

Raiffeisen Bank International AG

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Table Of Contents

Ratings Score Snapshot

Credit Highlights

Outlook

Key Metrics

Anchor: Reflects RBG's Operations In Austria, CEE, And SEE

Business Position: Leading Banking Group In Austria, With Large Operations In Eastern And Southern Europe

Capital And Earnings: RBG Has A Strong Capitalization And Sound Earnings Generation Capacity

Risk Position: Adequate Risk Management Procedures Mitigate High-Risk Exposures

Funding And Liquidity: Strong Customer Deposit Base And High Liquidity Buffers

Group Structure

Environmental, Social, And Governance

Table Of Contents (cont.)

Subordinated And Hybrid Issue Ratings

Key Statistics

Related Criteria

Related Research

Raiffeisen Bank International AG

Ratings Score Snapshot

Issuer Credit Rating
A-/Negative/A-2

SACP: a- → Support: 0 → Additional factors: 0

Anchor	bbb+		ALAC support	0	<table border="1"> <tr> <th colspan="2">Issuer credit rating</th> </tr> <tr> <td colspan="2" style="text-align: center; vertical-align: middle;"> A-/Negative/A-2 </td> </tr> </table>	Issuer credit rating		A-/Negative/A-2	
Issuer credit rating									
A-/Negative/A-2									
Business position	Adequate	0	GRE support	0					
Capital and earnings	Strong	+1	Group support	0					
Risk position	Moderate	-1	Sovereign support	0					
Funding	Strong	+1							
Liquidity	Strong								
CRA adjustment	0								

Note: The scores relate to the group credit profile of Raiffeisen Banking Group. We do not assess the SACP of Raiffeisen Bank International AG. ALAC--Additional loss-absorbing capacity. CRA--Comparable ratings analysis. GRE--Government-related entity. ICR

Credit Highlights

Overview

Key strengths	Key risks
Core member of the Raiffeisen Banking Group (RBG) and its institutional protection scheme.	Reputational, political, and financial tail risks from Raiffeisen Bank International's outsized Russian operations.
Solid retail and commercial banking market positions in Austria, Central and Eastern Europe (CEE), and Southeastern Europe (SEE).	RBG's financial transparency and adaptability to market changes appears weaker than many of its main peers due to its complex, decentralized structure.
Superior funding profile and liquidity buffers substantiated by strong retail deposit franchise in each of its major local markets.	Highly competitive Austrian market and less efficient domestic operations.

We expect Raiffeisen Bank International (RBI) will remain core to RBG's strategy and be supported under all foreseeable circumstances. Our rating on RBI reflects not only the creditworthiness of RBI itself but also the benefits to RBI of being part of a stronger, broader banking group, RBG, which we assess through consolidated data. The group's aggregate creditworthiness, including its cohesiveness, expectation of support from member banks if required, and our view that RBI (as RBG's central unit) will remain a core strategic member of the wider group for the foreseeable future are key for our ratings assessment.

RBG's solid profits and high capital buffers provide a comfortable cushion against possible commercial, economic, and franchise impacts from operations in Russia. RBG's 2023 results show that the group managed to increase its stock of total equity by about 10% while maintaining its strong earnings generation capacity. Both act as a cushion against

unexpected financial losses. The group posted core earnings of €5.7 billion according to our definition, the highest reported earnings in the history. RBG benefited from high interest margins across all its markets, but also from unsustainably high profits from RBI's Russian operations of about €1.2 billion (~20% of total RBG profits). These profits, along with the local capital stock, are locked in the Russian subsidiary and not accessible by RBI in Austria.

Headlines damaging RBG's reputation and potential breaches of sanction laws amid Russian operations are key risks.

Event risks that could hamper RBG's franchise have remained prominent during 2024. In May 2024, RBI decided to cancel the acquisition of 27.8% of STRABAG SE's outstanding shares from a Russian counterpart considering sanction concerns that, in our view, could have hit the bank after the transaction closed. As for other banks active in international payments, we remain mindful of potential sanction risks for RBI, noting also that regulatory enforcement for compliance deficiencies comes with a lag. What's more, we understand that the European Central Bank (ECB), through its supervision arm, has approached RBI with a request to accelerate its business reduction efforts in Russia. While RBI has already significantly reduced its operations in Russia since February 2022, we believe the ECB request signals heightened regulatory intervention risks in the unlikely case of RBI not meeting run-down expectations by 2026.

Outlook

The negative outlook reflects our view that RBI continues to face downside risks in the coming 12-24 months, due to geopolitical and macroeconomic challenges amid the war in Ukraine, as well as possible spillover effects into its main markets in CEE and SEE. We see heightened reputational, political, and financial tail risks arising from its outsized Russian operations persisting until it sufficiently de-risks its positions in Russia.

Downside scenario

We could lower our rating on RBI in the next 12-24 months if the group experiences material damage to its franchise or faces significant sanction allegations and regulatory penalties amid its operations in Russia and Belarus. Higher-than-expected loss of equity investments in these countries, particularly in Russia, could also lead us to lower the rating. A deterioration of the group's operating environment beyond our base-case expectations that results in setbacks to RBG's profitability, asset quality, or capitalization could also lead to a downgrade. This could happen, for example, if asset quality problems increased significantly in its main operating markets, leading to higher-than-expected nonperforming assets (NPAs) and credit losses.

Upside scenario

We could revise the outlook to stable if RBI successfully de-risks its positions in Russia, supported by expectations of robust asset quality, earnings, and capitalization for the group. An outlook revision would also become more likely if, in addition, RBG improved its operational efficiency and profitability in Austria.

Key Metrics

Raiffeisen Banking Group Austria--Key ratios and forecasts*					
--Fiscal year ended Dec. 31--					
(%)	2022a	2023a	2024f	2025f	2026f
Growth in operating revenue	42.5	7.1	(4.2)-(5.2)	(18.3)-(22.3)	(4.8)-(5.9)
Growth in customer loans	4.8	0.6	(0.9)-(1.1)	(2.7)-(3.3)	2.7-3.3
Growth in total assets	3.1	0.0	(0.7)-(0.9)	(2.5)-(3.1)	2.0-2.5
Net interest income/average earning assets (NIM)	2.6	3.4	3.0-3.3	2.6-2.8	2.4-2.6
Cost to income ratio	51.4	49.9	53.1-55.8	61.9-65.1	66.7-70.2
Return on average common equity	15.8	15.4	10.9-12.1	7.0-7.8	6.4-7.1
Return on assets	1.3	1.4	1.0-1.3	0.7-0.8	0.6-0.7
New loan loss provisions/average customer loans	0.4	0.3	0.3-0.3	0.2-0.2	0.1-0.1
Gross nonperforming assets/customer loans	2.3	3.1	3.2-3.6	3.0-3.3	2.7-3.0
Risk-adjusted capital ratio	9.8	11.2	11.8-12.4	11.1-11.7	11.4-11.9

*Note: We exclude subsidiaries in Russia and Belarus for our 2025 and 2026 forecasts. All figures are S&P Global Ratings-adjusted. a--Actual. f--Forecast. NIM--Net interest margin.

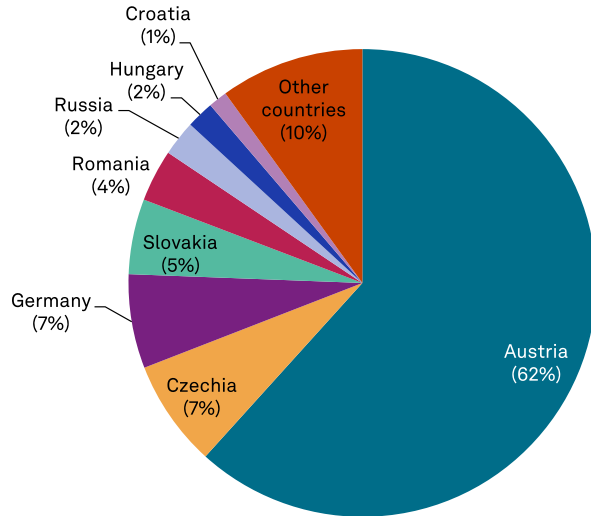
Anchor: Reflects RBG's Operations In Austria, CEE, And SEE

The 'bbb+' anchor for RBG is one notch lower than that of a purely Austrian bank, reflecting our view of the weighted-average economic risk of countries where the group operates. This is based on the regional distribution of exposure at default for RBG's customer loan portfolio as of December 2023 (see chart 1). The resulting weighted-average economic risk score is '2.7', on a scale of 1-10 (where '1' is the lowest risk and '10' is the highest).

Chart 1

Austria remains RBG's dominant market

RBG's geographic breakdown of exposures at default for corporate and retail loan book



Data as of Dec. 31, 2023. Source: S&P Global Ratings.
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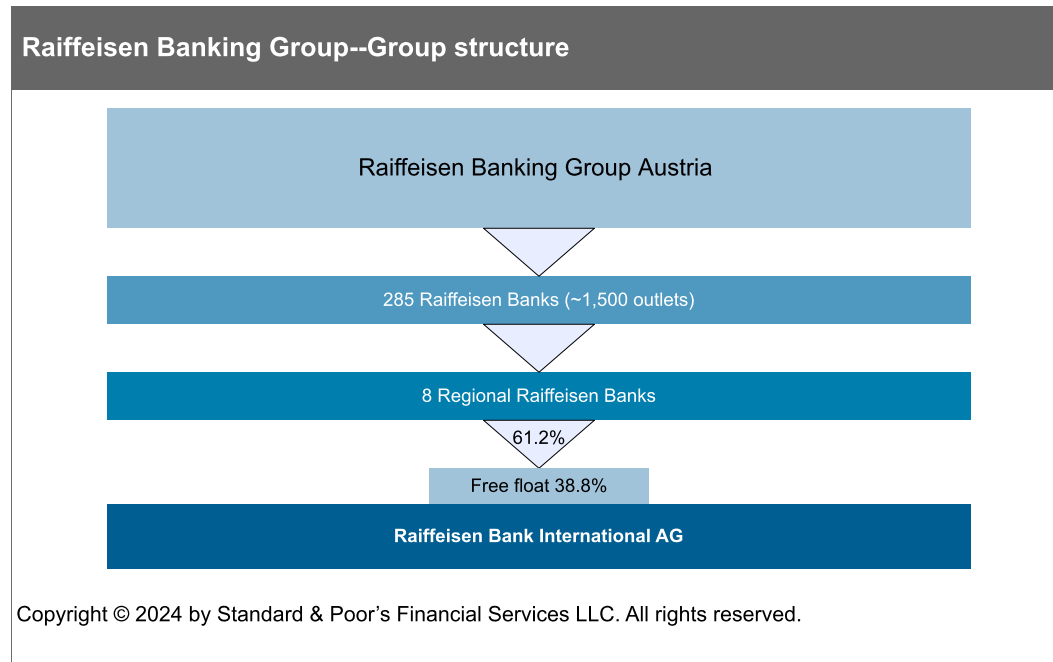
We believe the group will maintain a higher-risk profile compared with purely domestic Austrian banks, because of its strong international presence and significant exposure to CEE and SEE countries, which carry higher economic risks.

Our assessment of RBG's industry risk is based solely on that of Austria, which is the group's domicile and the jurisdiction responsible for the group's regulation. We consider the country's prudential regulatory standards to be in line with the EU's and therefore banks' funding conditions remain comfortable, reflecting a large share of customer deposits. Austrian banks are among the largest beneficiaries of rising interest rates, reflecting a still-material share of variable interest rate lending, which allows quick repricing on the asset side. However, the average cost-to-income ratio of domestic banks remains mediocre in a broader international context. We think it is crucial for banks to continue tackling inefficiencies to remain competitive throughout the cycle.

Business Position: Leading Banking Group In Austria, With Large Operations In Eastern And Southern Europe

RBG's home market continues to be Austria and, to a lesser extent, countries in the CEE and SEE regions. The bank is one of the most diversified banking networks in Austria, serving about 19 million customers in 12 different markets. RBG is likely to maintain its complex three tier structure for the foreseeable future. This structure provides operational

independence and very limited joint management (see chart 2).

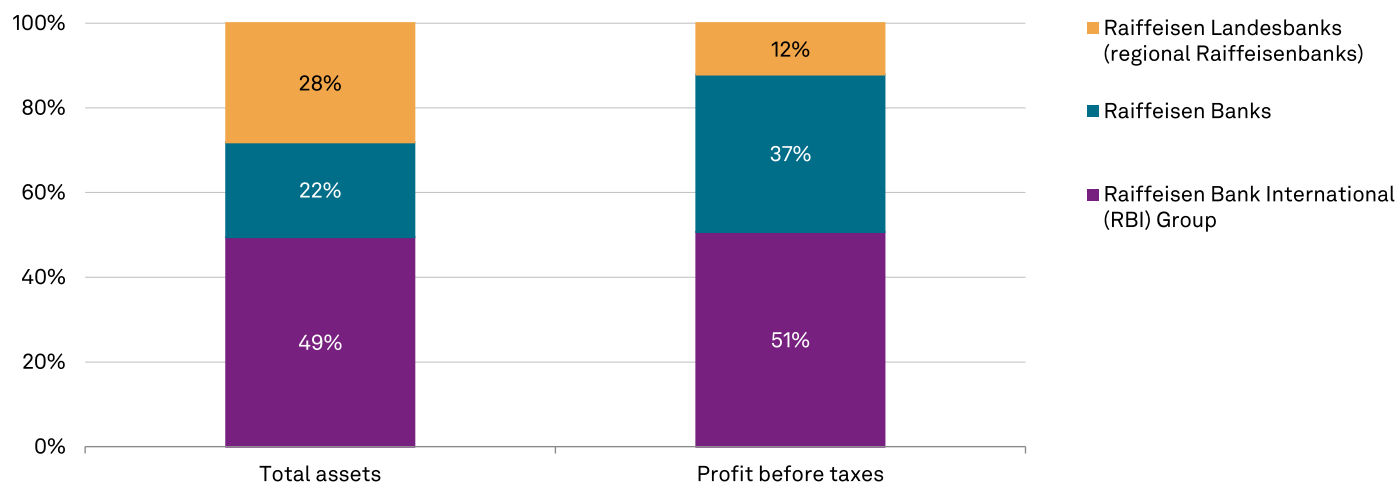


Domestically, RBG remains the leading bank in retail and corporate banking, with assets of €400 billion as of Dec. 31, 2023. This is attributed to the stable client base and the organization of the bank in three tiers: local Raiffeisen banks (1st), eight independent regional Raiffeisen banks (2nd), and RBI AG (3rd), which allows the bank to provide universal services and maintain the 34% share of domestic retail deposits. Through RBI, RBG also holds top-five market positions in 10 CEE and SEE markets, focusing on standard retail and corporate banking activities. Higher-margin businesses in the region are somewhat balanced by higher economic risk, industry risk, and political risk. Investment banking activities do not contribute materially to the group's overall results.

RBI constituted roughly 50% of groupwide assets at year-end 2023 (see chart 3), while the remainder is at regional Raiffeisen Landesbanks (28%) and local Raiffeisen Banks (22%). The central institute and local Raiffeisen Banks are key contributors to the high profitability of the group with almost 90% of profit generation. A deconsolidation of both Russian and Belarussian operations would translate into a material reduction of operating income by about €3 billion at RBI, or 30% of operating income at year-end 2023 (20% of RBG's operating income), but we expect groupwide franchise strengths and the market leading presence in core markets to persist.

Chart 3**RBI and Austria-based Raiffeisen Banks drive RBG's profitability**

Breakdown of assets and profits as of Dec. 31, 2023



Sources: RBG Reports. S&P Global Ratings.

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Capital And Earnings: RBG Has A Strong Capitalization And Sound Earnings Generation Capacity

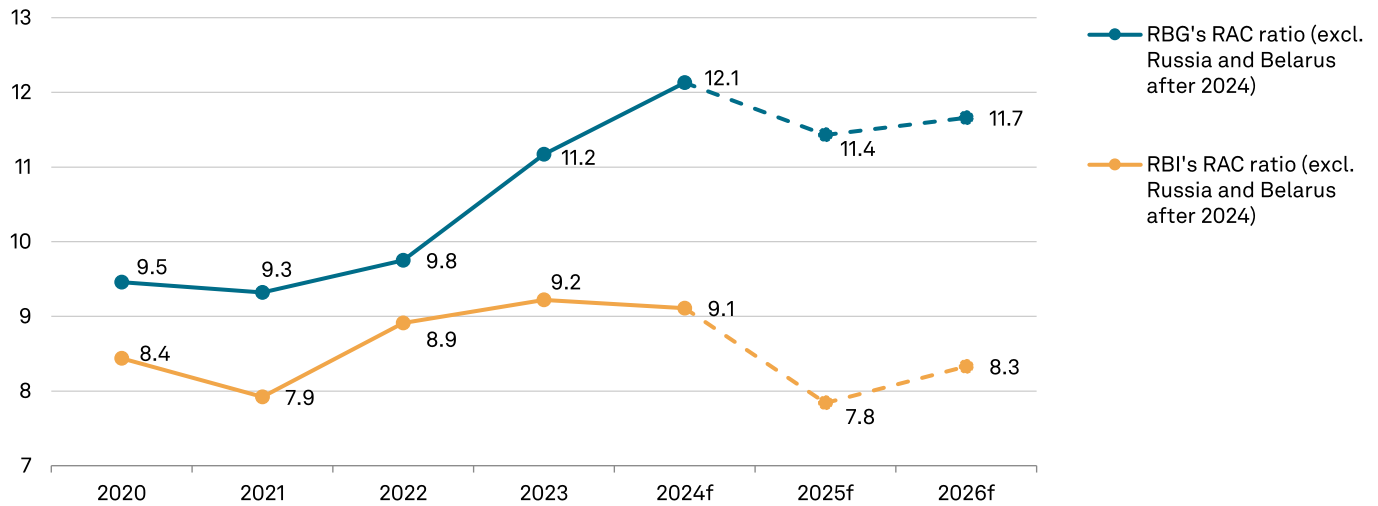
Our forecasts for RBG point to strong capitalization and strengths in its core markets even without encompassing its subsidiaries in Russia and Belarus. RBG's risk-adjusted capital (RAC) ratio reached 11.2% at year-end 2023, improving significantly by 140 basis points (bps) from 9.8% at year-end 2022. Key behind the stronger capitalization is the groupwide earnings retention that outpaced growth of S&P Global Rating's risk-weighted assets (RWAs) during 2023.

We note that our RAC ratio is on a consolidated basis with the full capital stack and RWAs of the group, including in Russia and Belarus. Based on a pro forma calculation that assumes RBI's divestment of its subsidiaries in both countries, we estimate that RBG's RAC ratio would have been slightly lower at 10.9% at year-end 2023, after writing off an estimated €4.5 billion of its capital investments in the subsidiaries and deconsolidating €33.0 billion of associated S&P Global Ratings RWAs. Even under this assumption, we forecast that RBG's RAC ratio will remain well above 10% within the next 12-24 months (see chart 4).

Chart 4

We expect RBG's capitalization will remain strong in the next 12-24 months

Risk-adjusted capital (RAC) ratio for RBG and RBI excl. subsidiaries in Russia and Belarus



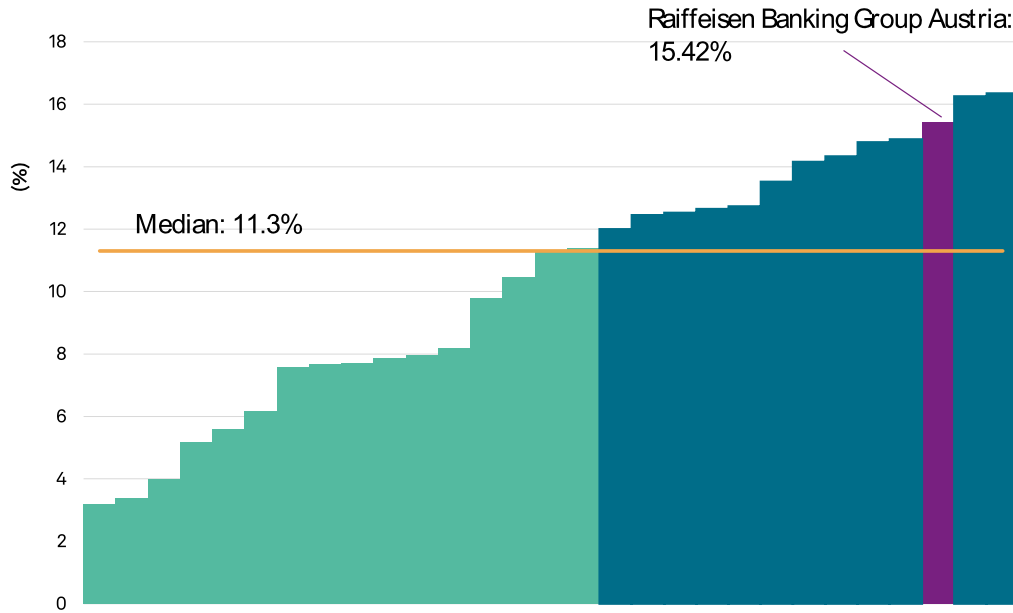
RAC ratio--Risk-adjusted capital ratio before diversification and concentration adjustments. RBG--Raiffeisen Banking Group. RBI--Raiffeisen Bank International. Source: S&P Global Ratings. Copyright © 2024 by Standard & Poor's Financial Services LLC. All rights reserved.

RBG's consolidated average return on equity (RoE) was at 15.4% in 2023, which is stronger than most European peer banks (chart 5). We estimate groupwide RoE to materially fall toward 7% after an assumed exit from Russia and Belarus during the next 12-24 months. Lower interest rates across its core markets are also noticeably reducing the group's net interest income and profits. Its cost efficiency, measured by a cost-to-income ratio of 50% at year-end 2023, remains at the median of European peer banks (see chart 6). Similarly, RBG's earnings buffer was 1.7% and close to the estimated median of 1.9% for rated European banks in 2023. The earnings buffer measures the capacity for a bank's earnings to cover its normalized credit losses.

Chart 5

RBG's profitability is at the higher end of its European peer group

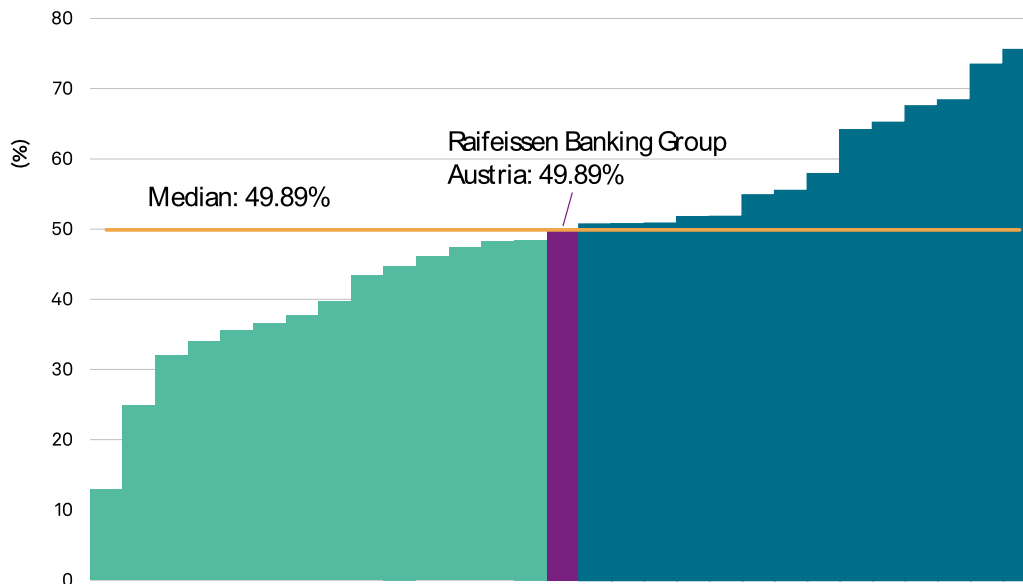
RBG's return on equity put in context to European peer banks as of Dec-2023



Peers with similar SACP of 'a-'. Source: S&P Global Ratings.
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Chart 6**RBG's cost efficiency is in line with the median of European peers**

RBG's cost-to-income ratio put in context to European peer banks as of Dec-2023



Peers with similar SACP of 'a-'. Source: S&P Global Ratings.

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Risk Position: Adequate Risk Management Procedures Mitigate High-Risk Exposures

Sanction, reputational, and other non-financial risks related to RBI's operations in Russia and Belarus are currently a rating weakness. We believe the group is in a transition period regarding run-down efforts and potential sales of its subsidiaries in the two countries. Execution risks related to de-risking of the local portfolios and unexpected valuation effects could lead to surprises and negatively impact risk costs, in our view.

RBG has a system of risk principles and procedures in place for measuring and monitoring risk, which is aimed at controlling and managing material risks in the group. The group is exposed to economic fluctuations in Eastern Europe and the Russian-Ukraine conflict and accordingly is also generally more sensitive to adverse scenarios. This is offset by the benefits of RBG's materially lower domestic credit risk profile, its sound policies in each market, and its continued focus on underwriting quality and collateralization standards.

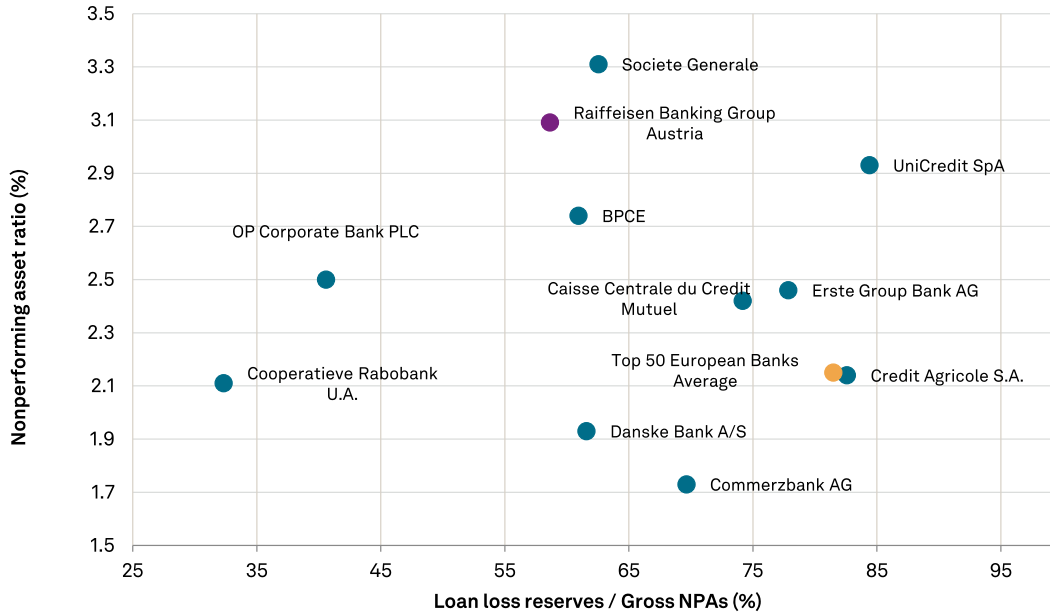
RBG's asset quality and track record of loan losses remain sound, despite recent stress in its commercial real estate portfolio. The group's NPA ratio increased to 3.1% at year-end 2023 from 2.3% in 2022. A pick-up of problem loans in the commercial real estate (CRE) portfolio in Austria in fourth-quarter 2023 is the key reason for increase of groupwide

NPAs. Asset quality indicators for RBG are somewhat weaker than other European peer banks (see chart 7), but we project the NPA ratio will move below 3.0% in the next 12-24 months again.

Chart 7

RBG's asset quality is weaker than peers'

Asset quality comparison with key European peer banks (Dec-2023)



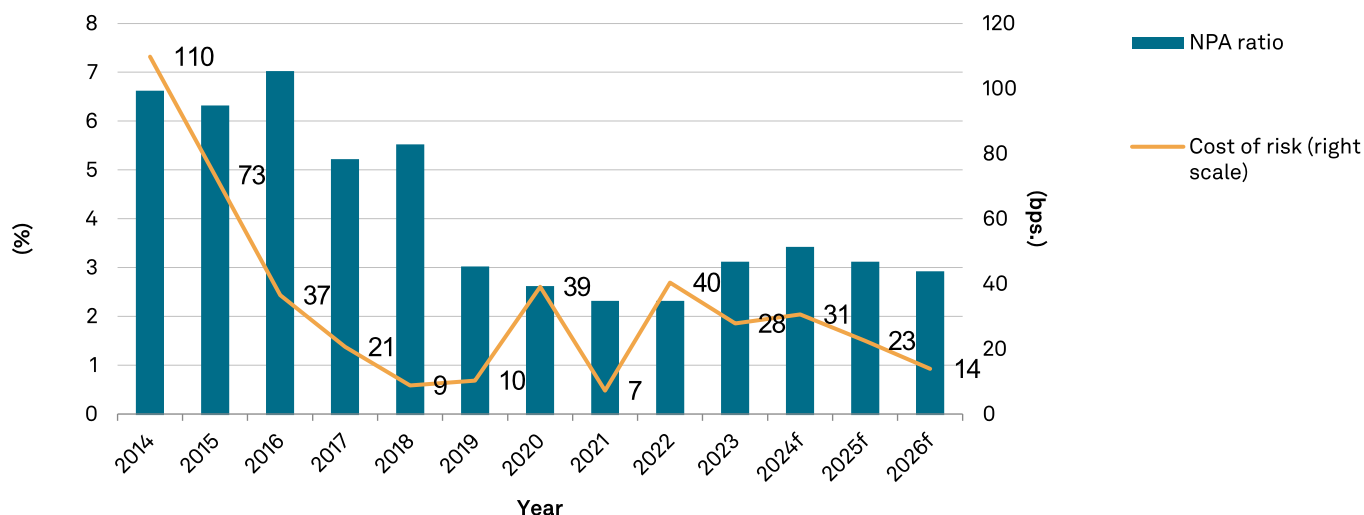
Data as of year ended December 2023. NPA--Non- performing assets. Source: S&P Global Ratings. Copyright © 2024 by Standard & Poor's Financial Services LLC. All rights reserved.

Cost of risk remained moderate, at 28 bps in 2023 after 40 bps in 2022 (see chart 8). This was despite the default of one of the largest real estate companies in Austria, SIGNA, which directly and indirectly also impacted RBG's NPAs and loan-loss provisions in 2023. RBI disclosed CRE exposures of €14.0 billion on March 31, 2024, or 14% of its total loan book (6% of RBI's total exposure). Most of the loans are with counterparts that have a risk origin in the Czech Republic (25%) and Austria (24%). Slightly more than 50% of the exposures are linked to CEE countries from a risk perspective. We note the resilience of CRE assets in CEE where we have not seen defaults of large real estate companies.

Chart 8

We expect RBG's cost of risk will remain moderate in the next 12-24 months

Nonperforming asset (NPA) ratio and cost of risk between 2014 and 2026F



Cost of risk defined as new loan loss provisions as % of average customer loans. NPA ratio defined as gross nonperforming assets as % of customer loans + other real estate owned. e--Estimate. f--Forecast. Source: S&P Global Ratings.

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RBG's loan book continues to have low single-name and sector concentrations due to Tier 1 and Tier 2 member banks operating in their own domestic regions and their own limits on single exposures. We estimate that RBG's top 20 borrowers made 3.8% of the groupwide loan book (29% of total adjusted capital), which is low compared with other large European banking groups. The group does not have a particularly complex business or products. Groupwide risk monitoring appears to lack agility due to its complex group structure. This is mitigated by the increased independence of local banks, which apply groupwide risk tools.

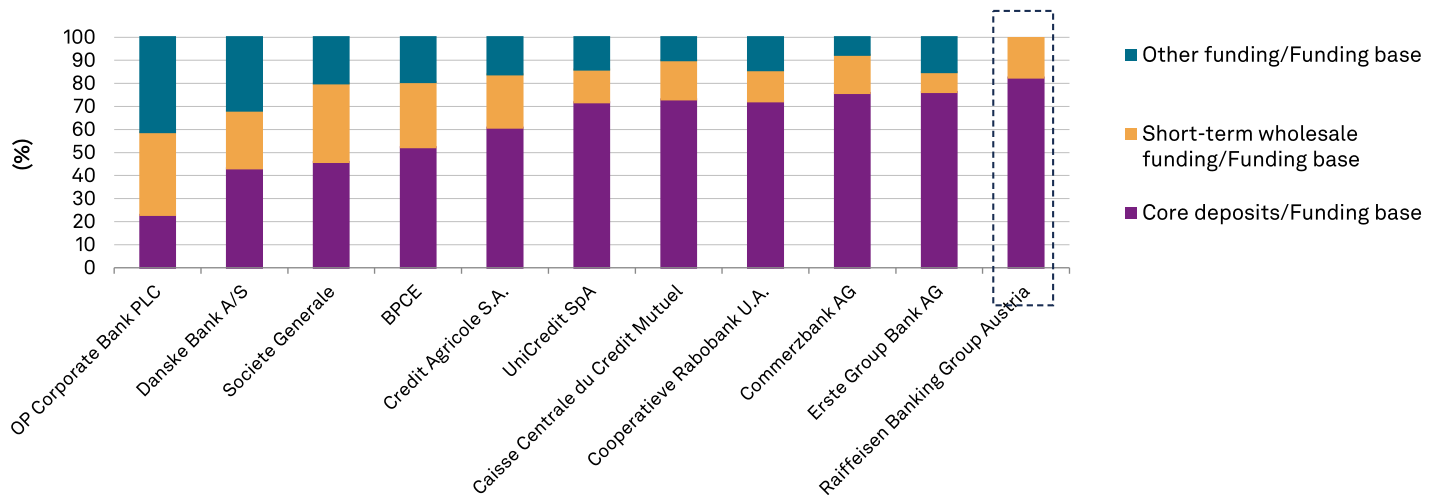
Funding And Liquidity: Strong Customer Deposit Base And High Liquidity Buffers

RBG's funding and liquidity profile is solid and remains a key rating strength. The deconsolidation of its subsidiaries in Russia and Belarus is immaterial to the funding of the group considering the self-funded nature of all member banks. Its large retail branch network in Austria, CEE, and SEE has a strong base of customer deposits (granular core deposits constitute 83% of funding base as of Dec. 31, 2023), primarily from retail business in the region, and with low single-name concentrations. The high share of core customer deposits compares favorably to other European banks (see chart 9).

Chart 9

RBG has a resilient funding base with a high share of core customer deposits

Funding mix of RBG compared to European peers as of Dec-2023



Source: S&P Global Ratings.

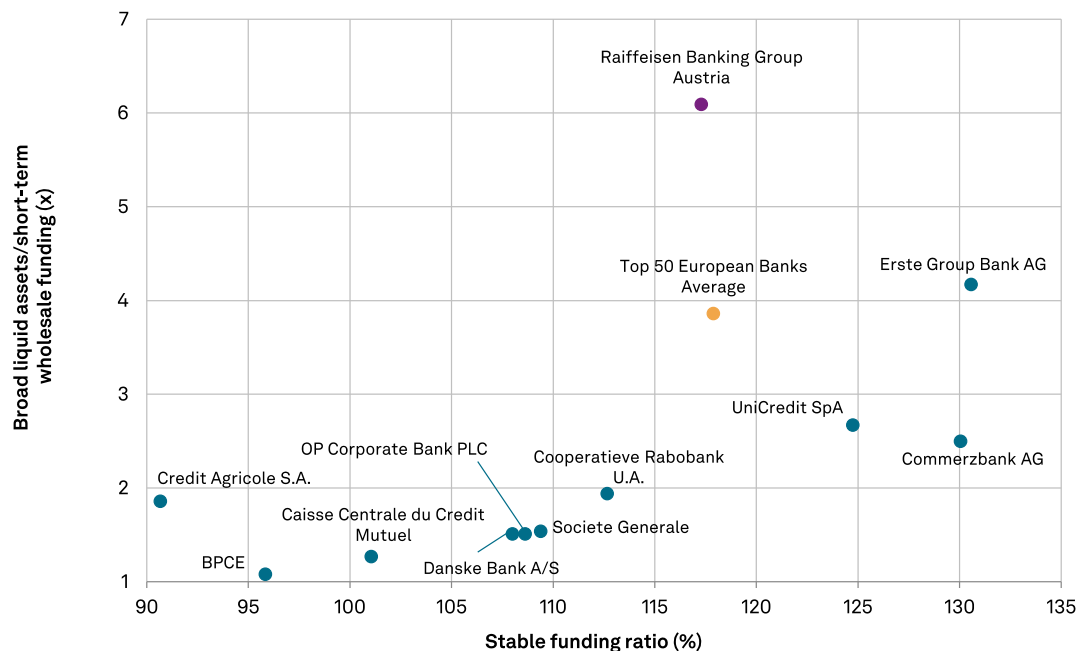
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A particular strength is the Institutional Protection Scheme (IPS), which RBI together with its Austrian subsidiaries, local Raiffeisen banks, and regional Raiffeisen banks operate. The IPS provides stability to the group's retail funding base in Austria and its main foreign markets by acting as a statutory deposit guarantee. Thus, we expect that RBG's mutual support mechanism and strong reputation will continue to foster customer confidence and stability of deposits in adverse conditions. Reliance on wholesale funding is minimal, lower than peers, and mostly conducted through the financing of loans from third parties. The group's deposit concentration is minimal considering that top 20 depositors made only 2.4% of groupwide funding at year-end 2023.

RBG's funding ratio stood at 117% as of Dec. 31, 2023, from 122% at year-end 2022, slightly higher than the average of European banks, which we estimate to be between 110%-115%. RBG member banks' solidarity provides additional stability to their funding profiles, while RBI's potentially more volatile operations benefit from ongoing group support from RBG, which places excess liquidity from client deposits in RBI's Tier 1 banks. We expect RBG will continue benefiting from the solid reputation of both its Austrian and foreign operations, which contributes to better deposit prices than many competitors. The group's coverage of short-term wholesale funding by broad liquid assets was at a strong of 6.0x in Dec. 31, 2023, the highest multiple among European peers (see chart 10).

Chart 10**RBG's funding and liquidity profile is a key rating strength**

Key funding and liquidity ratios as of Dec-2023



Source: S&P Global Ratings.

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We believe that RBG's strong consolidated liquidity ratios are replicated at the main operating entities. In our view, group members' liquidity coverage would enable them to withstand a lack of access to wholesale funding for more than 12 months, as well as moderate reductions in customer deposits, which is also supported by RBI's liquidity coverage ratio of 215% in Dec. 31, 2023.

Group Structure

We equalize our ratings on RBI with the 'a-' group credit profile of RBG because we expect RBI will remain a core member and benefit from group support under any foreseeable circumstance. We consider RBG a cohesive economic group primarily reflecting the IPS, which includes almost all parts of RBG and group-based regulatory oversight (the IPS is subject to regulatory supervision).

We understand that RBI, in the unlikely scenario of nonviability, would enter a separate resolution path from RBG, and that RBG's cross-guarantee mechanism would have been exhausted by the time the regulator deemed a member likely to default. We expect that regulators would apply resolution tools to some of the individual institutions within RBG, but not to the group as a whole. For individual cooperative banks, it seems unlikely that they would be subject to a well-defined bail-in resolution process, given their small size, limited complexity, and low systemic importance as

stand-alone entities.

By contrast, for RBI as a systemic banking institution in Austria, we expect a bail-in-led resolution strategy that could avoid a default on its senior obligations. The regulators' preferred resolution strategy for RBI and its material subsidiaries across CEE is a multiple point-of-entry approach, which, if activated, would see the break-up of the RBI subgroup into operationally and financially separable subsidiaries.

Environmental, Social, And Governance

RBG's decentralized nature constrains the group's decision-making processes and its ability to manage change and innovation, in our view. We regard RBI's corporate governance as advanced but believe the remainder of the group lags behind. This puts the group at a disadvantage compared with other large banking groups in Europe.

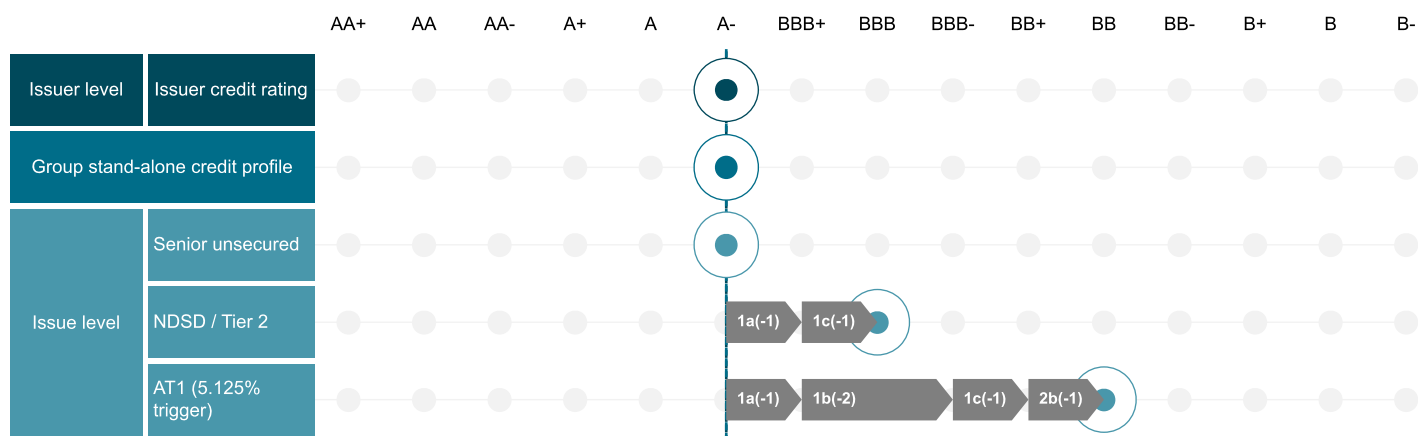
As a large commercial banking group operating in multiple jurisdictions, RBI has robust control practices, a unified risk culture, adequate underwriting, know-your-customer practices, and sanction controls in its operating markets. This has prevented recent major incidents and significant litigation. Nevertheless, we consider the group to be exposed to significant non-financial risks due to its presence in higher risk countries such as Russia and Belarus.

The bank is one of the largest green bond issuers in Austria with a sustainable financing portfolio of €1.8 billion. Sustainable real estate finance is RBG's most important green bond asset category. The bank is exposed to transition risks in its retail and corporate portfolio, as environmental legislation and norms evolve, but we believe it is relatively well positioned for the greening of its portfolio.

Subordinated And Hybrid Issue Ratings

The ratings on the subordinated and hybrid issues reflect our analysis of the instruments and our 'A-' long-term issuer credit rating on RBI (see chart).

Raiffeisen Bank International AG: Notching



Key to notching

----- Issuer credit rating

----- Stand-alone credit profile

- 1a Contractual subordination
- 1b Discretionary or mandatory nonpayment clause and whether the regulator classifies it as regulatory capital
- 1c Mandatory contingent capital clause or equivalent
- 2b Other nonpayment or default risk not captured already

Note: The number-letter labels in the table above are in reference to the notching steps we apply to hybrid capital instruments, as detailed in table 2 of our "Hybrid Capital: Methodology And Assumptions" criteria, published on March 2, 2022.

The nonoperating holding company (NOHC) issuer credit rating and senior unsecured debt ratings are notched from the group stand-alone credit profile (SACP) under our criteria. Since ALAC notching does not benefit NOHCs, for simplicity the diagram above is stylized to show the positioning of these ratings with reference to the group SACP.

AT1--Additional Tier 1.

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In most cases, when rating subordinated and hybrid instruments, we notch down from the issuer stand-alone credit profile, because we believe that this approach better reflects the instruments' risks. However, for RBI, we use our issuer credit rating as the starting point for the notching, because we believe that RBG's group support will extend to RBI's subordinated and hybrid issues.

Key Statistics

Table 1

Raiffeisen Banking Group Austria--Key figures					
--Fiscal year-ended Dec. 31--					
(Mil. €)	2023	2022	2021	2020	2019
Total assets	399,874	400,033	387,902	349,375	319,663
Customer loans (gross)	295,828	294,203	280,806	256,521	222,199
Adjusted common equity	36,885	33,437	28,763	25,951	25,115
Operating revenues	15,667	14,635	10,271	9,751	9,887
Noninterest expenses	7,816	7,523	6,356	6,216	6,396

Table 1**Raiffeisen Banking Group Austria--Key figures (cont.)**

	--Fiscal year-ended Dec. 31--				
(Mil. €)	2023	2022	2021	2020	2019
Core earnings	5,673	4,772	2,973	2,037	2,582

Data as of Dec. 31, 2023.

Table 2**Raiffeisen Banking Group Austria--Business position**

	--Fiscal year-ended Dec. 31--				
(%)	2023	2022	2021	2020	2019
Growth in operating revenues	7.1	42.5	5.3	(1.4)	7.5
Growth in total deposits	(1.9)	3.0	11.9	10.3	7.4
Return on average common equity	15.4	15.9	12.0	9.8	13.3

Data as of Dec. 31, 2023.

Table 3**Raiffeisen Banking Group Austria--Capital and earnings**

	--Fiscal year-ended Dec. 31--				
(%)	2023	2022	2021	2020	2019
Tier 1 capital ratio	16.8	16.5	15.2	13.6	12.6
S&P Global Ratings' RAC ratio before diversification	11.2	9.8	9.3	9.5	9.5
S&P Global Ratings' RAC ratio after diversification	11.1	9.9	9.5	9.9	9.4
Adjusted common equity/total adjusted capital	95.6	95.2	94.3	93.7	95.7
Net interest income/operating revenues	70.4	57.0	58.3	60.3	60.0
Fee income/operating revenues	27.4	35.2	30.8	28.5	28.2
Market-sensitive income/operating revenues	2.5	6.4	3.6	3.9	4.0
Cost to income ratio	49.9	51.4	61.9	63.7	64.7
Preprovision operating income/average assets	2.0	1.8	1.1	1.1	1.1
Core earnings/average managed assets	1.4	1.2	0.8	0.6	0.8

Data as of Dec. 31, 2023. RAC--Risk-adjusted capital.

Table 4**Raiffeisen Banking Group Austria--Risk-adjusted capital framework data**

(Mil. €)	Exposure*	Basel II RWA	Average Basel II RW (%)	Standard & Poor's Global Ratings' RWA	Average Standard & Poor's Global Ratings' RW (%)
Credit risk					
Government and central banks	93,702	7,016	7	25,877	28
Institutions	50,783	4,804	9	13,854	27
Corporate	106,113	78,029	74	94,117	89
Retail	145,277	67,806	47	68,972	47
Of which mortgage	104,919	33,805	32	30,984	30
Securitization§	543	101	19	610	112
Other assets	26,761	12,396	46	29,497	110

Table 4

Raiffeisen Banking Group Austria--Risk-adjusted capital framework data (cont.)					
Total credit risk	423,179	170,153	40	232,927	55
Market risk					
Equity in the banking book†	9,688	10,503	108	76,864	793
Trading book market risk	--	8,520	--	12,807	--
Total market risk	--	19,023	--	89,671	--
Insurance risk					
Total insurance risk	--	477	--	0	--
Operational risk					
Total operational risk	--	24,464	--	22,873	--
	Exposure	Basel II RWA	Average Basel II RW (%)	Standard & Poor's Global Ratings' RWA	% of Standard & Poor's Global Ratings' RWA
Diversification adjustments					
RWA before diversification	--	222,711	--	345,470	100
Total diversification/ Concentration adjustments	--	--	--	1,334	0
RWA after diversification	--	222,711	--	346,805	100
		Tier 1 capital	Tier 1 ratio (%)	Total adjusted capital	Standard & Poor's Global Ratings' RAC ratio (%)
Capital ratio					
Capital ratio before adjustments		37,221	16.7	38,590	11.2
Capital ratio after adjustments‡		37,221	16.8	38,590	11.1

*Exposure at default. §Securitization exposure includes the securitization tranches deducted from capital in the regulatory framework. †Exposure and S&P Global Ratings' risk-weighted assets for equity in the banking book include minority equity holdings in financial institutions.

‡Adjustments to tier 1 ratio are additional regulatory requirements (e.g. transitional floor or pillar 2 add-ons). RWA--Risk-weighted assets. RW--Risk weight. RAC--Risk-adjusted capital. Sources: Company data as of Dec. 31, 2023, S&P Global Ratings.

Table 5

Raiffeisen Banking Group Austria--Risk position					
	--Fiscal year-ended Dec. 31--				
(%)	2023	2022	2021	2020	2019
Growth in customer loans	0.6	4.8	9.5	15.5	16.6
Total diversification adjustment/S&P Global Ratings' RWA before diversification	0.4	(1.1)	(2.2)	(4.5)	0.4
Total managed assets/adjusted common equity (x)	10.8	12.0	13.5	13.5	12.7
New loan loss provisions/average customer loans	0.3	0.4	0.1	0.4	0.1
Gross nonperforming assets/customer loans + other real estate owned	3.1	2.3	2.3	2.6	3.0
Loan loss reserves/gross nonperforming assets	58.7	67.3	70.1	68.5	66.9

Data as of Dec. 31, 2023. RWA--Risk-weighted assets.

Table 6

Raiffeisen Banking Group Austria--Funding and liquidity					
	--Fiscal year-ended Dec. 31--				
(%)	2023	2022	2021	2020	2019
Core deposits/funding base	82.6	85.5	82.7	82.8	86.6
Customer loans (net)/customer deposits	103.7	98.3	99.8	100.5	91.6
Long-term funding ratio	96.2	97.0	95.8	95.4	94.2
Stable funding ratio	117.3	122.1	116.7	116.0	113.5
Short-term wholesale funding/funding base	4.2	3.3	4.6	5.0	6.4
Regulatory net stable funding ratio	132.4	128.0	N/A	N/A	N/A
Broad liquid assets/short-term wholesale funding (x)	6.0	8.3	5.5	4.9	3.8
Broad liquid assets/total assets	21.4	23.7	22.0	21.2	21.0
Broad liquid assets/customer deposits	30.5	32.2	30.8	29.5	28.3
Net broad liquid assets/short-term customer deposits	28.7	33.1	53.8	45.2	38.9
Regulatory liquidity coverage ratio (LCR) (x)	215.0	216.0	N/A	N/A	N/A
Short-term wholesale funding/total wholesale funding	23.5	22.3	25.9	28.2	46.6
Narrow liquid assets/3-month wholesale funding (x)	9.9	14.4	14.1	14.0	6.5

Data as of Dec. 31, 2023. N/A--Not available.

Raiffeisen Bank International AG--Rating component scores

Issuer credit rating	A-/Negative/A-2
SACP	a-
Anchor	bbb+
Economic risk	3
Industry risk	3
Business position	Adequate
Capital and earnings	Strong
Risk position	Moderate
Funding	Strong
Liquidity	Strong
Comparable ratings analysis	0
Support	0
ALAC support	0
GRE support	0
Group support	0
Sovereign support	0
Additional factors	0

ALAC--Additional loss-absorbing capacity. GRE--Government-related entity. SACP--Stand-alone credit profile.

Related Criteria

- Criteria | Financial Institutions | General: Risk-Adjusted Capital Framework Methodology, April 30, 2024
- General Criteria: Hybrid Capital: Methodology And Assumptions, March 2, 2022

- Criteria | Financial Institutions | General: Financial Institutions Rating Methodology, Dec. 9, 2021
- Criteria | Financial Institutions | Banks: Banking Industry Country Risk Assessment Methodology And Assumptions, Dec. 9, 2021
- General Criteria: Environmental, Social, And Governance Principles In Credit Ratings, Oct. 10, 2021
- General Criteria: Group Rating Methodology, July 1, 2019
- General Criteria: Methodology For Linking Long-Term And Short-Term Ratings, April 7, 2017
- General Criteria: Principles Of Credit Ratings, Feb. 16, 2011

Related Research

- Raiffeisen Bank International Affirmed At 'A-'; Outlook Remains Negative On Elevated Risks With Russian Operations, May 24, 2024
- Your Three Minutes In Banking: Commercial Real Estate Isn't Worrying CEE Banks, April 17, 2024
- Raiffeisen Bank International's Planned Exit From Belarus Reduces Reputational And Political Risks, Feb. 15, 2024
- Raiffeisen Bank International's Russian Subsidiary Risks Remain Despite Proposed Capital Upstream, Dec. 20, 2023
- Raiffeisen Bank International AG, Full Analysis, Nov. 20, 2023
- Banking Industry Country Risk Assessment: Austria, Aug. 1, 2023

Ratings Detail (As Of June 12, 2024)*

Raiffeisen Bank International AG

Issuer Credit Rating	A-/Negative/A-2
Junior Subordinated	BB
Senior Unsecured	A-
Short-Term Debt	A-2
Subordinated	BBB

Issuer Credit Ratings History

29-Apr-2020	A-/Negative/A-2
03-Mar-2020	A-/Stable/A-2
30-May-2017	BBB+/Positive/A-2

Sovereign Rating

Austria	AA+/Stable/A-1+
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*Unless otherwise noted, all ratings in this report are global scale ratings. S&P Global Ratings' credit ratings on the global scale are comparable across countries. S&P Global Ratings' credit ratings on a national scale are relative to obligors or obligations within that specific country. Issue and debt ratings could include debt guaranteed by another entity, and rated debt that an entity guarantees.

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