Raiffeisen Bank International

Semi-Annual Financial Report

as at 30 June 2024

Overview

Raiffeisen Bank International (RBI)

Monetary values in € million	2024	2023	Change
Income statement	**1/1-30/6**	**1/1-30/6**	
Net interest income	2,895	2,749	5.3 %
Net fee and commission income	1,391	1,698	(18.1)%
General administrative expenses	(1,924)	(1,995)	(3.6)%
Operating result	2,535	2,661	(4.7)%
Impairment losses on financial assets	(48)	(259)	(81.5)%
Profit/loss before tax	1,919	1,715	11.9 %
Profit/loss after tax	1,436	1,327	8.2 %
Consolidated profit/loss	1,324	1,235	7.3 %
Statement of financial position	**30/6**	**31/12**	
Loans to banks	17,721	14,714	20.4 %
Loans to customers	101,920	99,434	2.5 %
Deposits from banks	28,879	26,144	10.5 %
Deposits from customers	125,333	119,353	5.0 %
Equity	21,090	19,849	6.3 %
Total assets	209,963	198,241	5.9 %
Key figures	**1/1-30/6**	**1/1-30/6**	
Return on equity before tax	19.5 %	18.5 %	1.0 PP
Return on equity after tax	14.6 %	14.3 %	0.3 PP
Consolidated return on equity	15.0 %	14.9 %	0.1 PP
Cost/income ratio	42.7 %	42.4 %	0.3 PP
Return on assets before tax	1.86 %	1.63 %	0.23 PP
Net interest margin (average interest-bearing assets)	2.94 %	2.74 %	0.20 PP
Provisioning ratio (average loans to customers)	0.25 %	0.37 %	(0.13) PP
Bank-specific information	**30/6**	**31/12**	
NPE ratio	1.8 %	1.9 %	(0.1) PP
NPE coverage ratio	53.3 %	51.7 %	1.6 PP
Total risk-weighted assets (RWA)	98,453	93,664	5.1 %
Common equity tier 1 ratio[1]	17.8 %	17.3 %	0.5 PP
Tier 1 ratio[1]	19.5 %	19.1 %	0.4 PP
Total capital ratio[1]	21.9 %	21.5 %	0.4 PP
Stock data	**1/1-30/6**	**1/1-30/6**	
Earnings per share in €	3.87	3.59	7.6 %
Closing price in € (30/6)	16.22	14.52	11.7 %
High (closing prices) in €	19.27	14.60	32.0 %
Low (closing prices) in €	15.82	13.44	17.7 %
Number of shares in million (30/6)	328.94	328.94	0.0 %
Market capitalization in € million (30/6)	5,335	4,776	11.7 %
Resources	**30/6**	**31/12**	
Employees as at reporting date (full-time equivalents)	44,837	44,887	(0.1)%
Business outlets	1,490	1,519	(1.9)%
Customers in million	18.6	18.6	0.5 %

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

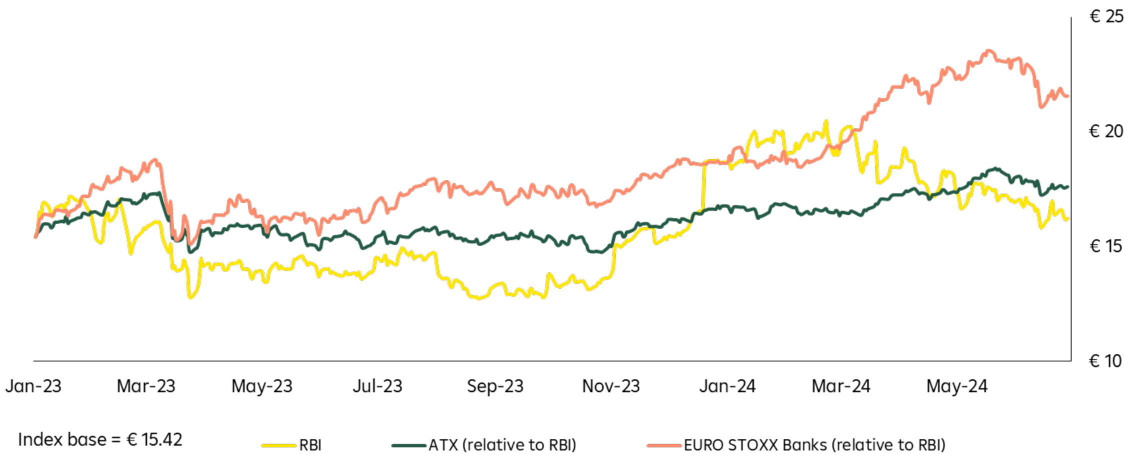
Performance of RBI stock

The year got off to a positive start before the upward momentum eased somewhat. Nonetheless, many equity indices achieved new all-time highs in the second quarter of 2024. This trend was still largely driven by technology stocks, particularly those with businesses related to artificial intelligence. Since most of the big tech companies are based in the United States, these developments once again benefited the US stock markets the most. The old stock market adage that political stock markets are generally short-lived once again proved accurate following the European elections. Despite the gains made by far-left and far-right parties, the election results had very little impact on the markets. Not even the snap elections in France were able to provoke any turmoil even though the results will likely make it more difficult to govern France and their impact on the political situation in Europe is still uncertain.

Inflation remained unchanged year-on-year at between two and three per cent in Europe in the second quarter. While it did not quite reach the two per cent target, the ECB still decided to lower the key lending rate by 25 basis points and thus enact the first rate cut in eight years. European bond markets barely responded at all since the rate cut had been anticipated for a long time. In the US, inflation trends and levels were very similar to those in Europe; however, the Fed did not believe it had enough latitude to start cutting interest rates. The difference in interest rate policies is largely attributable to economic developments, which are much weaker in Europe than in the US and which the ECB intends to support with its monetary reversal.

The RBI share was trading at € 18.46 at the start of the second quarter of 2024. By the end of the quarter, it was trading at € 16.22, having lost 12.1 per cent since the end of the first quarter amid reports about RBI's Russian business. The Austrian stock index (ATX) gained 2.1 per cent in the second quarter, while the European bank index (Euro Stoxx Banks) fell 1.8 per cent.

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



Capital market communication

On 2 May 2024, RBI published its financial results for the first quarter of 2024. The RBI Board of Management took this opportunity to hold a web conference with more than 350 participants. It explained the financials, discussing the situation in Russia and its potential impact on RBI in detail, and fielded questions in the subsequent Q&A session.

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, Bucharest, Lausanne, London, Madrid, Munich, Paris, Prague, Vienna and Zürs in the second 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 second quarter continued to focus on the situation in Ukraine and developments in Russia as well as their potential impact on RBI.

A total of 18 equity analysts and 22 debt analysts (as at 30 June 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.

New issues

In February, RBI issued a 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.

In May, RBI issued its first € 500 million benchmark senior preferred bond of the year. Following previous investor work, the market demand proofed high with a 5 times oversubscribed order book of over € 2.5 billion. This allowed the final spread to be set at 155 basis points over the mid-swap rate after an initial guidance of 190 basis points. The allocation was well diversified with accounts mostly from across Europe. The issuance has a tenor of 6 years (non-callable for 5 years) and a coupon of 4.5 per cent payable annually.

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 Moody's rating was last updated in the third quarter of 2023, and the rating for public-sector covered bonds was raised one notch from Aa2 to Aa1. The other ratings remained unchanged. Standard & Poor's last reaffirmed its rating in May 2024, citing the continued good business performance and large capital buffers that could absorb risks from the Russian business. The integration with the stable, broadly positioned Raiffeisen Banking Group also contributes positively to the rating assessment.

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 30 June 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 30 June 2024	€ 16.22
Share price high/low (closing) in the second quarter 2024	€ 19.27/€ 15.82
Earnings per share from 1 January to 30 June 2024	€ 3.87
Book value per share as at 30 June 2024	€ 55.41
Market capitalization as at 30 June 2024	€ 5,335 million
Average daily trading volume (single count) in the second quarter 2024	327,762 shares
Free float as at 30 June 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 30 June 2024	328,939,621

Financial calendar 2024/2025

23 October 2024	Start of Quiet Period
30 October 2024	Third Quarter Report, Conference Call
27 January 2025	Start of Quiet Period
4 February 2025	Preliminary Results 2024, Conference Call
25 February 2025	Annual Financial Report 2024
16 March 2025	Record Date Annual General Meeting
26 March 2025	Annual General Meeting
31 March 2025	Ex-Dividend Date
1 April 2025	Record Date Dividend
2 April 2025	Dividend Payment Date
24 April 2025	Start of Quiet Period
6 May 2025	First Quarter Report, Conference Call
23 July 2025	Start of Quiet Period
30 July 2025	Semi-Annual Report, Conference Call
23 October 2025	Start of Quiet Period
30 October 2025	Third Quarter Report, Conference Call

Interim group management report

Market development

Many European countries experienced very subdued economic growth in 2023. 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 US economy remains robust despite a slight slowdown from the very strong second half of 2023, while the Chinese economy is holding up better than feared as well. As a result, while the global economic environment provides limited support for Europe, political issues (e.g. the upcoming US presidential election) continue to create uncertainty. The decline in inflation stalled at times in the first half of 2024 in the euro area and the US, while the pace of the disinflation process generally slowed significantly from 2023. The ECB nevertheless enacted its first interest rate cut; the US Federal Reserve is likely to follow suit later this year. The CE/SEE region is also expected to see (further) rate cuts. 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 recorded a decline in overall economic activity at the end of 2023. GDP grew somewhat faster than expected in the first quarter of 2024. GDP growth is likely to be slightly higher for 2024 as a whole than in the previous year (0.8 per cent versus 0.5 per cent). Economic momentum is expected to accelerate in 2025, with investment contributing to the recovery alongside private consumption. The inflation rate dropped to around 2.5 per cent by mid-2024. No further reduction in inflation is expected until the end of 2024. A return to the ECB's 2 per cent inflation target is not expected until 2025.

The **ECB** cut its key interest rates by 25 basis points in June. The deposit rate is the key interest rate for monetary policy. Further cuts in the deposit rate, each measuring 25 basis points, are expected in September and December 2024. In 2025, the key lending rate is likely to continue to be reduced by 25 basis points per quarter. Money market and swap rates are pricing in future rate cuts, resulting in inverted yield curves. The outlined policy rate path should coincide with a drop in money market and swap rates from current levels. The ECB's balance sheet will continue to shrink in 2024 and 2025 as redemptions from expiring bonds are no longer reinvested.

The **Austrian economy** was partially in recession in 2023 but stabilized in the winter (Q4 2023/Q1 2024) despite continued weakness in the manufacturing and construction sectors. The economy is expected to gain some momentum in the second half of 2024 since private consumption should benefit from the significant real wage increases. Nevertheless, GDP is expected to only grow a marginal 0.2 per cent over the entirety of 2024 (2025: 1.4 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 in the second half of the year, the construction sector is likely to remain in recession throughout the year.

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 recovery is expected to be driven primarily by rebounding consumer demand. This scenario was confirmed by GDP data for the first quarter. 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. Ongoing monetary easing is supporting moderate growth this year, although the pace of rate cuts will slow in the Czech Republic and Hungary in the second half of the year (with rates unchanged in Poland).

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 large 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 and slightly higher inflation, combined with a later start to monetary easing, mean that growth in most Southeastern European countries remains 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 continues to demonstrate its ability to adapt to wartime conditions. In 2024, GDP growth should reach around 3.4 per cent, driven by a rebound in real private consumption, strong public spending and a moderate recovery in investment.

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 (expected interest rate hikes in the second half of the year). In **Belarus**, the economy started 2024 stronger than expected. However, an expected rise in inflation, increased competition in the Russian market, a persistent trade deficit, difficult access to external financing due to sanctions and fading base effects are expected to weaken economic growth in the second half of the year.

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

Region/country	2022	2023	2024e	2025f
Czech Republic	2.9	0.0	1.5	2.9
Hungary	4.6	(0.8)	2.2	3.4
Poland	5.6	0.2	3.1	3.8
Slovakia	1.9	1.6	2.7	2.4
Central Europe	**4.4**	**0.2**	**2.6**	**3.4**
Albania	4.9	3.4	3.7	3.8
Bosnia and Herzegovina	4.2	1.7	2.6	3.0
Croatia	7.0	3.1	3.2	2.7
Kosovo	4.3	3.3	3.9	4.0
Romania	4.1	2.1	2.0	2.5
Serbia	2.4	2.5	3.8	4.0
Southeastern Europe	**4.3**	**2.3**	**2.5**	**2.9**
Belarus	(4.7)	3.9	4.0	2.0
Russia	(1.2)	3.6	3.3	0.9
Ukraine	(28.8)	5.3	3.4	6.5
Eastern Europe	**(3.9)**	**3.7**	**3.3**	**1.4**
Austria	**4.8**	**(0.8)**	**0.2**	**1.4**
Euro area	**3.5**	**0.5**	**0.8**	**1.5**

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

Significant events in the reporting period

Update on Russia

RBI carefully analyzed the necessary preconditions for ensuring that the STRABAG transaction complied with the sanctions. After numerous experts had confirmed that the transaction would be sanction-compliant, the Board of Management decided, with the Supervisory Board's consent, to proceed with the transaction. At the same time, the Board of Management and the Supervisory Board were fully aware that the transaction, while legally unobjectionable, could fail due to political considerations. The transaction raised significant political concerns, particularly in the US but also in Europe, and thus posed political risks as well. Following intensive exchanges with the relevant authorities, RBI's Board of Management decided on 8 May, for reasons of caution and in the interests of its customers and shareholders, not to take these political risks and to walk away from the purchase process of the STRABAG shares.

Nonetheless, RBI is continuing to work 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. The current capital reserves could completely absorb even a complete deconsolidation of the Russian subsidiary bank at a hypothetical book value of zero.

Meanwhile, business operations in Russia are being heavily scaled back. The loan business has been reduced by nearly 60 per cent 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. Raiffeisenbank Russia is taking steps to further reduce customer deposits. RBI will drastically reduce Raiffeisenbank Russia's business even further in conformity with ECB requirements. Initial consequences for customers, such as restrictions in payments, have already taken effect. Additional steps will follow.

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.

Earnings and financial performance

At € 1,324 million, consolidated profit was € 90 million up on the previous year's figure. The devaluation in particular of the Russian ruble – the average exchange rate changed by 14 per cent – had a negative effect on consolidated profit.

Core revenues (net interest income and net fee and commission income) were down € 161 million, or 4 per cent, to € 4,285 million. The decline of € 307 million in net fee and commission income was attributable to Russia (down € 331 million), with both the active restriction of activities and also the currency devaluation resulting in a significant reduction. Net interest income increased € 146 million to € 2,895 million, above all as a result of growth in Southeastern Europe, Russia and Slovakia. The net interest margin reached 2.94 per cent in the reporting period versus 2.74 per cent in the comparable period. General administrative expenses decreased 4 per cent year-on-year, or € 72 million, to € 1,924 million. Russia reported a € 153 million decline, whereas almost all other countries recorded increases, partly due to inflation. Risk costs of € 48 million, which were well below the previous-year figure of € 259 million, mainly related to head office. Expenses for credit-linked, portfolio-based litigation provisions and annulments of loan agreements continued to have a negative impact of € 404 million (previous-year period: € 429 million). In the first half of the year, € 161 million was recognized for governmental measures and compulsory contributions, € 76 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 € 12 billion, or 5.9 per cent, to € 210 billion since the start of the year. Currency effects were responsible for a 0.6 per cent rise. On a currency-adjusted basis, customer business overall was stable with a small € 2.5 billion increase. The continuous decline in Russia was offset by significant increases at head office and in the Southeastern Europe segment. On a currency-adjusted basis, the decline in Russia since the start of 2024 amounted to 9.4 per cent and was largely attributable to loans to non-financial corporations and households.

Comparison of results with the previous-year period

in € million	1/1-30/6/2024	1/1-30/6/2023	Change	
Net interest income	2,895	2,749	146	5.3 %
Dividend income	27	17	10	59.9 %
Current income from investments in associates	34	51	(17)	(33.1)%
Net fee and commission income	1,391	1,698	(307)	(18.1)%
Net trading income and fair value result	59	116	(58)	(49.5)%
Net gains/losses from hedge accounting	2	(17)	19	–
Sundry operating income	51	43	8	19.5 %
Operating income	**4,458**	**4,656**	**(198)**	**(4.2)%**
Staff expenses	(1,073)	(1,169)	96	(8.2)%
Other administrative expenses	(617)	(600)	(17)	2.9 %
Depreciation	(234)	(227)	(7)	2.9 %
General administrative expenses	**(1,924)**	**(1,995)**	**72**	**(3.6)%**
Operating result	**2,535**	**2,661**	**(126)**	**(4.7)%**
Other result	(407)	(450)	44	(9.7)%
Governmental measures and compulsory contributions	(161)	(237)	76	(32.2)%
Impairment losses on financial assets	(48)	(259)	211	(81.5)%
Profit/loss before tax	**1,919**	**1,715**	**205**	**11.9 %**
Income taxes	(483)	(388)	(96)	24.7 %
Profit/loss after tax	**1,436**	**1,327**	**109**	**8.2 %**
Profit attributable to non-controlling interests	(111)	(92)	(19)	20.6 %
Consolidated profit/loss	**1,324**	**1,235**	**90**	**7.3 %**

Operating income

Net interest income rose € 146 million year-on-year to € 2,895 million. Slovakia reported a € 42 million increase, mainly due to interest-rate-driven higher income from customer loans to non-financial corporations and households. In Serbia, both higher market interest rates and also increased volumes led to a € 25 million increase in net interest income, whereas interest expenses for customer deposits remained almost unchanged due to the excellent liquidity position. The € 24 million rise in net interest income in Romania was due to volume-related higher interest income from liquidity investment (government bonds) and to higher market interest rates for foreign currency loans. The € 12 million increase in Albania was partly currency-related, but also attributable to higher volumes for government bonds and securities in foreign currencies. In Russia, net interest income increased € 47 million, due to higher market interest rates and resulting higher interest income from interbank investments. In contrast, head office reported a € 54 million decline in net interest income due to higher interest expenses for customer deposits.

The Group's average interest-bearing assets declined 2 per cent year-on-year, primarily due to declines at head office (central bank balances) and in Eastern Europe. The net interest margin improved 20 basis points to 2.94 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 72 basis points in Serbia and a rise of 51 basis points in Slovakia. In Serbia, in particular interest expenses for customer deposits at a low level resulted in an improvement in the net interest margin, and in Slovakia, in addition to the increase in net interest income, the 5 per cent reduction in average interest-bearing assets also led to the positive development in the net interest margin.

Overall, net fee and commission income reduced € 307 million to € 1,391 million. The reduction was largely attributable to Russia (down € 331 million, thereof € 106 million from the currency devaluation), with most countries of the Group reporting an increase. As a result of the volume- and currency-related reduction in Russia, net fee and commission income from foreign-currency business at Group-level fell € 209 million, primarily in spot foreign exchange business. This development was influenced by decreased volumes as a result of internal transaction limits and by lower margins from business with non-financial corporations and households. Net income from clearing, settlement and payment services decreased € 98 million as a result of lower volumes.

Net trading income and fair value result declined € 58 million year-on-year to € 59 million. This was primarily due to Russia with a € 64 million reduction to € 20 million, mainly as a result of valuations of foreign-currency positions and of reduced customer transactions in foreign currencies. Head office also reported a € 19 million year-on-year decline, primarily due to a fall in net trading income from certificates and equities. This contrasted with valuation gains of € 25 million in connection with foreign currency positions, most notably in the Czech Republic, Hungary and Albania.

General administrative expenses

General administrative expenses were down 4 per cent, or € 72 million, year-on-year to € 1,924 million. Staff expenses decreased € 96 million to € 1,073 million. Russia reported a € 153 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 salary increases in almost all other countries of the Group, especially in Slovakia (up € 13 million), in Romania (up € 11 million) and at head office (up € 7 million). The main driver of the increase of € 17 million in other administrative expenses were higher IT expenses (up € 45 million) mainly at head office. This was offset by a reduction of € 25 million in legal, advisory and consulting expenses. The cost/income ratio increased year-on-year from 42.4 per cent to 42.7 per cent.

The number of business outlets fell 80 year-on-year to 1,490. The largest decline was reported in Serbia due to consolidations following the merger with Crédit Agricole Srbija (down 33), as well as in Romania (down 15) and in Belarus (down 6). The average headcount increased 737 full-time equivalents year-on-year to 44,876.

Other result

Other result amounted to minus € 407 million in the reporting period after minus € 450 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 € 404 million (previous-year period: € 429 million). These mainly related to mortgage loans in Poland denominated in foreign currencies or linked to a foreign currency. The expense of € 391 million in Poland mainly resulted from provisions in connection with the CHF-loan portfolio due to negative court rulings and from the adjustment of the discounting period. Additional drivers of the expense in Poland were allocations to provisions of € 84 million in connection with pending litigation relating to euro-denominated loans and also penalty interest owed to customers of € 82 million. In the reporting period, the valuation of investments in subsidiaries and associates led to net income of € 11 million.

Governmental measures and compulsory contributions

Governmental measures and compulsory contributions decreased € 76 million to € 161 million. Contributions to the bank resolution fund fell € 59 million as the establishment phase of the fund had almost been completed. This related to head office (down € 42 million), the Czech Republic (down € 7 million) and Slovakia (down € 6 million). Deposit insurance fees decreased € 13 million. This mainly concerned Raiffeisen Bausparkasse Gesellschaft m.b.H., which posted a reduction of € 8 million. In the previous-year periods, higher contribution payments had been made in order to replenish the deposit insurance fund following the loss incidents relating to Commerzialbank Mattersburg im Burgenland AG and to Anglo Austrian AAB AG in 2020.

Impairment losses on financial assets

At € 48 million, impairment losses on financial assets were significantly lower in the reporting period than the figure of € 259 million in the comparable period, which was mainly reported in Eastern Europe. For defaulted loans (Stage 3), impairments of € 170 million net were recognized in the reporting period (previous-year period: € 53 million net). € 87 million related to non-financial corporations (thereof real estate financing: € 62 million) and € 57 million to households. At country level, the Stage 3 impairment losses were primarily incurred at head office (€ 63 million) and in Russia (€ 61 million). In Stage 1 and Stage 2, net releases of € 122 million were recognized in the reporting period, most notably in Russia due to repayments primarily from sanctioned customers (previous-year period: impairment losses of € 206 million, thereof € 134 million in Russia and € 61 million in Ukraine).

Income taxes

The increase in income taxes by € 96 million to € 483 million was mainly attributable to special taxes as well as increases in profits in Central Europe, Eastern Europe and Southeastern Europe. In Central Europe, the introduction of a special tax in Slovakia (€ 40 million) at the beginning of 2024 was primarily responsible for the increase of € 56 million. In Eastern Europe, the increase in the tax rate from 18 per cent to 25 per cent in Ukraine contributed to an increase of € 32 million. The effective tax rate was 25.2 per cent, around 3 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, profit contribution from head office as well as the newly introduced special tax in Slovakia and the increase in the tax rate in Ukraine.

Comparison of results with the previous quarter

Quarterly results

in € million	Q2/2023	Q3/2023	Q4/2023	Q1/2024	Q2/2024	Change	
Net interest income	1,364	1,441	1,494	1,455	1,440	(15)	(1.1)%
Dividend income	7	10	8	6	21	15	253.3 %
Current income from investments in associates	21	21	13	17	17	(1)	(5.2)%
Net fee and commission income	732	667	677	669	722	54	8.0 %
Net trading income and fair value result	30	89	(19)	17	42	25	149.6 %
Net gains/losses from hedge accounting	(7)	5	(16)	6	(4)	(9)	–
Other net operating income	51	15	5	32	19	(13)	(40.6)%
Operating income	**2,197**	**2,247**	**2,162**	**2,201**	**2,257**	**56**	**2.5 %**
Staff expenses	(606)	(491)	(548)	(525)	(548)	(24)	4.5 %
Other administrative expenses	(323)	(271)	(354)	(299)	(318)	(19)	6.4 %
Depreciation	(116)	(116)	(132)	(114)	(119)	(5)	4.2 %
General administrative expenses	**(1,045)**	**(878)**	**(1,034)**	**(938)**	**(986)**	**(48)**	**5.1 %**
Operating result	**1,152**	**1,369**	**1,128**	**1,263**	**1,271**	**8**	**0.6 %**
Other result	(354)	(138)	(317)	(147)	(260)	(113)	76.9 %
Governmental measures and compulsory contributions	(2)	(22)	(24)	(140)	(21)	118	(84.7)%
Impairment losses on financial assets	42	8	(142)	(25)	(23)	2	(9.9)%
Profit/loss before tax	**838**	**1,216**	**645**	**952**	**967**	**16**	**1.6 %**
Income taxes	(211)	(269)	(341)	(231)	(253)	(22)	9.5 %
Profit/loss after tax	**627**	**947**	**304**	**721**	**715**	**(6)**	**(0.9)%**
Profit attributable to non-controlling interests	(49)	(68)	(32)	(57)	(54)	3	(5.9)%
Consolidated profit/loss	**578**	**879**	**272**	**664**	**661**	**(3)**	**(0.4)%**

Development of the second quarter of 2024 compared to the first quarter of 2024

Net interest income was down € 15 million year-on-year to € 1,440 million. Hungary recorded the largest decline of € 15 million due to declining market interest rates and, as a result, increased pressure on margins in the credit business. The decline in net interest income of € 6 million at head office and € 5 million in Ukraine was also attributable to interest rates and increased margin pressure on the assets side. The € 9 million increase in net interest income in Russia was mainly currency-related; in local currency terms, net interest income was almost flat. The Group's net interest margin decreased 6 basis points to 2.92 per cent.

Net fee and commission income increased by € 54 million to € 722 million. Thereby net fee and commission income from clearing, settlement and payment services increased € 34 million due to higher volumes and the currency development in Russia (€ 7 million) and transaction-driven primarily in Hungary (€ 3 million). In addition, incentive payments from credit card providers of € 15 million contributed to the increase, mainly in Belarus and Romania. Net commission income from foreign exchange business increased € 15 million, mostly due to higher revenues in Russia and Belarus.

Net trading income and fair value result increased € 25 million to € 42 million. A sizable portion of the increase occurred at head office, where net trading income increased € 30 million from minus € 13 million to plus € 17 million. This was due to a reduction in the negative impact of RBI's own credit spread related to the certificate business. After declining 25 basis points in the first quarter with a negative impact of € 36 million, risk premiums stabilized in the current quarter, resulting in no further measurement effects.

Other net operating income came in at € 19 million in the second quarter, significantly below the first-quarter level of € 32 million. In the second quarter, losses of € 14 million were allocated from the sale of debt securities issued, mainly in Czech Republic and Hungary.

General administrative expenses increased by € 48 million quarter-on-quarter to € 986 million. Staff expenses rose by € 24 million to € 548 million, other administrative expenses by € 19 million to € 318 million as well as depreciation by € 5 million to € 119 million. The main drivers of the increase in the second quarter were higher staff expenses in Russia (€ 7 million), at head office (€ 5 million) and in Slovakia (€ 3 million) as well as higher other administrative expenses, in particular advertising, PR and promotional expenses (€ 7 million) and legal, advisory and consulting expenses (€ 6 million).

The other result decreased € 113 million to minus € 260 million. This was largely due to allocations to provisions of € 282 million, mainly related to pending litigation on euro-denominated loans and penalty interest owed to customers in Poland. The measurement of shares in associated companies yielded a result of € 39 million in the reporting period, which was attributable, among other things, to write-ups on Prva stavebna sporitelna a.s. and UNIQA Insurance Group AG.

Governmental measures and compulsory contributions amounted to € 21 million in the second quarter, compared to € 140 million in the first quarter, as most of these (€ 108 million) have to be posted in their entirety in the first quarter in accordance with the underlying provisions (IFRIC 21).

Impairment losses on financial assets were € 2 million lower in the second quarter at € 23 million after impairment losses on financial assets of € 25 million were recognized in the first quarter. In the second quarter, allocations at head office (€ 60 million) – mainly due to adjusted collateral measurements for real estate financing, from lending business and export financing – were offset by net releases in Russia (€ 42 million due to repayments, primarily from sanctioned customers). In the first quarter, allocations mainly related to customers at head office (€ 35 million).

The increase in income taxes by € 22 million to € 253 million was mainly due to profit growth in the second quarter. The effective tax rate increased by 1.0 percentage points to 25.2 per cent compared to the previous quarter, driven by higher, non-deductible provisions in Poland in the second quarter. Additionally, the negative contribution from head office, which had no offsetting positive tax, impacted the effective tax rate.

Statement of financial position

Total assets have increased by around € 12 billion, or 5.9 per cent in the year to date, with currency effects being responsible for an increase of 0.6 per cent. The appreciation of the US dollar (up 3 per cent), the Russian ruble (up 8 per cent) and the Belarusian ruble (up 5 per cent) was set against the devaluation of the Ukrainian hryvnia (down 3 per cent) and the Hungarian forint (down 3 per cent).

Assets

in € million	30/6/2023[1]	30/9/2023[1]	31/12/2023[1]	31/3/2024[1]	30/6/2024	Change year-to-date	
Loans to banks	17,358	15,716	14,714	16,414	17,721	3,008	20.4 %
Loans to customers	101,806	101,931	99,434	100,434	101,920	2,487	2.5 %
hereof non-financial corporations	47,838	47,317	46,572	46,600	46,663	(386)	(0.8)%
hereof households	40,525	39,848	39,674	39,404	40,036	362	0.9 %
Securities	28,236	30,803	31,108	34,242	35,926	4,819	15.5 %
Cash and other assets	58,723	55,724	52,986	52,307	54,395	1,409	2.7 %
hereof cash balances	48,383	45,286	43,234	41,943	44,283	1,049	2.4 %
Total	**206,123**	**204,175**	**198,241**	**203,398**	**209,963**	**11,722**	**5.9 %**

1 Previous-period figures adapted due to changed allocation

The increase in loans to banks was mainly due to an increase in repo transactions of € 1,796 million in the Czech Republic and € 286 million in Serbia. Interbank investments in Russia also reached € 562 million, mainly as a result of money market transactions in China, and short-term foreign currency placements in Belarus of € 240 million. In Romania, loans increased € 211 million, largely due to the deposit of excess cash with the central bank and the purchase of bonds.

Loans to customers increased € 2,487 million in total. Head office saw an increase of € 2,309 million, or 9 per cent, mainly due to an increase in the volume of repo transactions with other financial corporations.

The increase in securities was primarily attributable to investments – especially in government bonds – at head office (up € 1,532 million, including trading securities), in the Czech Republic (up € 1,490 million), Hungary (up € 950 million), Slovakia (up € 616 million) and Romania (up € 514 million). On the other hand, Ukraine reported a decline of € 218 million due to the repayment of bonds and the sale of US government bonds.

The € 1,049 million increase in cash balances was mainly due to a € 2,897 million increase in short-term forward and repo transactions at head office and a € 1,281 million increase in demand deposits at banks in Russia. Slovakia experienced a decrease of € 2,963 million, mainly due to the redemption of TLTRO instruments and an increase in loans to customers, while in the Czech Republic the placement of excess cash in central bank deposits led to a decrease of € 311 million.

Equity and liabilities

in € million	30/6/2023	30/9/20231	31/12/20231	31/3/2024	30/6/2024	Change year-to-date	
Deposits from banks	33,681	29,298	26,144	27,924	28,879	2,735	10.5 %
Deposits from customers	120,553	121,233	119,353	120,938	125,333	5,980	5.0 %
hereof non-financial corporations	45,827	45,813	45,084	45,268	46,749	1,665	3.7 %
hereof households	58,427	57,520	58,453	57,990	59,073	621	1.1 %
Debt securities issued and other liabilities	32,561	33,792	32,894	34,117	34,660	1,767	5.4 %
Equity	19,329	19,851	19,849	20,419	21,090	1,241	6.3 %
Total	**206,123**	**204,175**	**198,241**	**203,398**	**209,963**	**11,722**	**5.9 %**

The € 2,735 million, or 10 per cent, increase in deposits from banks was mainly due to a volume-driven € 5,474 million increase in repo transactions and short-term deposits at head office. This contrasted with repayments of TLTRO instruments in Slovakia amounting to € 2,200 million.

The € 5,980 million increase in deposits from customers compared to the end of the year was mainly due to a € 2,792 million increase in repo transactions with the government, short-term deposits from households in the Czech Republic and a € 595 million increase in deposits from other financial corporations and households in Hungary. Also, in Romania, deposits from households, non-financial corporations and other financial corporations rose € 568 million in local and foreign currencies. In Ukraine, deposits increased € 316 million, mainly from non-financial corporations. This contrasted with a decrease of € 367 million in Slovakia due to lower short-term deposits from non-financial corporations, which were partially offset by higher deposits from governments and households.

Debt securities issued and other liabilities increased € 1,767 million. Head office issued a € 500 million senior non-preferred benchmark bond during the reporting period. In addition, a new green bond was issued for € 350 million in April in Slovakia.

Liabilities in Russia increased € 513 million, largely 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 30 June 2024, the liquidity coverage ratio was 210 per cent (31 December 2023: 189 per cent) while the net stable funding ratio (NSFR) was 147 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 81.9 per cent as of 30 June 2024 (31 December 2023: 83.3 per cent).

Equity on the statement of financial position

The equity, including non-controlling interests, increased by € 1,241 million to € 21,090 million since the beginning of the year.

Total comprehensive income of € 1,778 million comprised profit after tax of € 1,436 million and other comprehensive income of € 342 million. Currency fluctuations had a positive impact of € 370 million on the other comprehensive income, with the appreciation of the Russian ruble by 8 per cent contributing positively with € 414 million, and that of the Belarusian ruble by 5 per cent contributing € 25 million. Negative effects were caused by the depreciation of the Czech koruna by 1 per cent with € 34 million, the Hungarian forint by 3 per cent with € 33 million, and the Ukrainian hryvnia by 3 per cent contributing € 17 million. There were also positive effects from the other comprehensive income from companies valued at equity amounting to € 37 million, as well as from hedging of net investments in the Hungarian forint (€ 10 million) and the Czech koruna (€ 8 million), resulting in a positive valuation result of € 18 million. This was offset by a negative contribution, mainly in Russia, from adaptations to the cash flow hedge reserve of €110 million.

Dividends of € 553 million were distributed in 2024 for the financial year 2023. The distribution of a dividend of € 1.25 per share to the RBI's shareholders amounted to € 410 million. Furthermore, € 88 million were paid out to holders of non-controlling interests in Group companies. Additionally, dividend payments of € 54 million were made on AT1 capital.

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

Common equity tier 1 (CET1) after deductions amounted to € 17,477 million, representing an increase of € 1,274 million compared to the 2023 year-end figure. The main driver for the increase was the consideration of the period result after deduction of any dividends amounting to € 1,045 million.

Tier 1 capital after deductions increased € 1,284 million to € 19,165 million. This was mainly due to the effects on CET1. Tier 2 capital increased € 141 million to € 2,428 million due to the expiration of the transition provisions in IFRS 9. Total capital amounted to € 21,593 million, which represents an increase of € 1,425 million compared to the 2023 year-end figure.

Total risk-weighted assets (RWA) increased € 4,789 million from the 2023 year-end figure to € 98,453 million. The main driver of the increase in credit risk was organic growth towards sovereigns and banks amounting to € 3,200 million RWAs. Market risk RWAs increased € 1,384 million due to currency fluctuations. This resulted in a (transitional) CET1 ratio of 17.8 per cent, a (transitional) tier 1 ratio of 19.5 per cent and a (transitional) total capital ratio of 21.9 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 RBI 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 € 4.1 billion and net fee and commission income around € 1.8 billion.

We expect loans to customers to grow by 4 to 5 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 35 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 14.7 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	1/1-30/6/2024	1/1-30/6/2023	Change	Q2/2024	Q1/2024	Change
Net interest income	800	753	6.2 %	397	404	(1.7)%
Dividend income	12	6	87.2 %	9	2	274.0 %
Current income from investments in associates	3	2	39.4 %	1	2	(41.7)%
Net fee and commission income	296	288	2.5 %	152	144	5.5 %
Net trading income and fair value result	(11)	(23)	(51.5)%	3	(14)	–
Net gains/losses from hedge accounting	7	(4)	–	1	6	(88.2)%
Other net operating income	6	18	(65.7)%	(3)	9	–
Operating income	**1,112**	**1,041**	**6.8 %**	**559**	**552**	**1.3 %**
General administrative expenses	(519)	(486)	6.6 %	(267)	(252)	5.8 %
Operating result	**593**	**555**	**6.9 %**	**293**	**300**	**(2.4)%**
Other result	(395)	(433)	(8.9)%	(252)	(108)	132.9 %
Governmental measures and compulsory contributions	(84)	(128)	(34.1)%	5	(89)	–
Impairment losses on financial assets	32	(38)	–	(2)	34	–
Profit/loss before tax	**146**	**(44)**	**–**	**44**	**136**	**(68.1)%**
Income taxes	(134)	(78)	72.2 %	(70)	(64)	9.1 %
Profit/loss after tax	**12**	**(122)**	**–**	**(26)**	**72**	**–**
Return on equity before tax	6.5 %	–	–	0.8 %	12.2 %	(11.4) PP
Return on equity after tax	0.5 %	–	–	–	6.5 %	–
Net interest margin (average interest-bearing assets)	2.51 %	2.36 %	0.15 PP	2.47 %	2.52 %	(0.05) PP
Cost/income ratio	45.0 %	44.9 %	0.0 PP	45.9 %	44.0 %	2.0 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 a rise of € 71 million in operating income, which was driven by the positive trend in net interest income in Slovakia. In that country, largely rate-driven increases in income from customer loans to non-financial corporations and households led to a rise of € 42 million in net interest income. Valuation gains in connection with foreign currency positions above all in the Czech Republic and Hungary resulted in an increase of € 12 million in net trading income. General administrative expenses were up € 32 million, mainly due to higher staff expenses in Slovakia (up € 13 million) and in Hungary (up € 4 million) as well as higher IT and consulting expenses (both up € 7 million). The other result was reduced by expenses of € 391 million (previous-year period: € 424 million) for credit-linked, portfolio-based litigation and loan agreement annulments that related exclusively to mortgage loans in Poland. The decline of € 44 million in expenses for governmental measures and compulsory contributions was attributable to a lower bank levy in Hungary (down € 27 million) and a smaller contribution to the bank resolution fund in the Czech Republic (down € 7 million) and Slovakia (down € 6 million). Risk costs fell € 70 million as a result of lower allocations in Slovakia (down € 23 million) and the Czech Republic (down € 18 million) as well as net releases of € 19 million (previous-year period: allocations of € 4 million) in Hungary as a consequence of improved macroeconomic conditions. The increase in income taxes was mainly attributable to the introduction of a special tax in Slovakia (€ 40 million).

in € million	Poland 1/1-30/6/2024	Poland 1/1-30/6/2023	Slovakia 1/1-30/6/2024	Slovakia 1/1-30/6/2023
Net interest income	17	8	232	190
Dividend income	0	0	0	0
Current income from investments in associates	0	0	3	2
Net fee and commission income	0	0	101	94
Net trading income and fair value result	1	1	6	6
Net gains/losses from hedge accounting	0	0	0	0
Other net operating income	4	0	2	1
Operating income	**22**	**8**	**344**	**293**
General administrative expenses	(39)	(31)	(149)	(131)
Operating result	**(18)**	**(23)**	**195**	**162**
Other result	(391)	(424)	(2)	0
Governmental measures and compulsory contributions	(1)	(2)	(1)	(7)
Impairment losses on financial assets	17	11	(4)	(27)
Profit/loss before tax	**(393)**	**(438)**	**189**	**128**
Income taxes	0	0	(72)	(29)
Profit/loss after tax	**(393)**	**(438)**	**117**	**99**

in € million	Czech Republic 1/1-30/6/2024	Czech Republic 1/1-30/6/2023	Hungary 1/1-30/6/2024	Hungary 1/1-30/6/2023
Net interest income	301	312	250	245
Dividend income	2	2	9	4
Net fee and commission income	86	95	108	98
Net trading income and fair value result	4	(3)	(22)	(26)
Net gains/losses from hedge accounting	1	(3)	6	(1)
Other net operating income	5	14	(5)	3
Operating income	**399**	**417**	**347**	**323**
General administrative expenses	(193)	(196)	(138)	(129)
Operating result	**206**	**222**	**209**	**194**
Other result	0	(1)	(3)	(8)
Governmental measures and compulsory contributions	(14)	(23)	(68)	(95)
Impairment losses on financial assets	(1)	(19)	19	(4)
Profit/loss before tax	**192**	**179**	**158**	**87**
Income taxes	(39)	(39)	(23)	(10)
Profit/loss after tax	**153**	**139**	**135**	**77**

Southeastern Europe

in € million	1/1-30/6/2024	1/1-30/6/2023	Change	Q2/2024	Q1/2024	Change
Net interest income	693	617	12.3 %	350	344	1.8 %
Dividend income	4	1	369.8 %	4	0	>500.0%
Net fee and commission income	236	215	9.8 %	125	111	12.3 %
Net trading income and fair value result	10	5	82.2 %	2	8	(72.3)%
Net gains/losses from hedge accounting	0	0	(69.6)%	0	0	(26.5)%
Other net operating income	14	5	209.1 %	9	5	70.3 %
Operating income	**957**	**843**	**13.5 %**	**490**	**468**	**4.7 %**
General administrative expenses	(384)	(352)	9.1 %	(200)	(184)	8.4 %
Operating result	**573**	**492**	**16.6 %**	**290**	**283**	**2.3 %**
Other result	0	(6)	(93.6)%	0	0	353.3 %
Governmental measures and compulsory contributions	(37)	(24)	52.8 %	(16)	(20)	(19.7)%
Impairment losses on financial assets	18	40	(55.1)%	5	13	(63.1)%
Profit/loss before tax	**554**	**501**	**10.6 %**	**278**	**276**	**0.8 %**
Income taxes	(87)	(83)	5.5 %	(42)	(45)	(7.2)%
Profit/loss after tax	**467**	**419**	**11.6 %**	**236**	**231**	**2.3 %**
Return on equity before tax	32.4 %	32.0 %	0.4 PP	32.6 %	32.3 %	0.3 PP
Return on equity after tax	27.4 %	26.7 %	0.6 PP	27.7 %	27.0 %	0.7 PP
Net interest margin (average interest-bearing assets)	4.26 %	4.16 %	0.10 PP	4.25 %	4.26 %	(0.01) PP
Cost/income ratio	40.1 %	41.7 %	(1.6) PP	40.8 %	39.4 %	1.4 PP

The increase in profit after tax was attributable mainly 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 resulting from repo transactions with banks and loans to households. Net interest income was up € 76 million or 12 per cent, with a contribution of € 25 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 € 24 million or 9 per cent, which was mainly attributable to higher interest rates and a rise in income from liquidity placements and bonds. In Albania, net interest income was up € 12 million or 23 per cent, mainly due to higher investments in securities denominated in foreign currencies and government bonds as well as increased lending to non-financial corporations and households. Net fee and commission income was also up € 21 million in the segment, including € 8 million in Serbia, and was driven by a larger number of foreign currency transactions by customers. Romania reported a rise of € 5 million, which reflected higher income from the sale of insurance products and higher net income from clearing, settlement and payment services. General administrative expenses rose € 32 million, with staff expenses accounting for the largest share at € 19 million, mainly due to inflation-related growth in Romania. In addition, IT, communication and advertising expenses for the segment were up € 6 million, once again primarily in Romania. In the case of risk costs, net releases were down € 22 million, for the most part in Romania (down € 17 million), reflecting large releases in the previous year resulting from parameter adjustments, and Croatia (down € 15 million) due to the updating of the parameters for households. In contrast, Serbia reported releases of € 6 million (previous-year period: allocations of € 9 million), mostly in Stage 2 and Stage 3 for non-financial corporations. The increase of € 5 million in income taxes to € 87 million was mainly earnings-related.

in € million	Albania 1/1-30/6/2024	Albania 1/1-30/6/2023	Bosnia and Herzegovina 1/1-30/6/2024	Bosnia and Herzegovina 1/1-30/6/2023	Kosovo 1/1-30/6/2024	Kosovo 1/1-30/6/2023
Net interest income	64	52	45	40	36	31
Dividend income	1	0	2	0	0	0
Net fee and commission income	12	9	29	26	8	8
Net trading income and fair value result	2	(5)	1	1	0	1
Other net operating income	1	0	1	(2)	4	2
Operating income	**80**	**57**	**77**	**66**	**48**	**43**
General administrative expenses	(30)	(24)	(32)	(29)	(23)	(18)
Operating result	**51**	**33**	**45**	**37**	**25**	**24**
Other result	0	0	0	0	0	0
Governmental measures and compulsory contributions	(5)	(4)	(3)	(3)	(1)	(1)
Impairment losses on financial assets	5	11	1	0	(3)	(2)
Profit/loss before tax	**51**	**40**	**44**	**34**	**21**	**21**
Income taxes	(7)	(6)	(4)	(3)	(3)	(2)
Profit/loss after tax	**44**	**34**	**40**	**31**	**19**	**19**

in € million	Croatia 1/1-30/6/2024	Croatia 1/1-30/6/2023	Romania 1/1-30/6/2024	Romania 1/1-30/6/2023	Serbia 1/1-30/6/2024	Serbia 1/1-30/6/2023
Net interest income	91	85	307	283	150	125
Dividend income	0	0	1	1	0	0
Net fee and commission income	38	35	90	85	59	51
Net trading income and fair value result	(2)	(6)	2	7	6	7
Other net operating income	6	2	0	(1)	3	2
Operating income	**133**	**117**	**401**	**375**	**218**	**186**
General administrative expenses	(63)	(60)	(179)	(161)	(57)	(59)
Operating result	**70**	**57**	**221**	**214**	**161**	**127**
Other result	(1)	(5)	0	(1)	1	0
Governmental measures and compulsory contributions	(2)	0	(20)	(10)	(6)	(6)
Impairment losses on financial assets	8	23	0	18	6	(9)
Profit/loss before tax	**75**	**75**	**202**	**220**	**161**	**112**
Income taxes	(14)	(14)	(37)	(41)	(23)	(17)
Profit/loss after tax	**62**	**61**	**165**	**179**	**138**	**95**

Eastern Europe

in € million	1/1-30/6/2024	1/1-30/6/2023	Change	Q2/2024	Q1/2024	Change
Net interest income	999	945	5.7 %	503	496	1.2 %
Dividend income	0	0	358.8 %	0	0	–
Current income from investments in associates	1	2	(34.1)%	1	0	322.8 %
Net fee and commission income	529	872	(39.3)%	277	252	9.8 %
Net trading income and fair value result	45	125	(63.9)%	15	30	(51.6)%
Net gains/losses from hedge accounting	0	(2)	–	0	0	–
Other net operating income	(4)	(31)	(88.6)%	(2)	(2)	10.1 %
Operating income	**1,571**	**1,911**	**(17.8)%**	**794**	**777**	**2.1 %**
General administrative expenses	(424)	(565)	(24.9)%	(220)	(205)	7.4 %
Operating result	**1,146**	**1,345**	**(14.8)%**	**574**	**573**	**0.2 %**
Other result	(23)	(4)	450.7 %	(13)	(10)	34.9 %
Governmental measures and compulsory contributions	(24)	(30)	(20.1)%	(12)	(12)	2.0 %
Impairment losses on financial assets	28	(273)	–	44	(17)	–
Profit/loss before tax	**1,127**	**1,038**	**8.6 %**	**593**	**534**	**10.9 %**
Income taxes	(249)	(217)	14.7 %	(131)	(118)	10.6 %
Profit/loss after tax	**878**	**821**	**7.0 %**	**462**	**416**	**11.0 %**
Return on equity before tax	44.6 %	53.5 %	(8.8) PP	46.9 %	45.8 %	1.1 PP
Return on equity after tax	34.8 %	42.3 %	(7.5) PP	36.6 %	35.7 %	0.9 PP
Net interest margin (average interest-bearing assets)	7.73 %	6.29 %	1.44 PP	7.64 %	7.78 %	(0.14) PP
Cost/income ratio	27.0 %	29.6 %	(2.6) PP	27.7 %	26.3 %	1.4 PP

As in previous periods, the result after tax was influenced by currency volatility (year-on-year devaluation: Russian ruble 14 per cent, Belarus ruble 11 per cent and Ukrainian hryvnia 7 per cent). The increase of € 54 million in net interest income was driven by Russia and reflected higher market interest rates and thus higher interest income from interbank investments. The decline of € 343 million in net fee and commission income was also attributable primarily to Russia and the targeted reduction in transactions (down € 331 million, including € 106 million from currency devaluation). As a consequence of the volume- and currency-related decline in Russia, net fee and commission income from foreign exchange business fell € 210 million, mostly in spot foreign exchange business. This development was influenced by reduced volumes due to internal transaction limits and lower margins in business with non-financial corporations and households. Net fee and commission income from clearing, settlement and payment services was also down € 99 million due to lower volumes. Likewise net fee and commission income from securities business decreased € 18 million as a result of lower volumes. Net trading income and fair value result was down € 80 million above all in Russia. The reduction was primarily currency-driven and reflected reduced customer transactions involving foreign currencies. In contrast, other net operating income improved € 27 million after, in the previous year, Russia had allocated provisions of € 16 million for pending legal cases and Belarus had reported a loss of € 14 million from the sale of debt securities. General administrative expenses declined significantly in Russia, reflecting provisions for one-off salary payments in the comparable period and, in part, currency developments. The other result also decreased primarily in Belarus as a result of an allocation of € 13 million to provisions for assets frozen by sanctions. Impairment losses on financial assets improved € 301 million after releases of € 28 million in the reporting period (comparable period: allocations of € 273 million), including € 20 million in Russia and € 13 million in Belarus. The releases for Stage 2 totaled € 77 million in Russia (primarily non-financial corporations and other financial corporations), above all due to repayments of predominantly sanctioned customers. In contrast, € 61 million was allocated for Stage 3 (mainly non-financial corporations and households). Belarus reported releases of € 12 million in Stage 2 (mainly other demand deposits). The year-on-year increase in income taxes was due to the positive earnings development, particularly in Ukraine and Belarus, with Ukraine additionally experiencing a tax rate increase to 25 per cent (comparable period: 18 per cent) due to windfall taxes.

in € million	Belarus 1/1-30/6/2024	Belarus 1/1-30/6/2023	Russia 1/1-30/6/2024	Russia 1/1-30/6/2023	Ukraine 1/1-30/6/2024	Ukraine 1/1-30/6/2023
Net interest income	54	47	745	698	200	200
Dividend income	0	0	0	0	0	0
Current income from investments in associates	0	0	1	2	0	0
Net fee and commission income	67	68	428	760	34	44
Net trading income and fair value result	13	15	22	90	10	20
Net gains/losses from hedge accounting	0	0	0	(2)	0	0
Other net operating income	2	(12)	(6)	(17)	1	(2)
Operating income	**136**	**118**	**1,191**	**1,531**	**244**	**262**
General administrative expenses	(38)	(37)	(293)	(446)	(94)	(82)
Operating result	**98**	**81**	**897**	**1,085**	**151**	**179**
Other result	(13)	0	(8)	(6)	(2)	2
Governmental measures and compulsory contributions	(1)	(1)	(18)	(24)	(5)	(5)
Impairment losses on financial assets	13	(6)	20	(188)	(5)	(79)
Profit/loss before tax	**97**	**74**	**892**	**867**	**138**	**97**
Income taxes	(26)	(18)	(187)	(182)	(36)	(18)
Profit/loss after tax	**71**	**56**	**705**	**685**	**102**	**80**

Group Corporates & Markets

in € million	1/1-30/6/2024	1/1-30/6/2023	Change	Q2/2024	Q1/2024	Change
Net interest income	452	464	(2.4)%	219	233	(6.2)%
Dividend income	3	2	13.2 %	2	1	109.8 %
Current income from investments in associates	8	7	10.6 %	4	4	(9.6)%
Net fee and commission income	287	287	0.2 %	140	147	(4.9)%
Net trading income and fair value result	47	94	(50.5)%	34	13	160.3 %
Net gains/losses from hedge accounting	(3)	(7)	(58.7)%	0	(3)	(85.7)%
Other net operating income	62	64	(2.2)%	30	32	(7.2)%
Operating income	**856**	**910**	**(6.0)%**	**428**	**428**	**(0.1)%**
General administrative expenses	(457)	(417)	9.7 %	(237)	(221)	7.2 %
Operating result	**398**	**493**	**(19.2)%**	**191**	**207**	**(7.8)%**
Other result	(5)	2	–	(3)	(2)	76.2 %
Governmental measures and compulsory contributions	(11)	(26)	(57.6)%	4	(15)	–
Impairment losses on financial assets	(136)	9	–	(73)	(63)	16.8 %
Profit/loss before tax	**247**	**478**	**(48.4)%**	**119**	**127**	**(6.4)%**
Income taxes	(52)	(109)	(52.2)%	(25)	(28)	(11.2)%
Profit/loss after tax	**194**	**368**	**(47.2)%**	**95**	**100**	**(5.1)%**
Return on equity before tax	11.3 %	25.0 %	(13.7) PP	10.9 %	11.8 %	(0.9) PP
Return on equity after tax	8.9 %	19.3 %	(10.4) PP	8.7 %	9.3 %	(0.6) PP
Net interest margin (average interest-bearing assets)	1.46 %	1.46 %	0.00 PP	1.38 %	1.52 %	(0.14) PP
Cost/income ratio	53.4 %	45.8 %	7.6 PP	55.3 %	51.6 %	3.7 PP

The year-on-year decrease in profit after tax mainly reflected net allocations of € 136 million to impairments of financial assets (previous-year period: releases of € 9 million) and the reduction of € 48 million in net trading income and fair value measurements at head office. Net allocations to loan loss provisions in the reporting period related primarily to adjusted collateral valuations for real estate loans, lending and export finance in Stage 2 and Stage 3 at head office as well as provisions in connection with building society loans. The decrease in net trading income and fair value result was attributable above all to Corporate Customers, which reported positive valuation results in the comparable period for loans measured at fair value. In the reporting period, there were also valuation losses on government bonds in the trading portfolio. These were attributable primarily to increased volatility and higher risk premiums. The decline of € 11 million in net interest income to € 452 million was due to lower margins and volumes at head office and interest rate adjustments for variable savings contracts in the building society business. General administrative expenses were up € 40 million, mostly as a result of higher staff expenses (up € 13 million) that mainly reflected salary adjustments under collective agreements, an increase in the headcount and higher IT expenses. The decrease in governmental measures and compulsory contributions resulted largely from lower deposit insurance fees at Raiffeisen Bausparkasse Gesellschaft m.b.H. In the previous-year period, higher contributions were paid to replenish the deposit insurance fund after the claims of Commerzialbank Mattersburg im Burgenland AG and Anglo Austrian AAB AG in 2020.

Corporate Center

in € million	1/1-30/6/2024	1/1-30/6/2023	Change	Q2/2024	Q1/2024	Change
Net interest income	(57)	(34)	64.5 %	(32)	(25)	25.1 %
Dividend income	1,009	427	136.1 %	551	458	20.2 %
Current income from investments in associates	23	41	(43.7)%	11	12	(4.1)%
Net fee and commission income	49	38	30.0 %	32	17	89.7 %
Net trading income and fair value result	(48)	(93)	(48.1)%	(22)	(26)	(14.9)%
Net gains/losses from hedge accounting	(1)	(3)	(57.7)%	0	(2)	–
Other net operating income	64	68	(5.5)%	36	28	30.5 %
Operating income	**1,039**	**443**	**134.4 %**	**577**	**462**	**25.1 %**
General administrative expenses	(236)	(255)	(7.5)%	(119)	(116)	2.5 %
Operating result	**803**	**188**	**326.4 %**	**458**	**345**	**32.7 %**
Other result	15	(11)	–	42	(27)	–
Governmental measures and compulsory contributions	(5)	(29)	(83.7)%	(2)	(2)	(8.5)%
Impairment losses on financial assets	17	9	81.5 %	5	11	(52.8)%
Profit/loss before tax	**830**	**157**	**428.4 %**	**503**	**327**	**53.8 %**
Income taxes	39	104	(62.9)%	15	24	(38.5)%
Profit/loss after tax	**869**	**261**	**232.6 %**	**518**	**351**	**47.5 %**

Higher dividend income – largely higher intra-group dividends – resulted in an increase of € 582 million. The improvement in net trading income and fair value result by € 45 million to minus € 48 million resulted primarily from head office. The reason for that was the cut of interest rates - related to lower negative valuation from forward exchange transactions from net investment hedges in Czech koruna, Hungarian forint, and Russian ruble. The € 19 million decline in general administrative expenses was mainly attributable to lower legal and consulting expenses at head office. This was partly offset by higher staff expenses from salary adjustments under collective agreements and an increase in the headcount at head office. The other result amounted to € 15 million in the reporting period (comparable period: minus € 11 million). The valuation of shares in subsidiaries and associated companies led to a result of € 11 million. The expense for governmental measures and compulsory contributions fell by € 24 million to € 5 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. Net interest income was down by € 22 million largely due to higher refinancing costs at head office.

Interim consolidated financial statements

(Condensed interim consolidated financial statements as at 30 June 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 is present in Austria, where it is a leading corporate and investment bank, as well as in Central and Eastern Europe (CEE). 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 through a syndicated agreement, 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 30 June 2024 was reviewed by the certified auditor Deloitte Audit Wirtschaftsprüfungs GmbH.

Statement of comprehensive income

Income statement

in € million	Notes	1/1-30/6/2024	1/1-30/6/2023
Net interest income	[1]	2,895	2,749
Interest income according to effective interest method		4,198	4,026
Interest income other		1,190	1,031
Interest expenses		(2,493)	(2,308)
Dividend income	[2]	27	17
Current income from investments in associates	[3]	34	51
Net fee and commission income	[4]	1,391	1,698
Fee and commission income		1,923	2,174
Fee and commission expenses		(532)	(477)
Net trading income and fair value result	[5]	59	116
Net gains/losses from hedge accounting	[5]	2	(17)
Other net operating income	[6]	51	43
Operating income		**4,458**	**4,656**
Staff expenses		(1,073)	(1,169)
Other administrative expenses		(617)	(600)
Depreciation		(234)	(227)
General administrative expenses	**[7]**	**(1,924)**	**(1,995)**
Operating result		**2,535**	**2,661**
Other result	[8]	(407)	(450)
Governmental measures and compulsory contributions	[9]	(161)	(237)
Impairment losses on financial assets	[10]	(48)	(259)
Profit/loss before tax		**1,919**	**1,715**
Income taxes	[11]	(483)	(388)
Profit/loss after tax		**1,436**	**1,327**
Profit attributable to non-controlling interests	[29]	(111)	(92)
Consolidated profit/loss		**1,324**	**1,235**

Other comprehensive income and total comprehensive income

in € million	Notes	1/1-30/6/2024	1/1-30/6/2023
Profit/loss after tax		**1,436**	**1,327**
Items which are not reclassified to profit or loss		**(4)**	**20**
Remeasurements of defined benefit plans	[27]	0	9
Fair value changes of equity instruments	[17]	13	19
Fair value changes due to changes in credit risk of financial liabilities	[19]	(9)	(3)
Share of other comprehensive income from companies valued at equity	[24]	(4)	(2)
Deferred taxes on items which are not reclassified to profit or loss	[11]	(3)	(4)
Items that may be reclassified subsequently to profit or loss		**346**	**(722)**
Exchange differences		370	(829)
Hedge of net investments in foreign operations	[22]	18	1
Adaptations to the cash flow hedge reserve	[22]	(110)	48
Fair value changes of financial assets	[17]	10	40
Share of other comprehensive income from companies valued at equity	[24]	41	31
Deferred taxes on items which may be reclassified to profit or loss	[11]	17	(14)
Other comprehensive income		**342**	**(702)**
Total comprehensive income		**1,778**	**625**
Profit attributable to non-controlling interests	[29]	(105)	(94)
hereof income statement	[29]	(111)	(92)
hereof other comprehensive income		6	(2)
Profit/loss attributable to owners of the parent		**1,673**	**531**

Earnings per share

in € million	1/1-30/6/2024	1/1-30/6/2023
Consolidated profit/loss	1,324	1,235
Dividend claim on additional tier 1	(55)	(54)
Profit/loss attributable to ordinary shares	**1,270**	**1,180**
Average number of ordinary shares outstanding in million	328	328
Earnings per share in €	**3.87**	**3.59**

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	30/6/2024	31/12/2023
Cash, balances at central banks and other demand deposits	[12]	44,283	43,234
Financial assets - amortized cost	[13]	147,964	139,302
Financial assets - fair value through other comprehensive income	[17, 23]	3,775	2,992
Non-trading financial assets - mandatorily fair value through profit/loss	[18, 23]	940	949
Financial assets - designated fair value through profit/loss	[19, 23]	174	185
Financial assets - held for trading	[20, 23]	6,570	5,783
Hedge accounting	[22]	1,075	1,160
Fair value adjustments of the hedged items in portfolio hedge of interest rate risk	[22]	(447)	(365)
Investments in subsidiaries and associates	[24]	886	820
Tangible fixed assets	[25]	1,748	1,672
Intangible fixed assets	[25]	994	970
Current tax assets	[11]	112	69
Deferred tax assets	[11]	182	218
Other assets	[26]	1,705	1,253
Total		**209,963**	**198,241**

Equity and liabilities

in € million	Notes	30/6/2024	31/12/2023
Financial liabilities - amortized cost	[15]	175,040	164,711
Financial liabilities - designated fair value through profit/loss	[19, 23]	1,096	1,088
Financial liabilities - held for trading	[21, 23]	8,632	8,463
Hedge accounting	[22]	1,366	1,466
Fair value adjustments of the hedged items in portfolio hedge of interest rate risk	[22]	(551)	(514)
Provisions for liabilities and charges	[27]	1,756	1,644
Current tax liabilities	[11]	172	242
Deferred tax liabilities	[11]	43	43
Other liabilities	[28]	1,318	1,248
Equity	[29]	21,090	19,849
Consolidated equity		18,227	17,009
Non-controlling interests		1,247	1,231
Additional tier 1		1,616	1,610
Total		**209,963**	**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	(54)	0	(54)	0	54	0
Dividend payments	0	0	(410)	0	(410)	(88)	(54)	(553)
Own shares	0	1	0	0	1	0	7	8
Other changes	0	0	8	0	8	0	0	8
Total comprehensive income	0	0	1,324	348	1,673	105	0	1,778
Equity as at 30/6/2024	**1,002**	**4,989**	**16,467**	**(4,232)**	**18,227**	**1,247**	**1,616**	**21,090**
Equity as at 1/1/2023[1]	**1,002**	**4,990**	**13,494**	**(3,444)**	**16,042**	**1,126**	**1,610**	**18,779**
Capital increases/ decreases	0	0	0	0	0	0	0	0
Allocation dividend - AT1	0	0	(54)	0	(54)	0	54	0
Dividend payments	0	0	0	0	0	(24)	(54)	(79)
Own shares	0	0	0	0	0	0	(3)	(3)
Other changes	0	0	7	0	7	0	0	7
Total comprehensive income	0	0	1,235	(704)	531	94	0	625
Equity as at 30/6/2023	**1,002**	**4,989**	**14,682**	**(4,148)**	**16,525**	**1,197**	**1,607**	**19,329**

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	1/1-30/6/2024	1/1-30/6/2023
Cash, balances at central banks and other demand deposits as at 1/1	**[12]**	**43,234**	**53,683**
Operating activities:			
Profit/loss before tax		1,919	1,715
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]	234	233
Net provisioning for liabilities and charges and impairment losses on financial assets	[6, 10, 27]	377	690
Gains/losses from the measurement and derecognition of assets and liabilities	[5, 8]	13	197
Current income from investments in associates	[3]	(34)	(51)
Other adjustments (net)[1]		(2,743)	(2,666)
Subtotal		**(234)**	**118**
Changes in assets and liabilities arising from operating activities after corrections for non-cash positions:			
Financial assets - amortized cost	[13]	(4,887)	(3,463)
Financial assets - fair value through other comprehensive income	[17, 23]	(789)	327
Non-trading financial assets - mandatorily fair value through profit/loss	[18, 23]	(16)	27
Financial assets - designated fair value through profit/loss	[19, 23]	11	2
Financial assets - held for trading	[20, 23]	(851)	(1,459)
Other assets	[26]	(362)	(65)
Financial liabilities - amortized cost	[15]	9,455	687
Financial liabilities - designated fair value through profit/loss	[19, 23]	36	165
Financial liabilities - held for trading	[21, 23]	281	741
Provisions for liabilities and charges	[27]	(241)	(308)
Other liabilities	[28]	97	50
Interest received	[1]	5,087	4,479
Interest paid	[1]	(2,304)	(1,727)
Dividends received	[2]	57	46
Income taxes paid	[11]	(519)	(513)
Net cash from operating activities		**4,822**	**(894)**
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]	(5,409)	(5,008)
Tangible and intangible fixed assets	[25]	(211)	(268)
Proceeds from sale of:			
Investment securities and shares	[13, 16, 18, 24]	2,142	1,406
Tangible and intangible fixed assets	[25]	20	40
Net cash from investing activities		**(3,459)**	**(3,836)**
Financing activities:			
Capital decreases		8	(3)
Inflows subordinated financial liabilities	[15, 19]	0	0
Outflows subordinated financial liabilities	[15, 19]	(13)	(4)
Dividend payments		(553)	(77)
Cash flows for leases		(33)	(32)
Inflows from changes in non-controlling interests		0	0
Net cash from financing activities		**(590)**	**(117)**
Effect of exchange rate changes		277	(453)
Cash, balances at central banks and other demand deposits as at 30/6	**[12]**	**44,283**	**48,383**

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.

1/1-30/6/2024 in € million	Central Europe	Southeastern Europe	Eastern Europe	Group Corporates & Markets
Net interest income	800	693	999	452
Dividend income	12	4	0	3
Current income from investments in associates	3	0	1	8
Net fee and commission income	296	236	529	287
Net trading income and fair value result	(11)	10	45	47
Net gains/losses from hedge accounting	7	0	0	(3)
Other net operating income	6	14	(4)	62
Operating income	**1,112**	**957**	**1,571**	**856**
General administrative expenses	(519)	(384)	(424)	(457)
Operating result	**593**	**573**	**1,146**	**398**
Other result	(395)	0	(23)	(5)
Governmental measures and compulsory contributions	(84)	(37)	(24)	(11)
Impairment losses on financial assets	32	18	28	(136)
Profit/loss before tax	**146**	**554**	**1,127**	**247**
Income taxes	(134)	(87)	(249)	(52)
Profit/loss after tax	**12**	**467**	**878**	**194**
Profit attributable to non-controlling interests	(62)	0	(41)	(17)
Profit/loss after deduction of non-controlling interests	**(51)**	**467**	**837**	**177**
Return on equity before tax	6.5 %	32.4 %	44.6 %	11.3 %
Return on equity after tax	0.5 %	27.4 %	34.8 %	8.9 %
Net interest margin (average interest-bearing assets)	2.51 %	4.26 %	7.73 %	1.46 %
Cost/income ratio	45.0 %	40.1 %	27.0 %	53.4 %
Loan/deposit ratio	83.8 %	67.4 %	36.3 %	156.5 %
Provisioning ratio (average loans to customers)	(0.16)%	(0.20)%	1.11 %	0.73 %
NPE ratio	1.2 %	1.8 %	2.0 %	2.9 %
NPE coverage ratio	58.6 %	67.2 %	73.8 %	38.3 %
Assets	66,427	35,417	30,020	64,763
Total risk-weighted assets (RWA)	24,286	16,988	23,864	25,469
Equity	4,547	3,872	6,700	4,682
Loans to customers	37,555	18,824	7,941	38,113
Deposits from customers	50,721	27,703	20,595	28,275
Business outlets	335	655	482	18
Employees as at reporting date (full-time equivalents)	9,886	12,570	16,591	3,617
Customers in million	4.0	5.0	7.1	2.5

1/1-30/6/2024 in € million	Corporate Center	Reconciliation	Total
Net interest income	(57)	6	2,895
Dividend income	1,009	(1,000)	27
Current income from investments in associates	23	0	34
Net fee and commission income	49	(6)	1,391
Net trading income and fair value result	(48)	17	59
Net gains/losses from hedge accounting	(1)	(1)	2
Other net operating income	64	(92)	51
Operating income	**1,039**	**(1,076)**	**4,458**
General administrative expenses	(236)	96	(1,924)
Operating result	**803**	**(980)**	**2,535**
Other result	15	1	(407)
Governmental measures and compulsory contributions	(5)	0	(161)
Impairment losses on financial assets	17	(6)	(48)
Profit/loss before tax	**830**	**(984)**	**1,919**
Income taxes	39	0	(483)
Profit/loss after tax	**869**	**(984)**	**1,436**
Profit attributable to non-controlling interests	0	9	(111)
Profit/loss after deduction of non-controlling interests	**869**	**(975)**	**1,324**
Return on equity before tax	–	–	19.5 %
Return on equity after tax	–	–	14.6 %
Net interest margin (average interest-bearing assets)	–	–	2.94 %
Cost/income ratio	–	–	42.7 %
Loan/deposit ratio	–	–	81.9 %
Provisioning ratio (average loans to customers)	–	–	0.25 %
NPE ratio	–	–	1.8 %
NPE coverage ratio	–	–	53.3 %
Assets	37,026	(23,691)	209,963
Total risk-weighted assets (RWA)	18,057	(10,212)	98,453
Equity	7,846	(6,556)	21,090
Loans to customers	1,016	(1,528)	101,920
Deposits from customers	1,646	(3,608)	125,333
Business outlets	–	–	1,490
Employees as at reporting date (full-time equivalents)	2,173	–	44,837
Customers in million	0.0	–	18.6

1/1-30/6/2023 in € million	Central Europe	Southeastern Europe	Eastern Europe[1]	Group Corporates & Markets
Net interest income	753	617	945	464
Dividend income	6	1	0	2
Current income from investments in associates	2	0	2	7
Net fee and commission income	288	215	872	287
Net trading income and fair value result	(23)	5	125	94
Net gains/losses from hedge accounting	(4)	0	(2)	(7)
Other net operating income	18	5	(31)	64
Operating income	**1,041**	**843**	**1,911**	**910**
General administrative expenses	(486)	(352)	(565)	(417)
Operating result	**555**	**492**	**1,345**	**493**
Other result	(433)	(6)	(4)	2
Governmental measures and compulsory contributions	(128)	(24)	(30)	(26)
Impairment losses on financial assets	(38)	40	(273)	9
Profit/loss before tax	**(44)**	**501**	**1,038**	**478**
Income taxes	(78)	(83)	(217)	(109)
Profit/loss after tax	**(122)**	**419**	**821**	**368**
Profit attributable to non-controlling interests	(57)	0	(32)	(4)
Profit/loss after deduction of non-controlling interests	**(179)**	**419**	**789**	**364**
Return on equity before tax	–	32.0 %	53.5 %	25.0 %
Return on equity after tax	–	26.7 %	42.3 %	19.3 %
Net interest margin (average interest-bearing assets)	2.36 %	4.16 %	6.29 %	1.46 %
Cost/income ratio	44.9 %	41.7 %	29.6 %	45.8 %
Loan/deposit ratio[1]	85.7 %	71.7 %	38.5 %	174.6 %
Provisioning ratio (average loans to customers)	0.18 %	(0.44%)	4.06 %	(0.05)%
NPE ratio	1.3 %	1.9 %	2.3 %	1.6 %
NPE coverage ratio	58.1 %	67.2 %	68.3 %	43.0 %
Assets	65,558	32,606	30,161	63,751
Total risk-weighted assets (RWA)	26,339	17,298	21,192	29,352
Equity	4,509	3,604	4,958	4,230
Loans to customers	38,139	18,485	9,076	36,657
Deposits from customers	47,644	25,726	23,140	27,027
Business outlets	339	706	502	23
Employees as at reporting date (full-time equivalents)	9,713	12,600	16,699	3,440
Customers in million	3.9	5.0	7.1	2.4

1 Previous-period figures adapted due to changed allocation

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.

1/1-30/6/2023 in € million	Corporate Center	Reconciliation	Total[1]
Net interest income	(34)	4	2,749
Dividend income	427	(420)	17
Current income from investments in associates	41	0	51
Net fee and commission income	38	(2)	1,698
Net trading income and fair value result	(93)	7	116
Net gains/losses from hedge accounting	(3)	(1)	(17)
Other net operating income	68	(81)	43
Operating income	**443**	**(492)**	**4,656**
General administrative expenses	(255)	80	(1,995)
Operating result	**188**	**(412)**	**2,661**
Other result	(11)	3	(450)
Governmental measures and compulsory contributions	(29)	0	(237)
Impairment losses on financial assets	9	(5)	(259)
Profit/loss before tax	**157**	**(415)**	**1,715**
Income taxes	104	(5)	(388)
Profit/loss after tax	**261**	**(420)**	**1,327**
Profit attributable to non-controlling interests	0	1	(92)
Profit/loss after deduction of non-controlling interests	**261**	**(419)**	**1,235**
Return on equity before tax	–	–	18.5 %
Return on equity after tax	–	–	14.3 %
Net interest margin (average interest-bearing assets)	–	–	2.74 %
Cost/income ratio	–	–	42.4 %
Loan/deposit ratio[1]	–	–	84.8 %
Provisioning ratio (average loans to customers)	–	–	0.37 %
NPE ratio	–	–	1.5 %
NPE coverage ratio	–	–	57.6 %
Assets	39,879	(25,832)	206,123
Total risk-weighted assets (RWA)	15,502	(10,475)	99,207
Equity	8,682	(6,653)	19,329
Loans to customers	1,011	(1,562)	101,806
Deposits from customers	1,149	(4,134)	120,553
Business outlets	–	–	1,570
Employees as at reporting date (full-time equivalents)	2,107	–	44,559
Customers in million	0.0	–	18.3

1 Previous-period figures adapted due to changed allocation

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.

Standards and interpretations not yet applicable

Information on this can be found in the Annual Report 2023, chapter principles underlying the consolidated financial statements. Furthermore, the IASB published the following standards in the first half of 2024, which have not yet received EU endorsement.

IFRS 18 (Presentation and Disclosure in Financial Statements; effective date: 1 January 2027)

IFRS 18 aims to improve the reporting of a company's financial performance and increase the comparability of financial statements, it will replace the current reporting standard IAS 1. The primary focus is on the income statement, where predefined subtotals will be introduced, and new rules for categorization and aggregation as well as disaggregation of items will apply. Additionally, disclosures related to certain performance measures, defined and used by managements, will be introduced. RBI currently expects that IFRS 18 will be adopted by the EU in a timely manner, leading to changes in the presentation of the income statement and adaptions to the notes by January 1, 2027, at the latest.

IFRS 19 (Subsidiaries without Public Accountability: Disclosures; effective date: 1 January 2027)

The introduction of IFRS 19 will allow certain subsidiaries to reduce disclosures in their financial statements, provided they are subsidiaries without public accountability and the parent company publishes consolidated financial statements in accordance with IFRS. The introduction of this standard will have no impact on RBI's consolidated financial statements.

Amendments to IFRS 9 and IFRS 7 (Classification and Measurement of Financial Instruments; effective date: 1 January 2026)

The amendments to IFRS 9 and IFRS 7 primarily clarify the treatment of specific issues regarding the classification of financial assets. In addition to explanations about contractual terms that change the timing or amount of contractual cash flows, the amendments clarify the treatment of non-recourse financial assets, contractually linked instruments, the derecognition of a financial liability settled through an electronic payment system, and disclosures related to equity instruments measured at fair value through other comprehensive income. RBI has initiated first steps to analyze the potential impacts of these amendments, further information will be provided in a timely manner depending on significance and the progress of the EU endorsement.

Currencies

Rates in units per €	2024 As at 30/6	2024 Average 1/1-30/6	2023 As at 31/12	2023 Average 1/1-30/6
Albanian lek (ALL)	100.310	102.350	103.880	112.326
Belarusian-ruble (BYN)	3.382	3.473	3.536	3.075
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)	4.309	4.314	4.340	4.618
Romanian leu (RON)	4.977	4.975	4.976	4.943
Russian ruble (RUB)	91.744	97.789	99.137	84.206
Serbian dinar (RSD)	117.049	117.133	117.174	117.296
Czech koruna (CZK)	25.025	25.022	24.724	23.697
Ukrainian hryvnia (UAH)	43.355	42.375	42.208	39.549
Hungarian forint (HUF)	395.100	390.150	382.800	380.789
US dollar (USD)	1.071	1.083	1.105	1.079

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-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 business operation in Russia. As at 30 June 2024, the EUR/RUB exchange rate used by RBI was 91.74 and that of the Russian central bank was 92.42. 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

Number of units	Fully consolidated 30/6/2024	31/12/2023
As at beginning of period	**192**	**192**
Included for the first time in the financial period	1	8
Merged in the financial period	(1)	(2)
Excluded in the financial period	(2)	(6)
As at end of period	**190**	**192**

Included units

Company, domicile (country)	Share	Included as of	Reason
Other companies			
W 3 Errichtungs- und Betriebs-Aktiengesellschaft, Vienna (AT)	100.0 %	27/6	Purchase

Excluded units

Company, domicile (country)	Share	Excluded as of	Reason
Financial holding companies			
RBI Invest GmbH, Vienna (AT)	100.0 %	1/6	Merger
Companies rendering bank-related ancillary services			
Vindalo Properties Limited, Limassol (CY)	100.0 %	1/1	Materiality
RBI Retail Innovation GmbH, Vienna (AT)	100.0%	1/5	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 30 June 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 July 2024) of the semi-annual 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 14.7 per cent compared to 17.8 per cent including Russian operations and first half-year results.

	RBI		Contribution Russia[1]		RBI excluding Russia	
in € million	**1/1-30/6/2024**	**1/1-30/6/2023**	**1/1-30/6/2024**	**1/1-30/6/2023**	**1/1-30/6/2024**	**1/1-30/6/2023**
Net interest income	2,895	2,749	680	665	2,215	2,084
Dividend income	27	17	0	0	27	17
Current income from investments in associates	34	51	0	2	34	49
Net fee and commission income	1,391	1,698	437	782	954	916
Net trading income and fair value result	59	116	18	85	40	31
Net gains/losses from hedge accounting	2	(17)	0	(2)	2	(15)
Other net operating income	51	43	(7)	(17)	58	60
Operating income	**4,458**	**4,656**	**1,129**	**1,514**	**3,329**	**3,142**
Staff expenses	(1,073)	(1,169)	(226)	(381)	(847)	(788)
Other administrative expenses	(617)	(600)	(38)	(38)	(579)	(561)
Depreciation	(234)	(227)	(22)	(21)	(212)	(206)
General administrative expenses	**(1,924)**	**(1,995)**	**(286)**	**(440)**	**(1,637)**	**(1,556)**
Operating result	**2,535**	**2,661**	**843**	**1,074**	**1,692**	**1,587**
Other result	(407)	(450)	(8)	0	(399)	(450)
Governmental measures and compulsory contributions	(161)	(237)	(18)	(24)	(143)	(213)
Impairment losses on financial assets	(48)	(259)	20	(188)	(68)	(71)
Profit/loss before tax	**1,919**	**1,715**	**837**	**863**	**1,082**	**852**
Income taxes	(483)	(388)	(187)	(182)	(296)	(206)
Profit/loss after tax	**1,436**	**1,327**	**650**	**681**	**786**	**646**
Profit attributable to non-controlling interests	(111)	(92)	0	0	(111)	(92)
Consolidated profit/loss	**1,324**	**1,235**	**650**	**681**	**674**	**554**

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[1]		RBI excluding Russia	
Assets in € million	**30/6/2024**	**31/12/2023**	**30/6/2024**	**31/12/2023**	**30/6/2024**	**31/12/2023**
Cash, balances at central banks and other demand deposits	44,283	43,234	8,326	6,695	35,957	36,540
Financial assets - amortized cost	147,964	139,302	10,563	10,305	137,401	128,998
Financial assets - fair value through other comprehensive income	3,775	2,992	5	3	3,771	2,988
Non-trading financial assets - mandatorily fair value through profit/loss	940	949	0	1	940	948
Financial assets - designated fair value through profit/loss	174	185	0	0	174	185
Financial assets - held for trading	6,570	5,783	97	48	6,473	5,735
Hedge accounting	1,075	1,160	20	10	1,055	1,150
Fair value adjustments of the hedged items in portfolio hedge of interest rate risk	(447)	(365)	(53)	(65)	(393)	(300)
Investments in subsidiaries and associates	886	820	1	1	885	819
Tangible fixed assets	1,748	1,672	208	185	1,540	1,486
Intangible fixed assets	994	970	87	70	907	900
Current tax assets	112	69	5	5	107	64
Deferred tax assets	182	218	89	111	93	107
Other assets	1,705	1,253	98	102	1,607	1,151
Total	**209,963**	**198,241**	**19,445**	**17,471**	**190,518**	**180,769**

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

Equity and liabilities in € million	RBI 30/6/2024	RBI 31/12/2023	Contribution Russia[1] 30/6/2024	Contribution Russia[1] 31/12/2023	RBI excluding Russia 30/6/2024	RBI excluding Russia 31/12/2023
Financial liabilities - amortized cost	175,040	164,711	13,466	12,656	161,574	152,054
Financial liabilities - designated fair value through profit/loss	1,096	1,088	0	1	1,096	1,088
Financial liabilities - held for trading	8,632	8,463	82	24	8,549	8,439
Hedge accounting	1,366	1,466	139	39	1,227	1,426
Fair value adjustments of the hedged items in portfolio hedge of interest rate risk	(551)	(514)	(37)	(45)	(514)	(469)
Provisions for liabilities and charges	1,756	1,644	230	248	1,527	1,396
Current tax liabilities	172	242	42	35	130	207
Deferred tax liabilities	43	43	7	6	36	37
Other liabilities	1,318	1,248	21	57	1,298	1,192
Equity	21,090	19,849	5,496	4,450	15,594	15,400
Consolidated equity	18,227	17,009	5,496	4,450	12,730	12,559
Non-controlling interests	1,247	1,231	0	0	1,247	1,231
Additional tier 1	1,616	1,610	0	0	1,616	1,610
Total	**209,963**	**198,241**	**19,445**	**17,471**	**190,518**	**180,769**

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

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.

in € million	30/6/2024 Russia	30/6/2024 Ukraine	30/6/2024 Belarus	30/6/2024 Total	31/12/2023 Russia	31/12/2023 Ukraine	31/12/2023 Belarus	31/12/2023 Total
Financial assets - amortized cost	12,811	2,620	1,257	16,687	12,431	3,049	871	16,351
Financial assets - fair value through other comprehensive income	5	495	1	501	3	400	1	404
Non-trading financial assets - mandatorily fair value through profit/loss	2	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	126	126	0	253	70	178	0	249
On-balance	**12,944**	**3,242**	**1,258**	**17,444**	**12,508**	**3,628**	**872**	**17,008**
Loan commitments, financial guarantees and other commitments	2,593	891	358	3,842	2,587	807	391	3,785
Total	**15,537**	**4,133**	**1,616**	**21,286**	**15,095**	**4,435**	**1,263**	**20,793**

in € million	30/6/2024 Russia	30/6/2024 Ukraine	30/6/2024 Belarus	30/6/2024 Total	31/12/2023 Russia[1]	31/12/2023 Ukraine	31/12/2023 Belarus	31/12/2023 Total[1]
Derivatives	118	2	0	121	62	4	0	66
Central banks	368	501	140	1,009	250	823	0	1,073
General governments	870	1,017	139	2,026	665	1,229	133	2,027
Banks	6,296	460	146	6,901	5,855	269	46	6,169
Other financial corporations	176	19	10	205	210	56	10	275
Non-financial corporations	2,550	1,098	571	4,219	2,903	1,121	466	4,491
Households	2,567	144	252	2,962	2,564	126	216	2,906
On-balance	**12,944**	**3,242**	**1,258**	**17,444**	**12,508**	**3,628**	**872**	**17,008**
Loan commitments, financial guarantees and other commitments	2,593	891	358	3,842	2,587	807	391	3,785
Total	**15,537**	**4,133**	**1,616**	**21,286**	**15,095**	**4,435**	**1,263**	**20,793**

1 Previous-year figures adapted due to changed allocation

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 half of 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	1/1-30/6/2024	1/1-30/6/2023
Interest income according to effective interest method	**4,198**	**4,026**
Financial assets - fair value through other comprehensive income	69	65
Financial assets - amortized cost	4,129	3,960
Interest income other	**1,190**	**1,031**
Financial assets - held for trading	143	147
Non-trading financial assets - mandatorily fair value through profit/loss	19	15
Financial assets - designated fair value through profit/loss	5	2
Derivatives – hedge accounting, interest rate risk	181	218
Other assets	841	647
Interest income on financial liabilities	1	1
Interest expenses	**(2,493)**	**(2,308)**
Financial liabilities - amortized cost	(1,991)	(1,705)
Financial liabilities - held for trading	(118)	(169)
Financial liabilities - designated fair value through profit/loss	(19)	(18)
Derivatives – hedge accounting, interest rate risk	(354)	(403)
Other liabilities	(8)	(8)
Interest expenses on financial assets	(3)	(5)
Total	**2,895**	**2,749**

in € million	1/1-30/6/2024	1/1-30/6/2023
Net interest income	2,895	2,749
Average interest-bearing assets	196,631	200,338
Net interest margin	**2.94 %**	**2.74 %**

Net interest income includes interest income of € 236 million (previous-year period: € 230 million) from marked-to-market financial assets and interest expenses of € 137 million (previous-year period: € 187 million) from marked-to-market financial liabilities.

Net interest income rose € 146 million year-on-year to € 2,895 million. Slovakia reported a € 42 million increase, mainly due to interest-rate-driven higher income from customer loans to non-financial corporations and households. In Serbia, both higher market interest rates and also increased volumes led to a € 25 million increase in net interest income, whereas interest expenses for customer deposits remained almost unchanged due to the excellent liquidity position. The € 24 million rise in net interest income in Romania was due to volume-related higher interest income from liquidity investment (government bonds) and to higher market interest rates for foreign currency loans. The € 12 million increase in Albania was partly currency-related, but also attributable to higher volumes for government bonds and securities in foreign currencies. In Russia, net interest income increased € 47 million, due to higher market interest rates and resulting higher interest income from interbank investments. In contrast, head office reported a € 54 million decline in net interest income due to higher interest expenses for customer deposits. The net interest margin improved 20 basis points to 2.94 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 72 basis points in Serbia and a rise of 51 basis points in Slovakia.

(2) Dividend income

in € million	1/1-30/6/2024	1/1-30/6/2023
Financial assets - held for trading	0	1
Non-trading financial assets - mandatorily fair value through profit/loss	0	1
Financial assets - fair value through other comprehensive income	7	5
Investments in subsidiaries and associates	20	10
Total	**27**	**17**

(3) Current income from investments in associates

in € million	1/1-30/6/2024	1/1-30/6/2023
Current income from investments in associates	34	51

(4) Net fee and commission income

in € million	1/1-30/6/2024	1/1-30/6/2023
Clearing, settlement and payment services	521	619
Loan and guarantee business	103	113
Securities	89	94
Asset management	139	124
Custody and fiduciary business	47	41
Customer resources distributed but not managed	29	28
Foreign exchange business	400	608
Other	64	71
Total	**1,391**	**1,698**

Overall, net fee and commission income reduced € 307 million to € 1,391 million. The reduction was largely attributable to Russia (down € 331 million, thereof € 106 million from the currency devaluation), with most countries of the Group reporting an increase. As a result of the volume- and currency-related reduction in Russia, net fee and commission income from foreign-currency business at Group-level fell € 209 million, primarily in spot foreign exchange business. This development was influenced by decreased volumes as a result of internal transaction limits and by lower margins from business with non-financial corporations and households. Net income from clearing, settlement and payment services decreased € 98 million as a result of lower volumes.

Net fee and commission income from financial assets and financial liabilities that are not measured at fair value through profit or loss amounted to € 933 million (previous-year period: € 927 million).

1/1-30/6/2024 in € million	Central Europe	Southeastern Europe	Eastern Europe	Group Corporates & Markets	Corporate Center	Reconciliation	Total
Fee and commission income	**410**	**334**	**717**	**454**	**75**	**(68)**	**1,923**
Clearing, settlement and payment services	193	203	311	99	52	(49)	809
Clearing and settlement	24	26	184	0	13	(9)	238
Credit cards	29	24	7	29	4	0	94
Debit cards and other card payments	31	61	60	0	20	(19)	154
Other payment services	109	92	60	70	13	(21)	324
Loan and guarantee business	31	21	13	58	7	(3)	128
Securities	24	2	45	59	8	(9)	130
Asset management	11	14	14	176	0	0	216
Custody and fiduciary business	8	3	27	19	3	(2)	57
Customer resources distributed but not managed	19	17	13	0	0	0	50
Foreign exchange business	109	69	221	32	4	(4)	432
Other	14	4	72	11	1	(1)	102
Fee and commission expenses	**(115)**	**(98)**	**(189)**	**(167)**	**(26)**	**63**	**(532)**
Total	**296**	**236**	**529**	**287**	**49**	**(6)**	**1,391**

1/1-30/6/2023 in € million	Central Europe	Southeastern Europe	Eastern Europe	Group Corporates & Markets	Corporate Center	Reconciliation	Total
Fee and commission income	**392**	**303**	**1,046**	**439**	**67**	**(73)**	**2,174**
Clearing, settlement and payment services	180	182	396	116	47	(55)	866
Clearing and settlement	22	21	265	0	12	(8)	312
Credit cards	28	23	11	22	3	0	88
Debit cards and other card payments	28	53	66	0	16	(15)	149
Other payment services	102	84	54	93	16	(32)	317
Loan and guarantee business	30	19	20	59	7	(3)	132
Securities	21	3	63	50	7	(10)	134
Asset management	11	13	9	164	0	0	198
Custody and fiduciary business	6	3	25	16	2	(2)	50
Customer resources distributed but not managed	16	12	20	0	0	0	48
Foreign exchange business	114	65	431	29	4	(2)	641
Other	13	7	82	6	0	(2)	106
Fee and commission expenses	**(103)**	**(88)**	**(174)**	**(153)**	**(29)**	**71**	**(477)**
Total	**288**	**215**	**872**	**287**	**38**	**(2)**	**1,698**

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

in € million	1/1-30/6/2024	1/1-30/6/2023
Net gains/losses on financial assets and liabilities - held for trading	**(10)**	**(196)**
Derivatives	107	(66)
Equity instruments	42	29
Debt securities	12	40
Loans and advances	6	14
Short positions	0	1
Deposits	(13)	17
Debt securities issued	(171)	(224)
Other financial liabilities	7	(6)
Net gains/losses on non-trading financial assets - mandatorily fair value through profit or loss	**(1)**	**24**
Equity instruments	0	0
Debt securities	3	(6)
Loans and advances	(4)	30
Net gains/losses on financial assets and liabilities - designated fair value through profit/loss	**10**	**0**
Debt securities	(3)	1
Deposits	1	(3)
Debt securities issued	12	2
Exchange differences, net	**59**	**288**
Total	**59**	**116**

Net trading income and fair value result amounted to € 59 million in the first half of the year (previous-year period: € 116 million). The head office recorded a slightly positive contribution of € 2 million. Included in this is a negative valuation result of minus € 35 million due to a decrease in the company's own credit spread related to certificate issuances. This was offset by valuation gains from hedging strategic interest rate positions and from foreign exchange trading. Trading activities in Russia recorded a profit of € 22 million, primarily resulting from positive currency conversion effects, mainly from US dollar and Chinese renminbi positions, as well as from foreign exchange trading. In Hungary, valuation losses related to foreign currency positions amounted to € 16 million. However, these were offset by currency-induced valuation gains, particularly in Belarus, Serbia, the Czech Republic, and Slovakia, totaling € 41 million. Additionally, primarily Ukraine achieved positive valuation gains from trading inventories of debt securities amounting to € 9 million.

Net gains/losses from hedge accounting

in € million	1/1-30/6/2024	1/1-30/6/2023
Fair value changes of the hedging instruments	149	134
Fair value changes of the hedged items attributable to the hedged risk	(148)	(151)
Ineffectiveness of cash flow hedge recognized in profit or loss	1	0
Total	**2**	**(17)**

(6) Other net operating income

in € million	1/1-30/6/2024	1/1-30/6/2023
Gains/losses on derecognition of not modified financial assets and liabilities - not measured at fair value through profit/loss	**(13)**	**(12)**
Debt securities	0	(10)
Loans and advances	2	(3)
Debt securities issued	(16)	2
Other financial liabilities	0	0
Gains/losses on derecognition of non-financial assets held for sale	**3**	**2**
Investment property	0	0
Intangible fixed assets	0	0
Other assets	3	2
Net income arising from non-banking activities	**14**	**11**
Sales revenues from non-banking activities	52	66
Expenses from non-banking activities	(38)	(55)
Net income from additional leasing services	**13**	**12**
Revenues from additional leasing services	24	26
Expenses from additional leasing services	(11)	(15)
Net income from insurance contracts	**2**	**6**
Net rental income from investment property incl. operating lease (real estate)	**31**	**30**
Net rental income from investment property	10	10
Income from rental real estate	12	10
Expenses from rental real estate	(2)	(1)
Income from other operating lease	13	15
Expenses from other operating lease	(2)	(3)
Net expense from allocation and release of other provisions	**(13)**	**(24)**
Other operating income/expenses	**13**	**17**
Total	**51**	**43**
Other operating income	183	193
Other operating expenses	(137)	(151)

(7) General administrative expenses

in € million	1/1-30/6/2024	1/1-30/6/2023
Staff expenses	(1,073)	(1,169)
Other administrative expenses	(617)	(600)
Depreciation of tangible and intangible fixed assets	(234)	(227)
Total	**(1,924)**	**(1,995)**

Staff expenses

in € million	1/1-30/6/2024	1/1-30/6/2023
Wages and salaries	(832)	(898)
Social security costs and staff-related taxes	(195)	(225)
Other voluntary social expenses	(30)	(27)
Expenses for defined contribution pension plans	(8)	(7)
Expenses/income from defined benefit pension plans	(4)	0
Expenses for post-employment benefits	(5)	(6)
Expenses for other long-term employee benefits excl. deferred bonus program	7	(2)
Staff expenses under deferred bonus program	(7)	(3)
Termination benefits	0	(1)
Total	**(1,073)**	**(1,169)**

Staff expenses decreased € 96 million to € 1,073 million. Russia reported a € 153 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 salary increases in almost all other countries of the Group, especially in Slovakia (up € 13 million), in Romania (up € 11 million) and at head office (up € 7 million).

Other administrative expenses

in € million	1/1-30/6/2024	1/1-30/6/2023
Office space expenses	(52)	(56)
IT expenses	(225)	(180)
Legal, advisory and consulting expenses	(89)	(114)
Advertising, PR and promotional expenses	(57)	(52)
Communication expenses	(42)	(41)
Office supplies	(9)	(10)
Car expenses	(6)	(6)
Security expenses	(12)	(14)
Traveling expenses	(8)	(8)
Training expenses for staff	(8)	(8)
Other non-income related taxes	(41)	(41)
hereof financial transaction tax	(34)	(34)
Sundry administrative expenses	(68)	(70)
Total	**(617)**	**(600)**
hereof expenses for short-term leases	(8)	(8)
hereof expenses for leases of low-value assets	(2)	(2)

Depreciation of tangible and intangible fixed assets

in € million	1/1-30/6/2024	1/1-30/6/2023
Tangible fixed assets	(119)	(117)
hereof right-of-use assets	(40)	(41)
Intangible fixed assets	(115)	(110)
Total	**(234)**	**(227)**

(8) Other result

in € million	1/1-30/6/2024	1/1-30/6/2023
Net modification gains/losses	**(9)**	**(7)**
Gains/losses from changes in present value of non-substantially modified contracts	(8)	(7)
Gains/losses from derecognition due to substantial modification of contract terms	0	0
Impairment or reversal of impairment on investments in subsidiaries and associates	**11**	**(9)**
Impairment or reversal of impairment on non-financial assets	**0**	**(6)**
Goodwill	0	0
Other	0	(6)
Result from non-current assets and disposal groups classified as held for sale and deconsolidation	**(4)**	**0**
Net income from non-current assets and disposal groups classified as held for sale	4	0
Result of deconsolidations	(8)	0
Expenses for credit-linked, portfolio-based litigations and annulments	**(404)**	**(429)**
Total	**(407)**	**(450)**

Other result amounted to minus € 407 million in the reporting period after minus € 450 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 € 404 million (previous-year period: € 429 million). These mainly related to mortgage loans in Poland denominated in foreign currencies or linked to a foreign currency. The expense of € 391 million in Poland mainly resulted from provisions in connection with the CHF-loan portfolio due to negative court rulings and from the adjustment of the discounting period. Additional drivers of the expense in Poland were allocations to provisions of € 84 million in connection with pending litigation relating to euro-denominated loans and also penalty interest owed to customers of € 82 million. In the reporting period, the valuation of investments in subsidiaries and associates led to net income of € 11 million.

(9) Governmental measures and compulsory contributions

in € million	1/1-30/6/2024	1/1-30/6/2023
Governmental measures	**(89)**	**(94)**
Bank levies	(89)	(94)
Compulsory contributions	**(72)**	**(144)**
Resolution fund	(15)	(74)
Deposit insurance fees	(56)	(70)
Other compulsory contributions	0	0
Total	**(161)**	**(237)**

Governmental measures and compulsory contributions decreased € 76 million to € 161 million. Contributions to the bank resolution fund fell € 59 million as the establishment phase of the fund had almost been completed. This related to head office (down € 42 million), the Czech Republic (down € 7 million) and Slovakia (down € 6 million). Deposit insurance fees decreased € 13 million. This mainly concerned Raiffeisen Bausparkasse Gesellschaft m.b.H., which posted a reduction of € 8 million. In the previous-year periods, higher contribution payments had been made in order to replenish the deposit insurance fund following the loss incidents relating to Commerzialbank Mattersburg im Burgenland AG and to Anglo Austrian AAB AG in 2020.

(10) Impairment losses on financial assets

in € million	1/1-30/6/2024	1/1-30/6/2023
Loans and advances	(112)	(216)
Debt securities	74	(64)
Loan commitments, financial guarantees and other commitments given	(10)	21
Total	**(48)**	**(259)**
hereof financial assets - fair value through other comprehensive income	(5)	(1)
hereof financial assets - amortized cost	(33)	(278)

At € 48 million, impairment losses on financial assets were significantly lower in the reporting period than the figure of € 259 million in the comparable period, which was mainly reported in Eastern Europe. For defaulted loans (Stage 3), impairments of € 170 million net were recognized in the reporting period (previous-year period: € 53 million net). € 87 million related to non-financial corporations (thereof real estate financing: € 62 million) and € 57 million to households. At country level, Stage 3 impairment losses were primarily incurred in head office (€ 63 million) and in Russia (€ 61 million). In Stage 1 and Stage 2, net releases of € 122 million were recognized in the reporting period most notably in Russia due to repayments primarily from sanctioned customers (previous-year period: impairment losses of € 206 million, thereof € 134 million in Russia and € 61 million in Ukraine). Further details are shown under (13) Financial assets – amortized cost.

(11) Taxes

in € million	1/1-30/6/2024	1/1-30/6/2023
Current income taxes	(429)	(476)
hereof Austria	(13)	(11)
hereof abroad	(416)	(465)
Deferred taxes	(54)	89
Total	**(483)**	**(388)**
Effective tax rate	25.2 %	22.6 %

The increase in income taxes of € 96 million to € 483 million resulted primarily from special taxes, in addition to increases in profits in Central Europe, Eastern Europe and Southeastern Europe. In Central Europe (up € 56 million) the introduction of a new tax in Slovakia (€ 40 million) alongside profit growth was mainly responsible for the increase. The tax rate hike to 25 per cent (previous period: 18 per cent) in Ukraine contributed to an increase of € 32 million. The effective tax rate was 25.2 per cent, around 3 percentage points higher than in the comparable period. This was 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 € 404 million (previous-year period: € 429 million), as well as the newly introduced special tax in Slovakia and the increased tax rate in Ukraine.

The global minimum tax for multinational companies (MindBestG) of 15 per cent, effective January 1, 2024, resulted in an additional tax expense of € 3 million. In most countries where RBI operates, the Safe Harbour Rules are met.

Tax assets

in € million	30/6/2024	31/12/2023
Current tax assets	112	69
Deferred tax assets	182	218
Tax claims from temporary differences	177	206
Loss carry forwards	5	12
Total	**294**	**287**

Tax liabilities

in € million	30/6/2024	31/12/2023
Current tax liabilities	172	242
Deferred tax liabilities	43	43
Total	**215**	**285**

Financial assets measured at amortized cost

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

in € million	30/6/2024	31/12/2023
Cash in hand	4,415	4,126
Balances at central banks	24,776	24,581
Other demand deposits at banks	15,092	14,527
Total	**44,283**	**43,234**

The increase in cash on hand, balances at central banks and other sight deposits of € 1,049 million was mainly due to the slight increase in other demand deposits at banks (increase: € 565 million), mainly coming from head office (€ 770 million). The increase in the position of balances with central banks from head office amounting to € 1,763 million and Russia amounting to € 2,007 million was offset by the reduction in Slovakia amounting to € 2,958 million. The sharp decline in Slovakia was due to the expiry of the TLTRO-III in March. This item also includes restricted balances with central banks amounting to € 74 million (previous year: € 21 million), which are not immediately available.

Under the item cash in hand, Ukraine, Russia, and Belarus reported a total of € 2,226 million, and Russia accounted for the largest portion.

On the reporting date, Ukraine, Russia, and Belarus reported cash and cash equivalents of € 1,432 million that are currently subject to legal restrictions and are therefore not available for general use by head office.

(13) Financial assets – amortized cost

	30/6/2024			31/12/2023[1]		
in € million	Gross carrying amount	Accumulated impairment	Carrying amount	Gross carrying amount	Accumulated impairment	Carrying amount
Debt securities	**29,027**	**(137)**	**28,890**	**25,936**	**(214)**	**25,723**
Central banks	5	0	5	5	0	5
General governments	24,338	(78)	24,260	21,319	(86)	21,233
Banks	3,042	(1)	3,042	2,855	(1)	2,854
Other financial corporations	995	(55)	940	974	(69)	905
Non-financial corporations	647	(3)	644	783	(57)	726
Loans and advances	**122,032**	**(2,958)**	**119,074**	**116,468**	**(2,889)**	**113,580**
Central banks	9,801	(1)	9,800	7,860	0	7,860
General governments	3,282	(6)	3,275	2,628	(6)	2,621
Banks	7,922	(2)	7,919	6,855	(3)	6,852
Other financial corporations	12,076	(155)	11,922	10,699	(157)	10,542
Non-financial corporations	48,307	(1,721)	46,586	48,092	(1,596)	46,496
Households	40,644	(1,072)	39,571	40,335	(1,125)	39,209
Total	**151,059**	**(3,095)**	**147,964**	**142,405**	**(3,102)**	**139,302**

1 Previous-year figures adapted due to changed allocation

The carrying amount of the item financial assets – amortized cost increased € 8,661 million compared to year-end 2023.

The increase in debt securities of € 3,167 million resulted predominantly from purchases of government bonds (up € 3,027 million), mainly in the Czech Republic (up € 1,461 million), at head office (up € 774 million), in Slovakia (up € 543 million) and in Romania (up € 431 million), whereby in Ukraine there was a decrease (down € 265 million) due to redemption of bonds and selling US treasuries.

The lending business showed an increase of € 5,494 million, mainly derived from short-term business (up € 5,042 million), especially at head office (up € 2,000 million) and in the Czech Republic (up € 1,721 million), mainly from repo business. Loans to households increased € 362 million, mainly in the Czech Republic (up € 118 million), especially in unsecured loans to households, and in Slovakia (up € 109 million) largely due to mortgage loans. Loans to non-financial corporations increased slightly € 90 million. An increase at head office (up € 206 million), predominantly from new credit facilities, and in Slovakia (up € 118 million), due to increase in loans to corporate customers, was contrasted by a decrease in Russia of € 299 million, especially due to decrease in working capital financing.

There are financial assets – amortized cost of € 670 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. In the second quarter there was a reclassification of these debt instruments from the category loans to non-financial corporations into loans to general governments that are assigned to the short-term business, in order to provide a better presentation of the loan portfolio. The previous year figures as of 31/12/2023 were adapted accordingly.

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

	30/6/2024				31/12/2023[1]			
in € million	Stage 1	Stage 2	Stage 3	POCI	Stage 1	Stage 2	Stage 3	POCI
Central banks	9,298	508	0	0	7,615	250	0	0
General governments	26,117	1,333	169	0	22,696	1,073	178	0
Banks	10,081	881	2	0	8,823	883	4	0
Other financial corporations	11,122	1,619	235	95	9,073	2,208	286	106
Non-financial corporations	39,401	7,495	1,953	105	38,499	8,516	1,741	120
Households	32,242	7,255	1,041	106	30,999	8,215	1,007	115
hereof mortgage	21,344	5,255	344	65	20,729	6,257	361	76
Total	**128,260**	**19,092**	**3,401**	**306**	**117,704**	**21,144**	**3,217**	**340**

1 Previous-year figures adapted due to changed allocation

Accumulated impairments

	30/6/2024				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	(51)	(30)	(4)	0	(57)	(31)	(5)	0
Banks	(1)	(1)	(1)	0	(1)	(2)	(2)	0
Other financial corporations	(11)	(91)	(94)	(13)	(11)	(100)	(89)	(26)
Non-financial corporations	(194)	(451)	(1,036)	(44)	(179)	(497)	(926)	(52)
Households	(110)	(272)	(665)	(26)	(123)	(324)	(649)	(29)
hereof mortgage	(17)	(100)	(156)	(14)	(20)	(132)	(173)	(17)
Total	**(366)**	**(847)**	**(1,800)**	**(83)**	**(371)**	**(954)**	**(1,670)**	**(107)**

ECL coverage ratio

	30/6/2024				31/12/2023[1]			
	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 %	2.2 %	2.3 %	1.1 %	0.2 %	2.9 %	2.7 %	1.2 %
Banks	0.0 %	0.2 %	45.3 %	-	0.0 %	0.2 %	34.4 %	-
Other financial corporations	0.1 %	5.6 %	40.1 %	13.7 %	0.1 %	4.5 %	31.0 %	24.7 %
Non-financial corporations	0.5 %	6.0 %	53.0 %	41.8 %	0.5 %	5.8 %	53.2 %	43.2 %
Households	0.3 %	3.8 %	63.8 %	24.4 %	0.4 %	3.9 %	64.5 %	25.6 %
hereof mortgage	0.1 %	1.9 %	45.3 %	22.1 %	0.1 %	2.1 %	47.8 %	22.8 %
Total	**0.3 %**	**4.4 %**	**52.9 %**	**27.1 %**	**0.3 %**	**4.5 %**	**51.9 %**	**31.5 %**

1 Previous-year figures adapted due to changed allocation

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	128	75	7	0	210
Decreases due to derecognition	(49)	(166)	(106)	(33)	(354)
Changes due to change in credit risk (net)	(58)	(65)	274	9	160
Changes due to modifications without derecognition (net)	0	0	0	0	1
Decrease due to write-offs	0	(1)	(66)	(2)	(70)
Changes due to model/risk parameters	0	0	0	0	0
Change in consolidated group	0	0	0	0	0
Foreign exchange and other	(16)	35	19	1	39
As at 30/6/2024	**376**	**857**	**1,802**	**83**	**3,117**
hereof fair value through other comprehensive income	9	5	2	0	16
hereof other demand deposits at banks	0	5	0	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	143	74	6	0	222
Decreases due to derecognition	(40)	(92)	(171)	(7)	(310)
Changes due to change in credit risk (net)	(101)	225	158	9	291
Changes due to modifications without derecognition (net)	0	0	2	0	2
Decrease due to write-offs	0	(2)	(99)	(2)	(103)
Change in consolidated group	0	4	1	(4)	1
Foreign exchange and other	(16)	(23)	(41)	6	(75)
As at 30/6/2023	**318**	**1,212**	**1,529**	**119**	**3,177**
hereof fair value through other comprehensive income	1	14	1	0	16
hereof other demand deposits at banks	0	15	1	0	17

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.

30/6/2024 in € million	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	POCI Lifetime ECL	Total
Excellent	20,893	983	0	0	21,876
Strong	41,972	3,045	0	2	45,019
Good	41,248	5,838	0	7	47,093
Satisfactory	15,977	5,476	0	14	21,468
Substandard	5,529	2,649	0	10	8,188
Credit impaired	0	0	3,320	250	3,570
Not rated	2,641	1,100	82	22	3,845
Gross carrying amount	**128,260**	**19,092**	**3,401**	**306**	**151,059**
Accumulated impairment	(366)	(847)	(1,800)	(83)	(3,095)
Carrying amount	**127,894**	**18,245**	**1,602**	**223**	**147,964**

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 half year 2024 net modification effects amounted to minus € 8 million (previous-year period: plus € 3 million). As at 31 December 2023 the net modification effect amounted to minus € 27 million.

30/6/2024 in € million	Stage 1	Stage 2	Stage 3	POCI	Total
Net modifications gains/losses of financial assets	(4)	(3)	(1)	(1)	(8)
Amortized cost before the modification of financial assets	1,114	260	74	(4)	1,444
Gross carrying amount of modified assets as at 30/6, which moved to Stage 1 during the year	0	35	0	0	35

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	30/6/2024	31/12/2023
Deposits from banks	**28,858**	**26,124**
Current accounts/overnight deposits	14,764	13,613
Deposits with agreed maturity	7,818	9,969
Repurchase agreements	6,277	2,542
Deposits from customers	**125,311**	**119,331**
Current accounts/overnight deposits	83,175	84,111
Deposits with agreed maturity	38,577	34,451
Repurchase agreements	3,559	769
Debt securities issued	**19,168**	**17,772**
Covered bonds	3,752	3,881
Hybrid contracts	599	499
Other debt securities issued	14,817	13,391
hereof convertible compound financial instruments	2,228	1,926
hereof non-convertible	12,589	11,465
Other financial liabilities	**1,702**	**1,484**
Total	**175,040**	**164,711**
hereof subordinated financial liabilities	2,156	2,167
hereof lease liabilities	368	371

The development of deposits from banks - deposits with agreed maturity was primarily a result of the repayment of TLTRO instruments in Slovakia. During the reporting period an amount of € 2.200 million was repaid. In the area of current accounts/ overnight deposits, there was an increase of € 872 million in head office, largely resulting from deposits from other credit institutions. The total position increased by € 1.151 million. Repurchase agreements also rose by € 3.735 million due to increased business volumes.

In the area of current accounts/overnight deposits from customers, there were decreases amounting to € 936 million. An opposite trend was observed in deposits with agreed maturity, which saw an increase of € 4.126 million across the group. Repurchase agreements also increased by € 2.790 million, with the largest growth in the Czech Republic.

Other debt securities issued increased particularly due to own issuances in head office (increase: € 733 million) and in Slovakia (increase: € 349 million), contributing to an overall increase in this position by € 1.426 million.

Other financial liabilities increased by € 219 million year-over-year.

Deposits from banks and customers by asset classes:

in € million	30/6/2024	31/12/2023
Central banks	592	2,987
General governments	6,356	3,698
Banks	28,266	23,137
Other financial corporations	13,134	12,097
Non-financial corporations	46,749	45,084
Households	59,072	58,452
Total	**154,170**	**145,455**

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

30/6/2024 in € million	Level I	Level II	Level III	Fair value	Carrying amount	Difference
Assets						
Cash, balances at central banks and other demand deposits	**0**	**44,283**	**0**	**44,283**	**44,283**	**0**
Financial assets - amortized cost	**24,625**	**1,945**	**118,647**	**145,217**	**147,964**	**(2,747)**
Debt securities	24,625	1,945	1,968	28,538	28,890	(352)
Loans and advances	0	0	116,679	116,679	119,074	(2,395)
Equity and liabilities						
Financial liabilities - amortized cost	**833**	**16,867**	**156,473**	**174,173**	**174,673**	**(499)**
Deposits from banks and customers[1]	0	0	153,205	153,205	153,802	(596)
Debt securities issued	833	16,867	1,565	19,266	19,168	97
Other financial liabilities	0	0	1,702	1,702	1,702	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

30/6/2024 in € million	Gross carrying amount	Accumulated impairment	Cumulative other comprehensive income	Carrying amount
Equity instruments	**186**	**–**	**–**	**186**
Banks	0	–	–	0
Other financial corporations	115	–	–	115
Non-financial corporations	71	–	–	71
Debt securities	**3,638**	**(16)**	**(32)**	**3,590**
Central banks	758	0	1	759
General governments	2,039	(13)	(23)	2,003
Banks	709	(1)	(8)	700
Other financial corporations	3	0	0	3
Non-financial corporations	130	(2)	(2)	125
Total	**3,824**	**(16)**	**(32)**	**3,775**

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**
Central banks	0	0	0	0
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:

30/6/2024 in € million	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	POCI Lifetime ECL	Total
Excellent	349	0	0	0	349
Strong	1,693	8	0	0	1,701
Good	1,300	158	0	0	1,457
Satisfactory	3	4	0	0	7
Substandard	54	51	0	0	105
Credit impaired	0	0	2	0	2
Not rated	17	0	0	0	17
Gross carrying amount	**3,416**	**220**	**2**	**0**	**3,638**
Accumulated impairment	(9)	(5)	(2)	0	(16)
Cumulative other comprehensive income	(34)	2	0	0	(32)
Carrying amount	**3,372**	**217**	**1**	**0**	**3,590**

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	30/6/2024	31/12/2023
Equity instruments	**1**	**8**
Other financial corporations	1	7
Non-financial corporations	0	1
Debt securities	**371**	**374**
General governments	141	146
Banks	23	25
Other financial corporations	190	185
Non-financial corporations	18	18
Loans and advances	**568**	**567**
General governments	1	1
Banks	2	2
Other financial corporations	24	24
Non-financial corporations	77	76
Households	464	464
Total	**940**	**949**

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

Financial assets - designated fair value through profit/loss

in € million	30/6/2024	31/12/2023
Debt securities	**174**	**185**
General governments	152	155
Banks	15	22
Non-financial corporations	8	8
Total	**174**	**185**

Financial liabilities - designated fair value through profit/loss

in € million	30/6/2024	31/12/2023
Deposits from banks	**20**	**20**
Deposits with agreed maturity	20	20
Deposits from customers	**22**	**22**
Deposits with agreed maturity	22	22
Debt securities issued	**1,054**	**1,046**
Hybrid contracts	0	1
Other debt securities issued	1,054	1,046
hereof non-convertible	1,054	1,046
Total	**1,096**	**1,088**
hereof subordinated financial liabilities	0	0

(20) Financial assets – held for trading

in € million	30/6/2024	31/12/2023
Derivatives	**3,670**	**3,774**
Interest rate contracts	2,649	2,719
Equity contracts	367	201
Foreign exchange rate and gold contracts	580	797
Credit contracts	40	26
Commodities	1	1
Other	33	31
Equity instruments	**511**	**426**
Banks	57	50
Other financial corporations	170	126
Non-financial corporations	284	250
Debt securities	**2,389**	**1,583**
Central banks	58	64
General governments	2,022	1,210
Banks	215	224
Other financial corporations	24	22
Non-financial corporations	69	64
Total	**6,570**	**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 € 45 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

30/6/2024	Nominal amount	Fair value	
in € million		Assets	Equity and liabilities
Trading book	**189,765**	**3,430**	**(3,054)**
Interest rate contracts	135,063	2,456	(2,514)
Equity contracts	4,060	367	(101)
Foreign exchange rate and gold contracts	46,898	533	(409)
Credit contracts	2,404	40	(26)
Commodities	26	1	0
Other	1,314	33	(5)
Banking book	**16,742**	**240**	**(169)**
Interest rate contracts	10,682	193	(96)
Foreign exchange rate and gold contracts	6,040	47	(49)
Credit contracts	20	0	(24)
Total	**206,507**	**3,670**	**(3,223)**
OTC products	202,150	3,645	(3,151)
Products traded on stock exchange	4,357	25	(72)

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	30/6/2024	31/12/2023
Derivatives	**3,223**	**3,379**
Interest rate contracts	2,610	2,686
Equity contracts	101	2
Foreign exchange rate and gold contracts	458	650
Credit contracts	50	35
Other	5	7
Short positions	**484**	**567**
Equity instruments	11	11
Debt securities	473	556
Debt securities issued	**4,923**	**4,517**
Hybrid contracts	4,923	4,517
Other financial liabilities	**0**	**1**
Total	**8,632**	**8,463**

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

in € million	30/6/2024	31/12/2023
Positive fair values of derivatives in micro fair value hedge	**372**	**392**
Interest rate contracts	372	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	**1**	**5**
Positive fair values of derivatives in portfolio hedge	**701**	**762**
Cash flow hedge	146	151
Fair value hedge	555	611
Total	**1,075**	**1,160**

in € million	30/6/2024	31/12/2023
Fair value adjustments of the hedged items in portfolio hedge of interest rate risk	(447)	(365)
Total	**(447)**	**(365)**

in € million	30/6/2024	31/12/2023
Negative fair values of derivatives in micro fair value hedge	**402**	**491**
Interest rate contracts	402	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	**960**	**962**
Cash flow hedge	198	107
Fair value hedge	763	854
Total	**1,366**	**1,466**

in € million	30/6/2024	31/12/2023
Fair value adjustments of the hedged items in portfolio hedge of interest rate risk	(551)	(514)
Total	**(551)**	**(514)**

30/6/2024	Nominal amount	Fair value	
in € million		Assets	Equity and liabilities
Hedging instruments	**65,063**	**1,075**	**(1,366)**
Interest rate contracts	63,958	1,074	(1,362)
Foreign exchange rate and gold contracts	1,105	1	(3)
Total	**65,063**	**1,075**	**(1,366)**

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	30/6/2024			31/12/2023		
in € million	Level I	Level II	Level III	Level I	Level II	Level III
Financial assets - held for trading	**2,583**	**3,974**	**13**	**1,629**	**4,140**	**14**
Derivatives	3	3,667	0	3	3,771	0
Equity instruments	489	22	0	410	12	4
Debt securities	2,091	285	13	1,216	357	10
Non-trading financial assets - mandatorily fair value through profit/loss	**286**	**39**	**615**	**295**	**38**	**616**
Equity instruments	1	0	0	1	6	1
Debt securities	285	39	48	294	32	48
Loans and advances	0	0	568	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	**3,072**	**446**	**257**	**2,238**	**495**	**259**
Equity instruments	20	0	165	20	0	162
Debt securities	3,052	446	92	2,218	495	97
Hedge accounting	**0**	**1,075**	**0**	**0**	**1,160**	**0**

Equity and liabilities	30/6/2024			31/12/2023		
in € million	Level I	Level II	Level III	Level I	Level II	Level III
Financial liabilities - held for trading	**482**	**8,150**	**0**	**559**	**7,904**	**0**
Derivatives	1	3,222	0	3	3,376	0
Short positions	480	4	0	556	11	0
Debt securities issued	0	4,923	0	0	4,517	0
Other financial liabilities	0	0	0	1	0	0
Financial liabilities - designated fair value through profit/loss	**0**	**1,096**	**0**	**0**	**1,088**	**0**
Deposits	0	42	0	0	42	0
Debt securities issued	0	1,054	0	0	1,046	0
Hedge accounting	**0**	**1,366**	**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 € 5 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 € 4 million in the reporting period. Financial instruments mandatorily recognized at fair value decreased by € 1 million net, mainly due to outflows in Hungary 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 € 1 million net, primarily due to sales in Albania and valuation losses. Out of the € 4 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	26	(27)
Non-trading financial assets - mandatorily fair value through profit/loss	616	0	(2)	42	(41)
Financial assets - fair value through other comprehensive income	259	(6)	0	7	(7)
Total	**889**	**(6)**	**1**	**76**	**(75)**

Assets in € million	Gains/loss in P/L	Gain/loss in other comprehensive income	Transfer to Level III	Transfer from Level III	As at 30/6/2024
Financial assets - held for trading	(2)	0	0	0	13
Non-trading financial assets - mandatorily fair value through profit/loss	(1)	0	0	0	615
Financial assets - fair value through other comprehensive income	0	3	0	0	257
Total	**(3)**	**3**	**0**	**0**	**886**

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 30/6/2024
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 30/6/2024	Fair value in € million[1]	Valuation technique	Significant unobservable inputs	Range of unobservable inputs
Financial assets - held for trading	**13**			
Supplementary capital	0	Indicative prices	Indications	–
Treasury bills, fixed coupon bonds	13	DCF method	Credit spread	2.28%-51.74%
Forward foreign exchange contracts	0	DCF method	Interest rate	10 - 30%
Non-trading financial assets - mandatorily fair value through profit/loss	**615**			
Other interests	0	Simplified net present value method Expert opinion	–	–
Bonds, notes and other fixed-interest securities	48	Net asset value Financing auction/transaction costs Market price indication	(Auction-) Price	
Loans	568	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%-3.42% over all currencies -0.15% - 3.47% over all currencies 0.11% - 10.08% (depending on the rating: from A bis CCC)
Financial assets - fair value through other comprehensive income	**257**			
Other interests	48	Dividend discount model Simplified income approach DCF method	Credit spread Cash flow Discount rate Dividends Beta factor	–
Other interests	61	Adjusted net asset value	Adjusted equity	–
Other interests	56	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	92	DCF method	Interest rate	–
Total	**886**			

Equity and liabilities 30/6/2024	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	30/6/2024	31/12/2023
Investments in affiliated companies	205	187
Investments in associates valued at equity	681	632
Total	**886**	**820**

(25) Tangible and intangible fixed assets

in € million	30/6/2024	31/12/2023
Tangible fixed assets	**1,748**	**1,672**
Land and buildings used by the group for own purpose	503	454
Office furniture, equipment and other tangible fixed assets	337	341
Investment property	415	412
Other leased assets (operating lease)	116	108
Right-of-use assets	377	357
Intangible fixed assets	**994**	**970**
Software	876	843
Goodwill	38	38
Brand	1	2
Customer relationships	11	13
Core deposits intangibles	47	51
Other intangible fixed assets	21	23
Total	**2,742**	**2,641**

(26) Other assets

in € million	30/6/2024	31/12/2023
Prepayments and other deferrals	347	340
Merchandise inventory and suspense accounts for services rendered not yet charged out	210	157
Non-current assets and disposal groups classified as held for sale	15	12
Other assets	1,133	743
Total	**1,705**	**1,253**

(27) Provisions

in € million	30/6/2024	31/12/2023
Provisions for off-balance sheet items	**219**	**206**
Other commitments and guarantees given according to IFRS 9	218	204
Other commitments and guarantees given according to IAS 37	1	2
Provisions for staff	**429**	**507**
Pensions and other post employment defined benefit obligations	185	182
Other long-term employee benefits	38	47
Bonus payments	204	275
Termination benefits	3	3
Other provisions	**1,109**	**931**
Pending legal issues and tax litigation	846	636
Restructuring	5	6
Onerous contracts	61	60
Other provisions	196	229
Total	**1,756**	**1,644**

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

(28) Other liabilities

in € million	30/6/2024	31/12/2023
Provisions for overdue vacations	93	74
Liabilities from insurance activities	290	280
Deferred income and accrued expenses	598	564
Sundry liabilities	338	330
Total	**1,318**	**1,248**

(29) Equity and non-controlling interests

in € million	30/6/2024	31/12/2023
Consolidated equity	18,227	17,009
Subscribed capital	1,002	1,002
Capital reserves	4,989	4,988
Retained earnings	16,467	15,600
hereof consolidated profit/loss	1,324	2,386
Cumulative other comprehensive income	(4,232)	(4,580)
Non-controlling interests	1,247	1,231
Additional tier 1	1,616	1,610
Total	**21,090**	**19,849**

As at 30 June 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 532,478, the stated subscribed capital totaled € 1,002 million.

Notes of financial instruments

(30) Loan commitments, financial guarantees and other commitments

in € million	30/6/2024	31/12/2023
Loan commitments given	37,149	36,601
Financial guarantees given	9,240	9,761
Other commitments given	5,598	4,939
Total	**51,987**	**51,301**
Provisions for off-balance sheet items according to IFRS 9	(218)	(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):

30/6/2024	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	285	13	20	0	0	(1)	0.0 %	0.4 %	5.0 %
Banks	2,240	204	0	0	0	0	0.0 %	0.1 %	-
Other financial corporations	6,188	486	0	(4)	(12)	0	0.1 %	2.4 %	-
Non-financial corporations	31,661	4,169	100	(54)	(85)	(33)	0.2 %	2.0 %	33.0 %
Households	5,752	851	18	(10)	(7)	(13)	0.2 %	0.8 %	70.9 %
Total	**46,126**	**5,723**	**138**	**(67)**	**(103)**	**(47)**	**0.1 %**	**1.8 %**	**34.0 %**

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	25	12	1	39
Decreases due to derecognition	(10)	(8)	(5)	(24)
Changes due to change in credit risk (net)	(5)	1	2	(3)
Foreign exchange and other	0	3	0	2
As at 30/6/2024	**67**	**103**	**47**	**218**

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	22	23	3	48
Decreases due to derecognition	(9)	(29)	(6)	(44)
Changes due to change in credit risk (net)	(16)	0	(6)	(22)
Foreign exchange and other	(2)	(4)	(1)	(7)
As at 30/6/2023	**59**	**106**	**45**	**210**

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

30/6/2024 in € million	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Excellent	935	160	0	1,094
Strong	18,125	1,281	0	19,406
Good	19,895	2,401	0	22,296
Satisfactory	4,711	1,486	0	6,196
Substandard	105	247	0	352
Credit impaired	0	0	137	137
Not rated	2,356	148	1	2,506
Nominal amount	**46,126**	**5,723**	**138**	**51,987**
Provisions for off-balance sheet items according to IFRS 9	(67)	(103)	(47)	(218)
Nominal amount after provisions	**46,058**	**5,619**	**91**	**51,769**

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, May 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	4.5 %	4.8 %	3.3 %	5.3 %	4.8 %	5.5 %
	Base	3.0 %	2.6 %	2.6 %	6.0 %	5.9 %	5.9 %
	Downside scenario	0.7 %	(0.8)%	1.5 %	7.6 %	8.4 %	6.7 %
Ukraine	Upside scenario	7.8 %	10.8 %	7.4 %	11.5 %	8.3 %	7.8 %
	Base	4.9 %	6.5 %	6.0 %	12.0 %	9.0 %	8.0 %
	Downside scenario	0.5 %	(0.1)%	3.8 %	13.1 %	10.7 %	8.6 %
Belarus	Upside scenario	3.5 %	4.2 %	2.7 %	3.8 %	3.8 %	3.9 %
	Base	2.0 %	2.0 %	2.0 %	4.0 %	4.0 %	4.0 %
	Downside scenario	(0.2)%	(1.3)%	0.9 %	4.4 %	4.5 %	4.2 %
Austria	Upside scenario	1.0 %	2.6 %	1.8 %	5.3 %	5.0 %	4.7 %
	Base	0.2 %	1.4 %	1.4 %	5.4 %	5.2 %	4.8 %
	Downside scenario	(1.0)%	(0.4)%	0.8 %	5.7 %	5.7 %	5.0 %
Poland	Upside scenario	3.8 %	4.9 %	3.9 %	4.3 %	3.9 %	5.2 %
	Base	3.1 %	3.8 %	3.5 %	5.2 %	5.3 %	5.7 %
	Downside scenario	2.0 %	2.2 %	3.0 %	7.3 %	8.4 %	6.7 %
Russia	Upside scenario	3.8 %	2.9 %	1.6 %	2.2 %	2.5 %	3.3 %
	Base	2.5 %	0.9 %	0.9 %	2.5 %	3.0 %	3.5 %
	Downside scenario	0.5 %	(2.1)%	(0.1)%	3.3 %	4.1 %	3.9 %
Romania	Upside scenario	3.7 %	5.4 %	3.6 %	5.2 %	4.8 %	4.7 %
	Base	2.4 %	3.5 %	3.0 %	5.4 %	5.2 %	4.9 %
	Downside scenario	0.4 %	0.6 %	2.0 %	6.0 %	6.0 %	5.1 %
Slovakia	Upside scenario	3.2 %	3.8 %	3.2 %	5.0 %	4.5 %	4.4 %
	Base	2.1 %	2.1 %	2.6 %	5.8 %	5.8 %	5.5 %
	Downside scenario	0.4 %	(0.5)%	1.8 %	7.8 %	8.7 %	6.5 %
Czech Republic	Upside scenario	2.5 %	4.4 %	3.3 %	3.5 %	3.1 %	3.2 %
	Base	1.5 %	2.9 %	2.8 %	3.8 %	3.6 %	3.4 %
	Downside scenario	0.0 %	0.6 %	2.0 %	4.5 %	4.6 %	3.7 %
Hungary	Upside scenario	3.2 %	5.0 %	4.5 %	3.4 %	3.1 %	3.4 %
	Base	2.2 %	3.4 %	4.0 %	3.9 %	3.8 %	3.7 %
	Downside scenario	0.6 %	1.1 %	3.2 %	4.9 %	5.3 %	4.2 %

		Long-term bond rate			Real estate prices		
		2024	2025	2026	2024	2025	2026
Croatia	Upside scenario	2.1 %	1.5 %	2.6 %	9.1 %	8.8 %	4.9 %
	Base	3.2 %	3.1 %	3.2 %	4.8 %	2.4 %	2.8 %
	Downside scenario	4.2 %	4.6 %	3.6 %	1.6 %	(2.4)%	1.2 %
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	16.1 %	19.7 %	10.6 %
	Base	n/a	n/a	n/a	7.0 %	6.0 %	6.0 %
	Downside scenario	n/a	n/a	n/a	0.2 %	(4.2)%	2.6 %
Austria	Upside scenario	1.8 %	1.1 %	2.0 %	(5.9)%	4.2 %	2.1 %
	Base	2.8 %	2.6 %	2.5 %	(8.0)%	1.0 %	1.0 %
	Downside scenario	3.7 %	3.9 %	2.9 %	(9.6)%	(1.4)%	0.2 %
Poland	Upside scenario	4.1 %	3.0 %	3.3 %	13.0 %	9.5 %	5.5 %
	Base	5.4 %	5.0 %	4.0 %	10.0 %	5.0 %	4.0 %
	Downside scenario	6.6 %	6.8 %	4.6 %	7.8 %	1.6 %	2.9 %
Russia	Upside scenario	11.8 %	9.2 %	7.8 %	9.6 %	15.4 %	5.8 %
	Base	12.7 %	10.5 %	8.3 %	0.0 %	1.0 %	1.0 %
	Downside scenario	13.5 %	11.8 %	8.3 %	(7.1)%	(9.7)%	(2.6)%
Romania	Upside scenario	5.5 %	4.5 %	4.9 %	7.3 %	9.0 %	5.2 %
	Base	6.7 %	6.2 %	5.5 %	4.0 %	4.0 %	3.5 %
	Downside scenario	7.8 %	7.8 %	6.0 %	1.5 %	0.3 %	2.3 %
Slovakia	Upside scenario	2.6 %	1.7 %	2.6 %	9.2 %	12.8 %	6.1 %
	Base	3.5 %	3.2 %	3.1 %	3.0 %	3.5 %	3.0 %
	Downside scenario	4.4 %	4.5 %	3.5 %	(1.6)%	(3.4)%	0.7 %
Czech Republic	Upside scenario	2.8 %	1.9 %	2.8 %	7.1 %	9.1 %	5.0 %
	Base	3.8 %	3.3 %	3.3 %	3.0 %	3.0 %	3.0 %
	Downside scenario	4.6 %	4.7 %	3.7 %	0.0 %	(1.5)%	1.5 %
Hungary	Upside scenario	4.9 %	4.0 %	5.2 %	8.0 %	11.0 %	6.0 %
	Base	6.1 %	5.9 %	5.8 %	3.0 %	3.5 %	3.5 %
	Downside scenario	7.2 %	7.6 %	6.4 %	(0.7)%	(2.1)%	1.6 %

		Consumer price index			Short-term interest rate		
		2024	2025	2026	2024	2025	2026
Croatia	Upside scenario	2.4 %	1.2 %	1.5 %	2.7 %	1.4 %	1.8 %
	Base	3.3 %	2.6 %	2.0 %	3.7 %	2.8 %	2.2 %
	Downside scenario	4.2 %	3.9 %	2.4 %	4.4 %	3.9 %	2.6 %
Ukraine	Upside scenario	2.4 %	2.3 %	4.7 %	18.3 %	11.5 %	10.6 %
	Base	6.1 %	7.8 %	6.5 %	20.8 %	15.4 %	11.9 %
	Downside scenario	9.5 %	12.9 %	8.2 %	22.9 %	18.5 %	12.9 %
Belarus	Upside scenario	1.0 %	(1.3)%	4.2 %	n/a	n/a	n/a
	Base	7.6 %	8.6 %	7.5 %	n/a	n/a	n/a
	Downside scenario	13.8 %	17.9 %	10.6 %	n/a	n/a	n/a
Austria	Upside scenario	3.2 %	1.8 %	2.2 %	2.7 %	1.4 %	1.8 %
	Base	3.9 %	2.8 %	2.5 %	3.7 %	2.8 %	2.2 %
	Downside scenario	4.5 %	3.7 %	2.8 %	4.4 %	3.9 %	2.6 %
Poland	Upside scenario	2.7 %	1.5 %	2.3 %	3.5 %	1.6 %	2.1 %
	Base	4.0 %	3.5 %	3.0 %	5.8 %	5.0 %	3.2 %
	Downside scenario	5.2 %	5.3 %	3.6 %	7.7 %	7.8 %	4.2 %
Russia	Upside scenario	5.1 %	4.5 %	4.0 %	13.5 %	7.2 %	6.5 %
	Base	7.0 %	5.0 %	4.2 %	15.1 %	9.5 %	7.3 %
	Downside scenario	8.7 %	7.6 %	5.1 %	16.4 %	11.5 %	7.3 %
Romania	Upside scenario	3.8 %	1.9 %	2.6 %	4.1 %	2.5 %	3.6 %
	Base	5.1 %	3.9 %	3.3 %	6.0 %	5.4 %	4.6 %
	Downside scenario	6.3 %	5.8 %	3.9 %	7.5 %	7.7 %	5.3 %
Slovakia	Upside scenario	1.9 %	1.9 %	1.7 %	2.7 %	1.4 %	1.8 %
	Base	3.3 %	3.9 %	2.4 %	3.7 %	2.8 %	2.2 %
	Downside scenario	4.5 %	5.8 %	3.0 %	4.4 %	3.9 %	2.6 %
Czech Republic	Upside scenario	1.3 %	0.6 %	1.5 %	3.6 %	1.8 %	2.7 %
	Base	2.5 %	2.4 %	2.1 %	4.6 %	3.3 %	3.3 %
	Downside scenario	3.6 %	4.1 %	2.7 %	5.4 %	4.6 %	3.7 %
Hungary	Upside scenario	2.3 %	1.3 %	2.5 %	5.0 %	2.4 %	3.8 %
	Base	3.8 %	3.5 %	3.3 %	7.3 %	5.8 %	4.9 %
	Downside scenario	5.2 %	5.6 %	3.9 %	9.1 %	8.5 %	5.8 %

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. Therefore, 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.

30/6/2024 in € million	Modeled ECL	Other special risk factors		Post-model adjustments		Total
		Macroeconomic risk	Geopolitical risk	Macroeconomic risk	Geopolitical risk	
Central banks	1	0	0	0	0	1
General governments	83	1	10	0	0	94
Banks	3	0	5	0	0	9
Other financial corporations	118	0	0	0	0	118
Non-financial corporations	113	315	343	9	5	784
Households	297	0	0	91	10	398
Total	**616**	**315**	**358**	**100**	**15**	**1,404**

31/12/2023 in € million	Modeled ECL	Other special risk factors		Post-model adjustments		Total
		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 € 788 million (previous year: € 765 million). Of this amount, € 372 million (previous year: € 420 million) related to geopolitical risk, € 415 million (previous year: € 345 million) to macroeconomic risk (spill-over effects and other). An amount of € 17 million (previous year: € 13 million) was recognized in the spill-over effects due to climate risks. Of this amount, € 10 million (previous year: € 4 million) relates to corporate customers and € 7 million (previous year: € 9 million) to retail customers.

Other special risk factors

For corporate customers, additional impairments were recognized in the amount of € 315 million (previous year: € 239 million) for macroeconomic effects. At end of June 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 € 358 million (previous year: € 407 million) were recognized for EU and US sanctions against Russia and Belarus (€ 283 million) and for the effects of the war in Ukraine (€ 75 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 € 75 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.

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 RBI Group´s, the effects tend to 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 loan 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 € 15 million (previous year: € 13 million).

There is currently ongoing redevelopment of the PD, LGD and macro models in the retail portfolio (expected implementation in Q3 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 mortgage loans 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.

30/6/2024	Accumulated impairment (Stage 1 and 2)		
in € million	**Simulated scenario**	**Point in time component**	**Forward-looking component**
100% Optimistic	1,290	1,346	(56)
100% Base	1,393	1,346	47
100% Pessimistic	1,542	1,346	196
Weighted average (25/50/25%)	**1,404**	**1,346**	**58**

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 € 58 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).

	Accumulated impairment (Stage 1 and 2)	
in € million	30/6/2024	31/12/2023
Accumulated impairment if 100% in Stage 1	568	647
Weighted average (25/50/25%)	1,404	1,505
Additional amounts in Stage 2 due to staging and overlays	836	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).

	Accumulated impairment (Stage 1 and 2)	
in € million	30/6/2024	31/12/2023
Accumulated impairment if 100% in Stage 2	2,041	2,151
Weighted average (25/50/25%)	1,404	1,505
Additional amounts in Stage 2	638	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.

	Accumulated impairment (Stage 3)	
in € million	30/6/2024	31/12/2023
Pessimistic scenario	2,180	2,115
Weighted average	1,848	1,721
Increase in provisions due to pessimistic scenario	332	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:

30/6/2024	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	**(4,418)**	**4,418**	**(38)**	**228**	**0.9 %**	**5.2 %**
Central banks	0	0	0	0	-	-
General governments	(113)	113	0	1	0.1 %	0.7 %
Banks	(162)	162	(1)	1	0.7 %	0.4 %
Other financial corporations	(376)	376	(1)	17	0.2 %	4.5 %
Non-financial corporations	(2,130)	2,130	(18)	97	0.9 %	4.5 %
Households	(1,638)	1,638	(18)	113	1.1 %	6.9 %
Movement from lifetime ECL to 12-month ECL	**4,920**	**(4,920)**	**22**	**(134)**	**0.4 %**	**2.7 %**
Central banks	0	0	0	0	-	-
General governments	77	(77)	0	(1)	0.2 %	1.9 %
Banks	57	(57)	0	0	0.0 %	0.3 %
Other financial corporations	697	(697)	2	(18)	0.3 %	2.6 %
Non-financial corporations	2,202	(2,202)	12	(48)	0.6 %	2.2 %
Households	1,887	(1,887)	8	(66)	0.4 %	3.5 %

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 € 190 million (previous year: € 390 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 € 112 million (previous year: € 92 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:

30/6/2024	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	151,059	122,032
Financial assets - fair value through other comprehensive income[1]	0	3,638	0
Non-trading financial assets - mandatorily fair value through profit/loss	939	0	568
Financial assets - designated fair value through profit/loss	174	0	0
Financial assets - held for trading	6,058	0	0
On-balance	**7,172**	**154,697**	**122,599**
Loan commitments, financial guarantees and other commitments	0	51,987	51,987
Total	**7,172**	**206,684**	**174,586**

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:

30/6/2024 in € million	Maximum exposure to credit risk	Fair value of collateral	Credit risk exposure net of collateral
Central banks	9,801	8,586	1,216
General governments	3,282	939	2,344
Banks	7,923	5,331	2,592
Other financial corporations	12,100	5,919	6,182
Non-financial corporations	48,384	21,625	26,759
Households	41,108	26,847	14,261
Loan commitments, financial guarantees and other commitments	51,987	5,888	46,099
Total	**174,586**	**75,133**	**99,453**

31/12/2023 in € million	Maximum exposure to credit risk[1]	Fair value of collateral	Credit risk exposure net of collateral[1]
Central banks	7,860	6,415	1,444
General governments	2,628	929	1,699
Banks	6,857	4,868	1,989
Other financial corporations	10,723	4,453	6,270
Non-financial corporations	48,168	21,603	26,565
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**

1 Previous-year figures adapted due to changed allocation

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:

30/6/2024	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	39	0	39	39	0	39
Financial assets - fair value through other comprehensive income	29	0	29	28	0	28
Financial assets - amortized cost	8,466	82	8,384	8,325	67	8,258
Total	**8,535**	**82**	**8,452**	**8,392**	**67**	**8,325**

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 - fair value through other comprehensive income	0	0	0	0	0	0
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	30/6/2024 Pledged	30/6/2024 Otherwise restricted with liabilities	31/12/2023 Pledged	31/12/2023 Otherwise restricted with liabilities
Financial assets - held for trading	45	0	46	0
Non-trading financial assets - mandatorily fair value through profit/loss	14	0	13	0
Financial assets - fair value through other comprehensive income	369	0	441	57
Financial assets - amortized cost	18,330	1,359	15,818	1,428
Total	**18,759**	**1,359**	**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.

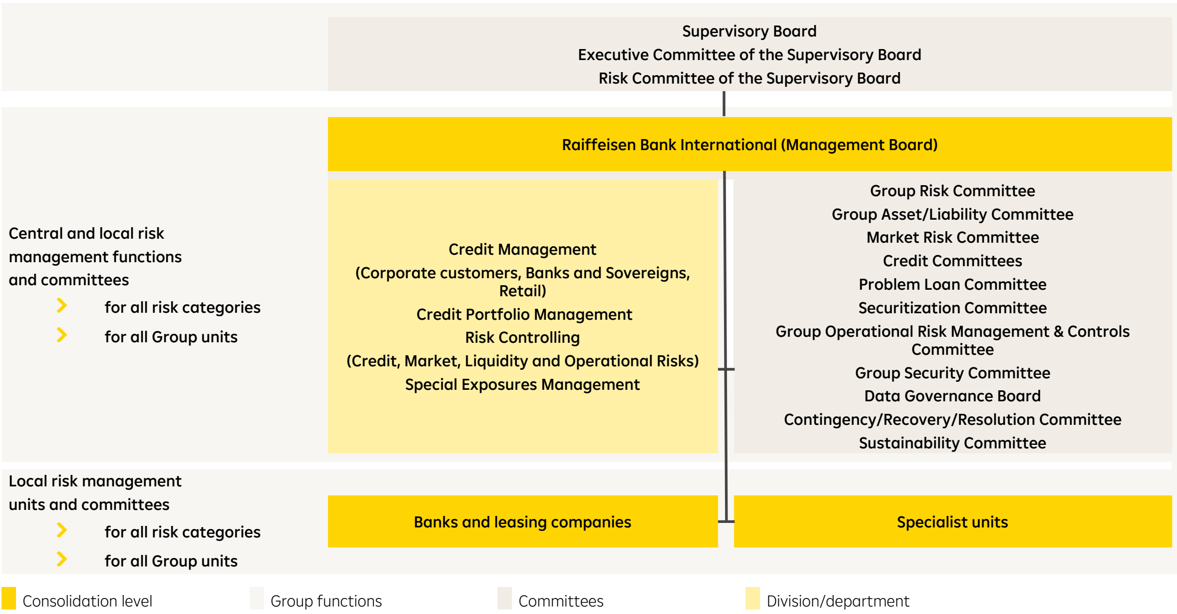
Securities and other financial assets accepted as collateral:

in € million	30/6/2024	31/12/2023
Securities and other financial assets accepted as collateral which can be sold or repledged	24,526	20,697
hereof which have been sold or repledged	7,162	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 around € 10,064 million compared to year-end 2023. The drivers of the sharp increase were an increased bond exposure to sovereigns as well as 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, Eastern Europe has now the largest percentage share of the Group's economic capital due to the increase in currency risk of the capital position.

Risk contribution of individual risk types to economic capital:

in € million	30/6/2024	Share	31/12/2023	Share
FX risk capital position	1,922	19.1 %	1,343	15.2 %
Credit risk sovereigns	1,677	16.7 %	1,159	13.1 %
Credit risk retail customers	1,360	13.5 %	1,388	15.7 %
Credit risk corporate customers	1,349	13.4 %	1,481	16.8 %
Market risk	975	9.7 %	840	9.5 %
Participation risk	811	8.1 %	735	8.3 %
Operational risk	724	7.2 %	757	8.6 %
Credit risk banks	380	3.8 %	300	3.4 %
Owned property risk	301	3.0 %	322	3.6 %
Liquidity risk	67	0.7 %	66	0.7 %
CVA risk	20	0.2 %	16	0.2 %
Risk buffer	479	4.8 %	420	4.8 %
Total	**10,064**	**100.0 %**	**8,826**	**100.0 %**

Regional allocation of economic capital by Group unit domicile:

in € million	30/6/2024	Share	31/12/2023	Share
Eastern Europe	3,033	30.1 %	2,282	25.9 %
Central Europe	2,678	26.6 %	2,548	28.9 %
Austria	2,495	24.8 %	2,395	27.1 %
Southeastern Europe	1,857	18.5 %	1,601	18.1 %
Total	**10,064**	**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	30/6/2024	31/12/2023
Cash, balances at central banks and other demand deposits	39,868	39,109
Financial assets - amortized cost	151,059	142,405
Financial assets - fair value through other comprehensive income	3,638	2,864
Non-trading financial assets - mandatorily fair value through profit/loss	939	941
Financial assets - designated fair value through profit/loss	174	185
Financial assets - held for trading	6,058	5,357
Hedge accounting	628	795
Current tax assets	112	69
Deferred tax assets	182	218
Other assets	1,480	1,083
Loan commitments given	37,149	36,601
Financial guarantees given	9,240	9,761
Other commitments given	5,598	4,939
Reconciliation difference	(5,722)	(7,338)
Credit exposure	**250,404**	**236,988**

Around € 3.0 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	30/6/2024	31/12/2023
Corporate customers	88,517	87,530
Project finance	9,533	9,412
Retail customers	49,135	48,396
Banks	34,652	30,751
Sovereigns	68,567	60,898
Total	**250,404**	**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 %	30/6/2024	Share	31/12/2023	Share
1	Minimal risk	> 0.0000 %	≤ 0.0300 %	2,126	2.4 %	1,745	2.0 %
2	Excellent credit standing	> 0.0300 %	≤ 0.0751 %	7,243	8.2 %	7,496	8.6 %
3	Very good credit standing	> 0.0751 %	≤ 0.1878 %	22,644	25.6 %	21,036	24.0 %
4	Good credit standing	> 0.1878 %	≤ 0.4694 %	21,753	24.6 %	22,233	25.4 %
5	Sound credit standing	> 0.4694 %	≤ 1.1735 %	17,289	19.5 %	16,477	18.8 %
6	Acceptable credit standing	> 1.1735 %	≤ 2.9338 %	10,362	11.7 %	10,841	12.4 %
7	Marginal credit standing	> 2.9338 %	≤ 7.3344 %	2,833	3.2 %	3,320	3.8 %
8	Weak credit standing/sub-standard	> 7.3344 %	≤ 18.3360 %	1,258	1.4 %	1,229	1.4 %
9	Very weak credit standing/doubtful	> 18.3360 %	< 100 %	1,071	1.2 %	1,196	1.4 %
10	Default	100%	100%	1,854	2.1 %	1,846	2.1 %
NR	Not rated			84	0.1 %	110	0.1 %
Total				**88,517**	**100.0 %**	**87,530**	**100.0 %**

The credit exposure to corporate customers increased € 987 million to € 88,517 million compared to year-end 2023. The largest increases were recorded in Great Britain, Austria, 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 3, which resulted mainly from rating shifts of individual Austrian and British customers to rating grade 4 and 2, and from higher credit exposures in Austria. The increase in rating grade 5 was due to increased credit exposures in Serbia, China, Spain and the Netherlands (partly due to rating shifts from rating grade 4 and 6). In rating grade 1, the increase resulted mainly from rating upgrades of individual Austrian customers. The shifts between corporate customer ratings were partly due to the updating and recalibration of the corporate customer rating models.

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

in € million		30/6/2024	Share	31/12/2023	Share
6.1	Excellent project risk profile – very low risk	5,762	60.4 %	5,453	57.9 %
6.2	Good project risk profile – low risk	2,903	30.5 %	3,075	32.7 %
6.3	Acceptable project risk profile – average risk	371	3.9 %	316	3.4 %
6.4	Poor project risk profile – high risk	133	1.4 %	250	2.7 %
6.5	Default	363	3.8 %	316	3.4 %
NR	Not rated	1	0.0 %	2	0.0 %
Total		**9,533**	**100.0 %**	**9,412**	**100.0 %**

The € 121 million increase in project finance was mainly attributable to increases in the Czech Republic and Luxembourg, which was partly offset by decreases in Italy.

The largest increase was recorded in rating grade 6.1, which resulted primarily from increased credit financing in Austria, the Czech Republic, Hungary and Slovakia (partly due to rating upgrades from rating grade 6,2). The decline in rating grade 6.4 was due to decreased credit financing in Italy, and to rating shifts of a German customer to rating grade 6.5 and individual Russian customers to rating grade 6.2.

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	30/6/2024	Share	31/12/2023	Share
Central Europe	26,996	27.5 %	26,754	27.6 %
Western Europe	24,861	25.4 %	24,365	25.1 %
Austria	19,230	19.6 %	18,805	19.4 %
Southeastern Europe	15,305	15.6 %	15,031	15.5 %
Eastern Europe	7,769	7.9 %	8,088	8.3 %
Asia	2,119	2.2 %	2,156	2.2 %
Other	1,769	1.8 %	1,742	1.8 %
Total	**98,050**	**100.0 %**	**96,942**	**100.0 %**

The increase in Western Europe was mainly due to the growth in repo transactions in Great Britain. In Austria, the rise was due to increased loans and advances. In Central and Southeastern Europe, the increase was due to increased facility financing in the Czech Republic, Hungary and Romania. The decrease in Eastern Europe resulted mainly from the decline in loans and advances, and bonds in Russia.

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

in € million	30/6/2024	Share	31/12/2023	Share
Manufacturing	24,477	25.0 %	23,549	24.3 %
Wholesale and retail trade	20,396	20.8 %	20,486	21.1 %
Real estate	12,610	12.9 %	12,737	13.1 %
Financial intermediation	10,161	10.4 %	8,783	9.1 %
Construction	6,243	6.4 %	6,066	6.3 %
Electricity, gas, steam and hot water supply	6,077	6.2 %	6,195	6.4 %
Transport, storage and communication	3,858	3.9 %	3,751	3.9 %
Freelance/technical services	2,785	2.8 %	2,700	2.8 %
Other industries	11,443	11.7 %	12,674	13.1 %
Total	**98,050**	**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	30/6/2024	Share	31/12/2023	Share
Retail customers – private individuals	45,830	93.3 %	45,194	93.4 %
Retail customers – small and medium-sized entities	3,305	6.7 %	3,203	6.6 %
Total	**49,135**	**100.0 %**	**48,396**	**100.0 %**

Credit exposure to retail customers by internal rating:

in € million		Lower PD bound in %	Upper PD bound in %	30/6/2024	Share	31/12/2023	Share
0.5	Minimal risk	> 0.00 %	≤ 0.17 %	8,758	17.8 %	8,575	17.7 %
1.0	Excellent credit standing	> 0.17 %	≤ 0.35 %	7,892	16.1 %	7,881	16.3 %
1.5	Very good credit standing	> 0.35 %	≤ 0.69 %	8,324	16.9 %	8,404	17.4 %
2.0	Good credit standing	> 0.69 %	≤ 1.37 %	7,645	15.6 %	7,424	15.3 %
2.5	Sound credit standing	> 1.37 %	≤ 2.70 %	5,170	10.5 %	5,127	10.6 %
3.0	Acceptable credit standing	> 2.70 %	≤ 5.26 %	2,961	6.0 %	2,932	6.1 %
3.5	Marginal credit standing	> 5.26 %	≤ 10.00 %	1,355	2.8 %	1,361	2.8 %
4.0	Weak credit standing/sub-standard	> 10.00 %	≤ 18.18 %	675	1.4 %	666	1.4 %
4.5	Very weak credit standing/doubtful	> 18.18 %	< 100 %	883	1.8 %	886	1.8 %
5.0	Default	100%	100 %	1,244	2.5 %	1,215	2.5 %
NR	Not rated			4,228	8.6 %	3,924	8.1 %
Total				**49,135**	**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:

30/6/2024 in € million	Central Europe	Southeastern Europe	Eastern Europe	Group Corporates & Markets
Retail customers – private individuals	21,723	10,373	4,460	9,274
Retail customers – small and medium-sized entities	1,902	1,225	178	0
Total	**23,625**	**11,598**	**4,637**	**9,274**
hereof non-performing exposure	534	438	215	59

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 half-year of 2024, credit exposure to retail customers increased by € 739 million. The largest increase of € 347 million was recorded in Group Corporates & Markets in Austria, mainly due to increase in credit card business. The rise of € 265 million in Southeastern Europe resulted from higher consumers loans in Romania, Croatia and Kosovo. The increase in Central Europe due to higher consumer loans in the Czech Republic and Slovakia was partly offset by a decline of mortgage loans in Poland (due, among other things, to provisions made for litigation risks).

Retail credit exposure by products:

in € million	30/6/2024	Share	31/12/2023	Share
Mortgage loans	27,768	56.5 %	28,081	58.0 %
Personal loans	11,133	22.7 %	10,742	22.2 %
Credit cards	5,719	11.6 %	5,237	10.8 %
SME financing	2,535	5.2 %	2,437	5.0 %
Overdraft	1,261	2.6 %	1,219	2.5 %
Car loans	719	1.5 %	681	1.4 %
Total	**49,135**	**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 %	30/6/2024	Share	31/12/2023	Share
1	Minimal risk	> 0.0000 %	≤ 0.0300 %	4,067	11.7 %	3,731	12.1 %
2	Excellent credit standing	> 0.0300 %	≤ 0.0751 %	3,063	8.8 %	4,268	13.9 %
3	Very good credit standing	> 0.0751 %	≤ 0.1878 %	20,089	58.0 %	15,471	50.3 %
4	Good credit standing	> 0.1878 %	≤ 0.4694 %	2,793	8.1 %	2,549	8.3 %
5	Sound credit standing	> 0.4694 %	≤ 1.1735 %	262	0.8 %	316	1.0 %
6	Acceptable credit standing	> 1.1735 %	≤ 2.9338 %	238	0.7 %	3,890	12.6 %
7	Marginal credit standing	> 2.9338 %	≤ 7.3344 %	152	0.4 %	259	0.8 %
8	Weak credit standing/sub-standard	> 7.3344 %	≤ 18.3360 %	3,858	11.1 %	112	0.4 %
9	Very weak credit standing/doubtful	> 18.3360 %	< 100 %	127	0.4 %	150	0.5 %
10	Default	100%	100%	1	0.0 %	4	0.0 %
NR	Not rated			2	0.0 %	2	0.0 %
Total				**34,652**	**100.0 %**	**30,751**	**100.0 %**

Credit exposure to banks rose due to increased repo transactions in Germany, France and Great Britain, which was partly offset by reductions in Spain, Russia and the United Arab Emirates. In addition, the increase resulted from higher money market transactions in China, Austria and Germany, and from increased bond portfolio of individual international organizations.

Rating grade 3 recorded the largest rise due to increased repo transactions in France (partly due to rating shifts from rating grade 2) and Germany, as well as to increased credit and money market transactions in China, Austria and Germany. In rating grade 8, the increase resulted mainly from the rating downgrade of the Russian clearing house from rating grade 6. The rise in rating grade 1 was attributable to the increased bond portfolio of individual international organizations.

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

in € million	30/6/2024	Share	31/12/2023	Share
Repo	16,289	47.0 %	14,003	45.5 %
Loans and advances	8,996	26.0 %	8,559	27.8 %
Bonds	5,706	16.5 %	5,300	17.2 %
Money market	2,619	7.6 %	1,532	5.0 %
Derivatives	519	1.5 %	496	1.6 %
Other	523	1.5 %	862	2.8 %
Total	**34,652**	**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 %	30/6/2024	Share	31/12/2023	Share
1	Minimal risk	> 0.0000 %	≤ 0.0300 %	11,723	17.1 %	9,182	15.1 %
2	Excellent credit standing	> 0.0300 %	≤ 0.0751 %	26,709	39.0 %	22,846	37.5 %
3	Very good credit standing	> 0.0751 %	≤ 0.1878 %	14,032	20.5 %	15,800	25.9 %
4	Good credit standing	> 0.1878 %	≤ 0.4694 %	6,948	10.1 %	6,512	10.7 %
5	Sound credit standing	> 0.4694 %	≤ 1.1735 %	2,583	3.8 %	2,235	3.7 %
6	Acceptable credit standing	> 1.1735 %	≤ 2.9338 %	4,526	6.6 %	2,359	3.9 %
7	Marginal credit standing	> 2.9338 %	≤ 7.3344 %	5	0.0 %	14	0.0 %
8	Weak credit standing/sub-standard	> 7.3344 %	≤ 18.3360 %	0	0.0 %	5	0.0 %
9	Very weak credit standing/doubtful	> 18.3360 %	< 100 %	2,036	3.0 %	1,780	2.9 %
10	Default	100%	100%	5	0.0 %	164	0.3 %
NR	Not rated			0	0.0 %	0	0.0 %
Total				**68,567**	**100.0 %**	**60,898**	**100.0 %**

Rating grade 2 recorded the largest increase, which was mainly due to the rise of the bond portfolios in Austria and the Czech Republic, and to increased money market transactions in Austria. The increase in rating grade 1 resulted from increased repo and money market transactions in the Czech Republic, and from the growth in the bond portfolio in Germany. In rating grade 6, the rise was due to increases in money market transactions in Russia (partly currency-related). 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	30/6/2024	Share	31/12/2023	Share
Bonds	27,840	40.6 %	23,595	38.7 %
Money market	19,912	29.0 %	17,774	29.2 %
Loans and advances	11,715	17.1 %	12,435	20.4 %
Repo	8,838	12.9 %	6,677	11.0 %
Derivatives	81	0.1 %	70	0.1 %
Other	181	0.3 %	347	0.6 %
Total	**68,567**	**100.0 %**	**60,898**	**100.0 %**

The bond portfolio increased mainly in Austria, the Czech Republic, Romania and Slovakia. The rise in repo transactions resulted mainly from increases at the Czech and Serbian national bank. The increase in money market transactions with the Austrian and Russian national bank was partly offset by declines in Slovakia. The decline in loans and advances to sovereigns was mainly due to reduced deposits at the Romanian national bank.

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

in € million	30/6/2024	Share	31/12/2023	Share
Russia	4,143	45.2 %	2,013	30.7 %
Serbia	1,868	20.4 %	1,740	26.5 %
Ukraine	1,545	16.9 %	1,585	24.2 %
Bosnia and Herzegovina	529	5.8 %	494	7.5 %
Albania	460	5.0 %	452	6.9 %
Belarus	331	3.6 %	196	3.0 %
Other	281	3.1 %	80	1.2 %
Total	**9,156**	**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. The increase in Other is mainly due to the rating downgrade of individual municipalities in Romania, following the rating downgrade of the state from rating grade 4A to 4B.

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	30/6/2024	Share	31/12/2023	Share
Central Europe	**76,745**	**30.6 %**	**75,237**	**31.7 %**
Czech Republic	37,293	14.9 %	34,094	14.4 %
Slovakia	22,731	9.1 %	24,822	10.5 %
Hungary	12,974	5.2 %	12,326	5.2 %
Poland	2,890	1.2 %	3,241	1.4 %
Other	856	0.3 %	754	0.3 %
Austria	**51,608**	**20.6 %**	**47,136**	**19.9 %**
Western Europe	**47,141**	**18.8 %**	**43,614**	**18.4 %**
Germany	13,902	5.6 %	12,184	5.1 %
France	9,306	3.7 %	7,899	3.3 %
Great Britain	4,853	1.9 %	3,612	1.5 %
Switzerland	3,192	1.3 %	3,126	1.3 %
Spain	2,711	1.1 %	3,668	1.5 %
Netherlands	2,637	1.1 %	2,497	1.1 %
Italy	2,396	1.0 %	2,409	1.0 %
Luxembourg	2,352	0.9 %	2,664	1.1 %
Belgium	1,513	0.6 %	1,435	0.6 %
Ireland	893	0.4 %	802	0.3 %
Other	3,386	1.4 %	3,319	1.4 %
Southeastern Europe	**39,745**	**15.9 %**	**38,349**	**16.2 %**
Romania	18,517	7.4 %	17,704	7.5 %
Croatia	8,014	3.2 %	7,783	3.3 %
Serbia	6,894	2.8 %	6,724	2.8 %
Bosnia and Herzegovina	2,631	1.1 %	2,571	1.1 %
Albania	2,009	0.8 %	1,939	0.8 %
Other	1,680	0.7 %	1,628	0.7 %
Eastern Europe	**22,940**	**9.2 %**	**20,842**	**8.8 %**
Russia	16,806	6.7 %	15,016	6.3 %
Ukraine	3,998	1.6 %	3,966	1.7 %
Belarus	1,585	0.6 %	1,326	0.6 %
Other	550	0.2 %	534	0.2 %
Asia	**5,501**	**2.2 %**	**4,830**	**2.0 %**
North America	**3,456**	**1.4 %**	**3,635**	**1.5 %**
Rest of World	**3,270**	**1.3 %**	**3,344**	**1.4 %**
Total	**250,404**	**100.0 %**	**236,988**	**100.0 %**

The largest increase was recorded in Austria and resulted from the increase in bond and money market transactions, and from increased loans and advances. In Western Europe, there was an increase in repo transactions in Germany, Great Britain and France. The exposure increase in Eastern Europe was mainly currency-related and due to increased money market transactions in Russia. In Central Europe, the rise was due to increased bond portfolios in the Czech Republic and Slovakia (offset by decreased money market transactions), and from increased repo transactions in the Czech Republic. The rise in Southeastern Europe resulted from higher money market and bond transactions in Romania, and repo transactions in Serbia. 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	30/6/2024	Share	31/12/2023	Share
Banking and insurance	78,416	31.3 %	70,059	29.6 %
Private households	46,501	18.6 %	45,220	19.1 %
Public administration and defense and social insurance institutions	29,121	11.6 %	24,614	10.4 %
Other manufacturing	19,197	7.7 %	18,206	7.7 %
Wholesale trade and commission trade (except car trading)	15,067	6.0 %	15,150	6.4 %
Real estate activities	12,743	5.1 %	12,882	5.4 %
Construction	6,854	2.7 %	6,818	2.9 %
Electricity, gas, steam and hot water supply	6,188	2.5 %	6,271	2.6 %
Retail trade and repair of consumer goods	5,090	2.0 %	5,426	2.3 %
Land transport, transport via pipelines	3,108	1.2 %	3,155	1.3 %
Manufacture of food products and beverages	2,854	1.1 %	2,799	1.2 %
Land transport, transport via pipelines	2,693	1.1 %	2,708	1.1 %
Manufacture of machinery and equipment	2,018	0.8 %	1,966	0.8 %
Manufacture of basic metals	1,993	0.8 %	2,213	0.9 %
Other transport	1,695	0.7 %	1,615	0.7 %
Sale of motor vehicles	1,589	0.6 %	1,529	0.6 %
Extraction of crude petroleum and natural gas	721	0.3 %	886	0.4 %
Other industries	14,556	5.8 %	15,472	6.5 %
Total	**250,404**	**100.0 %**	**236,988**	**100.0 %**

Non-performing exposures (NPE)

Since November 2019 RBI has fully applied default definition according to 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	30/6/2024	31/12/2023	30/6/2024	31/12/2023[1]	30/6/2024	31/12/2023
General governments	169	178	5.2 %	6.8 %	2.3 %	2.7 %
Banks	1	3	0.0 %	0.0 %	94.1 %	47.1 %
Other financial corporations	276	392	2.3 %	3.7 %	38.8 %	29.3 %
Non-financial corporations	2,036	1,843	4.2 %	3.8 %	53.3 %	53.5 %
Households	1,093	1,075	2.7 %	2.6 %	64.8 %	64.8 %
Loans and advances	**3,576**	**3,491**	**2.2 %**	**2.2 %**	**53.3 %**	**51.7 %**
Bonds	**3**	**7**	**0.0 %**	**0.0 %**	**61.0 %**	**24.2 %**
Total	**3,579**	**3,498**	**1.8 %**	**1.9 %**	**53.3 %**	**51.7 %**

1 Previous-year figures adapted due to changed allocation

Compared to year-end, the volume of non-performing exposures increased € 80 million to € 3,579 million. In organic terms, this was an increase of € 64 million, mainly in Russia with € 28 million and in Slovakia and Romania each with € 22 million, currency developments contributed in total with € 16 million, mainly due to Russian Ruble revaluation. Derecognitions and sales resulted in a decrease of € 239 million, contrasted with higher new defaults of loans non-financial corporations in Austria and Russia. The NPE ratio decreased 0.1 percentage points to 1.8 per cent compared to year-end 2023 due to higher credit volume exposures, the coverage ratio increased 1.6 percentage points to 53.3 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 30/6/2024
General governments	178	0	0	0	(9)	169
Banks	3	0	0	0	(2)	1
Other financial corporations	392	0	0	11	(127)	276
Non-financial corporations	1,843	0	11	365	(182)	2,036
Households	1,075	0	6	262	(249)	1,093
Loans and advances (NPL)	**3,491**	**0**	**16**	**638**	**(569)**	**3,576**
Bonds	**7**	**0**	**0**	**0**	**(4)**	**3**
Total (NPE)	**3,498**	**0**	**16**	**638**	**(574)**	**3,579**

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	30/6/2024	31/12/2023	30/6/2024	31/12/2023	30/6/2024	31/12/2023
Central Europe	785	783	1.2 %	1.2 %	58.6 %	58.4 %
Southeastern Europe	615	592	1.8 %	1.8 %	67.2 %	66.6 %
Eastern Europe	563	528	2.0 %	2.1 %	73.8 %	73.6 %
Group Corporates & Markets	1,616	1,595	2.9 %	3.0 %	38.3 %	35.6 %
Corporate Center	0	0	0.0 %	0.0 %	100.0 %	100.0 %
Total	**3,579**	**3,498**	**1.8 %**	**1.9 %**	**53.3 %**	**51.7 %**

The Eastern Europe segment contributed € 35 million to € 563 million to the increase in non-performing exposure, Russia, with € 43 million, was responsible for this. The NPE ratio in relation to the total exposure decreased by 0.1 percentage points to 2.0 per cent. The coverage ratio rose 0.2 percentage points to 73.8 per cent.

Non-performing exposure in the Southeastern Europe segment rose € 22 million to € 615 million in comparison to year-end 2023, for which Romania was primarily responsible. The NPE ratio remained unchanged at 1.8 per cent, the coverage ratio increased 0.6 percentage points to 67.2 per cent.

Non-performing exposure in the Group Corporate & Markets segment recorded an increase of € 21 million to € 1.616 million, mainly due to the increase in the real estate sector of € 116 million, which was counteracted by derecognitions and sales of non-performing loans in the amount of € 136 million. The NPE ratio fell 0.1 percentage points to 2.9 per cent, due to higher credit volume exposures, the coverage ratio went up 2.7 percentage points to 38.3 per cent.

The Central Europe segment remained almost unchanged within non-performing exposure at € 785 million, in Hungary and Poland with decreases, in Slovakia and the Czech Republic with upwards movements. The NPE ratio in relation to the total exposure remained unchanged at 1.2 per cent, the coverage ratio rose 0.2 percentage points to 58.6 per cent.

Non-performing exposure with restructuring measures:

in € million	Refinancing		Instruments with modified maturities and conditions		Total	
	30/6/2024	31/12/2023	30/6/2024	31/12/2023	30/6/2024	31/12/2023
General governments	0	0	0	0	0	0
Banks	0	0	0	0	0	0
Other financial corporations	0	62	41	47	41	109
Non-financial corporations	85	93	949	784	1,034	877
Households	9	8	236	249	245	257
Total	**94**	**163**	**1,226**	**1,080**	**1,320**	**1,243**

Non-performing exposure with restructuring measures by segments:

in € million	30/6/2024	Share	31/12/2023	Share
Central Europe	237	18.0 %	239	19.3 %
Southeastern Europe	150	11.3 %	156	12.6 %
Eastern Europe	325	24.6 %	326	26.2 %
Group Corporates & Markets	609	46.1 %	521	41.9 %
Total	**1,320**	**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 30/6/2024	Average VaR	Minimum VaR	Maximum VaR	VaR as at 31/12/2023
Currency risk	6	5	4	12	10
Interest rate risk	4	4	4	5	8
Credit spread risk	3	3	2	4	4
Share price risk	1	1	1	1	1
Vega risk	2	0	0	2	1
Basis risk[1]	-	0	0	0	5
Total	**11**	**9**	**8**	**15**	**19**

1 Beginning with June 2024 the basis risk is calculated as part of the interest rate risk.

Model ALL total VaR (99%, 20d) in € million	VaR as at 30/6/2024	Average VaR	Minimum VaR	Maximum VaR	VaR as at 31/12/2023
Economic capital ALL	822	732	659	822	649
Vega risk ALL	8	4	3	8	10
Total ALL	**830**	**736**	**662**	**830**	**659**
Total ALL (Risk categories)					
Currency risk	812	721	686	812	623
Interest rate risk	217	228	154	323	214
Credit spread risk	46	46	45	49	46
Banking book (99%, 20d)					
Interest rate risk in the banking book	226	224	121	298	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 half-year of 2024 the total VaR (Model ALL) further increased, whereas the P&L VaR (Model IFRS-P&L) reduced. The increase of total VaR (Model ALL) was mainly driven by the currency risk of the positions in the

Russian ruble and Belarusian ruble, followed by the interest rate risk. The reduction of the P&L VaR (Model IFRS-P&L) was mainly driven by currency and interest rate risk, slightly offset by the increase in Vega risk.

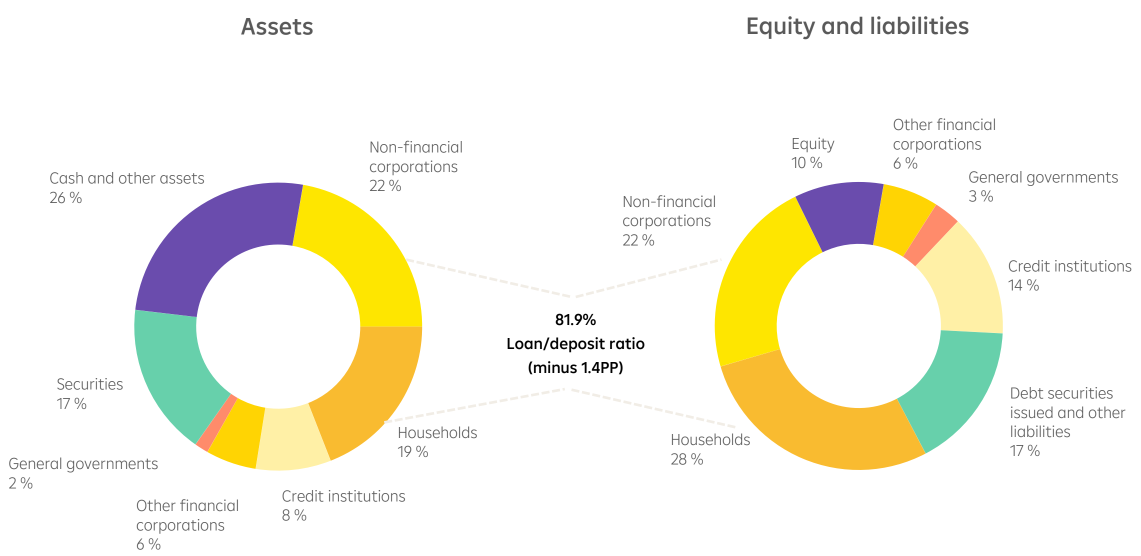
Market risk management is based on daily monitoring of market movements and position changes for the head office and Group units. In addition, developments on the local markets are updated daily and risk management is actively managed in order to be able to react quickly to changes.

(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	30/6/2024		31/12/2023	
Maturity	1 month	1 year	1 month	1 year
Liquidity gap	52,848	56,715	49,061	57,382
Liquidity ratio	187 %	147 %	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	30/6/2024	31/12/2023
Average liquid assets	41,115	39,310
Net outflows	19,546	20,781
Inflows	23,204	18,773
Outflows	42,750	39,554
Liquidity Coverage Ratio	**210 %**	**189 %**

The improvement in the LCR was mainly due to the increase in long-term wholesale financing portfolio and in customer term deposits at head office.

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	30/6/2024	31/12/2023
Required stable funding	114,066	115,960
Available stable funding	167,670	163,982
Net Stable Funding Ratio	**147 %**	**141 %**

The improvement of NSFR resulted from the increased available stable funding, which was mainly determined by increased deposits and repo transactions in the Czech Republic and in head office as well as by own issues in head office.

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 recognized when an inflow of economic benefits is virtually certain. 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, regulatory enforcement and tax litigation.

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 penalty 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 on a portfolio basis of € 59 million (previous year: € 67 million) was recognized.

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 30 June 2024, the total amount in dispute was approximately PLN 6,692 million (€ 1,553 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.

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.

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 penalty 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 penalty 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, C-488/23 of 12 January 2024 and C-424/22 of 8 May 2024. None of these proceedings involved RBI directly. In all three cases, the CJEU considered that the interpretation of EU law requested by the referring courts can be clearly derived from the previous CJEU's judgments, in particular from judgement 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 penalty 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 penalty 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. In the case C-424/22 of 8 May 2024 the CJEU stated that if a loan agreement is annulled on the ground that it contains unfair terms and the bank is therefore obliged to make restitutory payments to a consumer, the bank is not entitled to apply the right of retention. This means that the bank is not allowed to withhold such payment until the debtor has repaid all sums that he or she had received from the bank under the loan agreement.

Which impact the above mentioned CJEU judgments will have on the decisions made by Polish courts in individual civil cases cannot be assessed finally due to the complexity and variability of case-specific factors, as well as the potential differing contexts and legal nuances involved in each case.

On 25 April 2024, the full Civil Chamber of the Polish Supreme Court (the "SC") adopted a resolution concerning legal issues concerning loans indexed to or denominated in a foreign currency. In line with CJEU judgments, the SC ruled that if a contractual term referring to an indexation mechanism is considered unlawful and is not binding, it cannot be replaced by another method of determining the foreign exchange rate resulting from provisions of law or established customs and the loan agreement shall not be binding in the remaining scope. The decision whether a contractual term is unfair is up to the court hearing the case concerning an individual loan agreement. If a loan agreement is not binding due to its unlawful terms, each party has a separate claim for the return of undue payments: the bank for the return of capital and the borrower for the return of payments. The SC found no justification for mutual settlement of the parties' claims by the court during the hearing of the case. The limitation period of the bank's claim for reimbursement of amounts paid under the loan shall, as a rule, commence on the day following the day on which the borrower challenged the binding force of the loan agreement against the bank. Thus, the start of the limitation period depends on the consumer's action and should therefore be analyzed individually in relation to each contract. This decision modified a previous decision of the SC which provided that the limitation period of the bank's claim would start after the consumer is informed about the potential consequences of declaring the loan agreement invalid and the consumer consents to such a declaration of invalidity. The SC also excluded the possibility for any party to claim interest or any other remuneration for the use of its funds in the period between the undue payment and the delay in reimbursing the payment. Despite the fact the resolution was adopted to resolve the arising interpretation issues connected with disputes concerning loans in Swiss francs, the conclusions arising from it are applicable to loans in other currencies, including loans in euro, as well.

The above resolution of the SC, combined with the earlier CJEU ruling, means that banks operating in Poland and holding foreign currency loan portfolios, including RBI, shall not be able to claim any additional remuneration and/or valorization in connection with such annulled agreements as set out above. Banks shall be limited then only to the possibility to claim the return of the capital made available to the customer when the loan was originated. This does not affect the possibility of demanding payment of penalty interest, provided that the conditions for which the bank may demand such interest are met.

A significant Inflow of new cases has been observed since the beginning of 2020 mainly as a result of the CJEU ruling in case C-260/18 and of intensified marketing activity by law firms acting on behalf of borrowers. In 2023, RBI's Polish branch recorded nearly 5,400 new cases. In 2024, RBI's Polish branch has been averaging over 500 new cases per month, with almost 3,300 cases in the first half of the year, and such high inflow is expected to be maintained at least until the end of this year. 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 may approach the CJEU with further requests for a preliminary ruling in other civil proceedings in the future which could lead to further CJEU's clarifications that could 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. 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. The outcome of said administrative proceedings, obligations and fines imposed in this context could affect the way FX-indexed or FX-denominated agreements concluded between the RBI and borrowers are executed. They could also have an impact on civil lawsuits involving RBI in connection with said agreements.

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. According to the court of appeal register, the Financial Ombudsman appealed against this judgement, however, the appeal has not been served to RBI yet.

RBI has recognized a provision for filed and expected lawsuits in Poland regarding Swiss Franc and Euro loans, including default interest that will be payable to customers. As lawsuits have been filed by a number of customers, the provision is based on a statistical approach that takes into account both statistical data, where relevant, and expert opinions. The term provision, used here, includes provisions according to IFRS 9, where the gross carrying amount is reduced by the provision amount due to revision of expected cash flows, as well as provisions according to IAS 37.

RBI has around 24 thousand CHF loans to customers outstanding with a total volume of around € 1.7 billion and a further 11 thousand loans have been repaid. These also include loans that are not expected to be the subject of litigation. Furthermore, RBI has around 10 thousand Euro denominated loans to customers outstanding with a total volume of around € 400 million and a further 8 thousand loans have been repaid.

The resulting provision has been increased to € 1,895 million (previous year: € 1,652 million), of which € 1,797 million for CHF loans and € 97 million for Euro loans. 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 and therefore should be composed of an equal portion of capital and interest. 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.

In June 2024, RBRO received another ANPC report which basically also concerns the entire Romanian banking market and is based on an ANPC investigation on how banks comply with the obligation to provide customers with sufficient information. Based on the allegation of "deceiving practice" applied by banks, the report requires the banks to take the following measures: (i) In case of consumer loans with variable interest rates, ANPC is of the opinion that banks should have applied an interest rate composed of a public index (like ROBOR, EURIBOR, etc,) plus a margin rather than a type of "market interest rate" (not linked to a public index). Thus, variable interest rates being "market interest rates" would have to be re-calculated, also retroactively, by deducting the public index valid at the beginning of the first variable interest period from the initial variable interest rate. The difference would then be applied as a margin over the public index applicable for the respective variable interest period and the result would constitute the interest rate for such period. Since installments are composed of payments of interest and principal, all components are subject to re-calculation as if the index plus margin had been applied from the beginning. (ii) in case of CHF loans, the outstanding principal amounts as well as installments would have to be re-calculated by converting the CHF exposure into Euro at the exchange rate valid at the date of the respective credit agreements and by calculating the installments as if the loans had been granted in Euro while still applying the CHF interest rate. Both measures seem to apply to current loans as well as loans that were repaid in the last six months prior to the date of the ANPC report (7 June 2024). RBRO is of the opinion that it has acted in compliance with legal requirements and has filed a dispute against the ANPC report. Should the court dismiss the dispute, this will result in repayments to affected customers, as a result of the application of the two previously mentioned recalculation measures.

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 (€ 121 million) in material damages and USD 200 million (€ 187 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 (€ 111 million). In view of the facts of the case and the legal situation, RBI filed an appeal against the judgment with the High Court of Jakarta (Pengadilan Tinggi Jakarta). In March 2024 the High Court of Jakarta ruled in favour of RBI and rejected the claim due to lack of Indonesian jurisdiction. In June 2024, the plaintiff filed an appeal to the Supreme Court of Indonesia (Mahkamah Agung Republik Indonesia) which was opposed by RBI .

Regulatory enforcement

Following an audit review by the Romanian Court of Auditors regarding the activity of Aedificium Banca pentru Locuinte S.A. (formerly Raiffeisen Banca pentru Locuinte S.A.), (RBL), a building society and subsidiary of Raiffeisen Bank S.A., Bucharest, the Romanian Court of Auditors claimed that several deficiencies were identified and that conditions for payment by RBL of state premiums on savings had not been met. Should RBL not succeed in reclaiming said amounts from its customers or providing satisfactory documentation, RBL would be held liable for the payment of such funds. RBL initiated court proceedings to contest the findings of the Romanian Court of Auditors and won on the merits regarding the most significant alleged deficiencies. The case was appealed at the Romanian High Court of Cassation and Justice. In November 2020, the Romanian High Court of Cassation and Justice overturned the previous court decision and confirmed the view of the Romanian Court of Auditors. Upon the application of RBL, the Romanian High Court of Cassation and Justice requested the Constitutional Court to decide whether the Court of Auditors was, in principle, entitled to scrutinize RBL. The proceeding is still pending and could – depending on its outcome – enable RBL to file an extraordinary recourse against the decision of the Romanian High Court of Cassation and Justice. At the end of June 2022, RBL took advantage of a legal provision allowing entities to pay debts towards the state (principal - respectively the state premiums) and be exonerated from payment of accessories (penalty interest). RBL has paid the principal of € 23 million and requested to be exonerated to pay accessories of € 30 million. In July 2022, the Ministry of Development, Public Works and Administration (Ministry) rejected RBL's request for exoneration. RBL has disputed this decision in court. In December 2022, the Ministry has issued a title and asked RBL to pay also the penalties within 30 days. RBL disputed the payment request both at the ministry level and in court, and also filed a motion in court, to ask for a suspension of the payment request, given that RBL considers that the amnesty should have been granted and therefore, RBL should be exonerated from payment of penalties. The suspension was granted by the court. This decision is now final. In May 2023, RBL obtained a decision by the court that the amnesty should have been granted and that the Ministry should grant it. However, the Ministry filed a recourse against this decision. In May 2024, the court of second instance rejected the recourse and the decision of the court of first instance that the Ministry has to grant the amnesty is now final. Thus, RBL is exonerated from the payment of the penalties. To formally close this issue, the Ministry has to issue a formal amnesty decision.

In March 2018, an administrative fine of € 2.7 million (which was calculated by reference to the annual consolidated turnover of RBI and constitutes 0.06 per cent of the last available annual consolidated turnover) was imposed on RBI by FMA in the course of administrative proceedings based on alleged non-compliance with formal documentation requirements relating to the know-your-customer principle ("Initial FMA Decision"). According to the interpretation of the Austrian Financial Market Authority (FMA), RBI had failed to comply with these administrative obligations in a few individual cases. FMA did not allege that any money laundering or other crime had occurred, or that there was any suspicion of, or any relation to, any criminal act. RBI took the view that it had duly complied with all due diligence obligations regarding know-your-customer requirements and appealed against the Initial FMA Decision in its entirety. The Federal Administrative Court (Bundesverwaltungsgericht – BVwG) confirmed the Initial FMA Decision (First Appellate Decision) and – again- RBI appealed against this decision in its entirety. In December 2019, the Austrian Supreme Administrative Court (Verwaltungsgerichtshof– VwGH) revoked the First Appellate Decision and referred the case back to the BVwG. In the retrial on 6 May 2021, the BVwG again confirmed the Initial FMA Decision in general but reduced the administrative fine down to € 824 thousand and allowed another (second) appeal before the VwGH (Second Appellate Decision). Such appeal was filed by RBI. In July 2023, the VwGH revoked the Second Appellate Decision and, again, referred the case back to the BVwG. In the retrial on 25 April 2024, the BVwG again confirmed the Initial FMA Decision in general but reduced the administrative fine down to € 2 million (from the amount of € 2.7 million imposed by the Initial FMA Decision) and allowed another (third) appeal before the VwGH (Third Appellate Decision). Such appeal was filed by RBI. A provision of an appropriate amount has been recognized.

In September 2018, two administrative fines totaling PLN 55 million (€ 13 million) were imposed by FMA 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 30 June 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 November 2020, the Austrian Chamber for Workers and Employees (Bundeskammer für Arbeiter und Angestellte), (BAK) filed an application for injunctive relief against Raiffeisen Bausparkasse Gesellschaft m.b.H. (RBSPK), a wholly owned subsidiary of RBI, with the commercial court of Vienna. RBSPK had terminated long-lasting building savings contracts (Bausparverträge) in an aggregate amount of approximately € 94 million. The minimum rate of interest on said overnight building savings deposits was between 1 per cent p.a. and 4.5 per cent p.a. BAK claims that RBSPK did not have the right to terminate such contracts whereas RBSPK is of the opinion that said contracts constitute a continuing obligation, which can – under Austrian law – be terminated by giving proper notice. RBSPK received the court decision of the court of first instance in August 2021 and the court of second instance in February 2022; both basically stating that the termination of the savings contracts is considered unlawful. RBSK has appealed against the decision of the court of second instance in March 2022. In November 2023, RBSK received the decision of the Austrian Supreme Court (Oberster Gerichtshof) to refer the case back to the commercial court in Vienna (Handelsgericht Wien) to verify the subject matter of the claim (ie specifics of the contractual relationship between RBSK and its customers with respect to the terminated building savings contracts). The commercial court in Vienna closed the hearing in May 2024 and will render its decision in writing. A final decision of the Supreme Court on the admissibility of the termination is still outstanding.

In January 2023, RBI was informed by FMA that an administrative proceeding has been started based on the alleged non-compliance with certain legal requirements regarding the know-your-customer principle in connection with three customers of RBI's correspondent banking business. The transactions relevant for the administrative proceedings had been processed by RBI between 2017 and 2020. According to the interpretation of FMA, RBI had not sufficiently convinced itself that these banks had appropriate due diligence procedures in place regarding customers of their own correspondent banking business. Thus, in the view of FMA, RBI failed to fully comply with its administrative obligations in this regard. FMA did not state that any money laundering or other crime had occurred, or that there was any suspicion of, or any relation to, any criminal act. In June 2024, FMA terminated the administrative proceeding in relation to one bank without a fine, but imposed a fine of € 2.07 million against RBI in relation to the other two banks. In July 2024 RBI filed an appeal to the Federal Administrative court (Bundesverwaltungsgericht - BVwG) and, thus the fine is not yet final or legally binding.

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.

Tax litigation

On 7 July 2024, the Austrian Federal Finance Court (Bundesfinanzgericht) submitted a request for a preliminary ruling to the Court of Justice of the European Union, asking whether the following value-added tax ("VAT") exemption in § 6(1) No. 28 second sentence of the Austrian VAT Act constitutes state aid according to Article 107(1) of the Treaty on the Functioning of the European Union. According to § 6(1) No. 28 second sentence of the Austrian VAT Act services provided between companies that predominantly carry out banking, insurance, or pension fund transactions are exempt from tax, provided that these services are directly used to carry out the aforementioned tax-exempt transactions, and for personnel leasing by these companies to the associations mentioned in the first sentence of § 6(1) No. 28 of the Austrian VAT Act.

Since RBI has acted in accordance with the Austrian VAT Act, RBI will take legal action if necessary.

(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.

30/6/2024 in € million	Companies with significant influence	Affiliated companies	Investments in associates valued at equity	Other interests
Selected financial assets	**17**	**424**	**1,027**	**940**
Equity instruments	1	205	681	185
Debt securities	7	0	83	67
Loans and advances	9	219	263	688
Selected financial liabilities	**2,713**	**138**	**5,474**	**1,346**
Deposits	2,713	138	5,472	1,346
Debt securities issued	0	0	2	0
Other items	**125**	**43**	**474**	**171**
Loan commitments, financial guarantees and other commitments given	99	43	461	155
Loan commitments, financial guarantees and other commitments received	26	0	13	15
Nominal amount of derivatives	644	0	177	989
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

1/1-30/6/2024 in € million	Companies with significant influence	Affiliated companies	Investments in associates valued at equity	Other interests
Interest income	1	4	8	7
Interest expenses	(45)	(2)	(79)	(37)
Dividend income	0	15	33	3
Fee and commission income	2	20	6	5
Fee and commission expenses	(2)	(2)	(6)	(12)
Increase/decrease in impairment, fair value changes due to credit risk and provisions for non-performing exposures	0	3	2	0

1/1-30/6/2023 in € million	Companies with significant influence	Affiliated companies	Investments in associates valued at equity	Other interests
Interest income	2	5	7	3
Interest expenses	(29)	(1)	(51)	(29)
Dividend income	0	7	29	0
Fee and commission income	2	9	5	5
Fee and commission expenses	(3)	0	(6)	(12)
Increase/decrease in impairment, fair value changes due to credit risk and provisions for non-performing exposures	0	(1)	2	0

(40) Employees

Full-time equivalents	**1/1-30/6/2024**	**1/1-30/6/2023**
Average number of staff	44,876	44,139
hereof salaried employees	44,276	43,520
hereof wage earners	600	619
Full-time equivalents	**30/6/2024**	**31/12/2023**
Employees as at reporting date	44,837	44,887
hereof Austria	4,950	4,836
hereof abroad	39,887	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 according to BWG which 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 breach of these requirements could lead to restrictions on dividend distributions and coupon payments.

The Financial Market Stability Board (FMSB) has recommended to the Austrian Financial Market Authority (FMA) to impose a systemic risk buffer (SyRP) and a buffer for systemically important banks (O-SII buffer) for RBI. From January 1, 2024 onwards the SyRP was set at 1 per cent on a consolidated basis and 0.50 per cent on an unconsolidated basis, the O-SII buffer is 1.50 per cent on a consolidated basis and 1.75 per cent on an unconsolidated basis. The capital conservation buffer amounts to 2.5 per cent. The countercyclical capital buffer, on the other hand, was set at 0 per cent in Austria, but amounts to 0.66 per cent based on the buffer rates set in other member states and the corresponding weighted average calculation of RBI's business.

In addition, ECB requires from RBI to hold additional capital (Pillar 2 Capital Requirement, P2R) of 2.80 per cent based on the annual Supervisory Review and Evaluation Process (SREP) to cover risks not adequately addressed in Pillar 1. Furthermore, the ECB expects compliance with the Pillar 2 Guidance (P2G) of 1.25 per cent. These requirements apply from January 1, 2024 and have to be met on a consolidated basis only.

The capital requirements applicable throughout the year were continuously complied with, and as of June 30, 2024, the requirement for the CET 1 ratio (including combined capital buffer requirements) amounted to 11.73 per cent, and considering P2G, the ratio to be adhered to was 12.98 per cent. Regulatory changes are monitored and taken into account in planning and control.

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	30/6/2024	31/12/2023
Capital instruments and the related share premium accounts	5,991	5,990
Retained earnings	15,270	13,518
Accumulated other comprehensive income (and other reserves)	(4,721)	(5,046)
Minority interests (amount allowed in consolidated CET1)	667	695
Independently reviewed interim profits net of any foreseeable charge or dividend	1,045	1,871
Common equity tier 1 (CET1) capital before regulatory adjustments	**18,252**	**17,028**
Additional value adjustments (negative amount)	(59)	(66)
Deductions for new net provisioning	0	0
Intangible assets (net of related tax liability) (negative amount)	(657)	(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)	(6)	(12)
Fair value reserves related to gains or losses on cash flow hedges	141	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	(2)	(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	(37)	(52)
hereof: securitization positions (negative amount)	(37)	(52)
Other regulatory adjustments	(136)	(97)
Total regulatory adjustments to common equity tier 1 (CET1)	**(775)**	**(825)**
Common equity tier 1 (CET1) capital	**17,477**	**16,203**
Capital instruments and the related share premium accounts	1,669	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	52	41
Total regulatory adjustments to Additional Tier 1 (AT1) capital	**(33)**	**(33)**
Additional tier 1 (AT1) capital	**1,688**	**1,677**
Tier 1 capital (T1 = CET1 + AT1)	**19,165**	**17,881**
Capital instruments and the related share premium accounts	2,238	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	36	29
Credit risk adjustments	267	253
Total regulatory adjustments to Tier 2 (T2) capital	**(113)**	**(239)**
Tier 2 (T2) capital	**2,428**	**2,287**
Total capital (TC = T1 + T2)	**21,593**	**20,168**
Total risk-weighted assets (RWA)	**98,453**	**93,664**

Total capital requirement and risk-weighted assets

in € million	30/6/2024		31/12/2023	
	Risk-weighted exposure	Capital requirement	Risk-weighted exposure	Capital requirement
Total risk-weighted assets (RWA)	**98,453**	**7,876**	**93,664**	**7,493**
Risk-weighted exposure amounts for credit, counterparty credit and dilution risks and free deliveries	**71,128**	**5,690**	**68,068**	**5,445**
Standardized approach (SA)	**26,623**	**2,130**	**25,966**	**2,077**
Exposure classes excluding securitization positions	26,623	2,130	25,966	2,077
Central governments or central banks	7,654	612	5,285	423
Regional governments or local authorities	180	14	119	10
Public sector entities	129	10	124	10
Multilateral development banks	28	2	35	3
Institutions	240	19	188	15
Corporates	6,354	508	6,412	513
Retail	5,371	430	5,131	410
Secured by mortgages on immovable property	3,023	242	3,249	260
Exposure in default	324	26	548	44
Items associated with particular high risk	307	25	56	4
Covered bonds	0	0	0	0
Collective investments undertakings (CIU)	82	7	81	6
Equity interests	1,826	146	1,620	130
Other items	1,106	89	3,116	249
Internal ratings based approach (IRB)	**44,505**	**3,560**	**42,102**	**3,368**
IRB approaches when neither own estimates of LGD nor conversion factors are used	**32,899**	**2,632**	**32,526**	**2,602**
Central governments or central banks	0	0	0	0
Institutions	3,414	273	3,014	241
Corporates - SME	2,928	234	2,767	221
Corporates - Specialized lending	4,180	334	4,299	344
Corporates - Other	22,377	1,790	22,446	1,796
IRB approaches when own estimates of LGD and/or conversion factors are used	**8,819**	**705**	**8,616**	**689**
Corporates - Specialized Lending	7	1	0	0
Retail - Secured by real estate SME	79	6	101	8
Retail - Secured by real estate non-SME	3,602	288	3,433	275
Retail - Qualifying revolving	504	40	569	46
Retail - Other SME	312	25	367	29
Retail - Other non-SME	4,315	345	4,146	332
Equity interests	688	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	2,099	168	300	24

in € million	30/6/2024		31/12/2023	
	Risk-weighted exposure	Capital requirement	Risk-weighted exposure	Capital requirement
Total risk exposure amount for settlement/delivery	**22**	**2**	**21**	**2**
Settlement/delivery risk in the non-trading book	0	0	0	0
Settlement/delivery risk in the trading book	22	2	21	2
Total risk exposure amount for position, foreign exchange and commodities risk	**10,392**	**831**	**8,573**	**686**
Risk exposure amount for position, foreign exchange and commodities risks under standardized approaches (SA)	**8,754**	**700**	**7,270**	**582**
Traded debt instruments	1,004	80	917	73
Equity interests	56	4	58	5
Particular approach for position risk in CIUs	3	0	1	0
Foreign exchange	7,677	614	6,292	503
Commodities	14	1	2	0
Risk exposure amount for position, foreign exchange and commodities risks under internal models (IM)	**1,638**	**131**	**1,303**	**104**
Total risk exposure amount for operational risk	**15,014**	**1,201**	**14,786**	**1,183**
OpR standardized (STA) /alternative standardized (ASA) approaches	15,014	1,201	14,786	1,183
OpR advanced measurement approaches (AMA)	0	0	0	0
Total risk exposure amount for credit valuation adjustments	**247**	**20**	**201**	**16**
Standardized method	247	20	201	16
Other risk exposure amounts	**1,650**	**132**	**2,015**	**161**
of which risk-weighted exposure amounts for credit risk: securitization positions (revised securitization framework)	1,650	132	2,015	161

Regulatory capital ratios

in per cent	30/6/2024	31/12/2023
Common equity tier 1 ratio (transitional)	17.8 %	17.3 %
Common equity tier 1 ratio (fully loaded)	17.6 %	17.0 %
Tier 1 ratio (transitional)	19.5 %	19.1 %
Tier 1 ratio (fully loaded)	19.3 %	18.8 %
Total capital ratio (transitional)	21.9 %	21.5 %
Total capital ratio (fully loaded)	21.9 %	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 30 June 2024:

in € million	30/6/2024	31/12/2023
Leverage exposure	241,967	229,189
Tier 1	19,165	17,881
Leverage ratio in per cent (transitional)	**7.9 %**	**7.8 %**
Leverage ratio in per cent (fully loaded)	**7.9 %**	**7.7 %**

Events after the reporting date

There have been no significant events since the end of the reporting period.

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

Statement of all legal representatives

We confirm to the best of our knowledge that the condensed interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the group as required by the applicable accounting standards and that the semi-annual group management report gives a true and fair view of important events that have occurred during the first six months of the financial year and their impact on the condensed interim financial statements, of the principal risks and uncertainties for the remaining six months of the financial year and of the major related party transactions.

Electronically signed by:

Vienna, 29 July 2024

The Management Board

Johann Strobl m.p.
Chairman of the Board, CEO

Marie-Valerie Brunner m.p.
Member of the Board, CIB Customer Coverage

Andreas Gschwenter m.p.
Member of the Board, COO/CIO

Łukasz Januszewski m.p.
Member of the Board, CIB Products & Solutions

Hannes Mösenbacher m.p.
Member of the Board, CRO

Andrii Stepanenko m.p.
Member of the Board, Retail Banking

Report on the Review of the condensed Interim Consolidated Financial Statements

Introduction

We have reviewed the accompanying condensed interim consolidated financial statements of Raiffeisen Bank International AG, Vienna, for the period from 1 January 2024 to 30 June 2024. These condensed interim consolidated financial statements comprise the statement of financial position as of 30 June 2024, the statement of comprehensive income, the statement of cash flows and the statement of changes in equity for the period from 1 January 2024 to 30 June 2024 and the condensed notes, summarizing the significant accounting policies and other explanatory notes.

Management is responsible for the preparation of the condensed interim consolidated financial statements in accordance with International Financial Reporting Standards (IFRS's) for Interim Reporting as adopted by the EU.

Our responsibility is to express a conclusion on these condensed consolidated interim financial statements based on our review procedures.

Our liability towards the Company and towards third parties is limited in accordance with § 125 par 3 Austrian Stock Exchange Act in connection with § 275 par 2 of the Austrian Commercial Code (UGB) and § 62a Austrian Banking Act (BWG).

Scope of review

We conducted our review in accordance with Austrian Standards for Chartered Accountants, in particular in compliance with KFS/PG 11 "Principles of Engagements to Review Financial Statements", and with the International Standard on Review Engagements (ISRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity".

A review of interim financial statements includes primarily of making inquiries, primarily of company personnel responsible for financial and accounting matters and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Austrian Standards on Auditing and International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review procedures, nothing came to our attention that causes us to believe that the accompanying condensed interim consolidated financial statements are not prepared, in all material respects in accordance with International Financial Reporting Standards (IFRS's) for Interim Reporting as adopted by the EU.

Statement on the interim group management report and the declaration of all legal representatives in accordance with § 125 par 1 (3) of the Austrian Stock Exchange Act 2018 (BörseG)

We have read the accompanying interim group management report and evaluated whether it does not contain any apparent inconsistencies with the condensed interim consolidated financial statements. Based on our evaluation, the interim group management report does not contain any apparent inconsistencies with the condensed interim consolidated financial statements.

The interim financial statements contain the declaration of all legal representatives in accordance with § 125 par 1 (3) of the Austrian Stock Exchange Act 2018 (BörseG).

Qualified electronically signed by:

Vienna, 29 July 2024

Deloitte Audit Wirtschaftsprüfungs GmbH

Dr. Peter Bitzyk

Wirtschaftsprüfer

(Austrian Chartered Accountant)

Note: This report is a translation of the original report in German, which is solely valid. The condensed interim consolidated financial statements and the interim group management report together with our review report may be published or transmitted only as agreed by us.

Publication details

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The forecasts, plans and forward-looking statements contained in this report are based on the state of knowledge and assessments of Raiffeisen Bank International AG at the time of its preparation. Like all statements about the future, they are subject to known and unknown risks, as well as uncertainties that could cause actual results to differ materially from those expressed or implied by such statements. No guarantee can be provided for the accuracy of forecasts, target values or forward looking statements.

This report has been prepared and the data checked with the greatest possible care. Nonetheless, rounding, transmission, typesetting and printing errors cannot be ruled out. In the summing up of rounded amounts and percentages, rounding-off differences may occur. This report was prepared in German.

The report in English is a translation of the original German report. The only authentic version is the German version.

Raiffeisen Bank International