistic	1,389	1,386	2
100% Base	1,491	1,386	104
100% Pessimistic	1,648	1,386	262
Weighted average (25/50/25%)	**1,505**	**1,386**	**118**

Overall, the macroeconomic scenarios are currently worse than the long-term average, leading to an increase of the provisions of € 73 million.

The positive scenario, which is presented in the table below, follows the premise that all exposures are classified as Stage 1 and all macroeconomic and geopolitical risks are not relevant.

The table below shows the impact of staging on accumulated impairment for financial assets on the assumption that all accumulated impairment is measured based on twelve-month expected losses (Stage 1).

in € million	Accumulated impairment (Stage 1 and 2) 31/3/2024	31/12/2023
Accumulated impairment if 100% in Stage 1	572	647
Weighted average (25/50/25%)	1,440	1,505
Additional amounts in Stage 2 due to staging	868	857

The negative scenario assumes that all exposures are classified as Stage 2. As a result, all macroeconomic and geopolitical risks are considered in this analysis.

The table below shows the impact of staging on accumulated impairment for financial assets on the assumption that all accumulated impairments are measured based on lifetime expected losses (Stage 2).

in € million	Accumulated impairment (Stage 1 and 2) 31/3/2024	31/12/2023
Accumulated impairment if 100% in Stage 2	2,054	2,151
Weighted average (25/50/25%)	1,440	1,505
Additional amounts in Stage 2	615	646

The table below provides a comparison between the reported accumulated impairment for expected credit losses for financial assets in Stage 3 and the pessimistic scenario weighted by 100 per cent. The pessimistic scenario does not reflect an extreme case from the result range of the 25 per cent most pessimistic scenarios, but an economically plausible representative of it.

in € million	Accumulated impairment (Stage 3) 31/3/2024	31/12/2023
Pessimistic scenario	2,219	2,115
Weighted average	1,781	1,721
Increase in provisions due to pessimistic scenario	438	394

The following table shows the gross carrying amount and impairment of the financial assets – amortized cost and financial assets – fair value through other comprehensive income that have moved in the reporting period from expected twelve-month losses (Stage 1) to expected lifetime losses (Stages 2 and 3) or vice versa:

31/3/2024	Gross carrying amount		Impairment		ECL coverage ratio	
in € million	12-month ECL	Lifetime ECL	12-month ECL	Lifetime ECL	12-month ECL	Lifetime ECL
Movement from 12-month ECL to lifetime ECL	**(3,178)**	**3,178**	**(22)**	**149**	**0.7 %**	**4.7 %**
Central banks	0	0	0	0	-	-
General governments	(12)	12	0	0	0.0 %	0.0 %
Banks	(181)	181	(1)	2	0.7 %	0.8 %
Other financial corporations	(271)	271	0	10	0.2 %	3.8 %
Non-financial corporations	(1,474)	1,474	(10)	74	0.7 %	5.0 %
Households	(1,240)	1,240	(10)	63	0.8 %	5.1 %
Movement from lifetime ECL to 12-month ECL	**1,432**	**(1,432)**	**10**	**(50)**	**0.7 %**	**3.5 %**
Central banks	0	0	0	0	-	-
General governments	49	(49)	0	(1)	0.0 %	1.4 %
Banks	27	(27)	0	0	0.0 %	0.3 %
Other financial corporations	11	(11)	0	0	0.2 %	0.4 %
Non-financial corporations	412	(412)	3	(10)	0.6 %	2.4 %
Households	934	(934)	7	(39)	0.7 %	4.2 %

The increase in expected credit losses arising from the measurement of the loss allowance moving from twelve-month expected credit losses to lifetime losses was € 126 million (previous year: € 276 million). The decrease in expected credit losses arising from the measurement of the loss allowance moving from lifetime losses to twelve-month expected credit losses was € 41 million (previous year: € 63 million).

31/12/2023	Gross carrying amount		Impairment		ECL coverage ratio	
in € million	12-month ECL	Lifetime ECL	12-month ECL	Lifetime ECL	12-month ECL	Lifetime ECL
Movement from 12-month ECL to lifetime ECL	**(10,261)**	**10,261**	**(66)**	**721**	**0.6 %**	**7.0 %**
Central banks	(47)	47	0	0	0.0 %	0.0 %
General governments	(103)	103	(1)	1	0.9 %	1.2 %
Banks	(826)	826	0	2	0.0 %	0.3 %
Other financial corporations	(713)	713	(4)	49	0.5 %	6.9 %
Non-financial corporations	(3,306)	3,306	(29)	405	0.9 %	12.2 %
Households	(5,266)	5,266	(32)	265	0.6 %	5.0 %
Movement from lifetime ECL to 12-month ECL	**4,688**	**(4,688)**	**22**	**(159)**	**0.5 %**	**3.4 %**
Central banks	0	0	0	0	-	-
General governments	97	(97)	0	0	0.1 %	0.3 %
Banks	24	(24)	0	0	0.0 %	0.1 %
Other financial corporations	168	(168)	0	(1)	0.1 %	0.5 %
Non-financial corporations	2,316	(2,316)	13	(74)	0.6 %	3.2 %
Households	2,083	(2,083)	8	(84)	0.4 %	4.0 %

(32) Collateral and maximum exposure to credit risk

The following table contains details of the maximum exposure as the basis for the following disclosures regarding collateral:

31/3/2024	Maximum exposure to credit risk		
in € million	Not subject to impairment standards	Subject to impairment standards	hereof loans and advances non-trading as well as loan commitments, financial guarantees and other commitments
Financial assets - amortized cost	0	147,509	119,188
Financial assets - fair value through other comprehensive income[1]	0	2,710	0
Non-trading financial assets - mandatorily fair value through profit/loss	923	0	559
Financial assets - designated fair value through profit/loss	173	0	0
Financial assets - held for trading	6,109	0	0
On-balance	**7,205**	**150,219**	**119,747**
Loan commitments, financial guarantees and other commitments	0	51,163	51,163
Total	**7,205**	**201,382**	**170,910**

1 Gross carrying amount is defined according to FINREP Annex V 1.34(b)

31/12/2023	Maximum exposure to credit risk		
in € million	Not subject to impairment standards	Subject to impairment standards	hereof loans and advances non-trading as well as loan commitments, financial guarantees and other commitments
Financial assets - amortized cost	0	142,405	116,468
Financial assets - fair value through other comprehensive income[1]	0	2,864	0
Non-trading financial assets - mandatorily fair value through profit/loss	941	0	567
Financial assets - designated fair value through profit/loss	185	0	0
Financial assets - held for trading	5,357	0	0
On-balance	**6,483**	**145,268**	**117,036**
Loan commitments, financial guarantees and other commitments	0	51,301	51,301
Total	**6,483**	**196,569**	**168,337**

1 Gross carrying amount is defined according to FINREP Annex V 1.34(b)

RBI employs a range of policies to mitigate credit risk, the most common of which is the acceptance of collateral for loans and advances provided. A valuation of collateral is performed during the credit approval process. This is then reviewed periodically using various validation processes. The main types of collateral which are accepted in RBI are residential and commercial real estate collateral, financial collateral, guarantees and movable goods. Long-term financing is generally secured, and revolving credit facilities are generally unsecured. Debt securities are mainly unsecured. Derivatives can be secured by cash or master netting agreements. Collateral from leasing business primarily consist of the value of the leased assets themselves. Items shown in cash and cash equivalents are considered to have negligible credit risk. Collateral is taken into account uniformly on the basis of Group directives. The Group directives regarding obtaining collateral were not significantly changed during the reporting period; however, they are updated on a yearly basis.

The collateral values shown in the tables are capped at the maximum value of the gross carrying amount of the financial asset. The following table shows non-trading loans and advances as well as loan commitments, financial guarantees and other commitments that are subject to impairment:

31/3/2024 in € million	Maximum exposure to credit risk	Fair value of collateral	Credit risk exposure net of collateral
Central banks	8,827	7,400	1,427
General governments	2,241	960	1,280
Banks	7,591	4,852	2,740
Other financial corporations	11,811	5,408	6,403
Non-financial corporations	48,776	21,534	27,242
Households	40,500	26,824	13,677
Loan commitments, financial guarantees and other commitments	51,163	5,681	45,481
Total	**170,910**	**72,660**	**98,250**

31/12/2023 in € million	Maximum exposure to credit risk	Fair value of collateral	Credit risk exposure net of collateral
Central banks	7,860	6,415	1,444
General governments	2,151	929	1,222
Banks	6,857	4,868	1,989
Other financial corporations	10,723	4,453	6,270
Non-financial corporations	48,645	21,603	27,042
Households	40,799	27,134	13,665
Loan commitments, financial guarantees and other commitments	51,301	6,113	45,188
Total	**168,337**	**71,516**	**96,821**

More than half of collateral which can be considered by RBI relate to loans collateralized by immovable property of which around 70 per cent is residential immovable property. Additional collateral mainly comes from guarantees received which include reverse repo and securities lending business, among other things.

(33) Transferred assets

Carrying amounts of financial assets which have been transferred but not derecognized:

31/3/2024	Transferred assets			Associated liabilities		
in € million	Carrying amount	hereof securitizations	hereof repurchase agreements	Carrying amount	hereof securitizations	hereof repurchase agreements
Financial assets - held for trading	159	0	159	159	0	159
Financial assets - amortized cost	6,745	81	6,663	6,652	67	6,585
Total	**6,904**	**81**	**6,823**	**6,812**	**67**	**6,744**

31/12/2023	Transferred assets			Associated liabilities		
in € million	Carrying amount	hereof securitizations	hereof repurchase agreements	Carrying amount	hereof securitizations	hereof repurchase agreements
Financial assets - held for trading	42	0	42	42	0	42
Financial assets - amortized cost	2,071	83	1,988	1,919	67	1,852
Total	**2,112**	**83**	**2,030**	**1,961**	**67**	**1,893**

(34) Assets pledged as collateral and received financial assets

Significant restrictions regarding the access or use of assets:

in € million	31/3/2024 Pledged	31/3/2024 Otherwise restricted with liabilities	31/12/2023 Pledged	31/12/2023 Otherwise restricted with liabilities
Financial assets - held for trading	165	0	46	0
Non-trading financial assets - mandatorily fair value through profit/loss	12	0	13	0
Financial assets - fair value through other comprehensive income	348	0	441	57
Financial assets - amortized cost	17,158	1,426	15,818	1,428
Total	**17,683**	**1,426**	**16,318**	**1,485**

The Group received collaterals which can be sold or repledged even if no default occurs in the course of reverse repo business, securities lending business, derivative and other transactions.

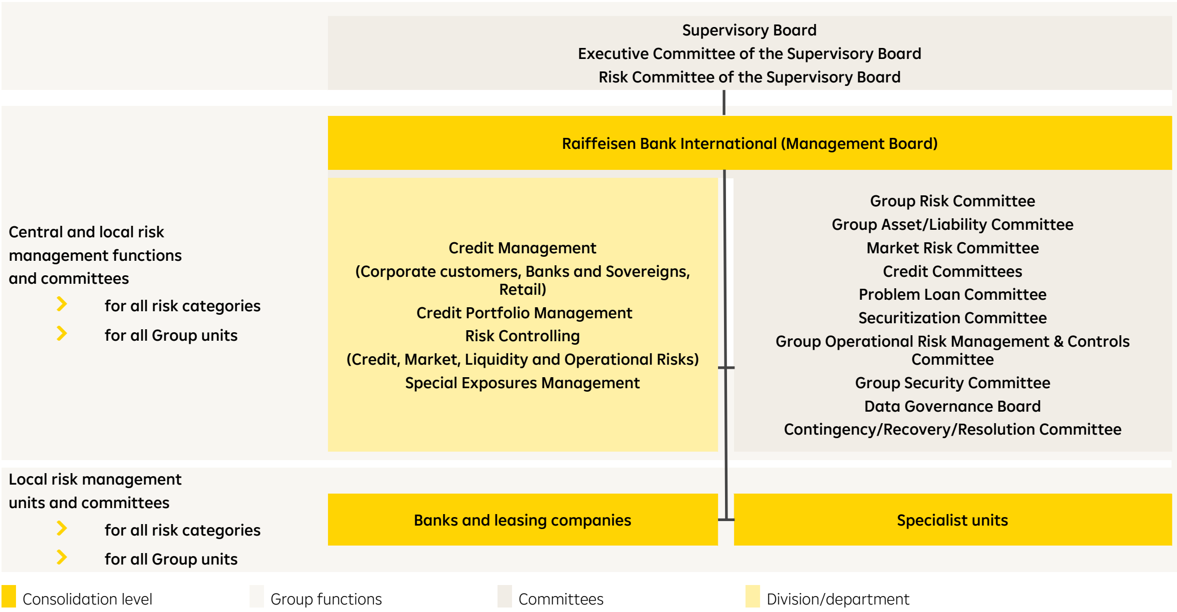
Securities and other financial assets accepted as collateral:

in € million	31/3/2024	31/12/2023
Securities and other financial assets accepted as collateral which can be sold or repledged	21,688	20,697
hereof which have been sold or repledged	6,723	3,698

Risk report

Active risk management is a core competency of RBI. In order to effectively identify, measure, and manage risks the Group continues to develop its comprehensive risk management system. Risk management is an integral part of overall bank management. Particularly, in addition to legal and regulatory requirements, it considers the nature, scale, and complexity of the Group's business activities and the resulting risks. The implementation and management of ESG risks (environmental, social, corporate governance) was carried out in a cross-departmental project and covers all risk areas. At the beginning of 2024, ESG risk management was transferred to the respective risk management units of RBI. Further details on ESG risks are described in the Annual Report 2023, pages 194 ff.

The principles and organization of risk management are disclosed in the relevant chapter of the Annual Report 2023, pages 189 ff.



A strong risk culture, including efficient risk data aggregation and data quality in accordance with the BCBS 239 principles, is a high priority for RBI. The risk management function continually seeks to adapt and improve internal processes to meet more complex data requirements driven, for example, by increasing ESG demands and digitalization.

The figures below refer to the regulatory scope of consolidation pursuant to CRR, which differs slightly from the scope of consolidation pursuant to IFRS. In terms of risk, the companies in the IFRS scope of consolidation that are not included therein are covered by the participation risk.

Economic perspective – economic capital approach

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

The Group uses a confidence level of 99.90 per cent to calculate economic capital. The economic capital increased to € 9,750 million compared to year-end 2023. The drivers of the sharp increase were an increased bond exposure to sovereigns (Austria, Czech Republic, Slovakia, Romania) as well as a methodological change in the calculation of the currency risk of the capital position. This increase was only partly offset by a decline in credit risk exposure to retail and corporate customers. In the regional distribution of economic capital, there was an increase in the Central Europe, Southeastern Europe and Eastern Europe segments compared to year-end 2023.

Risk contribution of individual risk types to economic capital:

in € million	31/3/2024	Share	31/12/2023	Share
FX risk capital position	1,740	17.8 %	1,343	15.2 %
Credit risk sovereigns	1,656	17.0 %	1,159	13.1 %
Credit risk corporate customers	1,384	14.2 %	1,481	16.8 %
Credit risk retail customers	1,324	13.6 %	1,388	15.7 %
Market risk	941	9.7 %	840	9.5 %
Participation risk	784	8.0 %	735	8.3 %
Operational risk	741	7.6 %	757	8.6 %
Credit risk banks	372	3.8 %	300	3.4 %
Owned property risk	298	3.1 %	322	3.6 %
Liquidity risk	28	0.3 %	66	0.7 %
CVA risk	19	0.2 %	16	0.2 %
Risk buffer	464	4.8 %	420	4.8 %
Total	**9,750**	**100.0 %**	**8,826**	**100.0 %**

Regional allocation of economic capital by Group unit domicile:

in € million	31/3/2024	Share	31/12/2023	Share
Central Europe	2,811	28.8 %	2,548	28.9 %
Eastern Europe	2,689	27.6 %	2,282	25.9 %
Austria	2,402	24.6 %	2,395	27.1 %
Southeastern Europe	1,848	19.0 %	1,601	18.1 %
Total	**9,750**	**100.0 %**	**8,826**	**100.0 %**

(35) Credit risk

Credit risk is the largest risk for the Group's business. Credit risk means the risk of suffering financial loss should any of the Group's customers or counterparties fail to fulfil their contractual obligations to the Group. Credit risk arises mainly from loans and advances to banks, loans and advances to customers, lending commitments and financial guarantees given. The Group is also exposed to other credit risks arising from investments in debt securities and other exposures associated with trading activities, derivatives, settlement agreements and reverse repo transactions.

Reconciliation of figures from the IFRS consolidated financial statements to credit exposure (according to CRR)

The following table shows the reconciliation of the gross carrying amounts of the items on the statement of financial position to the credit exposure (banking and trading book positions), which is used in portfolio management. It includes both exposures on and off the statement of financial position before the application of credit conversion factors, and thus represents the total credit exposure. It is not reduced by the effects of credit risk mitigation such as guarantees or physical collateral, effects that are, however, considered in the total assessment of credit risk. The total credit exposure is also used – if not explicitly stated otherwise – for referring to exposures in all subsequent tables in the risk report. The reasons for the differences in the values used for internal portfolio management and for external financial accounting are the different scopes of consolidation (regulatory versus accounting rules according to IFRS) and differences in the classification and presentation of exposure volumes, especially in the case of repo transactions and derivatives, particularly SA-CCR (standardized approach for measuring counterparty credit risk).

in € million	31/3/2024	31/12/2023
Cash, balances at central banks and other demand deposits	38,013	39,109
Financial assets - amortized cost	147,509	142,405
Financial assets - fair value through other comprehensive income	2,710	2,864
Non-trading financial assets - mandatorily fair value through profit/loss	923	941
Financial assets - designated fair value through profit/loss	173	185
Financial assets - held for trading	6,109	5,357
Hedge accounting	762	795
Current tax assets	72	69
Deferred tax assets	209	218
Other assets	1,792	1,083
Loan commitments given	36,912	36,601
Financial guarantees given	9,272	9,761
Other commitments given	4,978	4,939
Reconciliation difference	(7,606)	(7,338)
Credit exposure	**241,829**	**236,988**

Around € 3.2 billion of the reconciliation difference was attributable to the SA-CCR-Netting.

The detailed credit portfolio analysis shows the breakdown by rating category. Customer rating assessments are performed separately for different asset classes using internal risk classification models (rating and scoring models), which are validated by a central organizational unit. The default probabilities assigned to individual rating grades are calculated separately for each asset class. However, the use of a master scale enables rating grades to be compared even across business segments.

Rating models in the non-retail asset classes – corporate customers, banks and sovereigns – are uniform in all Group units and rank creditworthiness in 27 grades of the master scale. For retail asset classes, country specific scorecards are developed based on uniform Group standards. Tools are used to produce and validate ratings (e.g. business valuation tools, rating and default databases).

Credit exposure by asset classes (rating models):

in € million	31/3/2024	31/12/2023
Corporate customers	87,900	87,530
Project finance	9,316	9,412
Retail customers	48,278	48,396
Banks	33,620	30,751
Sovereigns	62,714	60,898
Total	**241,829**	**236,988**

Credit portfolio – Corporate customers

The following table shows the credit exposure according to internal corporate rating (large corporates, mid-market and small corporates). For presentation purposes, the individual grades of the rating scale have been combined into nine main rating grades.

in € million		Lower PD bound in %	Upper PD bound in %	31/3/2024	Share	31/12/2023	Share
1	Minimal risk	> 0.0000 %	≤ 0.0300 %	1,794	2.0 %	1,745	2.0 %
2	Excellent credit standing	> 0.0300 %	≤ 0.0751 %	6,985	7.9 %	7,496	8.6 %
3	Very good credit standing	> 0.0751 %	≤ 0.1878 %	21,124	24.0 %	21,036	24.0 %
4	Good credit standing	> 0.1878 %	≤ 0.4694 %	22,218	25.3 %	22,233	25.4 %
5	Sound credit standing	> 0.4694 %	≤ 1.1735 %	17,274	19.7 %	16,477	18.8 %
6	Acceptable credit standing	> 1.1735 %	≤ 2.9338 %	10,498	11.9 %	10,841	12.4 %
7	Marginal credit standing	> 2.9338 %	≤ 7.3344 %	3,399	3.9 %	3,320	3.8 %
8	Weak credit standing/sub-standard	> 7.3344 %	≤ 18.3360 %	1,428	1.6 %	1,229	1.4 %
9	Very weak credit standing/doubtful	> 18.3360 %	< 100 %	1,182	1.3 %	1,196	1.4 %
10	Default	100%	100%	1,920	2.2 %	1,846	2.1 %
NR	Not rated			79	0.1 %	110	0.1 %
Total				**87,900**	**100.0 %**	**87,530**	**100.0 %**

The credit exposure to corporate customers increased € 370 million to € 87,900 million compared to year-end 2023. The largest increases were recorded in Great Britain, Germany and Slovakia, which were partly offset by decreases in Luxembourg, Russia and Spain. In Russia, exposure volumes have been reduced since the beginning of the Russian war in Ukraine.

The largest rise was recorded in rating grade 5, which was due to increased credit exposures in Spain and Germany (partly due to rating downgrades from rating grade 4). In rating grade 8, the increase resulted mainly from rating shifts to rating grades 4, 5, 7 and 9 in Russia. The decline in rating grade 2 was due to reduced credit exposures in Austria and Hungary (partly due to rating shifts to rating grade 1 and 3). The decrease in rating grade 6 resulted from rating shifts of individual German customers to rating grade 5 and 7, and from reduced credit exposures in Austria (partly due to rating downgrades to rating grade 7).

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

in € million		31/3/2024	Share	31/12/2023	Share
6.1	Excellent project risk profile – very low risk	5,494	59.0 %	5,453	57.9 %
6.2	Good project risk profile – low risk	2,858	30.7 %	3,075	32.7 %
6.3	Acceptable project risk profile – average risk	377	4.0 %	316	3.4 %
6.4	Poor project risk profile – high risk	154	1.7 %	250	2.7 %
6.5	Default	422	4.5 %	316	3.4 %
NR	Not rated	11	0.1 %	2	0.0 %
Total		**9,316**	**100.0 %**	**9,412**	**100.0 %**

The € 96 million decrease in project finance was mainly attributable to declines in Romania, the Czech Republic and Slovakia, which was partly offset by increases in Hungary and Poland.

The decline in rating grade 6.2 was due to decreased credit financing in the Czech Republic (partly due to rating upgrades to rating grade 6.1), and to rating upgrades of individual Austrian customers to rating grade 6.1. In addition, the decline in rating grade 6.2 was due to rating downgrades of individual customers from rating grade 6.3 in the Netherlands. The increase in rating grade 6.5 was due to rating downgrades of individual customers from rating grade 6.4 in Italy and Germany.

Breakdown by country of risk of the credit exposure to corporate customers and project finance structured by region, taking into account the guarantor:

in € million	31/3/2024	Share	31/12/2023	Share
Central Europe	26,858	27.6 %	26,754	27.6 %
Western Europe	24,893	25.6 %	24,365	25.1 %
Austria	18,793	19.3 %	18,805	19.4 %
Southeastern Europe	14,917	15.3 %	15,031	15.5 %
Eastern Europe	7,872	8.1 %	8,088	8.3 %
Asia	2,126	2.2 %	2,156	2.2 %
Other	1,758	1.8 %	1,742	1.8 %
Total	**97,216**	**100.0 %**	**96,942**	**100.0 %**

The increase in Western Europe was mainly due to the growth in repo transactions in Great Britain, as well as money market transactions and guarantees given in Germany. In Central Europe, the rise was due to increased facility financing and overdraft facilities in Slovakia. The decrease in Eastern Europe resulted mainly from the decline in guarantees given and customer loans in Russia. In Southeastern Europe, the decrease was due to reduced guarantees given in Romania.

Credit exposure to corporate customers and project finance by industry of the original customer:

in € million	31/3/2024	Share	31/12/2023	Share
Manufacturing	23,900	24.6 %	23,549	24.3 %
Wholesale and retail trade	20,506	21.1 %	20,486	21.1 %
Real estate	12,686	13.0 %	12,737	13.1 %
Financial intermediation	9,352	9.6 %	8,783	9.1 %
Construction	6,123	6.3 %	6,066	6.3 %
Electricity, gas, steam and hot water supply	5,861	6.0 %	6,195	6.4 %
Transport, storage and communication	3,697	3.8 %	3,751	3.9 %
Freelance/technical services	2,710	2.8 %	2,700	2.8 %
Other industries	12,382	12.7 %	12,674	13.1 %
Total	**97,216**	**100.0 %**	**96,942**	**100.0 %**

Credit portfolio – Retail customers

Retail customers are subdivided into private individuals and small and medium-sized entities (SMEs). For retail customers a two-fold scoring system is used, consisting of the initial and ad-hoc scoring based on customer data and of the behavioral scoring based on account data.

in € million	31/3/2024	Share	31/12/2023	Share
Retail customers – private individuals	45,068	93.4 %	45,194	93.4 %
Retail customers – small and medium-sized entities	3,210	6.6 %	3,203	6.6 %
Total	**48,278**	**100.0 %**	**48,396**	**100.0 %**

Credit exposure to retail customers by internal rating:

in € million		Lower PD bound in %	Upper PD bound in %	31/3/2024	Share	31/12/2023	Share
0.5	Minimal risk	> 0.00 %	≤ 0.17 %	8,653	17.9 %	8,575	17.7 %
1.0	Excellent credit standing	> 0.17 %	≤ 0.35 %	7,773	16.1 %	7,881	16.3 %
1.5	Very good credit standing	> 0.35 %	≤ 0.69 %	8,295	17.2 %	8,404	17.4 %
2.0	Good credit standing	> 0.69 %	≤ 1.37 %	7,487	15.5 %	7,424	15.3 %
2.5	Sound credit standing	> 1.37 %	≤ 2.70 %	5,106	10.6 %	5,127	10.6 %
3.0	Acceptable credit standing	> 2.70 %	≤ 5.26 %	2,880	6.0 %	2,932	6.1 %
3.5	Marginal credit standing	> 5.26 %	≤ 10.00 %	1,337	2.8 %	1,361	2.8 %
4.0	Weak credit standing/sub-standard	> 10.00 %	≤ 18.18 %	683	1.4 %	666	1.4 %
4.5	Very weak credit standing/doubtful	> 18.18 %	< 100 %	869	1.8 %	886	1.8 %
5.0	Default	100%	100 %	1,247	2.6 %	1,215	2.5 %
NR	Not rated			3,947	8.2 %	3,924	8.1 %
Total				**48,278**	**100.0 %**	**48,396**	**100.0 %**

The not rated credit exposure includes credit card limits in Austria and retail customers in Serbia, Hungary and Croatia. These customers either do not have an internal rating, or are part of portfolios under permanent partial use or portfolios for which PD model are in implementation process. In case of leasing units, creditworthiness is assessed based on scorecard models.

Credit exposure to retail customers by segments:

31/3/2024 in € million	Central Europe	Southeastern Europe	Eastern Europe	Group Corporates & Markets
Retail customers – private individuals	21,444	10,177	4,267	9,179
Retail customers – small and medium-sized entities	1,840	1,203	167	0
Total	**23,284**	**11,380**	**4,435**	**9,179**
hereof non-performing exposure	532	434	232	55

31/12/2023 in € million	Central Europe	Southeastern Europe	Eastern Europe	Group Corporates & Markets
Retail customers – private individuals	21,741	10,139	4,386	8,928
Retail customers – small and medium-sized entities	1,850	1,194	159	0
Total	**23,591**	**11,333**	**4,545**	**8,928**
hereof non-performing exposure	535	411	228	46

In the first quarter of 2024, credit exposure to retail customers decreased by € 118 million. The largest decline of € 307 million was recorded in Central Europe, primarily attributable to reduced mortgage loans in the Czech Republic and Poland (due, among other things, to litigation provisions). In addition, there was a decrease of € 110 million in Eastern Europe mainly due to reduced loan volumes in Russia.

Retail credit exposure by products:

in € million	31/3/2024	Share	31/12/2023	Share
Mortgage loans	27,849	57.7 %	28,081	58.0 %
Personal loans	10,798	22.4 %	10,742	22.2 %
Credit cards	4,859	10.1 %	5,237	10.8 %
SME financing	2,622	5.4 %	2,437	5.0 %
Overdraft	1,463	3.0 %	1,219	2.5 %
Car loans	687	1.4 %	681	1.4 %
Total	**48,278**	**100.0 %**	**48,396**	**100.0 %**

Credit portfolio – Banks

The following table shows the credit exposure by internal rating for banks (excluding central banks). Due to the small number of customers (or observable defaults), the default probabilities of individual rating grades in this asset class are calculated based on a combination of internal and external data.

in € million		Lower PD bound in %	Upper PD bound in %	31/3/2024	Share	31/12/2023	Share
1	Minimal risk	> 0.0000 %	≤ 0.0300 %	3,942	11.7 %	3,731	12.1 %
2	Excellent credit standing	> 0.0300 %	≤ 0.0751 %	4,302	12.8 %	4,268	13.9 %
3	Very good credit standing	> 0.0751 %	≤ 0.1878 %	19,080	56.8 %	15,471	50.3 %
4	Good credit standing	> 0.1878 %	≤ 0.4694 %	2,527	7.5 %	2,549	8.3 %
5	Sound credit standing	> 0.4694 %	≤ 1.1735 %	324	1.0 %	316	1.0 %
6	Acceptable credit standing	> 1.1735 %	≤ 2.9338 %	3,162	9.4 %	3,890	12.6 %
7	Marginal credit standing	> 2.9338 %	≤ 7.3344 %	48	0.1 %	259	0.8 %
8	Weak credit standing/sub-standard	> 7.3344 %	≤ 18.3360 %	48	0.1 %	112	0.4 %
9	Very weak credit standing/doubtful	> 18.3360 %	< 100 %	178	0.5 %	150	0.5 %
10	Default	100%	100%	2	0.0 %	4	0.0 %
NR	Not rated			8	0.0 %	2	0.0 %
Total				**33,620**	**100.0 %**	**30,751**	**100.0 %**

Credit exposure to banks increased due to the rise in money market transactions in China, Austria and Germany, and to repo transactions in France, Germany, Ireland and Great Britain, which was partly offset by reductions in Russia, Spain, Italy and the Netherlands. In addition, the increase resulted from higher loans and advances in China, Japan and Austria, partly offset by a decrease in the USA, Poland and Germany. There was also an increase in bonds in Austria.

Rating grade 3 recorded the largest rise due to increased repo transactions in France, Germany and Ireland, as well as to increased money market transactions in China, Austria and Germany. In addition, the increase in rating grade 3 resulted from loans and advances growth in China. The rise in rating grade 1 was attributable to the increased bond portfolio of individual international organizations. Rating grade 6 recorded a decrease due to reduced repo transactions in Russia. The decline in rating grade 7 resulted mainly from reduced loans and advances of a Chinese bank.

Credit exposure to banks (excluding central banks) by products:

in € million	31/3/2024	Share	31/12/2023	Share
Repo	14,811	44.1 %	14,003	45.5 %
Loans and advances	9,082	27.0 %	8,559	27.8 %
Bonds	5,608	16.7 %	5,300	17.2 %
Money market	2,834	8.4 %	1,532	5.0 %
Derivatives	509	1.5 %	496	1.6 %
Other	775	2.3 %	862	2.8 %
Total	**33,620**	**100.0 %**	**30,751**	**100.0 %**

Credit portfolio – Sovereigns

Another asset class is formed by central governments, central banks, and regional municipalities as well as other public sector entities. The credit exposure to sovereigns includes local and regional governments.

Credit exposure to sovereigns (including central banks) by internal rating:

in € million		Lower PD bound in %	Upper PD bound in %	31/3/2024	Share	31/12/2023	Share
1	Minimal risk	> 0.0000 %	≤ 0.0300 %	10,052	16.0 %	9,182	15.1 %
2	Excellent credit standing	> 0.0300 %	≤ 0.0751 %	24,804	39.6 %	22,846	37.5 %
3	Very good credit standing	> 0.0751 %	≤ 0.1878 %	13,423	21.4 %	15,800	25.9 %
4	Good credit standing	> 0.1878 %	≤ 0.4694 %	7,219	11.5 %	6,512	10.7 %
5	Sound credit standing	> 0.4694 %	≤ 1.1735 %	2,166	3.5 %	2,235	3.7 %
6	Acceptable credit standing	> 1.1735 %	≤ 2.9338 %	2,898	4.6 %	2,359	3.9 %
7	Marginal credit standing	> 2.9338 %	≤ 7.3344 %	14	0.0 %	14	0.0 %
8	Weak credit standing/sub-standard	> 7.3344 %	≤ 18.3360 %	5	0.0 %	5	0.0 %
9	Very weak credit standing/doubtful	> 18.3360 %	< 100 %	1,968	3.1 %	1,780	2.9 %
10	Default	100%	100%	164	0.3 %	164	0.3 %
NR	Not rated			1	0.0 %	0	0.0 %
Total				**62,714**	**100.0 %**	**60,898**	**100.0 %**

Rating grade 2 recorded the largest increase, which was mainly due to the rise of the bond portfolios at the Austrian and Czech national bank. The increase in rating grade 1 resulted from increased repo and money market transactions in the Czech Republic. In rating grade 4, the rise was due to increases in bond portfolios and money market transactions in Romania. The decrease in rating grade 3 was attributable to the reduction in money market transactions in Slovakia.

Credit exposure to sovereigns (including central banks) by product:

in € million	31/3/2024	Share	31/12/2023	Share
Bonds	26,759	42.7 %	23,595	38.7 %
Money market	16,586	26.4 %	17,774	29.2 %
Loans and advances	11,395	18.2 %	12,435	20.4 %
Repo	7,708	12.3 %	6,677	11.0 %
Derivatives	85	0.1 %	70	0.1 %
Other	183	0.3 %	347	0.6 %
Total	**62,714**	**100.0 %**	**60,898**	**100.0 %**

The bond portfolio increased mainly in Austria, the Czech Republic, Romania and Slovakia. The rise in repo transactions was mainly due to an increase at the Czech and Serbian national bank. The decrease was mainly caused by the reduction in money market transactions with the Slovak national bank and partly offset by an increase in money market transactions with the Romanian national bank. The decline in loans and advances to sovereigns was due to reduced deposits at the Romanian national bank.

Non-investment grade credit exposure to sovereigns (rating grade 5 and below):

in € million	31/3/2024	Share	31/12/2023	Share
Russia	2,577	35.7 %	2,013	30.7 %
Serbia	1,721	23.8 %	1,740	26.5 %
Ukraine	1,631	22.6 %	1,585	24.2 %
Bosnia and Herzegovina	483	6.7 %	494	7.5 %
Albania	394	5.5 %	452	6.9 %
Belarus	338	4.7 %	196	3.0 %
Other	74	1.0 %	80	1.2 %
Total	**7,216**	**100.0 %**	**6,558**	**100.0 %**

The exposure mainly includes Russian and Ukrainian government bonds as well as deposits of Group units at local central banks in Central, Eastern, and Southeastern Europe. The deposits serve to fulfil the respective minimum reserve requirements and act as a vehicle for short-term investment of excess liquidity and are therefore inextricably linked with business activity in these countries.

Concentration risk

The credit portfolio of the Group is well diversified in terms of geographical region and industry. Single name concentrations are also actively managed (based on the concept of groups of connected customers) by way of limits and regular reporting. As a result, portfolio granularity is high. The regional breakdown of the exposures reflects the broad diversification of credit business in the Group's European markets.

Credit exposures across all asset classes by the borrower's country of risk, grouped by regions:

in € million	31/3/2024	Share	31/12/2023	Share
Central Europe	**75,065**	**31.0 %**	**75,237**	**31.7 %**
Czech Republic	35,916	14.9 %	34,094	14.4 %
Slovakia	22,352	9.2 %	24,822	10.5 %
Hungary	12,940	5.4 %	12,326	5.2 %
Poland	2,994	1.2 %	3,241	1.4 %
Other	862	0.4 %	754	0.3 %
Austria	**48,850**	**20.2 %**	**47,136**	**19.9 %**
Western Europe	**46,077**	**19.1 %**	**43,614**	**18.4 %**
Germany	13,207	5.5 %	12,184	5.1 %
France	9,246	3.8 %	7,899	3.3 %
Great Britain	4,559	1.9 %	3,612	1.5 %
Switzerland	3,107	1.3 %	3,126	1.3 %
Spain	2,843	1.2 %	3,668	1.5 %
Netherlands	2,453	1.0 %	2,497	1.1 %
Luxembourg	2,450	1.0 %	2,664	1.1 %
Italy	2,166	0.9 %	2,409	1.0 %
Belgium	1,441	0.6 %	1,435	0.6 %
Ireland	1,208	0.5 %	802	0.3 %
Other	3,396	1.4 %	3,319	1.4 %
Southeastern Europe	**38,293**	**15.8 %**	**38,349**	**16.2 %**
Romania	17,800	7.4 %	17,704	7.5 %
Croatia	7,801	3.2 %	7,783	3.3 %
Serbia	6,649	2.7 %	6,724	2.8 %
Bosnia and Herzegovina	2,559	1.1 %	2,571	1.1 %
Albania	1,875	0.8 %	1,939	0.8 %
Other	1,610	0.7 %	1,628	0.7 %
Eastern Europe	**20,526**	**8.5 %**	**20,842**	**8.8 %**
Russia	14,371	5.9 %	15,016	6.3 %
Ukraine	4,032	1.7 %	3,966	1.7 %
Belarus	1,493	0.6 %	1,326	0.6 %
Other	630	0.3 %	534	0.2 %
Asia	**6,388**	**2.6 %**	**4,830**	**2.0 %**
North America	**3,364**	**1.4 %**	**3,635**	**1.5 %**
Rest of World	**3,267**	**1.4 %**	**3,344**	**1.4 %**
Total	**241,829**	**100.0 %**	**236,988**	**100.0 %**

The largest increase was recorded in Western Europe and resulted from the increase in repo transactions in France and Great Britain. In Austria, there was a rise in bond and money market transactions. The exposure increase in Asia was due to money market transactions and increased loans and advances from Chinese banks.

The Group's credit exposure based on industry classification:

in € million	31/3/2024	Share	31/12/2023	Share
Banking and insurance	72,112	29.8 %	70,059	29.6 %
Private households	45,099	18.6 %	45,220	19.1 %
Public administration and defense and social insurance institutions	27,842	11.5 %	24,614	10.4 %
Other manufacturing	18,544	7.7 %	18,206	7.7 %
Wholesale trade and commission trade (except car trading)	15,019	6.2 %	15,150	6.4 %
Real estate activities	12,830	5.3 %	12,882	5.4 %
Construction	6,837	2.8 %	6,818	2.9 %
Electricity, gas, steam and hot water supply	5,929	2.5 %	6,271	2.6 %
Retail trade and repair of consumer goods	5,459	2.3 %	5,426	2.3 %
Land transport, transport via pipelines	3,152	1.3 %	3,155	1.3 %
Manufacture of food products and beverages	2,903	1.2 %	2,799	1.2 %
Land transport, transport via pipelines	2,667	1.1 %	2,708	1.1 %
Manufacture of basic metals	2,134	0.9 %	2,213	0.9 %
Manufacture of machinery and equipment	1,949	0.8 %	1,966	0.8 %
Other transport	1,596	0.7 %	1,615	0.7 %
Sale of motor vehicles	1,582	0.7 %	1,529	0.6 %
Extraction of crude petroleum and natural gas	802	0.3 %	886	0.4 %
Other industries	15,371	6.4 %	15,472	6.5 %
Total	**241,829**	**100.0 %**	**236,988**	**100.0 %**

Non-performing exposures (NPE)

Since November 2019 RBI has fully applied the new definition of default of the CRR and also the corresponding requirements of the EBA (EBA/GL/2016/07).

Non-performing exposures pursuant to the applicable definition contained in the Implementing Technical Standard (ITS) on Supervisory Reporting (Forbearance and non-performing exposures) issued by the EBA:

	NPE		NPE ratio		NPE coverage ratio	
in € million	31/3/2024	31/12/2023	31/3/2024	31/12/2023	31/3/2024	31/12/2023
General governments	179	178	8.0 %	8.3 %	2.9 %	2.7 %
Banks	2	3	0.0 %	0.0 %	95.8 %	47.1 %
Other financial corporations	337	392	2.9 %	3.7 %	21.9 %	29.3 %
Non-financial corporations	2,055	1,843	4.2 %	3.8 %	50.8 %	53.5 %
Households	1,104	1,075	2.7 %	2.6 %	64.8 %	64.8 %
Loans and advances	**3,678**	**3,491**	**2.3 %**	**2.2 %**	**50.1 %**	**51.7 %**
Bonds	**3**	**7**	**0.0 %**	**0.0 %**	**61.3 %**	**24.2 %**
Total	**3,680**	**3,498**	**1.9 %**	**1.9 %**	**50.1 %**	**51.7 %**

Compared to year-end, the volume of non-performing exposures increased € 182 million to € 3,680 million. In organic terms, this was an increase of € 185 million, mainly in Russia with € 81 million and in Group Corporates & Markets segment with € 80 million, currency developments played a minor role. Derecognitions and sales resulted in a decrease of € 106 million, contrasted with higher new defaults of loans non-financial corporations. The NPE ratio remained stable at 1.9 per cent compared to year-end 2023, the coverage ratio fell 1.6 percentage points to 50.1 per cent.

Development of non-performing exposure by asset classes (excluding items off the statement of financial position):

in € million	As at 1/1/2024	Change in consolidated group	Currency	Additions	Disposals	As at 31/3/2024
General governments	178	0	0	2	0	179
Banks	3	0	0	0	(2)	2
Other financial corporations	392	0	2	8	(64)	337
Non-financial corporations	1,843	0	2	315	(105)	2,055
Households	1,075	0	(7)	152	(116)	1,104
Loans and advances (NPL)	**3,491**	**0**	**(3)**	**477**	**(287)**	**3,678**
Bonds	**7**	**0**	**0**	**0**	**(4)**	**3**
Total (NPE)	**3,498**	**0**	**(3)**	**477**	**(291)**	**3,680**

in € million	As at 1/1/2023	Change in consolidated group	Currency	Additions	Disposals	As at 31/12/2023
General governments	169	0	0	10	(1)	178
Banks	6	0	0	0	(2)	3
Other financial corporations	163	0	(2)	250	(19)	392
Non-financial corporations	1,619	0	(35)	856	(597)	1,843
Households	1,133	0	(19)	470	(508)	1,075
Loans and advances (NPL)	**3,090**	**0**	**(56)**	**1,585**	**(1,128)**	**3,491**
Bonds	**3**	**0**	**0**	**4**	**0**	**7**
Total (NPE)	**3,093**	**0**	**(56)**	**1,590**	**(1,128)**	**3,498**

Share of non-performing exposure (NPE) by segments (excluding items off the statement of financial position):

	NPE		NPE ratio		NPE coverage ratio	
in € million	31/3/2024	31/12/2023	31/3/2024	31/12/2023	31/3/2024	31/12/2023
Central Europe	778	783	1.2 %	1.2 %	59.0 %	58.4 %
Southeastern Europe	601	592	1.8 %	1.8 %	66.0 %	66.6 %
Eastern Europe	621	528	2.4 %	2.1 %	70.2 %	73.6 %
Group Corporates & Markets	1,680	1,595	2.9 %	3.0 %	32.8 %	35.6 %
Corporate Center	0	0	0.0 %	0.0 %	100.0 %	100.0 %
Total	**3,680**	**3,498**	**1.9 %**	**1.9 %**	**50.1 %**	**51.7 %**

The Eastern Europe segment contributed € 93 million to € 621 million to the increase in non-performing exposure, Russia, with € 79 million, was primarily responsible for this. The NPE ratio in relation to the total exposure rose 0.3 percentage points to 2.4 per cent. The coverage ratio fell 3.4 percentage points to 70.2 per cent.

Non-performing exposure in the Group Corporate & Markets segment recorded an increase of € 85 million to € 1.680 million, mainly due to the increase in the real estate sector, which was counteracted by derecognitions and sales of non-performing loans in the amount of € 76 million. The NPE ratio fell 0.1 percentage points to 2.9 per cent, due to higher credit volume exposures, the coverage ratio declined 2.8 percentage points to 32.8 per cent.

Non-performing exposure in the Southeastern Europe segment remained almost unchanged at € 601 million in comparison to year-end 2023. Beside Romania, almost all other countries experienced small declines. The NPE ratio remained at 1.8 per cent, the coverage ratio sank 0.5 percentage points to 66.0 per cent.

The Central Europe segment also remained almost unchanged within non-performing exposure at € 778 million, there were minor decreases in Hungary and Poland, which were offset by minor increases in Slovakia and the Czech Republic. The NPE ratio in relation to the total exposure fell remained unchanged at 1.2 per cent, the coverage ratio rose 0.6 percentage points to 59.0 per cent.

Non-performing exposure with restructuring measures:

in € million	Refinancing		Instruments with modified maturities and conditions		Total	
	31/3/2024	31/12/2023	31/3/2024	31/12/2023	31/3/2024	31/12/2023
General governments	0	0	0	0	0	0
Banks	0	0	0	0	0	0
Other financial corporations	61	62	34	47	95	109
Non-financial corporations	88	93	800	784	888	877
Households	10	8	242	249	251	257
Total	**158**	**163**	**1,076**	**1,080**	**1,234**	**1,243**

Non-performing exposure with restructuring measures by segments:

in € million	31/3/2024	Share	31/12/2023	Share
Central Europe	225	18.3 %	239	19.3 %
Southeastern Europe	155	12.6 %	156	12.6 %
Eastern Europe	341	27.7 %	326	26.2 %
Group Corporates & Markets	512	41.5 %	521	41.9 %
Total	**1,234**	**100.0 %**	**1,243**	**100.0 %**

(36) Market risk

Market risk management is based on a dual management approach. For the overall portfolio including the banking book, the model used is based on a historical simulation and is suitable for the longer-term management of market risk in the banking books (ALL model). For all market risks with a direct impact on the income statement, a model is used that forecasts short-term volatility well (IFRS-P&L model). This model approach has been approved by the Austrian Financial Market Authority as an internal model for measuring the capital requirement for market risks in the trading book of the head office. Both models calculate value-at-risk figures for changes in the risk factors foreign currencies, interest rate development, credit spreads, implied volatility, equity indices and basis spreads. The tables below present an overview of the risk indicators under both models (ALL and IFRS-P&L) and the development by risk type.

Model IFRS-P&L total VaR (99%, 1d) in € million	VaR as at 31/3/2024	Average VaR	Minimum VaR	Maximum VaR	VaR as at 31/12/2023
Currency risk	4	7	4	12	10
Interest rate risk	4	5	3	9	8
Credit spread risk	3	3	3	4	4
Share price risk	1	1	1	1	1
Vega risk	0	1	0	1	1
Basis risk	5	5	3	7	5
Total	**8**	**11**	**7**	**16**	**19**

Model ALL total VaR (99%, 20d) in € million	VaR as at 31/3/2024	Average VaR	Minimum VaR	Maximum VaR	VaR as at 31/12/2023
Economic capital ALL	717	662	553	729	649
Vega risk ALL	5	6	4	10	10
Total ALL	**721**	**668**	**559**	**733**	**659**
Total ALL (Risk categories)					
Currency risk	699	657	583	723	623
Interest rate risk	244	236	206	341	214
Credit spread risk	47	49	41	73	46
Banking book (99%, 20d)					
Interest rate risk in the banking book	217	203	177	296	167

Capital positions held in foreign currencies and open foreign exchange positions, structural interest rate risks, spread risks from bond books (often held as liquidity buffers), basis risks from basis spreads in Russian ruble were the main drivers of the VaR result.

Compared to year-end 2023, in the first quarter of 2024 the total VaR (Model ALL) slightly increased, whereas the P&L VaR (Model IFRS-P&L) sharply decreased. The increase of total VaR (Model ALL) was mainly driven by the currency risk of the positions in the Russian ruble and Belarusian ruble, as well as by the interest rate risk (mainly out of the Euro), slightly offset by the reduction in Vega risk. The reduction of the P&L VaR (Model IFRS-P&L) was also mainly driven by currency risk (due to the closure of US dollar/Russian ruble capital hedge - net investment hedge - position in March), as well as a reduction in the interest rate risk on Euro side.

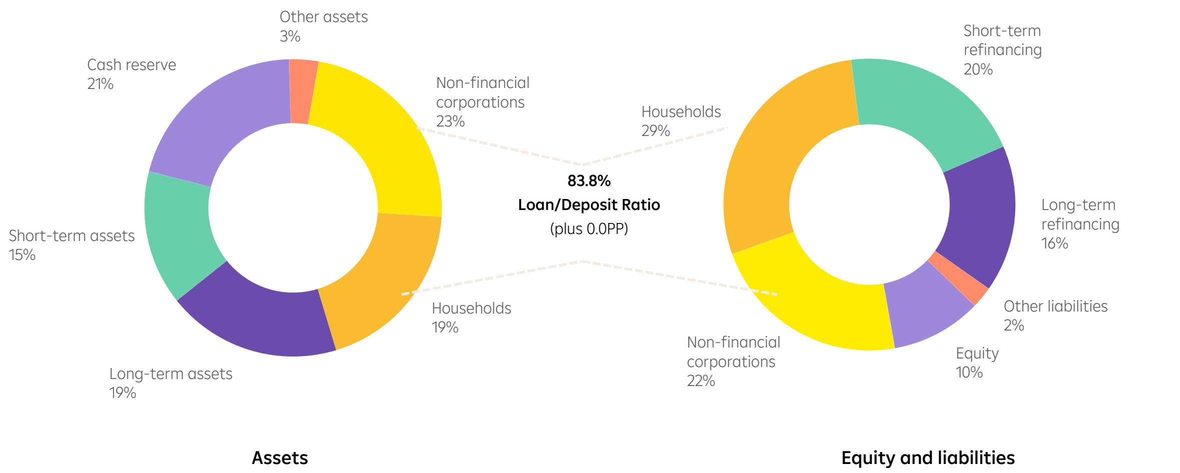
Market risk management is based on daily monitoring of market movements and position changes for the head office and Group units. In addition, developments on the local markets are updated daily and risk management is actively managed in order to be able to react quickly to changes.

(37) Liquidity management

With its strong liquidity position and proven processes for managing liquidity risk, RBI continuously demonstrates its high adaptability. The ILAAP framework and RBI's governance again proved to be solid and functional also in times of crisis. The daily monitoring of the liquidity position via dynamic dashboards showed that infrastructure and monitoring are effective and support fast responses in times of crisis.

Funding structure

The Group's funding structure is highly focused on retail business in Central and Eastern Europe. In addition, as a result of the Austrian Raiffeisen Banking Group's strong local market presence, the Group also benefits from funding through the Raiffeisen Landesbanken. Different funding sources are utilized in accordance with the principle of diversification. These include the issue of international bonds by RBI AG, the issue of local bonds by the subsidiary banks and the use of third-party financing loans (including supranationals). Partly due to tight country limits and partly due to beneficial pricing, the subsidiary banks also use interbank loans with third-party banks.



Liquidity position

The going-concern report shows the structural liquidity position. It covers all material risk drivers which might affect the Group in a business-as-usual scenario. The results of the going-concern scenario are shown in the following table. It illustrates excess liquidity and the ratio of expected cash inflows plus counterbalancing capacity to cash outflows (liquidity ratio) for selected maturities on a cumulative basis. The capital flows are based on assumptions employing expert opinions, statistical analyses and country specifics. This calculation also includes estimates of the stability of the customer deposit base, outflows from off-balance-sheet positions and downward market movements in relation to positions which influence the liquidity counterbalancing capacity.

in € million	31/3/2024		31/12/2023	
Maturity	1 month	1 year	1 month	1 year
Liquidity gap	49,085	53,627	49,061	57,382
Liquidity ratio	180 %	146 %	190 %	152 %

Liquidity Coverage Ratio (LCR)

The liquidity coverage ratio (LCR) requires the short-term resilience of banks by ensuring that they have an adequate stock of unencumbered high-quality liquid assets (HQLAs) to meet potential liability run offs that might occur in a crisis, which can be converted into cash to meet liquidity needs for a minimum of 30 calendar days in a liquidity stress scenario.

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

in € million	31/3/2024	31/12/2023
Average liquid assets	38,853	39,310
Net outflows	19,801	20,781
Inflows	22,216	18,773
Outflows	42,017	39,554
Liquidity Coverage Ratio	**196 %**	**189 %**

Net Stable Funding Ratio (NSFR)

The NSFR is defined as the ratio of available stable funding to required stable funding. Available stable funding is defined as the portion of equity and debt which is expected to be a reliable source of funds over the time horizon of one year covered by the NSFR. A bank's required stable funding depends on the liquidity characteristics and residual maturities of the various assets and off-balance-sheet positions. The RBI Group targets a balanced funding position. The required stable funding and available stable funding are based on regulatory provisions. The regulatory NSFR limit is 100 per cent.

in € million	31/3/2024	31/12/2023
Required stable funding	114,104	115,960
Available stable funding	163,378	163,982
Net Stable Funding Ratio	**143 %**	**141 %**

The improvement of NSFR resulted from the reduced required stable funding, which was mainly determined by the reduction in loans to non-financial corporations.

Other disclosures

(38) Pending legal issues

Details regarding various court, administrative or arbitration proceedings in which RBI is involved can be seen in the Annual Report 2023, pages 220 ff. The following is a description of the most significant proceedings in which RBI is currently involved. Generally, (default) interest amounts may occur in proceedings which may, depending on the duration of the respective proceedings, be equal to or higher than the respective amounts in dispute.

A provision is only recognized if there is a legal or constructive obligation because of a past event, payment is likely, and the amount can be reliably estimated. A contingent liability that arises from a past event is disclosed unless payment is highly unlikely. A contingent asset that arises from a past event is reported if there is high probability of occurrence. In no instance in the description that follows is an amount stated in which, in accordance with IAS 37, this would be severely detrimental. In some cases, provisions are measured on a portfolio basis because this results in the obligation being estimated with greater reliability. RBI has grouped its provisions, contingent assets, and contingent liabilities under the headings of consumer protection, banking business and regulatory enforcement.

Consumer protection

Croatia

In Croatia, following litigation initiated by a Croatian consumer association against Raiffeisenbank Austria, d.d., Zagreb (RBHR), and other Croatian banks, two contractual clauses used in consumer loan agreements between 2003/2004 and 2008 were declared null and void: an interest change clause and a CHF index clause. The decision on the interest adjustment clause cannot be challenged any more. The decision on the nullity of the CHF index clause which was confirmed by the Croatian Supreme Court also passed control of the Croatian Constitutional Court. RBHR is exploring the possibility to challenge this decision, and submitted an application before the European Court for Human Rights in August 2021. The issue of CHF-indexed loans which were converted under the Croatian Conversion Act into EUR-indexed loans was pending before the Court of Justice of the European Union (CJEU) for preliminary ruling. In May 2022, CJEU published a preliminary ruling but like the Croatian Supreme Court in a sample dispute, CJEU did not answer whether consumers of converted loans are entitled to any additional compensation (besides the positive effects of the conversion performed under provisions of the Croatian Consumers Credit Act 2015). Therefore, the issue whether consumers are entitled to additional compensation (notwithstanding conversion) remained for domestic courts to judge, primarily for the Croatian Supreme Court. Based on the decisions already rendered on the nullity of the interest change clause and/or the CHF index clause, a number of borrowers have already raised claims against RBHR. In its session in December 2022, the Croatian Supreme Court adopted the view that consumers are entitled to additional compensation only in the amount of default interest on overpayments (if any) made until the conversion of CHF-indexed loans into EUR-indexed loans in 2015. However, in April 2023, the President of the Supreme Court informed the public that the adopted legal position did not pass the control by the Registrar for Judicial Practice of the Supreme Court which has authority to return any decision in case it considers that it does not comply with the law. A possible solution (whether consumers are entitled to additional compensation or not) is expected to be given in the individual rulings of the Croatian Supreme Court. Only such specific rulings may then be challenged before the Constitutional Court. Given current legal uncertainties relating to the statute of limitations, the validity of the CHF index clause/conversion performed, the calculation of the additional compensation, the further course of action, the final outcome of the request for preliminary ruling and the number of borrowers raising such claims, final quantification of the financial impact and the possible damage is not possible at this point of time. In this connection, the provision recognized on a portfolio basis was increased to € 63 million (previous year: € 67 million).

Poland

In Poland, a significant number of civil lawsuits are pending in relation to certain contractual stipulations connected with consumer mortgage loans denominated in or indexed to foreign currencies. As at 31 March 2024, the total amount in dispute was approximately PLN 6,036 million (€ 1,400 million). The number of lawsuits continues to increase.

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

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

On 15 June 2023, the CJEU announced its judgment in case C-520/21 on the consequences of the annulment of a mortgage loan agreement vitiated by unfair terms. The consumer mortgage loan agreement indexed to CHF had been annulled on the ground that the conversion clauses determining the rate of exchange into PLN for purposes of the monthly installments were considered to be unfair and that the loan agreement could not continue in existence after removal of the unfair terms. The CJEU observed that EU law does not expressly govern the consequences of the annulment of a consumer contract which are to be determined by domestic legislation in the individual EU member states. Such domestic legislation has to be compatible with EU law and its objectives, in particular to restore the situation which the consumer would have been in had the annulled contract not existed as well as not to undermine the deterrent effect sought by EU law. According to the CJEU, EU law does not preclude consumers from seeking compensation from the bank going beyond the reimbursement of the monthly installments paid and the expenses paid in respect of the performance the mortgage loan agreement together with the payment of default interest at the statutory rate from the date on which notice is served. Nevertheless, it is a matter for the national courts to determine whether upholding such claims on the part of the consumers is in accordance with the principle of proportionality. By contrast, EU law precludes the bank from being able to claim from the consumer compensation going beyond reimbursement of the capital paid in respect of the performance of the mortgage loan agreement together with the payment of default interest at the statutory rate from the date on which notice is served.

Further specifications on the consequences of the annulment of a consumer mortgage loan agreement vitiated by unfair terms was provided by the CJEU in its judgments in cases C-756/22 of 11 December 2023 and C-488/23 of 12 January 2024. None of these proceedings involved RBI directly. In both cases, the CJEU considered that the interpretation of EU law requested by the referring courts can be clearly derived from the CJEU's judgment in case C-520/21 of 15 June 2023 comprehensively described in the paragraph above. In the case C-756/22 the CJEU stated that if a loan agreement is annulled on the ground that it contains unfair terms without which it cannot continue to be in force, the bank is not allowed to demand the consumer to pay amounts other than the capital paid in performance of that contract and statutory default interest from the time of the demand for payment. In the case C-488/23 the CJEU stated that EU law precludes banks from being able to claim from the consumer – in addition to the reimbursement of the capital sums paid in performance of the contract and statutory default interest from the date of the demand for payment - compensation consisting of a judicial adjustment of the benefit of the capital sum paid in the event of a material change in the purchasing power of the currency in question after that capital was paid to the consumer concerned.

A quantification of the negative impact of the CJEU judgments on the consequences of the annulment of consumer mortgage loan agreements on RBI's foreign currency consumer loan portfolio is not possible at this point of time. However, it is expected that RBI may not be able to claim any additional remuneration and/or valorization in connection with such annulled agreements as set out above.

A significant inflow of new cases has been observed since the beginning of 2020 as a result of the CJEU preliminary ruling and of intensified marketing activity by law firms acting on behalf of borrowers. Such an increased inflow of new cases has not only been observed by RBI's Polish branch, but by all banks handling currency loan portfolios in Poland.

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

The impact assessment in relation to affected FX-indexed or FX-denominated loan agreements may also be influenced by the outcome of ongoing administrative proceedings conducted by the President of the Office of Competition and Consumer Protection (UOKiK) against RBI's Polish branch. Such administrative proceedings are, inter alia, based on the alleged practice of infringing collective consumer interests as well as on the classification of clauses in standard agreements as unfair. As at this point of time, it is uncertain what the potential impact of said proceedings could be on FX-indexed or FX-denominated loan agreements and RBI. Furthermore, such proceedings have resulted in and could result in the imposition of administrative fines on RBI's Polish branch – and in the event of appeals – in administrative court proceedings.

Moreover, the Polish Financial Ombudsman, acting on behalf of two borrowers, has initiated a civil proceeding against RBI alleging employment of unfair commercial practices towards consumers in respect of a case in which RBI – following the annulment of a loan agreement – claimed the full loan amount originally disbursed without taking into account repayments made in the meantime as well as amounts due for the use of capital by the borrowers based on the principle of unjust enrichment, and has demanded that RBI discontinue such practices. In May 2023, the claim of the Financial Ombudsman was dismissed by the court of first instance.

RBI has around 25,000 CHF loans to customers outstanding with a total volume of around € 1.8 billion and a further 10,000 loans have been repaid. These also include loans that are not expected to be the subject of litigation.

The resulting provision has been increased to € 1,647 million (previous year: € 1,652 million). The total amount of the provision for CHF loans in Poland represents RBI's best estimate of the future outflow of economic benefits. In calculating the CHF provision for lawsuits filed in Poland, it is nevertheless necessary to form an opinion on matters that are inherently uncertain, such as official pronouncements, the number of future lawsuits, the probability of losing court cases and the development of jurisprudence that lead to negative scenarios.

Romania

In October 2017, the Romanian consumer protection authority (ANPC) issued an order for RBI's Romanian network bank Raiffeisen Bank S.A., Bucharest (RBRO), to stop its alleged practice of not informing its customers about future changes in the interest rate charged to the customers. The order did not expressly provide for any direct monetary restitution or payment from RBRO. RBRO, disputed this order in court but finally lost. In September 2022, the decision was rendered in writing. After discussions with ANPC and in accordance with an external legal opinion, RBRO issued new repayment schedules and started to repay certain amounts and related legal interest to affected customers. Based on the latest internal calculations, the expected negative financial impact is expected not to exceed € 28.5 million. Now, after nearly the total aforementioned amount had been paid to customers, ANPC has requested RBRO to provide detailed information on the implementation of the court's decision and RBRO provided such information. A provision of € 2 million (previous year: € 3 million) has been recognized.

Furthermore, RBRO, is involved in a number of lawsuits, some of them class actions, as well as administrative proceedings pursued by ANPC, in particular in connection with consumer loans and current account contracts. The proceedings are mainly based on the allegation that certain contractual provisions and practices applied by RBRO violate consumer protection laws and regulations. Such proceedings may result in administrative fines, the invalidation of clauses in agreements, the retroactive change in payment schedules and the reimbursement of certain fees or parts of interest payments charged to customers in the past.

One of the proceedings involving ANPC affects a major part of the Romanian banking industry, including RBRO. ANPC has disputed the way installments in connection with consumer loans are computed and claims that repayment schedules with fixed installments, which are composed of a bigger portion of interest and a lower portion of principal in the early stages of the repayment, are detrimental to consumers. It issued an order to stop such practice but a number of banks, including RBRO, have obtained a suspension in court of the application of such ANPC measure. As the meaning of the order is not clear, it is not possible to determine at this point of time whether there will be any negative financial impact on RBRO and, if yes, the potential damage involved. However, in case of a mandatory change of repayment schedules, the impact could be significant.

Banking business

In the first quarter of 2021, RBI learned about a claim already filed against it in Jakarta by an Indonesian company in November 2020. The amount of the alleged claim is approximately USD 129 million (€ 119 million) in material damages and USD 200 million (€ 185 million) in immaterial damages. The claim was served upon RBI in May 2022. On 27 June 2023, the South Jakarta District Court (Pengadilan Negeri Jakarta Selatan), held that RBI has committed an unlawful act against the Indonesian company and ordered RBI to pay damages in the amount of USD 119 million (€ 110 million). In view of the facts of the case and the legal situation, RBI is still of the opinion that the claims are neither valid nor enforceable against RBI and therefore filed an appeal against the judgment with the High Court of Jakarta (Pengadilan Tinggi Jakarta). In March 2024, according to the court register, the High Court of Jakarta ruled in favour of RBI and rejected the claim due to lack of Indonesian jurisdiction. The judgement has not been served upon RBI's Indonesian legal counsel yet. It is expected that the plaintiff will file an appeal to the Supreme Court of Indonesia.

Regulatory enforcement

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

In this context, several individual lawsuits and four class actions, aggregating claims of holders of certificates in the above-mentioned investment funds currently in liquidation, were filed against RBI, whereby the total amount in dispute as at 31 March 2024 equals approximately PLN 77 million (€ 18 million). Additionally, RBI was informed that a modification of a statement of claim had been submitted to the court which could result in an increase of the total amount in dispute by approximately PLN 91 million (€ 21 million). However, such modification has not yet been served upon RBI. The plaintiffs of the class actions demand the confirmation of RBI's responsibility for the alleged improper performance of RBPL (in respect of which RBI is the legal successor) as custodian bank. Such confirmation would secure and facilitate their financial claims in further lawsuits. Due to RBI's legal assessment, no provision has been recognized. Additionally, RBI received a number of claim notices from BNP in connection with certain bank operations in respect of which BNP is the legal successor to RBPL. Said claim notices primarily relate to administrative proceedings conducted by the KNF (Polish Financial Supervision Authority) in connection with alleged failures of RBPL/BNP in acting as a depository of investment funds and could lead to cash penalties. Furthermore, claims in this context have been raised by investors to BNP, and as a mitigating measure RBI supports BNP in this regard. The financial impact can not be estimated at this time.

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

(39) Related parties

The main companies exercising a significant influence are Raiffeisenlandesbank Niederösterreich-Wien AG, Vienna, as the largest single shareholder, its parent company, Raiffeisen-Holding Niederösterreich-Wien registrierte Genossenschaft mit beschränkter Haftung, Vienna, and their fully consolidated subsidiaries. The amounts shown under affiliated companies relate to affiliated companies that are not consolidated due to immateriality.

Transactions with related parties (companies and individuals) are limited to banking business transactions that are carried out at fair market conditions. Moreover, members of the Management Board hold shares in RBI AG. Detailed information regarding this is published on the homepage of Raiffeisen Bank International.

31/3/2024 in € million	Companies with significant influence	Affiliated companies	Investments in associates valued at equity	Other interests
Selected financial assets	**86**	**408**	**1,061**	**1,062**
Equity instruments	0	190	665	181
Debt securities	29	0	123	111
Loans and advances	57	218	272	770
Selected financial liabilities	**2,538**	**141**	**5,040**	**1,262**
Deposits	2,538	141	5,039	1,262
Debt securities issued	0	0	2	0
Other items	**71**	**23**	**504**	**109**
Loan commitments, financial guarantees and other commitments given	44	23	497	95
Loan commitments, financial guarantees and other commitments received	27	0	7	14
Nominal amount of derivatives	92	0	80	960
Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions on non-performing exposures	0	(3)	0	0

31/12/2023 in € million	Companies with significant influence	Affiliated companies	Investments in associates valued at equity	Other interests
Selected financial assets	**78**	**424**	**1,004**	**940**
Equity instruments	1	187	632	181
Debt securities	29	0	110	69
Loans and advances	49	236	262	691
Selected financial liabilities	**2,536**	**131**	**5,110**	**1,213**
Deposits	2,536	131	5,108	1,213
Debt securities issued	0	0	2	0
Other items	**100**	**24**	**493**	**143**
Loan commitments, financial guarantees and other commitments given	60	24	492	129
Loan commitments, financial guarantees and other commitments received	40	0	2	13
Nominal amount of derivatives	97	0	84	998
Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions on non-performing exposures	0	(3)	0	0

1/1-31/3/2024 in € million	Companies with significant influence	Affiliated companies	Investments in associates valued at equity	Other interests
Interest income	0	2	4	2
Interest expenses	(21)	(1)	(39)	(20)
Dividend income	0	3	7	0
Fee and commission income	1	10	3	2
Fee and commission expenses	(2)	(1)	(3)	(6)
Increase/decrease in impairment, fair value changes due to credit risk and provisions for non-performing exposures	0	1	0	0

1/1-31/3/2023 in € million	Companies with significant influence	Affiliated companies	Investments in associates valued at equity	Other interests
Interest income	1	2	4	1
Interest expenses	(12)	0	(23)	(12)
Dividend income	0	0	4	0
Fee and commission income	1	5	3	2
Fee and commission expenses	(2)	0	(3)	(6)
Increase/decrease in impairment, fair value changes due to credit risk and provisions for non-performing exposures	0	0	1	0

(40) Employees

Full-time equivalents	1/1-31/3/2024	1/1-31/3/2023
Average number of staff	44,860	44,538
hereof salaried employees	44,250	43,919
hereof wage earners	610	619
Full-time equivalents	**31/3/2024**	**31/12/2023**
Employees as at reporting date	44,980	44,887
hereof Austria	4,918	4,836
hereof abroad	40,062	40,051

Regulatory information

(41) Capital management and total capital according to CRR/CRD IV and Austrian Banking Act (BWG)

RBI is subject to the own funds requirements in accordance with Article 92 CRR and the combined capital buffer requirement in accordance with the provisions of the BWG. For RBI, the combined capital buffer requirement currently includes a capital conservation buffer (§ 22 BWG), a systemic risk buffer (§ 23e BWG), a capital buffer for systemically important institutions (§ 23d BWG) and a countercyclical capital buffer (§ 23a BWG). A violation of the combined capital buffer requirement would potentially lead to restrictions on, for example, dividend distributions and coupon payments for certain capital instruments.

In addition, based on the Supervisory Review and Evaluation Process (SREP) carried out annually, ECB currently requires RBI to hold additional capital to cover those risks that are not or not adequately covered under Pillar 1. The so-called Pillar 2 Capital Requirement (P2R) of 2.80 per cent is determined based on the assessment of the business model, the assessment of governance and risk management, the assessment of risks to capital and the assessment of risks to liquidity and financing. Based on ECB's final decision, this requirement must be complied with only at the consolidated level of RBI starting as of January 1, 2024. In addition, the ECB expects the Pillar 2 Guidance (P2G) of 1.25 per cent to also be adhered to at the consolidated level.

In principle, national supervisors can implement the systemic risk buffer (up to 3 per cent), the capital buffer for systemically important institutions (up to 3 per cent) and the countercyclical capital buffer (up to 2.5 per cent). The Financial Market Stability Board (FMSB), which is responsible in Austria, has recommended that the Austrian Financial Market Authority (FMA) prescribes a systemic risk buffer (SyRP) for certain banks, including RBI. In addition, a capital buffer was also recommended for certain systemically important banks (O-SII buffer), including RBI. Both buffers were put into force by the FMA via the Capital Buffer Regulation (Kapitalpuffer-Verordnung). For RBI the SyRP was set at 1 per cent on consolidated level and at 0.50 per cent on unconsolidated level. From January 1, 2024 onwards the O-SII buffer was set at 1.50 per cent at the consolidated level and at 1.75 per cent at the unconsolidated level. Furthermore a capital conservation buffer of 2.5 per cent must be adhered to.

The determination of the countercyclical capital buffer is also the responsibility of national supervisors and results at RBI level in a weighted average based on the country distribution of the business. This buffer was set at 0 per cent in Austria. At its 40th meeting on 12 March 2024, the FMSB recommended the countercyclical capital buffer to be maintained further at 0 per cent. In addition, those buffer rates that have been set in other member states are included at RBI level and considered based on a weighted average calculation in the capital requirements. In RBI, the countercyclical capital buffer amounts to 0.66 per cent.

The capital requirements applicable throughout the year were continuously complied with. In total, there was a requirement for the CET1 ratio (including the combined capital buffer requirement) of 11.73 per cent for RBI as at 31 March 2024 and considering P2G, this means a quota of 12.98 per cent to be adhered to.

Any expected regulatory changes or developments are continuously monitored, presented, and analyzed in scenario calculations. Potential effects are considered in planning and control, provided that the extent and implementation are foreseeable.

Total capital

The following consolidated figures have been calculated in accordance with the provisions of the Capital Requirements Regulation (CRR) and other statutory provisions such as the Implementing Technical Standards (ITS) of the European Banking Authority (EBA).

in € million	31/3/2024	31/12/2023
Capital instruments and the related share premium accounts	5,991	5,990
Retained earnings	15,732	13,518
Accumulated other comprehensive income (and other reserves)	(5,092)	(5,046)
Minority interests (amount allowed in consolidated CET1)	635	695
Independently reviewed interim profits net of any foreseeable charge or dividend	(418)	1,871
Common equity tier 1 (CET1) capital before regulatory adjustments	**16,849**	**17,028**
Additional value adjustments (negative amount)	(64)	(66)
Deductions for new net provisioning	(109)	0
Intangible assets (net of related tax liability) (negative amount)	(577)	(620)
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability where the conditions in Article 38 (3) are met) (negative amount)	(9)	(12)
Fair value reserves related to gains or losses on cash flow hedges	54	52
Negative amounts resulting from the calculation of expected loss amounts	0	0
Gains or losses on liabilities valued at fair value resulting from changes in own credit standing	(5)	(9)
Direct and indirect holdings by an institution of own CET1 instruments (negative amount)	(20)	(20)
Exposure amount of the following items which qualify for a risk weight of 1250%, where the institution opts for the deduction alternative	(78)	(52)
hereof: securitization positions (negative amount)	(78)	(52)
Other regulatory adjustments	(109)	(97)
Total regulatory adjustments to common equity tier 1 (CET1)	**(918)**	**(825)**
Common equity tier 1 (CET1) capital	**15,931**	**16,203**
Capital instruments and the related share premium accounts	1,668	1,669
Amount of qualifying items referred to in Article 484 (4) and the related share premium accounts subject to phase out from AT1	0	0
Qualifying tier 1 capital included in consolidated AT1 capital (including minority interests not included in row 5) issued by subsidiaries and held by third parties	45	41
Total regulatory adjustments to Additional Tier 1 (AT1) capital	**(33)**	**(33)**
Additional tier 1 (AT1) capital	**1,680**	**1,677**
Tier 1 capital (T1 = CET1 + AT1)	**17,611**	**17,881**
Capital instruments and the related share premium accounts	2,247	2,244
Qualifying own funds instruments included in consolidated T2 capital (including minority interests and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties	11	29
Credit risk adjustments	270	253
Total regulatory adjustments to Tier 2 (T2) capital	**(124)**	**(239)**
Tier 2 (T2) capital	**2,405**	**2,287**
Total capital (TC = T1 + T2)	**20,016**	**20,168**
Total risk-weighted assets (RWA)	**95,601**	**93,664**

Total capital requirement and risk-weighted assets

in € million	31/3/2024		31/12/2023	
	Risk-weighted exposure	Capital requirement	Risk-weighted exposure	Capital requirement
Total risk-weighted assets (RWA)	**95,601**	**7,648**	**93,664**	**7,493**
Risk-weighted exposure amounts for credit, counterparty credit and dilution risks and free deliveries	**69,322**	**5,546**	**68,068**	**5,445**
Standardized approach (SA)	**24,373**	**1,950**	**25,966**	**2,077**
Exposure classes excluding securitization positions	24,373	1,950	25,966	2,077
Central governments or central banks	6,063	485	5,285	423
Regional governments or local authorities	120	10	119	10
Public sector entities	123	10	124	10
Multilateral development banks	66	5	35	3
Institutions	201	16	188	15
Corporates	5,918	473	6,412	513
Retail	5,175	414	5,131	410
Secured by mortgages on immovable property	3,140	251	3,249	260
Exposure in default	564	45	548	44
Items associated with particular high risk	71	6	56	4
Covered bonds	0	0	0	0
Collective investments undertakings (CIU)	89	7	81	6
Equity interests	1,761	141	1,620	130
Other items	1,082	87	3,116	249
Internal ratings based approach (IRB)	**44,948**	**3,596**	**42,102**	**3,368**
IRB approaches when neither own estimates of LGD nor conversion factors are used	**33,502**	**2,680**	**32,526**	**2,602**
Central governments or central banks	0	0	0	0
Institutions	3,728	298	3,014	241
Corporates - SME	2,735	219	2,767	221
Corporates - Specialized lending	4,133	331	4,299	344
Corporates - Other	22,906	1,833	22,446	1,796
IRB approaches when own estimates of LGD and/or conversion factors are used	**8,554**	**684**	**8,616**	**689**
Corporates - Specialized Lending	9	1	0	0
Retail - Secured by real estate SME	71	6	101	8
Retail - Secured by real estate non-SME	3,575	286	3,433	275
Retail - Qualifying revolving	503	40	569	46
Retail - Other SME	297	24	367	29
Retail - Other non-SME	4,099	328	4,146	332
Equity interests	690	55	661	53
Simple risk weight approach	0	0	0	0
Other equity exposure	0	0	0	0
PD/LGD approach	0	0	0	0
Other non-credit obligation assets	2,202	176	300	24

in € million	31/3/2024		31/12/2023	
	Risk-weighted exposure	Capital requirement	Risk-weighted exposure	Capital requirement
Total risk exposure amount for settlement/delivery	**10**	**1**	**21**	**2**
Settlement/delivery risk in the non-trading book	0	0	0	0
Settlement/delivery risk in the trading book	10	1	21	2
Total risk exposure amount for position, foreign exchange and commodities risk	**9,461**	**757**	**8,573**	**686**
Risk exposure amount for position, foreign exchange and commodities risks under standardized approaches (SA)	**7,963**	**637**	**7,270**	**582**
Traded debt instruments	1,021	82	917	73
Equity interests	93	7	58	5
Particular approach for position risk in CIUs	3	0	1	0
Foreign exchange	6,834	547	6,292	503
Commodities	12	1	2	0
Risk exposure amount for position, foreign exchange and commodities risks under internal models (IM)	**1,499**	**120**	**1,303**	**104**
Total risk exposure amount for operational risk	**14,702**	**1,176**	**14,786**	**1,183**
OpR standardized (STA) /alternative standardized (ASA) approaches	14,702	1,176	14,786	1,183
OpR advanced measurement approaches (AMA)	0	0	0	0
Total risk exposure amount for credit valuation adjustments	**235**	**19**	**201**	**16**
Standardized method	235	19	201	16
Other risk exposure amounts	**1,871**	**150**	**2,015**	**161**
of which risk-weighted exposure amounts for credit risk: securitization positions (revised securitization framework)	1,871	150	2,015	161

Regulatory capital ratios

in per cent	31/3/2024	31/12/2023
Common equity tier 1 ratio (transitional)	16.7 %	17.3 %
Common equity tier 1 ratio (fully loaded)	16.5 %	17.0 %
Tier 1 ratio (transitional)	18.4 %	19.1 %
Tier 1 ratio (fully loaded)	18.3 %	18.8 %
Total capital ratio (transitional)	20.9 %	21.5 %
Total capital ratio (fully loaded)	20.9 %	21.4 %

Leverage ratio

The leverage ratio is defined in Part 7 of the CRR. According to Article 92 of the CRR, there is a mandatory quantitative requirement of 3 per cent as at 31 March 2024:

in € million	31/3/2024	31/12/2023
Leverage exposure	231,125	229,189
Tier 1	17,611	17,881
Leverage ratio in per cent (transitional)	**7.6 %**	**7.8 %**
Leverage ratio in per cent (fully loaded)	**7.6 %**	**7.7 %**

Events after the reporting date

ECB calls on RBI to accelerate the reduction of its business activities in Russia

In April, RBI received a request from ECB to accelerate the reduction of its business activities in Russia, which RBI has been conducting since February 2022. According to the request, loans to customers would decrease significantly by 2026 (up to 65 per cent vs. Q3/2023), as would international payments originating from Russia.

Since February 2022, RBI has taken substantial measures to mitigate the risks deriving from its ownership of AO Raiffeisenbank in Russia, including specifically risks to its capital position and liquidity, and risks from increased sanction compliance requirements. The ECB's draft requirements go far beyond RBI's own plans to further reduce the Russian business and may adversely impact RBI's options to sell AO Raiffeisenbank.

RBI is committed to achieving the deconsolidation of AO Raiffeisenbank, including via a sale of the unit.

Key figures

Alternative Performance Measures (APM)

The Group uses alternative performance measures in its financial reporting, not defined by IFRS or CRR regulations, to describe RBI Group's financial position and performance. These should not be viewed in isolation but treated as supplementary information.

These key figures are often used in the financial sector to analyze and describe the earnings and financial position. The special items used below to calculate some alternative performance measures arise from the nature of Group’s business, i.e. that of a universal banking group. However, it is to mention that the definitions mostly vary between companies. Please find the definitions of these ratios below.

Consolidated return on equity – Consolidated profit less dividend on additional tier 1 capital in relation to average consolidated equity (i.e. the equity attributable to the shareholders of RBI). Average consolidated equity is based on month-end figures excluding non-controlling interests and does not include current year profit.

Cost/income ratio is an economic metric and shows the company’s costs in relation to its income. The ratio gives a clear view of operational efficiency. Banks use the cost/income ratio as an efficiency measure for steering the bank and for easily comparing its efficiency with other financial institutions. General administrative expenses (excluding transaction tax) in relation to operating income (less recharged transaction tax and before impairment) are calculated for the cost/income ratio. General administrative expenses comprise staff expenses, other administrative expenses, and depreciation/amortization of intangible and tangible fixed assets. Operating income comprises net interest income, dividend income, current income from investments in associates, net fee and commission income, net trading income and fair value result, net gains/losses from hedge accounting and other net operating income.

Effective tax rate (ETR) – Relation of income tax expense to profit before tax. The effective tax rate differs from the company’s jurisdictional tax rate due to many accounting factors and enables a better comparison among companies. The effective tax rate of a company is the average rate at which its pre-tax profits are taxed. It is calculated by dividing total tax expense (income taxes) by profit before tax. Total tax expense includes current income taxes and deferred taxes.

Loan/deposit ratio is used to assess a bank’s liquidity. It is calculated with loans to non-financial corporations and households in relation to deposits from non-financial corporations and households.

Net interest margin is used for external comparison with other banks as well as an internal profitability measurement of products and segments. It is calculated with net interest income set in relation to average interest-bearing assets (total assets less investments in subsidiaries and associates, tangible fixed assets, intangible fixed assets, tax assets and other assets).

NPE – Non-performing exposure. It contains all non-performing loans and debt securities according to the applicable definition of the EBA document Implementing Technical Standards (ITS) on Supervisory Reporting (Forbearance and non-performing exposures).

NPL – Non-performing loans. It contains all non-performing loans according to the applicable definition of the EBA document Implementing Technical Standards (ITS) on Supervisory Reporting (Forbearance and non-performing exposures).

NPE ratio is an economic ratio to demonstrate the proportion of non-performing loans and debt securities in relation to the entire loan portfolio of customers and banks, and debt securities. The ratio reflects the quality of the loan portfolio of the bank and provides an indicator for the performance of the bank’s credit risk management.

NPL ratio is an economic ratio to demonstrate the proportion of non-performing loans in relation to the entire loan portfolio to customers and banks. The ratio reflects the quality of the loan portfolio of the bank and provides an indicator for the performance of the bank’s credit risk management.

NPE coverage ratio describes to which extent non-performing loans and debt securities have been covered by impairments (Stage 3) thus expressing the ability of a bank to absorb losses from its NPE. It is calculated with impairment losses on loans to customers and banks and on debt securities set in relation to non-performing loans to customers and banks and debt securities.

NPL coverage ratio describes to which extent non-performing loans have been covered by impairments (Stage 3) thus expressing the ability of a bank to absorb losses from its NPL. It is calculated with impairment losses on loans to customers and banks set in relation to non-performing loans to customers and banks.

Operating result is used to describe the operative performance of a bank for the reporting period. It consists of operating income less general administrative expenses.

Operating income – They are primarily income components of the ongoing business operations (before impairment). It comprises net interest income, dividend income, current income from investments in associates, net fee and commission income, net trading income and fair value result, net gains/losses from hedge accounting and other net operating income.

Provisioning ratio is an indicator for development of risk costs and provisioning policy of an enterprise. It is computed by dividing impairment or reversal of impairment on financial assets (customer loans) by average customer loans.

Return on assets (ROA before/after tax) is a profitability ratio and measures how efficiently a company can manage its assets to produce profits during a period. It is computed by dividing profit before tax/after tax by average assets (based on total assets, average means the average of year-end figure and the relevant month´s figures).

Return on equity (ROE before/after tax) provides a profitability measure for both management and investors by expressing the profit for the period as presented in the income statement as a percentage of the respective underlying (either equity or total assets). Return on equity demonstrates the profitability of the bank on the capital invested by its shareholders and thus the success of their investment. Return on equity is a useful measure to easily compare the profitability of a bank with other financial institutions. Return on the total equity including non-controlling interests, i.e. profit before tax respectively after tax in relation to average equity on the statement of financial position. Average equity is calculated on month-end figures including non-controlling interests and does not include current year profit.

Return on risk-adjusted capital (RORAC) is a ratio of a risk-adjusted performance management and shows the yield on the risk-adjusted capital (economic capital). The return on risk-adjusted capital is computed by dividing consolidated profit by the risk-adjusted capital (i.e. average economic capital). This capital requirement is calculated within the economic capital model for credit, market, and operational risk.

Total capital specific key figures

Common equity tier 1 ratio – Common equity tier 1 as a percentage of total risk-weighted assets (RWA) according to CRR/CRD IV regulation.

Leverage ratio – The ratio of tier 1 capital to all exposures on and off the statement of financial position insofar as they are not deducted when determining the capital measurand. The calculation is in accordance with the methodology set out in CRD IV.

Total risk-weighted assets (RWA) – Risk-weighted assets (credit risk, CVA risk) including market risk and operational risk.

Tier 1 ratio – Tier 1 capital to total risk-weighted assets (RWA).

Total capital ratio – Total capital as a percentage of total risk-weighted assets (RWA).

List of abbreviations

BP	Basis points
BWG	Austrian Banking Act (Bankwesengesetz)
CDS	Credit Default Swap
CE	Central Europe
CEE	Central and Eastern Europe
CET 1	Common Equity Tier 1
CoE	Cost of Equity
CRR	Capital Requirements Regulation
DCF	Discounted Cash-Flow
EAD	Exposure at Default
EBA	European Banking Authority
ECL	Expected Credit Losses
EE	Eastern Europe
ECB	European Central Bank
ESAEG	Deposit Protection and Investor Compensation Act (Einlagensicherungs- und Anlegerentschädigungsgesetz)
ESG	Environmental, Social and Governance
FMA	Financial Market Authority
FMSB	Financial Market Stability Board
GDP	Gross Domestic Product
HQLA	High Quality Liquid Assets
IAS/IFRS	International Accounting Standards/International Financial Reporting Standards
IBOR	Interbank Offered Rate
IPS	Institutional Protection Scheme
IRB	Internal Ratings Based
ITS	Implementing Technical Standards
LCR	Liquidity Coverage Ratio
LGD	Loss Given Default
MREL	Minimum Requirement for Own Funds and Eligible Liabilities
NPE	Non-Performing Exposure
NPL	Non-Performing Loans
NSFR	Net Stable Funding Ratio
OTC	Over The Counter
PD	Past Due
PEPP	Pandemic Emergency Purchase Programme
POCI	Purchased or Originated Credit Impaired
RBI	Raiffeisen Bank International Group
RBI AG	Raiffeisen Bank International Aktiengesellschaft
RWA	Risk-Weighted Assets
RORAC	Return on Risk Adjusted Capital
SA	Standardized Approach
SA-CCR	Standardized Approach to Counterparty Credit Risk
SEE	Southeastern Europe
SICR	Significant Increase in Credit Risk
SIRP	Special Interest Rate Period
SRB	Systemic Risk Buffer
SREP	Supervisory Review and Evaluation Process
TLTRO	Targeted Longer-Term Refinancing Operations
UNEP FI	UN Environment Programme Finance Initiative
VaR	Value-at-Risk
WACC	Weighted Average Cost of Capital

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