

PRESS INFORMATION

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CEE Asset Management Radar

A digital overview of the asset management industry

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Vienna – Michal Kustra, Managing Director of Raiffeisen Capital Management¹, and Gunter Deuber, Chief Economist Raiffeisen Bank International and Managing Director and Head of Raiffeisen Research, presented the CEE Asset Management Radar from Raiffeisen Capital Management at a press conference today, also providing an overview of the development of the asset management industry in Central and Eastern Europe (CEE). The radar combines economic data with the development of the asset management industry for the first time, thus enabling an assessment of the development potential of the individual CEE countries, among other things.

CEE Asset Management Radar: market and macro data at a glance

The CEE Asset Management Radar covers fourteen countries: Albania, Austria, Bosnia-Herzegovina, Bulgaria, Croatia, the Czech Republic, Hungary, Kosovo, Poland, Romania, Serbia, Slovakia, Slovenia and Ukraine. Users of the tool can see at a glance how high the assets under management are in the individual countries, which asset classes are primarily invested in, who the most important players in the country are and who the market leader is. In addition, the radar provides information on macro data – population, per capita income, GDP, growth forecasts and savings rates – for the individual countries, as well as information on unemployment, remittances from abroad, private consumption and much more.

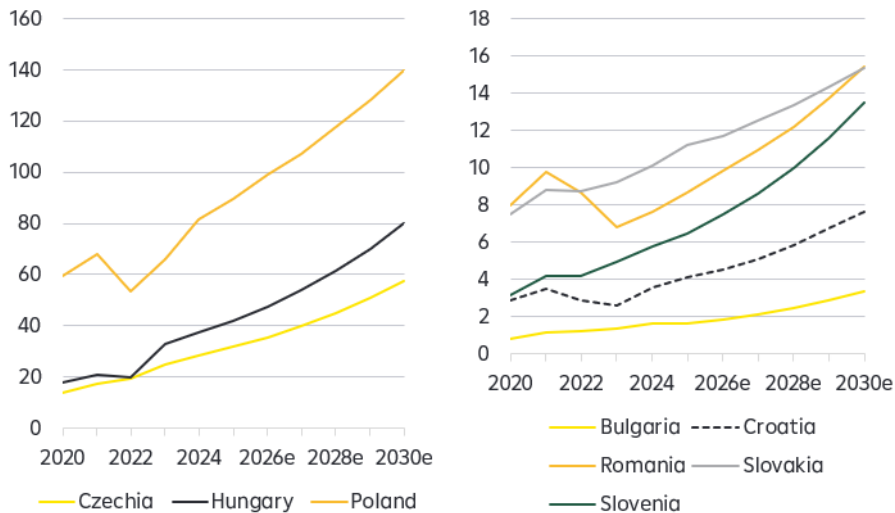
Assessment of the development prospects of CEE countries

In addition to collecting all the important data in a single place, a key function of the radar is to provide an assessment of the development of future growth prospects of the asset management industry in the individual CEE markets. To do this, Raiffeisen Research applied historical time series, market convergence assumptions and economic data, that were found to add predictive value to forecasts. This makes it possible to project the further

¹ Raiffeisen Capital Management stands for Raiffeisen Kapitalanlage-Gesellschaft m.b.H.

growth path of local asset management markets over the next six years, i.e. until 2030. Based on of the different countries, Raiffeisen Research has identified two groups.

The CEE Asset Management Markets Simplified



The two charts do not perfectly align with category 1 & 2 classification, countries are shown according to local asset management (AuM) market size in EUR-terms
 Source: EFAMA, RBI/Raiffeisen Research; as of November 2024

Gunter Deuber, head of Raiffeisen Research, explains: 'On the one hand, we have a group of markets that includes the Czech Republic, Hungary, Poland, Slovakia and Slovenia where there is already a well-established asset management industry and where there has been strong asset growth in recent years.' These countries are not yet fully in line with their Western European peers, but they are expected to continue catching up over the next six years, according to Deuber. In most cases full convergence within that time frame is, however, still unlikely. The other group, consisting of Bulgaria, Croatia and Romania has developed somewhat less rapidly. Deuber comments: 'This group has a lower market penetration in terms of the asset management industry, smaller investment volumes in terms of the overall market and a high dependency on funds registered in other EU countries.' The lack of market size reduces the competitiveness of locally registered funds, according to Deuber. It is therefore expected that convergence will play an even greater role in these countries than it does in group 1.

Forecast: Net inflows play a larger role in CEE as compared to Western Europe/Austria

The data also allows a forecast of how growth in the markets will come about. 'In Austria, asset management growth is expected to remain steady, with a CAGR of 5.2% through 2030. Organic asset performance will be the key driver, contributing 3.8% annually, while net inflows account for just 1.4%,' says Deuber.

This reflects the mature nature of Austria's asset management market, where growth relies more heavily on existing assets rather than new investments. In contrast, CEE markets are

poised for strong growth, with a projected Compound Annual Growth Rate (CAGR) of 12.1%. Net inflows will drive this expansion, contributing 7.1% annually, while organic performance accounts for 5.0%. This reflects the smaller but rapidly developing asset management markets in the region, which are still aligning with the scale of their broader economies.

Return/growth forecasts* of local Assets until 2030



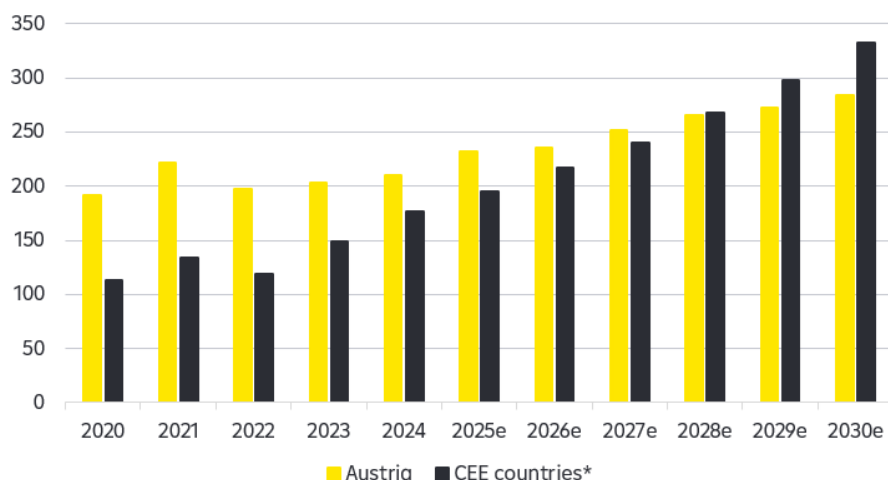
*nominal, CAGR; Source: EFAMA, RBI/Raiffeisen Research; as of November 2024

The forecasts also consider historical net inflows and the correlation between assets and GDP growth and wealth levels, including GDP forecasts by Raiffeisen Research itself as well as certain convergence assumptions with regards to savings rates and investment behavior where relevant. Projecting asset management market growth based on a mix of cyclical and structural drivers is of special importance in the case of emerging markets like in CEE, according to Deuber. It allows the integration of long-term trends in which CEE markets are gradually adjusting to Western European standards.

Accelerated growth of assets in CEE

'The asset management industry in CEE is still underdeveloped in terms of its total volume. In our example, the Austrian assets alone exceed the assets of several CEE countries combined as of today,' says Deuber. But that could change soon. 'Our forecasts indicate that the total local assets in the CEE countries will catch up with Austria as early as 2028 and surpass them.

CEE still has a lot of Potential (AuM locally, EUR bn)



*BG, HR, CZ, HU, PL, RO, SK, SI; Source: EFAMA, RBI/Raiffeisen Research
As of November 2024

Raiffeisen has been active in the CEE fund business since the early 1990s.

Michal Kustra, who as managing director of Raiffeisen Capital Management is also responsible for sales in Central and Eastern Europe, values the assessments of Raiffeisen Research highly, also from a strategic perspective. Raiffeisen Capital Management was a pioneer in fund investments in CEE in the early 1990s. Today, the company also acts as the CEE fund competence centre for Raiffeisen Bank International AG (RBI) and its network banks. 'In eight markets (excluding Austria), RBI has its own fund management companies through its network banks, and in five of these markets it also has pension fund companies. In terms of market leadership, Raiffeisen is among the top three in five countries in terms of fund management companies. This applies to three of the five pension fund companies,' said Kustra.

RBI Asset Management Group Footprint in CEE

FMCs	Country	LAMC	AuM	Market Share	Rank
	Albania	Raiffeisen Invest	€461.3M	96.1%	#1
	Bosnia and Herzegovina	Raiffeisen Invest	€292.9M	96.5%	#1
	Czechia	Raiffeisen investiční společnost	€1,927.7M	4.5%	#7
	Hungary	Raiffeisen Investment Fund	€1,451.6M	4.0%	#7
	Croatia	Raiffeisen Invest	€229.2M	6.6%	#5
	Romania	Raiffeisen Asset Management	€999.6M	20.4%	#2
	Serbia	Raiffeisen Invest	€699.3M	56.2%	#1
	Slovakia	Tatra Asset Management	€2,491.7M	18.2%	#3

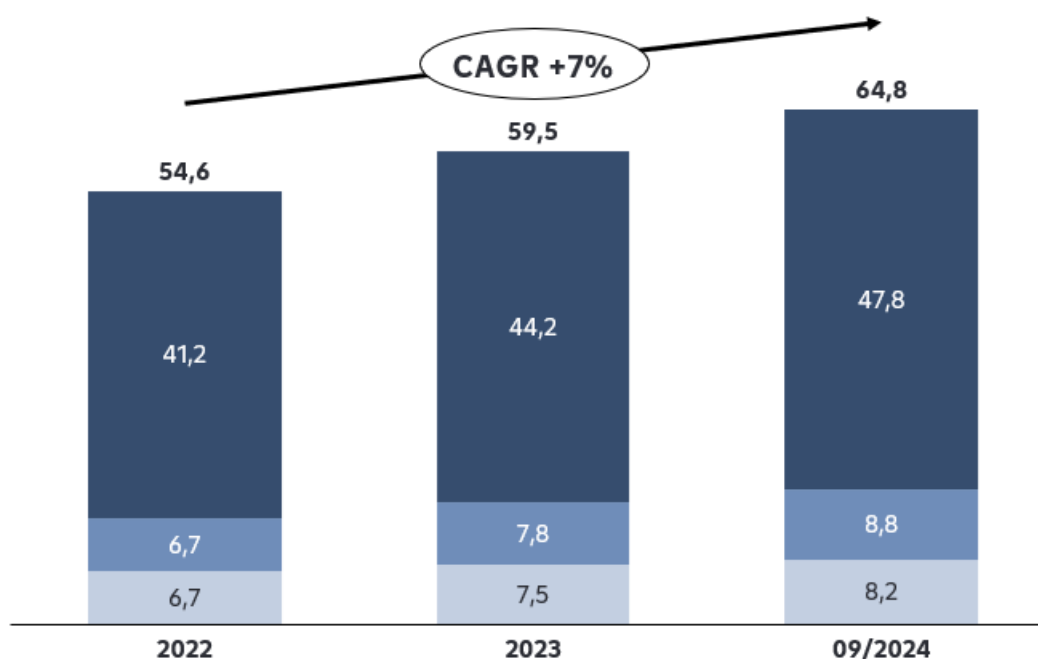
PMCs	Country	LAMC	AuM	Market Share	Rank
	Albania	Raiffeisen Invest	€15.1M	20.8%	#3
	Croatia	Raiffeisen Mirovinski Fondovi	€6,654.8M	29.0%	#2
	Serbia	Raiffeisen Future	€64.5M	13.2%	#4
	Romania	Raiffeisen Asset Management	€47.3M	4.4%	#5
	Slovakia	DDS Tatra banky	€1,243.9M	32.3%	#2

Assets under management at an all-time high

Raiffeisen Group Asset Management has regained momentum over the past three years, after a brief slump in 2022 due to the outbreak of war, rising interest rates and inflation. In the meantime, the losses have been recouped and a new all-time high of almost EUR 65 billion in assets under management was reached in September 2024. 'Of this, EUR 1.1 billion is now already invested in responsible investment. This figure is continuously rising and has increased by 25% since 2020. 'We are very proud to be part of this development in CEE. Raiffeisen sustainable funds are now available in all markets,' said Kustra.

Development Assets under Management

In EUR bn ■ Raiffeisen Capital Management* ■ FMCs in CEE** ■ PMCs in CEE



Source: Raiffeisen Capital Management*

*Raiffeisen Capital Management includes Kapitalanlage-Gesellschaft, Raiffeisen Immobilien KAG, R-Invest and RSI; ** FMC excludes Russia

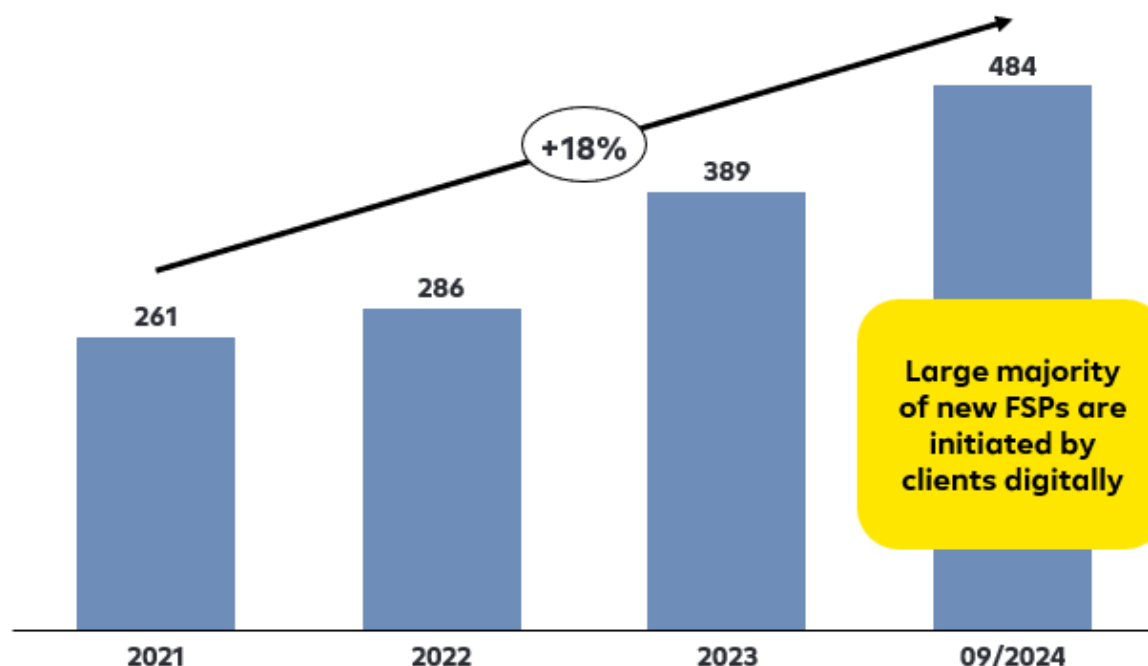
FMC=Fund Management Company, PMC= Pension Fund Company

Dynamic growth in fund savings plans

The fund-based savings segment is developing particularly dynamically in CEE. 'From our point of view, this is a particularly encouraging development because it shows that fund investments have now also arrived in the centre of society in CEE and that capital markets are not just reserved for wealthy individuals, but for anyone who can invest from around 20 euros per month,' said Kustra. RBI's Group Asset Management now has around 484,000 fund-based savings plans in CEE (ex Austria).

Number of Fund Savings Plans in CEE

In thousands



Source: Raiffeisen Capital Management*

*Raiffeisen Capital Management includes Kapitalanlage-Gesellschaft, Raiffeisen Immobilien KAG, R-Invest and RSI

FMC excl. RU

'With our CEE Asset Management Radar, we are creating – using data from EFAMA and Raiffeisen Research – a quickly accessible overview of the development of the asset management industry in CEE and an uncomplicated comparability of the individual markets. But we also see what role Raiffeisen plays in these markets and what potential lies in which countries,' said Kustra. The radar can be further developed – provided the data situation continues to improve – with new information, e.g. the development of sustainable investments in the region. Currently, an update is planned every six months. Subsequently, historical developments can also be presented.

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The published prospectuses and the customer information documents (key investor information) for the (sustainability) funds of Raiffeisen Kapitalanlage-Gesellschaft m.b.H. are available in German at www.rcm.at.

Raiffeisen Kapitalanlage-Gesellschaft m.b.H. is a European asset manager. With 45.1 billion euros in assets under management as of the end of October 2020, it is the largest fund company within the RBI Group. The company is represented in key European markets and is regularly recognised by rating agencies and business media for the high quality of its funds. Raiffeisen KAG is a founding member of the Raiffeisen Sustainability Initiative (www.raiffeisen-nachhaltigkeit.at). For more information, please visit www.rcm.at or www.investment-zukunft.at

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