

## Registration Document dated 17 July 2020

This document has been drawn up in accordance with Article 20(1) and Article 10(1) of the Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 (the "**Prospectus Regulation**") in conjunction with Article 7 and Annex 6 of the Commission Delegated Regulation (EU) 2019/980 (the "**Delegated Regulation**") contains the registration document (the "**Registration Document**") of Raiffeisen Bank International AG (hereinafter also referred to as "**RBI**", or the "**Issuer**").



**RAIFFEISEN BANK INTERNATIONAL AG**

This Registration Document has been approved by the *Commission de Surveillance du Secteur Financier* of the Grand Duchy of Luxembourg (the "**CSSF**") in its capacity as competent authority under the Prospectus Regulation and the Luxembourg act relating to prospectuses for securities dated 16 July 2019 (*Loi du 16 juillet 2019 relative aux prospectus pour valeurs mobilières et portant mise en oeuvre du règlement (UE) 2017/1129*, the "**Luxembourg Prospectus Law**"). The CSSF only approves this Registration Document as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the Issuer that is the subject of this Prospectus Regulation.

This Registration Document and any supplement hereto will be published in electronic form on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)) and on the website of the Issuer ([www.rbinternational.com](http://www.rbinternational.com)). For the avoidance of doubt, the content of the aforementioned websites (other than the information incorporated by reference in this Registration Document) does not form part of this Registration Document.

The validity of this Registration Document ends upon expiration of 17 July 2021. There is no obligation to supplement the Registration Document in the event of significant new factors, material mistakes or material inaccuracies when the Registration Document is no longer valid.

*Potential investors should be aware that any website referred to in this Registration Document (other than the information incorporated by reference in this Registration Document) does not form part of this Registration Document and has not been scrutinised or approved by the CSSF.*

This Registration Document does not constitute an offer of or an invitation by or on behalf of RBI to subscribe for or purchase any debt securities and should not be considered as a recommendation by RBI that any recipient of this Registration Document should subscribe for or purchase any debt securities RBI may issue. No person has been authorised by RBI to give any information or to make any representation other than those contained in this Registration Document or consistent with this Registration Document. If given or made, any such information or representation should not be relied upon as having been authorised by RBI.

## **FORWARD-LOOKING STATEMENTS**

This Registration Document contains certain forward-looking statements. A forward-looking statement is a statement that does not relate to historical facts and events. They are based on analyses or projections of future results and appraisals, of amounts not yet determinable or foreseeable. These forward-looking statements are identified by the use of terms and phrases such as "anticipate", "believe", "could", "estimate", "expect", "intend", "may", "plan", "predict", "project", "will" and similar terms and phrases, including references and assumptions. This applies, in particular, to statements in this Registration Document containing information on future earning capacity, plans and expectations regarding the Issuer's business and management, its growth and profitability, and general economic and regulatory conditions and other factors that affect it. Forward-looking statements in the Registration Document are based on current appraisals and assumptions that the Issuer makes to the best of its present knowledge. These forward-looking statements are subject to risks, uncertainties and other factors which could cause actual results, including the Issuer's financial condition and results of operations, to differ materially from and be worse than results that have expressly or implicitly been assumed or described in these forward-looking statements. The Issuer's business is also subject to a number of risks and uncertainties that could cause a forward-looking statement, appraisal or prediction in this Registration Document to become inaccurate. Accordingly, investors are strongly advised to read the sections "Risk Factors" and "Description of Raiffeisen Bank International AG" in this Registration Document. These sections include more detailed descriptions of factors than the ones contained in this section that might have an impact on the Issuer's business and the markets in which it operates.

In light of these risks, uncertainties and assumptions, future events described in the Registration Document may not occur. In addition, the Issuer does not assume any obligation, except as required by law, to update any forward-looking statement or to conform these forward-looking statements to actual events or developments.

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## A. GLOSSARY AND LIST OF ABBREVIATIONS

For ease of reference, the glossary and list of abbreviations below sets out certain abbreviations and meanings of certain terms used in this Registration Document, but it does not include all definitions. Readers of the Registration Document should always have regard to the full description of a term contained in this Registration Document.

For the avoidance of doubt, any abbreviation of (and reference to) any legal acts set out below also include the relevant legal acts as amended or superseded from time to time.

<b>AktG</b>	means the Austrian Stock Corporation Act ( <i>Aktiengesetz – AktG</i> ).
<b>APM</b>	means the Alternative Performance Measures.
<b>Articles of Association</b>	means the articles of association ( <i>Satzung</i> ) of the Issuer.
<b>AT 1</b>	means Additional Tier 1 pursuant to the relevant provisions in the CRR.
<b>Austria</b>	means the Republic of Austria.
<b>Banking Union</b>	means a system for the supervision and resolution of credit institutions established in the participating countries (including the Issuer) on an EU level which is based on EU wide rules which (currently) has two pillars, i.e. the SSM and the SRM.
<b>BaSAG</b>	means the Austrian Recovery and Resolution Act ( <i>Sanierungs- und Abwicklungsgesetz – BaSAG</i> ).
<b>BCBS</b>	means the Basel Committee on Banking Supervision.
<b>BörseG 2018</b>	means the Austrian Stock Exchange Act 2018 ( <i>Börsegesetz 2018 – BörseG 2018</i> ).
<b>BRRD</b>	means the Directive 2014/59/EU of the European Parliament and of the Council of 15 May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms and amending Council Directive 82/891/EEC, and Directives 2001/24/EC, 2002/47/EC, 2004/25/EC, 2005/56/EC, 2007/36/EC, 2011/35/EU, 2012/30/EU and 2013/36/EU, and Regulations (EU) No 1093/2010 and (EU) No 648/2012, of the European Parliament and of the Council ( <i>Bank Recovery and Resolution Directive</i> ).
<b>BWG</b>	means the Austrian Banking Act ( <i>Bankwesengesetz – BWG</i> ).
<b>CEE</b>	means Central and Eastern Europe including Southeastern Europe.
<b>CET 1</b>	means Common Equity Tier 1 pursuant to the relevant provisions in the CRR.
<b>CHF</b>	means Swiss francs.
<b>CRA Regulation</b>	means the Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies ( <i>Credit Rating Agencies Regulation</i> ).

<b>CRD IV</b>	means the Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC ( <i>Capital Requirements Directive IV</i> ).
<b>CRR</b>	means the Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 ( <i>Capital Requirements Regulation</i> ).
<b>CSSF</b>	means the <i>Commission de Surveillance du Secteur Financier</i> .
<b>CZK</b>	means Czech koruna.
<b>Debt Securities</b>	means debt securities issued from time to time by the Issuer under a debt issuance programme or on a stand-alone basis.
<b>EBA</b>	means the European Banking Authority.
<b>ECB</b>	means the European Central Bank.
<b>ESAEG</b>	means the Austrian Deposit Guarantee and Investor Protection Act ( <i>Einlagensicherungs- und Anlegerentschädigungsgesetz – ESAEG</i> ).
<b>ESMA</b>	means the European Securities and Markets Authority.
<b>EU Banking Package</b>	means a legislative package for amendments of certain EU legal acts regarding the Banking Union i.e. the CRR, the CRD IV, the BRRD and the SRMR of 20 May 2019 (often also named as "CRR 2", "CRD V", "BRRD II" and "SRMR 2").
<b>EUR</b>	means euro.
<b>FATCA</b>	means Sections 1471 to 1474 of the U.S. Internal Revenue Code of 1986, as amended, and the U.S. Treasury regulatory and other administrative guidance promulgation thereunder, the provisions commonly referred to as the U.S. Foreign Account Tax Compliance Act or FATCA.
<b>FBSchVG</b>	means the Austrian Act on Covered Bank Bonds ( <i>Gesetz betreffend fundierte Bankschuldverschreibungen – FBSchVG</i> ).
<b>Federal IPS</b>	means the federal IPS within the Raiffeisen Banking Sector, currently consisting of RBI, all Raiffeisen Regional Banks, RAIFFEISEN-HOLDING NIEDERÖSTERREICH-WIEN registrierte Genossenschaft mit beschränkter Haftung, Posojilnica Bank eGen, Raiffeisen Wohnbaubank Aktiengesellschaft and Raiffeisen Bausparkasse Gesellschaft m.b.H.
<b>FMA</b>	means the Austrian Financial Market Authority ( <i>Finanzmarktaufsichtsbehörde – FMA</i> ).
<b>FMSG</b>	means the Austrian Financial Market Stability Board ( <i>Finanzmarktstabilitätsgremium – FMSG</i> ).
<b>FX</b>	means foreign currency.
<b>GDP</b>	means gross domestic product.

<b>Germany</b>	means the Federal Republic of Germany.
<b>HRK</b>	means Croatian kuna.
<b>IFRS</b>	means the International Financial Reporting Standards as adopted by the European Union.
<b>IPS</b>	means an institutional protection scheme within the meaning of Article 113(7) CRR.
<b>Issuer</b>	means the Raiffeisen Bank International AG, also referred to as "RBI".
<b>IT</b>	means information technology.
<b>Luxembourg Prospectus Law</b>	means the Luxembourg act relating to prospectuses for securities dated 16 July 2019 ( <i>Loi du 16 juillet 2019 relative aux prospectus pour valeurs mobilières et portant mise en oeuvre du règlement (UE) 2017/1129</i> ).
<b>KPMG</b>	means the KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft.
<b>Management Board</b>	means the management board ( <i>Vorstand</i> ) of the Issuer.
<b>Member States</b>	means the Member States of the European Economic Area (excluding the United Kingdom).
<b>Merger 2010</b>	means the 2010 spin-off and merger of major parts of RZB's banking business with Raiffeisen International Bank-Holding AG described in section 1.1 under " <i>Description of the Issuer</i> ".
<b>Merger 2017</b>	means the merger of RBI with its parent company RZB in March 2017.
<b>Moody's</b>	means Moody's Investor Service.
<b>MREL</b>	means the minimum requirement for own funds and eligible liabilities.
<b>Network Banks</b>	means a network of majority owned (non-Austrian) subsidiary banks of RBI through which RBI operates in CEE.
<b>NPL</b>	means non-performing loans.
<b>ÖRV</b>	means the Österreichischer Raiffeisenverband.
<b>P2G</b>	means Pillar 2 guidance.
<b>P2R</b>	means Pillar 2 requirement.
<b>Prospectus Regulation</b>	means the Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC.
<b>Raiffeisen Regional Banks</b>	means the banks listed in in the section " <i>Description of the Issuer</i> " under " <i>3.1 RBI is part of the Raiffeisen Banking Sector</i> " currently holding approximately 58.8 per cent. of RBI's share capital.

<b>Raiffeisen Banking Sector</b>	means RBI, Raiffeisen Regional Banks and Raiffeisen Banks, as well as most of their subsidiaries, which are also jointly referred to and commonly known as "Raiffeisen Banking Group Austria" ( <i>Raiffeisen Bankengruppe Österreich</i> ).
<b>Raiffeisen Banks</b>	means the Austrian Raiffeisen banks described in the section "Description of the Issuer" under "3.1 RBI is part of the Raiffeisen Banking Sector".
<b>RBI</b>	means the Issuer. For the avoidance of doubt, all references in this Registration Document to "RBI" and the "Issuer" relating to periods prior to 18 March 2017 are references to RBI prior to the Merger 2017.
<b>RBI Group</b>	means the Issuer and its fully consolidated subsidiaries taken as a whole. For the avoidance of doubt, all references in this Registration Document to "RBI Group" relating to periods prior to 18 March 2017 are references to RBI and its fully consolidated subsidiaries taken as a whole prior to the Merger 2017.
<b>RBI Regulatory Group</b>	means, from time to time, any banking group: (i) to which the Issuer belongs; and (ii) to which the own funds requirements pursuant to Parts Two and Three of the CRR on a consolidated basis due to prudential consolidation in accordance with Part One, Title Two, Chapter Two of the CRR apply.
<b>RBI Resolution Group Austria</b>	means, from time to time, RBI and certain fully consolidated (direct and indirect) subsidiaries of RBI, namely: (i) all (direct and indirect) Austrian subsidiaries of RBI; (ii) all (direct) non-Austrian subsidiaries of RBI which are not a credit institution; and (iii) all (direct and indirect) subsidiaries of such RBI subsidiaries mentioned in items (i) and (ii).
<b>RBPL</b>	means Raiffeisen Bank Polska S.A., Poland.
<b>Regional IPS</b>	means any regional IPS within the Raiffeisen Banking Sector.  Currently, there are six Regional IPS formed by the respective Raiffeisen Regional Bank (Burgenland, Lower Austria, Styria, Tyrol, Upper Austria and Vorarlberg) and its local Raiffeisen Banks as members. As of the date of this Registration Document, there is no Regional IPS in Salzburg and Carinthia.
<b>Registration Document</b>	means this registration document as supplemented from time to time and which has been drawn up in accordance with the Prospectus Regulation.
<b>RKÖ</b>	means the nationwide voluntary Raiffeisen customer guarantee scheme ( <i>Raiffeisen-Kundengarantiegemeinschaft Österreich (RKÖ)</i> ).
<b>RWA</b>	means risk weighted assets.
<b>RZB</b>	means Raiffeisen Zentralbank Österreich Aktiengesellschaft. For the avoidance of doubt, all references in this Registration Document to "RZB" relating to periods prior to 18 March 2017 are references to RZB prior to the Merger 2017.
<b>Slovakia</b>	means the Slovak Republic.
<b>SRB</b>	means the Single Resolution Board.
<b>SREP</b>	means the Supervisory Review and Evaluation Process.

<b>SRF</b>	means the Single Resolution Fund.
<b>SRM</b>	means the Single Resolution Mechanism.
<b>SRMR</b>	means the Regulation (EU) No 806/2014 of the European Parliament and of the Council of 15 July 2014 establishing uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of a Single Resolution Mechanism and a Single Resolution Fund and amending Regulation (EU) No 1093/2010 ( <i>Single Resolution Mechanism Regulation</i> ).
<b>SSM</b>	means the Single Supervisory Mechanism.
<b>S&amp;P</b>	means Standard & Poor's Credit Market Services Europe Limited.
<b>Supervisory Board</b>	means the supervisory board ( <i>Aufsichtsrat</i> ) of the Issuer.
<b>Tatra banka</b>	means Tatra banka, a.s., Slovakia.
<b>Tier 2</b>	means Tier 2 pursuant to the relevant provisions in the CRR.
<b>TLOF</b>	means the total liabilities and own funds.
<b>TREA</b>	means the total risk exposure amount.
<b>ÜbG</b>	means the Austrian Takeover Act ( <i>Übernahmegesetz – ÜbG</i> ).
<b>USD</b>	means US dollar.
<b>WAG 2018</b>	means the Austrian Securities Supervision Act 2018 ( <i>Wertpapieraufsichtsgesetz 2018 – WAG 2018</i> ).



**B. RESPONSIBILITY STATEMENT**

Raiffeisen Bank International AG with its registered office in Vienna, Austria, (the "**Issuer**") accepts responsibility for the information contained in this Registration Document.

The Issuer declares that, to the best of its knowledge, the information contained in this Registration Document for which it is responsible is in accordance with the facts and that the Registration Document makes no omission likely to affect its import.

By approving this Registration Document, the CSSF assumes no responsibility as to the economic and financial soundness of the transaction and the quality or solvency of the Issuer pursuant to Article 6 (4) of the Luxembourg Law.

## **C. RISKS RELATING TO THE ISSUER AND RBI GROUP**

*This section describes specific risks regarding the Issuer and RBI Group which are regarded by the Issuer to be material in respect of the Issuer's ability to meet its obligations under Debt Securities issued by the Issuer and of which the Issuer is currently aware.*

*The risk factors are divided into the following categories depending on their nature:*

- a) Risks relating to the Business of RBI;*
- b) Regulatory, Legal and Political Risks;*
- c) Raiffeisen Banking Sector Risk; and*
- d) General Business Risks.*

*In each of these categories specific risk factors are described with the most significant risk factor being mentioned first in each category. The Issuer has assessed the materiality of risks based on the probability of their occurrence and the expected magnitude of the negative impact such occurrence may cause to the Issuer and RBI Group and the effect on the Issuer's ability to meet its obligations under securities issued by the Issuer. The Issuer has also taken into account in respect of such assessment the principles and outcomes of its Internal Capital Adequacy Assessment Process ("ICAAP").*

*Investors should consider the following specific and material risk factors and in addition all other information contained in the Registration Document and consult their own professional advisors prior to any decision to purchase debt securities issued by the Issuer.*

*Investors shall also be aware that there may be additional risks regarding the Issuer and RBI Group which are not regarded to be material or of which the Issuer is currently not aware but which may nevertheless affect Issuer's ability to meet its obligations under securities issued by the Issuer. It is also possible that risks described herein may combine and intensify one another.*

### **a. Risks related to the business of RBI**

#### **1. Credit Risk**

##### ***Counterparty Credit Risk***

***RBI Group is exposed to the risk of defaults by its counterparties.***

Credit risk refers to the commercial soundness of a counterparty (e.g. borrower or another market participant contracting with a member of RBI Group) and the potential financial loss that such market participant will cause to RBI Group if it does not meet its contractual obligations vis-à-vis RBI Group. In addition, RBI Group's credit risk is impacted by the value and enforceability of collateral provided to members of RBI Group.

RBI Group is exposed to counterparty risk in particular with respect to its lending activities with retail and corporate customers, credit institutions, local regional governments, municipalities and sovereigns, as well as other activities such as its trading and settlement activities, the risk that third parties who owe money, securities or other assets to RBI Group will not timely and in full perform their obligations. This exposes RBI Group to the risk of counterparty defaults, which have historically been higher during periods of economic downturn for example in 2020 in connection with the outbreak of the COVID-19 pandemic. Furthermore, RBI is exposed to the risk of lower creditworthiness of its customers, potentially leading to losses which exceed loss provisions.

RBI Group is also exposed to a risk of non-performance by counterparties in the financial services industry. This risk can arise through trading, lending, deposit-taking, derivative business, repurchase and securities lending transactions, clearing and settlement of securities

and many other activities and relationships with financial institutions (including without limitation: brokers and dealers, custodians, commercial banks, investment banks, mutual and hedge funds, and other institutional clients).

Downgrades in sovereign credit ratings could increase the credit risk of financial institutions based in these countries. Financial institutions are likely to be affected most by potential rating downgrade because they are affected by larger defaults or revaluations of securities, for example, or by heavy withdrawals of customer deposits in the event of a significant deterioration of economic conditions. Such adverse credit migration could result in increased losses and impairments with respect to RBI Group's exposures in these portfolios.

Defaults by, or even rumours or concerns about potential defaults or a perceived lack of creditworthiness of, one or more financial institutions, or the financial industry generally, have led and could lead to significant market-wide liquidity problems, losses or defaults by other financial institutions as many financial institutions are inter-related due to trading, funding, clearing or other relationships. This risk is often referred to as "systemic risk" and it affects credit institutions and all different types of intermediaries in the financial services industry. In addition to its other adverse effects, the realisation of systemic risk could lead to an imminent need for RBI Group members and other credit institutions in the markets in which RBI Group operates to raise additional liquidity or capital while at the same time making it more difficult to do so. Systemic risk could therefore have a material adverse effect on RBI Group's business, financial condition, results of operations, liquidity and prospects.

In the past, volatile economic conditions substantially raised the risk of defaults in the customer business and increased the amount of non-performing loans for both retail and corporate customers. If such developments were to reoccur, they might be reinforced by changes of foreign exchange rates (foreign exchange-based loans) which would negatively affect the ability of customers to repay their loans. Furthermore, the ability of customers to repay their loans may also be affected by increasing money market interest rates if the interest rate of a loan is based on floating rates. In particular if the low level of market interest rates comes to an end and interest rates increase, the rate of non-performing loans may increase, the provisioning of which would diminish RBI's Groups profits and could negatively affect the equity and the goodwill of members of RBI Group. Furthermore, RBI Group's loan portfolio and other financial assets might be impaired which might result in a withdrawal of deposits and decreased demand for RBI Group's products.

RBI Group provides for potential losses arising from counterparty default or credit risk by net allocations to provisioning for impairment losses, the amount of which depends on applicable accounting principles, risk control mechanisms and RBI Group's estimates.

Should actual credit risk exceed current estimates on which net allocations to provisioning have been made, RBI Group's loan loss provisions could be insufficient to cover losses. This would have a material adverse impact on RBI Group's financial position and results of operations and could affect RBI's ability to meet its obligations under the Debt Securities.

### ***Concentration Risk***

***As member of RBI Group and as part of the Raiffeisen Banking Sector, RBI is subject to concentration risk with respect to geographic regions and client sectors and large counterparties.***

RBI's business activities are pursued to a significant extent (more than 60 per cent. of operating income and risk weighted assets) via its subsidiaries. Each of these subsidiaries can influence the profit and loss position of RBI, especially via the valuation of the subsidiary, via the costs of refinancing the participation versus its dividend payments and via national regulatory burdens on the level of each subsidiary.

Furthermore, due to accounts receivable from borrowers in certain countries and/or certain industry sectors, as the case may be, RBI Group is, to varying degrees, subject to a concentration of regional as well as sectorial counterparty risks. The concentration risk with respect to geographic regions and client sectors mainly exists in Austria (including exposures to the Raiffeisen Banking Sector (see also the risk factors in section "c. Raiffeisen Banking Sector Risks")), Russia and the Czech Republic, which each accounts for 10 per cent. or more of RBI's risk weighted assets. Furthermore, at RBI level, the reallocation of intra-group funding in order to support particular members of RBI Group, and the resulting increase in exposure to such group members and the countries in which they are located, also constitutes concentration risk, which may be severe in the event of a default by one or several of these group members. Additionally, a failure of one or more members of RBI Group to service their respective payment obligations under certain financing agreements could trigger group cross default clauses and thus, unforeseen short-term liquidity needs for members of RBI Group. Moreover, concentration risks may arise out of investments in asset backed securities if such investments show a sectoral or regional concentration of debtors. The value of asset backed securities may be reduced significantly if the asset backed securities are concentrated in debtors stemming from respective sectors or regions which are hit by economic downturns.

The results of any concentration risk and all of the above-mentioned mechanisms may adversely affect RBI's financial standing and liquidity position.

#### ***FX Credit Risk***

***Any appreciation of the value of any currency in which foreign-currency ("FX") loans are denominated against CEE currencies or even a continuing high value of such a currency may – also retroactively - deteriorate the quality of foreign currency loans which RBI Group has granted to customers in CEE.***

In several Central and Eastern European, including South Eastern European countries (together, "CEE"), RBI operates through a network of majority-owned (non-Austrian) subsidiary credit institutions (the "**Network Banks**") which are members of RBI Group. RBI Group has granted loans to households and companies denominated in foreign currencies (e.g. CHF, USD and EUR). An appreciation of such a currency against the respective borrower's home currency makes the debt more burdensome for local borrowers in CEE without income streams in the relevant currency. An appreciation of such a currency against the respective borrower's home currency affects a whole group of customers who have taken up loans in that foreign currency, thus resulting in a form of concentration risk if a larger share of those customers is unable to meet their obligations vis-à-vis RBI Group. The realisation of such a risk concentration could have a material adverse impact on RBI Group's financial position and results of operations.

Such situations have in the past also raised the risk of regulatory and political intervention and/or challenges in litigation proceedings, which are described in the respective risk factors below.

## **2. Market Risk**

### ***General Market Risk***

***RBI Group's business, capital position and results of operations have been, and may continue to be, significantly adversely affected by market risks.***

Market risk refers to the specific and general risk position assumed by RBI Group on the asset or liability side with respect to positions in any debt instruments, equity instruments, equity-index forwards and futures, investment fund units, options, foreign currencies and commodities and in any financial instruments relating to any of the beforementioned items.

Market risk is the risk that market prices of assets and liabilities or revenues will be adversely affected by changes in market conditions and includes, but is not limited to changes of interest

rates, credit spreads of issuers of securities, foreign exchange rates, equity and debt price risks or market volatility. Changes in interest rate levels, yield curves, rates and spreads may affect RBI Group's net interest income and margin. Changes in foreign exchange rates affect the market price of assets and liabilities denominated in foreign currencies as well as the capital position and the profit and loss values as measured in euro, or the respective local currency of the Network Banks whose capital is denominated in the local currency, and may affect income from foreign exchange dealing.

The performance of financial markets or financial conditions generally may cause changes in the market price of RBI Group's investment and trading portfolios. RBI Group's risk management systems for the market risks to which its portfolios are exposed contain measurement systems which may prove inadequate as it is difficult to predict changes in economic or market conditions with accuracy and to anticipate the effects that such changes could have on RBI Group's financial performance and business operations, in particular in cases of extreme and unforeseeable events. In times of market stress or other unforeseen circumstances, such as the extreme market conditions experienced for example in 2020 in connection with the outbreak of the COVID-19 pandemic, previously uncorrelated indicators may become correlated, or previously correlated indicators may move in different directions. These changes in correlation can be exacerbated where other market participants are using risk or trading models with assumptions or algorithms that are similar to RBI Group's. In these and other cases, it may be difficult to reduce RBI Group's risk positions due to the activity of other market participants or widespread market dislocations, including circumstances where asset values are significantly declining, or no market exists for certain assets.

To the extent that RBI Group makes investments directly in assets that do not have an established liquid trading market or are otherwise subject to restrictions on sale or hedging, RBI Group may not be able to reduce its positions timely or at all and therefore timely reduce its risk associated with such positions. These types of market movements have at times limited the effectiveness of RBI Group's hedging strategies and have caused RBI Group to incur significant losses, which may also happen in the future.

The realisation of market risk could have a material adverse effect on RBI's financial position and results of operations.

### ***Hedging Risk***

***Hedging measures might prove to be ineffective. When entering into unhedged positions, RBI Group is directly exposed to the risk of changes in interest rates, foreign exchange rates or prices of financial instruments.***

RBI Group utilises a range of instruments and strategies to hedge risks. Unforeseen market developments may have a significant impact on the effectiveness of hedging measures. Instruments used to hedge interest and currency risks can result in losses if the underlying financial instruments are sold or if valuation adjustments must be undertaken. Furthermore, RBI Group's hedging measures may be affected due to deterioration of hedging counterparty's creditworthiness. In a worst case scenario, an originally hedged position may become an unhedged position due to counterparty's default.

Hedging instruments, in particular credit default swaps, could prove ineffective if restructurings of outstanding debt, including sovereign debt, avoid credit events that would trigger payment under such hedging instruments. Generally, gains and losses from ineffective risk-hedging measures can increase the volatility of the results generated by RBI Group.

In addition, RBI Group assumes open, i.e. unhedged, positions with respect to interest rates, foreign exchange and financial instruments either in the expectation that favourable market movements may result in profits or it considers certain positions cannot be hedged effectively

or at all. These open positions are subject to the risk that changes in interest rates, foreign exchange rates or the prices of financial instruments may result in significant losses.

Furthermore, RBI Group has open positions with regard to its subsidiaries' capital and profit and loss positions measured in Euro. Only part of these positions can be hedged due to inadequate market developments in many of the markets in which RBI Group operates in CEE and RBI Group does not consistently close these positions. Thus, even with constant margins and profits as measured in local currencies there is a risk of material adverse effects on the accounts as measured in Euro.

### ***FX Capital Risk***

***Adverse movements and volatility in foreign exchange rates had and could continue to have an adverse effect on the valuation of RBI Group's assets and on RBI Group's financial condition, results of operations, cash flows and capital adequacy.***

A large part of RBI Group's operations, assets and customers are located outside the Eurozone and RBI Group conducts its operations in many currencies other than the euro, all of which for purposes of inclusion in RBI Group's consolidated financial statements must be translated into euros at the applicable exchange rates. RBI Group also has liabilities in currencies other than the euro and trades currencies on behalf of its customers and for its own account, thus maintaining open currency positions.

Adverse movements in foreign exchange rates may affect RBI Group's cash flows as measured in euro, as well as the cash flows of RBI Group's customers, particularly if such fluctuations are unanticipated or sudden. Some of the currencies in which RBI Group operates have been highly volatile in the past.

Any new financial crisis in countries in which RBI Group operates might cause a substantial depreciation of CEE currencies against the Euro, like it was experienced during financial crises in the past, might reduce the equity of RBI Group companies denominated in local currency as measured in EUR and the goodwill of local group companies.

In addition, a devaluation of local currencies could have an adverse effect on RBI Group's revenues and profits. Foreign currency exchange rate fluctuations may affect the regulatory capital ratios as much as the base currency mix of risk weighted assets differs from the mix of consolidated capital for RBI and RBI Group.

As such, fluctuations in foreign currency exchange rates may have a material adverse effect on RBI Group's business, financial position and results of operations and, in particular, may result in fluctuations in RBI Group's consolidated capital as well as its credit risk related capital adequacy requirements.

## **3. *Operational Risk***

### ***General Operational Risk***

***Although RBI Group is analysing operational risks on a frequent basis, it may suffer significant losses as a result of operational risk, i.e. the risk of loss due to inadequate or failed internal processes or due to external events.***

Inadequate or failed internal processes can include without limitation unauthorised actions, theft or fraud by employees, clerical and record keeping errors, business interruption and information systems malfunctions or manipulations or model risks (e.g. valuation of assets/liabilities, in terms of liquidity or market risks). External events include without limitation earthquakes, riots or terrorist attacks, cyber-attacks, bank robberies, fraud by outsiders and equipment failures, whether deliberate, accidental or natural occurrences like the outbreak of COVID-19 pandemic,

which is described in a separate risk factor below (see also under d.4. "*Risk of epidemic/pandemic outbreaks*").

### ***Compliance Risk***

***Compliance with applicable rules and regulations, in particular on anti-money laundering and anti-terrorism financing, anti-corruption and fraud prevention, sanctions, tax as well as capital markets (securities and stock exchange related), involve significant costs and efforts and non-compliance may have severe legal and reputational consequences for RBI.***

The Issuer is subject to numerous legal and regulatory provisions to avoid money laundering, corruption and terrorism financing ("**AML Rules**") which are continuously amended and tightened.

The Issuer's obligation to comply with these AML Rules causes significant costs and expenses for the Issuer. In addition, any (factual or even only alleged) breach of the AML Rules may, despite of the Issuer's full commitment, not be fully ruled out and may have also main negative legal, financial and reputational consequences for the Issuer.

This also applies to the more stringent due diligence and disclosure obligations according to the standard for automatic exchange of financial account information in tax matters (*Common Reporting Standard – "CRS"*), which has been approved by the Organisation for Economic Co-operation and Development OECD, and formally adopted by the EU through the "Council Directive 2014/107/EU of 9 December 2014 amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation". Therefore, RBI Group members within the EU are required to apply the CRS rules and provisions. In Austria, CRS is implemented by the Austrian Common Reporting Standard Act (*Gemeinsamer Meldestandard-Gesetz – "GMSG"*). Not complying with the provisions of the CRS and/or GMSG could lead to locally defined penalties.

According to the CRS, financial institutions in participating countries are required to apply strict due diligence rules for new, as well as for pre-existing accounts in order to identify the customer's tax residence. These strict provisions result in an annual reporting obligation to the local tax authority which exchanges data with other tax authorities.

Another due diligence and disclosure obligation derives from the Foreign Account Tax Compliance Act ("**FATCA**") provisions of the U.S., which were put in force in 2010 in order to prevent tax evasion by U.S. account holders (U.S. citizens and U.S. residents for tax purposes). In 2014, the United States and Austria entered into an intergovernmental agreement (an "**IGA Model 2**") in order to facilitate the implementation of FATCA for Austrian financial institutions. According to said agreement, all Austrian financial institutions have to implement appropriate measures in order to meet the due-diligence and reporting obligations of the FATCA.

The U.S. Treasury Department and the U.S. Internal Revenue Services (IRS) may issue additional guidance and regulations that may alter the application of FATCA to RBI Group and the Debt Securities in the future. All FATCA reporting relevant RBI Group units (FFIs), including RBI itself, are registered with the U.S. IRS as FATCA compliant members of RBI Expanded Affiliated Group.

A similar strict U.S. regulation is the Qualified Intermediary Agreement ("**QI Agreement**"). According to the QI Agreement a compliance programme has to be created and a review with sampling has to be conducted periodically. This QI Agreement, originally from 2001, has been renewed between RBI and the U.S. IRS in 2017. RBI is obliged to make an appropriate report regarding withheld amounts for the US Treasury Department (respectively U.S. IRS). In addition, the U.S. IRS has issued detailed regulations about taxing Dividend Equivalent Payments.

Since the U.S. IRS combines both FATCA and the QI Agreement, not complying with QI regulations could result in a loss of the QI status and in a loss of the FATCA compliant status, which would lead to severe legal, monetary and reputational consequences and could have a material adverse effect on RBI Group's business, financial condition and results of operations.

Increasingly stricter EU sanctions as well as U.S. sanctions against certain countries, legal entities and individuals may restrict or prevent RBI as well as RBI Group companies not only from entering into new transactions with affected entities but also affect the settlement of existing transactions, in particular the enforcement of existing claims against customers, which could result in risks relating to law suits due to non-payment in connection with e.g. guarantees issued by RBI or members of RBI Group or letters of credit as well as significant losses. The situation will be exacerbated by legislation of affected countries countering such sanction legislation if RBI Group entities may be required to comply with contradicting acts of legislation with extra-territorial effect enacted in different jurisdictions. This risk may affect in particular RBI Group's business in Russia and with entities related to Russia.

Any breach of such regulations and even the mere suspicion of any breach may have legal consequences or have an adverse impact on the reputation of RBI Group and thus significantly affect its business, for example by the freezing of accounts with U.S. correspondent credit institutions, its financial position and results of operations. In addition, non-compliance with such regulations may also cause direct losses and damages if the purpose of such regulations is the improvement of internal control systems.

#### **4. *Macroeconomic Risk***

***RBI Group has been and may continue to be adversely affected by global financial and economic crises, like the Eurozone (sovereign) debt crisis, the risk of one or more countries leaving the European Union or the Eurozone, like the UK Brexit, and other negative macroeconomic and market environments and may further be required to make impairments on its exposures.***

RBI's ability to fulfil its obligations under its debt securities may be affected by changing conditions in the global financial markets, economic conditions generally and perceptions of those conditions and future economic prospects. The outlook for the global economy over the near to medium term remains uncertain, due to the outbreak of COVID-19 pandemic, and many forecasts predict a decrease in the levels of gross domestic product ("GDP") growth across many of the focus areas in which RBI Group operates. Many European and other countries continue to struggle under large budget deficits and elevated debt levels, raising a concern of the market that some European and other countries may in the future be unable to repay outstanding debt. These countries could find it difficult to obtain financing, if markets were to become volatile and potentially subject to intermittent and prolonged disruptions as experienced in the past.

Furthermore, the persisting low interest rate environment in many countries creates further pressure on the financial sector as it puts a constraint to net interest income and increased pressure on the cost structure of market participants.

Since the financial crisis in 2008 and 2009, in Europe, the financial and economic conditions of certain countries have been particularly negatively affected. Refinancing costs for some of these countries are still elevated and credit rating agencies downgraded the credit ratings of many of these countries but have also stripped the AAA rating from certain core European countries. Sovereigns, financial institutions and other corporates may become unable to obtain refinancing or new funding and may default on their existing debt. The outcome of debt restructuring negotiations may result in RBI Group suffering additional impairments. Austerity measures to reduce debt levels and fiscal deficits in the future may well result in a slowdown of or negative economic development. One or more Eurozone countries could come under increasing pressure to leave the European Monetary Union, or the Euro as the single currency of the Eurozone could cease to exist.



The political, financial, economic and legal impact of the departure of one or more countries from the Eurozone and/or the European Union is difficult to predict. However, it can be observed using the example of the withdrawal of the United Kingdom from the European Union (so-called "**Brexit**") that unclear legal formalities and pending legal and economic frameworks lead to increased political and economic uncertainty which can entail various adverse cumulative impacts on the respective economies (e.g. investments, GDP, exchange rates, etc.).

For a country exiting the Eurozone and/or the European Union, possible consequences of such exit in a stress case include the loss of liquidity supply by the European Central Bank ("**ECB**"), the need to introduce capital controls and, subsequently, certificates of indebtedness or a new national currency, a possibility of a surge in inflation and, generally, a breakdown of its economy. Businesses and other debtors whose main sources of income are converted to a non-euro currency could be unable to repay their euro-denominated debts. Thus, foreign lenders and business partners including members of RBI Group would have to face significant losses. Disputes are likely to arise over whether contracts would have to be converted into a new currency or remain in euros. In the wider Eurozone, concerns over the euro's future might cause businesses to cut investment and people to cut back their spending, thus pushing the Eurozone into recession. Depositors in other struggling Eurozone countries could start withdrawing their deposits or moving them to other countries, thus provoking a banking crisis in southern Europe. The Euro could lose but also increase in value in case that exiting countries are coming from the economically weaker periphery. Depending on the exact mutual development of the FX-rates embedded in the global exchange-rate regime this might impact RBI Group's ability to repay its obligations. In addition to the risk of market contagion, there is also the potential of political repercussions such as a boost to anti-euro and anti-European political forces in other countries. Owing to the high level of interconnection in the financial markets in the Eurozone, the departure from the European Monetary Union by one or more Eurozone countries and/or the abandonment of the Euro as a currency could have material adverse effects on the existing contractual relations and the fulfilment of obligations by RBI Group and/or RBI Group's customers and, thus, have an adverse impact on RBI's ability to duly meet its obligations under the Debt Securities.

Outside the European Union, conflicts (such as in the Ukraine) or specific economic developments could have a negative impact on macroeconomic conditions and the financial position, results of operations and the prospects of RBI's subsidiaries. Furthermore, instability and whatsoever aggravation of the aforementioned conflicts (including developments concerning certain sanctions) might lead to adverse impacts on RBI Group (e.g. increase of defaults, legal implications, decrease of asset prices, etc.).

These developments or the perception that any of these developments will occur or exacerbate, have affected and could continue to significantly affect the economic development of affected countries, lead to widespread declines in GDP growth, and jeopardize the stability of financial markets. If the scope and severity of adverse economic conditions were to intensify in certain countries and in the focus areas of RBI Group, the risks RBI Group faces may be exacerbated. Such challenging economic conditions may adversely affect the Issuer's ability to meet its obligations under the Debt Securities.

## **5. Participation Risk**

***RBI has equity participations in legal entities that are held for operations or out of a strategic long-term nature. It is exposed to the risk that the value of those equity participations decreases.***

Apart from operatively controlled entities for which a look-through approach applies and which are consolidated in RBI's consolidated balance sheet, RBI holds equity participations in companies for the purpose of operations, like processing centres, and also in companies which are not in the focus of RBI's long-term strategy, like insurance companies or participations in non-financial sector. The respective equity participations are carried at amortized cost. Losses

in the respective companies may, after a decrease of hidden reserves in these companies, lead to a depreciation of book values and have a direct impact on annual earnings of RBI. In addition, there may also be a decrease in the income from financial investments (e.g. from dividend payments).

## **6. Liquidity Risk including Credit Rating Downgrades**

*RBI Group's liquidity and profitability would be significantly adversely affected should RBI's credit ratings deteriorate or RBI Group is otherwise unable to access the capital markets, to raise deposits, to sell assets on favourable terms, or if there is a strong increase in its funding costs (liquidity risk).*

Liquidity risk is the risk of an entity to be unable to meet its current and future financial obligations in full and/or in time. This arises, e.g. if refinancing can only be obtained at unfavourable terms or is entirely impossible. Liquidity risk can take various forms. For example, one or more members of RBI Group may be unable to meet their respective payment obligations on a particular day and may have to obtain liquidity from the market at short notice and on unfavourable terms, or even fail to obtain liquidity from the market and, at the same time, be unable to generate sufficient alternative liquidity through the disposing of assets. Loss of customer confidence in RBI Group's business or performance could result in unexpectedly high levels of customer withdrawals; deposits could be withdrawn at a faster rate than the rate at which any of RBI Group's borrowers repay their loans; lending commitments could be terminated; or further collateral in connection with collateral agreements for derivative transactions could be required. RBI Group's liquidity buffers may not be sufficient in every market environment or specific situation and results of RBI Group's liquidity risk management models may lead to inadequate steering measures.

In particular, the access of RBI to liquidity is dependent on credit ratings representing the opinion of a rating agency on the credit standing of an entity and take into account the likelihood of delay of and default on payments. They are material to RBI Group since they affect both, the willingness of customers to do business with RBI Group at all and the terms on which creditors are willing to transact with RBI Group and the willingness or possibility of investors to provide funds to RBI Group in the financial market. Credit ratings may be suspended, downgraded or withdrawn which may occur as a result of adverse macroeconomic developments or regulatory activities in the countries and regions in which rated entities operate, company specific developments or changes in the rating agencies' support assumptions. Rating agencies also change or adjust their ratings methodologies from time to time. Any such changes to rating criteria or methodologies can result in rating changes including downgrades.

Furthermore, a credit rating may also be suspended or withdrawn if RBI were to terminate the agreement with a rating agency or if it were to determine that it would not be in its interest to continue to supply financial data to a rating agency.

All of this could negatively affect RBI's ability comply with regulatory and commercial liquidity requirements.

## **b. Regulatory, Legal and Political Risks**

### **1. *The Issuer is subject to a number of strict and extensive regulatory rules and requirements.***

As Austrian credit institution subject to direct supervision of the ECB within the SSM, the Issuer has to comply with a number of regulatory rules and requirements at all times which continuously change and become more extensive and stricter. Compliance with these regulatory rules and requirements, in particular including the ongoing monitoring and implementation of new or amended rules and regulations cause significant costs and additional effort for the Issuer and any (factual or even only alleged) breach of such rules

and requirements may cause result in major regulatory measures and bear a main legal and reputational risk.

### EU Banking Package and Reform of the Banking Union

The Banking Union is a system for the supervision and resolution of credit institutions (including the Issuer) on EU level which is based on EU wide rules and currently consists of the Single Supervisory Mechanism and the Single Resolution Mechanism.

On 7 June 2019, a legislative package for amendments of the following EU legal acts of 20 May 2019 regarding the Banking Union ("**EU Banking Package**") was published in the Official Journal of the EU:

(i) "Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC" (*Capital Requirements Directive IV – "CRD IV"*); (ii) "Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012" (*Capital Requirements Regulation – "CRR"*); (iii) "Directive 2014/59/EU of the European Parliament and of the Council of 15 May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms and amending Council Directive 82/891/EEC, and Directives 2001/24/EC, 2002/47/EC, 2004/25/EC, 2005/56/EC, 2007/36/EC, 2011/35/EU, 2012/30/EU and 2013/36/EU, and Regulations (EU) No 1093/2010 and (EU) No 648/2012, of the European Parliament and of the Council" (*Bank Recovery and Resolution Directive – "BRRD"*); and (iv) "Regulation (EU) No 806/2014 of the European Parliament and of the Council of 15 July 2014 establishing uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of a Single Resolution Mechanism and a Single Resolution Fund and amending Regulation (EU) No 1093/2010" (*Single Resolution Mechanism Regulation – "SRMR"*).

The EU Banking Package, *inter alia*, includes the following measures which are a specific and material risk to the Issuer:

- a leverage ratio requirement for all institutions;
- a net stable funding requirement;
- revised rules on capital requirements for counterparty credit risk and for exposures to central counterparties;
- a revised Pillar 2 framework;
- enhanced minimum requirement for own funds and eligible liabilities ("**MREL**") subordination rules for large banks referred to as top-tier banks;
- stricter conditions for liabilities in order to qualify as eligible liabilities instruments for MREL purposes;
- a new moratorium power for the resolution authority; and
- restrictions to distributions in case of MREL breaches.

The EU Banking Package (i.e. the amendments of the CRR, the CRD IV, the BRRD and the SRMR which are often also named as "CRR 2", "CRD V", "BRRD II" and "SRMR 2") entered into force on 27 June 2019. Certain amendments of the CRR already apply since 27 June 2019; further amendments of the CRR shall apply from 28 December 2020

respectively 28 June 2021, those of the SRMR from 28 December 2020. The EU Member States shall implement the amendments of the BRRD and the CRD IV into national legislation by 28 December 2020.

### Amended BCBS Standards

On 7 December 2017 and on 14 January 2019, the Basel Committee on Banking Supervision ("**BCBS**") published amended standards for its international regulatory framework for credit institutions developed by the BCBS. Within the EU, the revised standards have to be transposed into EU law for being applicable. These Basel III reforms, *inter alia*, include the following key measures which are a specific and material risk to the Issuer if transposed into EU law:

- a revised standardised approach and the internal ratings-based approach for credit risk;
- revisions to the credit valuation adjustment (CVA) framework;
- a revised standardised approach for operational risk;
- revisions to the measurement of the leverage ratio;
- an aggregate output floor, which will ensure that risk-weighted assets ("**RWA**") generated by internal models are no lower than 72.5 per cent. of RWA as calculated by the Basel III framework's standardised approaches; and
- the finalised revised market risk framework.

The revised BCBS standards will (due to a deferral because of COVID-19) take effect from 1 January 2023 and will be phased in over five years.

On 7 December 2017, the BCBS also published a discussion paper on the regulatory treatment of sovereign exposures which would result in higher risk weights for certain sovereign exposures for the Issuer.

Stricter regulatory rules and requirements, in particular the EU Banking Package and the amended BCBS standards, result in significant capital demand for the Issuer and/or result in constraints and limitations on risk related business and other business of the Issuer. The latter will negatively affect the income and revenues of the Issuer.

## **2. *The Issuer has to comply with its applicable regulatory capital requirements at any time.***

The Issuer has to comply with certain regulatory capital requirements (both, on an individual basis as well as on a consolidated basis (at the level of RBI Regulatory Group) at any time:

- In this regard, the Issuer and the RBI Regulatory Group are required to satisfy the applicable minimum capital requirements pursuant to Article 92 CRR, i.e. the so-called "Pillar 1 requirements" at all times. This includes a Common Equity Tier 1 ("**CET 1**") capital ratio of 4.5%, a Tier 1 capital ratio of 6% and a total capital ratio of 8%.
- In addition, the Issuer and the RBI Regulatory Group are required to satisfy at all times the capital requirements that are imposed by the ECB following the supervisory review and evaluation process ("**SREP**"), i.e. the so-called "Pillar 2 requirements" ("**P2R**") which go beyond the Pillar 1 requirements. The P2R shall be met in the form of at least 56.25 per cent. CET 1 capital and 75 per cent. Tier 1 capital. In addition, the RBI Regulatory Group is expected to meet the so-called "Pillar 2 guidance" ("**P2G**").

- Furthermore, the Issuer and the RBI Regulatory Group are required to satisfy at all times the combined buffer requirement within the meaning of § 2(45) of the Austrian Banking Act (*Bankwesengesetz* – "**BWG**") in the form of CET 1 capital. For the Issuer and the RBI Regulatory Group, the combined buffer requirement consists of the sum of the capital buffer requirement for compliance with the capital conservation buffer, the countercyclical capital buffer for relevant credit exposures located in different countries, the systemic risk buffer and the capital buffer requirement for other systemically important institutions (O-SII) buffer), in each case, based on the total risk exposure calculated pursuant to Article 92(3) CRR.
- Furthermore, the Issuer and the RBI Resolution Group Austria shall meet the minimum requirements for own funds and eligible liabilities ("**MREL**") in accordance with the Austrian Recovery and Resolution Act (*Sanierungs- und Abwicklungsgesetz* – "**BaSAG**")/the SRMR upon request of the resolution authority. This MREL target shall be determined by the resolution authority (in the case of the Issuer, the Single Resolution Board ("**SRB**")) expressed as the amount of own funds and eligible liabilities expressed as a percentage of the total liabilities and own funds of the institution.

Legislation impacting on capital requirements could be enacted with little preparatory periods as evidenced by the latest amendments amending of the CRR as regards certain adjustments in response to the COVID-19 pandemic (albeit such legislation did not result in stricter regulatory capital requirements).

Stricter regulatory capital requirements applicable to the Issuer and/or any failure to comply with such requirements may result in (unscheduled) additional (quantitative or qualitative) capital demand for the Issuer and/or result in constraints and limitations on risk related business and other business of the Issuer. The latter will negatively affect the income and revenues of the Issuer.

### 3. ***The Issuer is obliged to contribute to the Single Resolution Fund and to the deposit guarantee fund.***

The Single Resolution Fund ("**SRF**") has been established by the SRMR and is composed of contributions by credit institutions (including the Issuer) and certain investment firms in the participating Member States of the Banking Union. The SRF shall be gradually built up during the initial period of eight years (2016 – 2023) and shall reach the target level of at least 1 per cent. of the amount of covered deposits of all credit institutions (including the Issuer) within the Banking Union by 31 December 2023.

The Issuer is a member of the Einlagensicherung AUSTRIA Ges.m.b.H. ("**ESA**"), the statutory (Austrian) deposit guarantee scheme within the meaning of Austrian Deposit Guarantee and Investor Protection Act (*Einlagensicherungs- und Anlegerentschädigungsgesetz* – "**ESAEG**"). The ESAEG stipulates a target level of the *ex-ante* financed deposit guarantee fund for the ESA of 0.8 per cent. of covered deposits which shall be fully composed by contributions of its members (including the Issuer) until 3 July 2024. If (in case of a crisis of a member institution) required, the Issuer may also be obliged to make certain (*ex post*) contributions to the SRF and the deposit guarantee fund.

The Issuer's obligation to make such contributions may result in additional financial burden for the Issuer and may have negative impact on its financial position and results of operation.

**4. *If the relevant conditions are met, the resolution authority shall apply resolution actions in relation to the Issuer.***

The BRRD and the SRMR are the main legal basis for the recovery and resolution of credit institutions (including the Issuer) within the Banking Union.

If the conditions for resolution are met, the resolution authority shall take resolution actions (i.e. resolution tools and resolution powers) in relation to the Issuer in order to be able to exercise an orderly resolution, if the Issuer is failing (or likely to fail) and to preserve the financial stability.

The conditions for resolution of the Issuer are:

- the determination that the Issuer is failing or likely to fail has been made by the competent authority or the resolution authority; and
- having regard to timing and other relevant circumstances, there is no reasonable prospect that any alternative private sector measures, or supervisory action, including early intervention measures or the write-down or conversion of relevant capital instruments taken in respect of the Issuer, would prevent the failure of the Issuer within a reasonable timeframe; and
- a resolution action is necessary in the public interest.

The resolution tools are: (i) the sale of business tool; (ii) the bridge institution tool; (iii) the asset separation tool; and (iv) the bail-in tool.

By applying the bail-in tool the resolution authority may write down eligible liabilities in a cascading contribution to loss absorption of the Issuer or convert them into instruments of ownership. Moreover, the resolution authority can separate the performing assets from the impaired or under-performing assets and transfer the shares in the Issuer or all or part of the assets of the Issuer to a private purchaser or a bridge institution without the consent of the shareholders.

In addition, the resolution authority has so-called resolution powers, which it may exercise individually or in any combination in relation to or for the preparation of the application of a resolution tool in relation to the Issuer.

The BRRD and SRMR indicate that as resolution strategies both, a single or multiple point-of-entry ("**SPE**" or "**MPE**") approach, are allowed. In an SPE approach a failing bank subsidiary is recapitalized by instruments issued by the group parent (single point of entry) the proceeds of which are down-streamed to the failing subsidiary, while in an MPE approach a failing bank subsidiary is recapitalized by instruments issued by the failing subsidiary (multiple point of entry). In the first case, the shareholder structure of the parent company may change when debt instruments are bailed-in, in the second, the shareholder structure of the subsidiary may change. RBI Regulatory Group pursues the MPE approach. In this regard, the SRB and all relevant national resolution authorities of the resolution college have reached a joint decision that an MPE approach is the preferred resolution strategy for RBI Regulatory Group.

### ***Risks related to unpredictable political, economic, legal and social changes and government intervention***

RBI Group's business is materially dependent on political and social stability, the performance of the economies and a sustainable development of the banking sector in the countries in which it operates. It is evident that due to the nature of some main markets, RBI Group is exposed to a significant extent to those risks. Some of these markets are characterised by an increased risk of unpredictable political, economic, legal and social changes and related risks, such as exchange rate volatility, exchange controls/restrictions, regulatory changes, inflation, economic recession, local market disruptions, labour market tensions, ethnic conflicts and economic disparity. The level of risk differs significantly from country to country, and generally depends on the economic and political development stage of each country. Also, in this respect some economies are characterised by an increased risk of state and central bank intervention in response to an economic crisis. Governments in several economies in which RBI Group operates have taken and could further take measures to protect their national economies and/or currencies in response to political and economic developments, including, such as:

- require that loans denominated in foreign currencies like EUR, USD or CHF are converted into local currencies (even in retrospect) at unfavourable rates for lenders in order to assist local consumers and/or businesses;
- require loans to be assumed by government entities, potentially involving haircuts;
- set out regulations limiting, possibly with retro-active effect, interest rates (so-called "caps") or fees that can be charged on loans, leading to additional risks and lower income for RBI Group;
- require loans to be closed out at unfavourable conditions (*e.g.* in terms of breakage costs, mortgage/collateral evaluation);
- impose a waiver of the repayment of loans resulting in higher levels of provisions of risks;
- impose limitations on foreclosures and debt collections;
- set limitations on the repatriation of profits (either through restriction of dividend payments to parent companies or otherwise);
- require the parent company or a group member to provide funding or guarantees to support a local group member in distress;
- nationalise local members of RBI Group at less than the fair market value or without compensation;
- fix the exchange rate of the local currency against freely convertible currencies or lift any such exchange rate fixing; and
- prohibit or limit money transfers abroad or the export of, or convertibility into, foreign currency.

RBI Group has been adversely affected and has incurred losses through certain of these measures and was forced to increase loan loss provisions in the recent past.

The occurrence of any of these events may adversely affect RBI Group's ability to conduct business in the affected part of these economies. The occurrence of one or more of these events may also affect the ability of RBI Group's clients or counterparties located in the affected country or region to obtain foreign exchange or credit and, therefore, to satisfy their obligations to RBI Group. If any of these events occurs, it could adversely impact RBI's financial position

and profit and loss position and it may as a consequence of losses by members of RBI Group have also negative consequences on the equity position of RBI Group.

5. ***Risk related to mandatory participation in or financing governmental support programs for credit institutions or generally finance governmental budget consolidation programmes, including by way of banking taxes and other levies.***

If an important credit institution or financial institution in Austria or the CEE markets where RBI Group has significant operations were to suffer significant liquidity problems or otherwise potentially risk declaring insolvency but also in cases where budget consolidation is performed by local governments, the respective local government might: (i) require one or more members of RBI Group to provide funding or guarantees to ensure the continued existence of such institution; and (ii) introduce or increase taxes on banks generally which may be arbitrary and onerous. This might require RBI or one of its affiliates to allocate resources to such assistance and banking taxes rather than using such resources to promote other business activities that may be financially more productive, which could have – particularly in a situation of similar events in multiple jurisdictions – an adverse effect on RBI's and RBI Group's business, financial condition or results of operations.

c. **Raiffeisen Banking Sector Risks**

1. ***Raiffeisen Banking Sector Risk***

***RBI is exposed to risks due to its interconnectedness concerning the Institutional Protection Scheme.***

As a consequence of an universal succession, upon the Merger 2017 RBI, has entered into RZB's place in the agreements for the establishment of an institutional protection scheme ("IPS") within the meaning of Article 113(7) CRR (the "**Federal IPS**"). The Federal IPS must comply with the requirements of the CRR, particularly safeguarding the existence and the liquidity and solvency of its members to prevent insolvency. Beside RBI, the Federal IPS currently consists of the following institutions:

- the "**Raiffeisen Regional Banks**" (i.e. RAIFFEISEN LANDESBANK NIEDERÖSTERREICH-WIEN AG, Raiffeisen-Landesbank Steiermark AG, Raiffeisen Landesbank Oberösterreich Aktiengesellschaft, Raiffeisen Landesbank Tirol AG, Raiffeisenverband Salzburg eGen, Raiffeisenlandesbank Kärnten - Rechenzentrum und Revisionsverband regGenmbH, Raiffeisenlandesbank Burgenland und Revisionsverband regGenmbH and Raiffeisenlandesbank Vorarlberg Waren- und Revisionsverband regGenmbH);
- RAIFFEISEN-HOLDING NIEDERÖSTERREICH-WIEN registrierte Genossenschaft mit beschränkter Haftung;
- Posojilnica Bank eGen;
- Raiffeisen Wohnbaubank Aktiengesellschaft (a subsidiary of RBI); and
- Raiffeisen Bausparkasse Gesellschaft m.b.H. (a subsidiary of RBI).

The Federal IPS is subject to consolidated (or extended aggregated) minimum own funds requirements.

Due to the membership of RBI in the Federal IPS, RBI can be affected in case of material economic problems within the Federal IPS. In case of liquidity and/or capital needs of one or several Federal IPS members, RBI is obliged, among other Federal IPS members, to ensure compliance with regulatory requirements of Federal IPS and its members. In case of the six Raiffeisen Regional Banks which are, in addition, also members of the so-called "**Regional**



IPS" (Burgenland, Lower Austria, Styria, Tyrol, Upper Austria and Vorarlberg), the Federal IPS is only obliged to step in order to ensure regulatory requirement of the members of the Federal IPS if a Regional IPS is not able to give sufficient support. Each of the six Regional IPS consist of the relevant Raiffeisen Regional Bank and the cooperative, local Raiffeisen Banks. The only RBI subsidiaries which are members of Federal IPS are Raiffeisen Bausparkasse Gesellschaft m.b.H. and Raiffeisen Wohnbaubank Aktiengesellschaft. No other RBI subsidiary is part of this institutional protection scheme. However, the potential support of RBI for other members of the Federal IPS could affect RBI Group as a whole in terms of regulatory parameters.

RBI has to contribute to the *ex-ante* fund of the Federal IPS on an annual basis. This annual contribution of RBI Group members was about EUR 50 million in 2019. In total, RBI Group members have contributed more than EUR 300 million to the *ex ante* fund of the Federal IPS since 2014. In addition, RBI as a member of the Federal IPS has to make *ex post* contributions, if necessary. The maximum liability for support provision is capped at 25 per cent. of each member's total capital in excess of the minimum regulatory requirement (including regulatory buffers) plus a cushion of 10 per cent. This results in additional financial burden for the Issuer and potentially increased contributions (e.g. in case support for other members) can reinforce these financial burdens and therefore adversely affect the financial position of the Issuer and the results of its business, financial condition and results of operations.

RBI's membership in the Federal IPS may end, in particular it may be terminated by giving two years prior notice.

## **2. *Risk related to the Issuer's membership in the Raiffeisen Customer Guarantee Scheme.***

RBI is a member of the nationwide voluntary Raiffeisen Customer Guarantee Scheme Austria (*Raiffeisen-Kundengarantiegemeinschaft Österreich – "RKÖ"*). Approximately 82 per cent. of the Raiffeisen Banks are (directly or indirectly) members of the RKÖ.

In case of an insolvency of a scheme member, under certain circumstances, customers of that insolvent scheme member are offered in respect of claims under senior debt securities issued by the respective member prior to 1 January 2019 and all customer deposits held with the respective member prior to 1 October 2019 equivalent claims against other scheme members instead of insolvency claims. In such event, the other scheme members are contractually liable to pay extraordinary membership contributions limited by their economic reserves, in order to ensure coverage of such claims. Any insolvency of a scheme member may result in RBI's obligation to settle guaranteed customer claims against such insolvent member, which would likely have a negative influence upon the business, asset, financial and earnings situation of RBI.

## **d. *General Business Risks***

### **1. *Settlement Risk***

***Potential losses due to settlement risks arise from the time-lag between the dates of the exchange of cash, securities, or assets respectively.***

A counterpart might not deliver a security or its value in cash after RBI Group has already paid or delivered securities as per agreement (credit risk) or the counterpart will fulfil the respective value later on (liquidity risk). Furthermore, a delay in the settlement of the transaction may lead to trading losses due to the fact that the value of the underlying asset changed. In usual market environments, such losses are generally low. However, in stressed market conditions such losses may reinforce liquidity risks, may lead to higher losses and therefore may affect the ability of RBI Group to fulfil its obligations.

## 2. *Strategic Risk*

### ***Increased Competition and adjustments to the business profile of RBI or RBI Group may lead to changes in its profitability.***

Increased competition in business segments of RBI Group due to services offered by technology focussed financial service providers leads to an increased demand for RBI to review its business profile and its services. Adjustments of the business profile to meet increasing capital requirements or other business needs may include the attempt to sell assets including existing subsidiaries. No assurance can be given that suitable opportunities for disposals will be identified in the future, or that RBI Group will be able to complete such disposals on favourable terms or at all. Such disposals may prove difficult in the then current market environment as many of RBI Group's competitors may also seek to dispose of assets. It may also be difficult for RBI Group to adapt its cost structure to the smaller size of certain of its businesses or to otherwise increase the potential to retain earnings in order to build up capital internally. This may have a material adverse effect on RBI's ability to meet its obligations under the Debt Securities.

Furthermore, strategic initiatives and efficiency programmes (including restructuring activities and cost savings plans) might influence the legal form of business being pursued. In case business currently performed in a separate legal entity is merged into RBI, this could increase the economic risk of RBI versus the current structure. Moreover, RBI Group is exposed to the risk that the benefits from such initiatives and programmes, in particular any expected synergy effects and cost savings, cannot be fully achieved.

## 3. *Earnings Risk*

### ***Decreasing interest rate margins may have a material adverse effect on RBI Group.***

The majority of RBI Group's operating income (more than 60 per cent.) is derived from net interest income. The members of RBI Group earn interest from loans and other assets and pay interest to their depositors and other creditors.

Interest rates are highly sensitive to many factors beyond RBI Group's control, including inflation, monetary policies and domestic and international economic and political conditions. Decreasing interest rates often result in decreasing margins and consequently in decreasing net interest income unless compensated by an increase in customer loan volumes. The effects of changes in interest rates on RBI Group's net interest income depend on the relative amounts of assets and liabilities that are affected by the change in interest rates. Reductions in interest rates and margins may not affect RBI Group's refinancing costs to the same extent as they affect interest rates and margins on loans granted by RBI Group, because a credit institution's ability to make a corresponding reduction in the interest rate and margin it pays to its lenders is limited, in particular when interest rates on deposits are already very low. Additionally, legal provisions may lead to restrictions on charging negative interest rates on deposit accounts and credit customers may be motivated due to low or negative interest rates to do a full repayment of their debts (e.g. loans with fixed interest rates) without any cost charging.

Furthermore, a low or negative interest rate environment results in increased costs of maintaining the regulatory and prudential liquidity buffers held in cash and low yield liquid assets.

As a result of the above, interest rate fluctuations and, in particular, decreasing interest rate margins could negatively affect RBI Group's net interest income and have a material adverse effect on RBI's ability to fulfil its obligations under the Debt Securities.

#### 4. *Risk of epidemic/pandemic outbreaks*

*Outbreaks of diseases can have severe impacts on banking operations, the social and economic environment, and financial market developments.*

Pandemics, epidemics and outbreaks of infectious diseases such as the recent outbreak of the corona virus disease (COVID-19) can have severe impacts on banking operations, the social and economic environment, and financial market developments. Forced closures of bank premises due to infection and travel restrictions and the quarantine of areas and even whole regions can have a severe impact on RBI Group's ability to maintain banking operations. Clients of RBI Group could be forced to reduce or close down their own operations or, in the case of private individuals, could lose their wage income, which would result in a material worsening of their ability to service their liabilities towards members of RBI Group. In such a situation, legislators might also enact a temporary moratorium in particular for private individuals and small companies on their credit obligations towards members of RBI Group. Governments and central banks might also restrict or inhibit dividend payments from RBI's subsidiaries to RBI. Stressed financial market conditions as a result of such an outbreak might negatively impact the liquidity situation of RBI, in particular if these conditions were to prevail for a longer time including in case of subsequent outbreaks or if the expected response from central banks and governmental authorities in such a situation were to prove ineffective.

The COVID-19 pandemic may also have a negative impact on the market value of the assets that (i) are financed by the Issuer, (ii) serve as collateral for the Issuer's repayment claims and/or (iii) are included in the cover pool (*Deckungsstock*) of the Covered Bank Bonds (*Fundierte Bankschuldverschreibungen*) of the Issuer.

A characteristic of severe infection outbreaks like COVID-19 is that they can cause a shock on the social and economic environment RBI Group operates in with potentially severe impacts on many if not most business segments, its operational capabilities as well as valuation of market assets and RBI's market access to manage liquidity and funding. In particular the combination of these stress factors could have a material adverse effect on RBI's financial position and results of operations and could adversely affect RBI's ability to meet its obligations under the Debt Securities.

## D. DESCRIPTION OF THE ISSUER

### 1. INFORMATION ABOUT THE ISSUER

#### 1.1. Corporate history and development of the Issuer

Raiffeisen Bank International AG ("**RBI**") was established in 1991 under the name of DOIRE Handels- und Beteiligungsgesellschaft mbH as a holding company for bundling investments and interests in CEE by Raiffeisen Zentralbank Österreich Aktiengesellschaft ("**RZB**"), which was founded 1927, originally under the name "Girozentrale der österreichischen Genossenschaften Aktiengesellschaft". The holding company was renamed several times and operated under the name of "Raiffeisen International Bank-Holding AG" ("**RI**") from 2003 until 2010, when its name was ultimately changed to Raiffeisen Bank International AG. RBI's initial public offering and stock exchange listing on the Vienna Stock Exchange (*Wiener Börse*) occurred in 2005, secondary public offerings took place in 2007 and 2014.

In 2010, major parts of RZB's banking business were spun-off and merged with RI (the "**Merger 2010**"). As a consequence of the Merger 2010, the commercial banking business and associated equity participations of RZB were transferred to RI. With effective date of the Merger 2010, RI changed its name to Raiffeisen Bank International AG and took over RZB's Austrian credit institution license pursuant to the Austrian Banking Act (*Bankwesengesetz* – "**BWG**").

In March 2017, RBI merged with its parent company RZB (the "**Merger 2017**"). RBI was the absorbing company and therefore, the legal successor (*Rechtsnachfolger*) of RZB. Due to the Merger 2017, RBI became the central institution of the Raiffeisen Regional Banks and holder of the liquidity reserve pursuant to § 27a BWG. Therefore, RBI acts as central liquidity clearing unit of the Raiffeisen Regional Banks. RBI's shares continue to be listed on the Vienna Stock Exchange after the Merger 2017.

##### 1.1.1. General information about the Issuer

RBI's legal name is "Raiffeisen Bank International AG". "Raiffeisen Bank International" and "RBI" are used as commercial names. RBI is established in the legal form of an Austrian stock corporation (*Aktiengesellschaft*) under Austrian law with unlimited duration with its registered office (*Sitz*) in Vienna, Austria and its business address at Am Stadtpark 9, 1030 Vienna, Austria. RBI is incorporated in Austria and registered with the Austrian companies register (*Firmenbuch*) of the commercial court of Vienna (*Handelsgericht Wien*) under registration number (*Firmenbuchnummer*) FN 122119 m since 9 July 1991. RBI's head office and principle place of business is located at: Am Stadtpark 9, 1030 Vienna, Austria. RBI's general telephone number is: +43 (1) 717 07 0. RBI's website is "www.rbinternational.com". The information on the Issuer's website does not form part of this Registration Document unless that information is incorporated by reference into this Registration Document (see "**7. FINANCIAL INFORMATION AND DOCUMENTS INCORPORATED BY REFERENCE**" below).

The Issuer's legal entity identifier (LEI) is: 9ZHRYM6F437SQJ6OUG95

##### 1.1.2. Articles of Association and statutory purpose of the Issuer

The objects of the Issuer, which are also stated in section 2 of its articles of association (*Satzung*) (the "**Articles of Association**"), are in particular as follows:

The purpose of the Issuer according to its Articles of Association is to enter into banking transactions of the kind set out in § 1(1) BWG and into related transactions in connection therewith, with the exception of the investment fund business, the real estate investment fund business, the participation fund business, the severance and retirement fund business, the building society business and the issuance of mortgage bonds and municipal bonds.

In addition, the Issuer is authorized to engage in all activities that become incumbent on it as the central institution of the Raiffeisen Banking Sector, which shall include in particular: (a) administration of and investing the liquid funds made available to the Issuer, including in particular the liquidity reserves of

the Raiffeisen Banking Sector; (b) facilitating financial and business transactions of enterprises of the Raiffeisen Banking Sector, irrespective of their legal form, with each other and with third parties, and granting loans and liquidity assistance to such enterprises; and (c) ensuring consistency of advertising and organization, and the training of the employees of such enterprises.

Further purposes of the Issuer are: (a) consultancy and management services of any kind for the business enterprises in which the Issuer holds a participation or which are otherwise linked to the Issuer; and (b) activities and services of any kind which are directly or indirectly connected with the banking business, including in particular the activities set out in § 1(2) and (3) BWG, the performance of management consulting services, including company organisation services and services in the field of automatic data processing and information technology.

For the financing of its corporate purpose, the Issuer is authorised in compliance with applicable law to raise own funds as defined in the CRR or subordinated and non-subordinated debt capital represented by securities or otherwise.

The Issuer is authorised to acquire real estate, to establish branches and subsidiaries in Austria and elsewhere, and to acquire shareholdings in other companies. Moreover, the Issuer is entitled to engage in any and all transactions and to take all measures which are deemed necessary or expedient for the fulfilment of the Issuer's purposes, including without limitation in areas that are similar or related to such purposes.

#### **1.1.3. Statutory auditors**

RBI's statutory external auditor is KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, Porzellangasse 51, 1090 Vienna, Austria ("**KPMG**"), a member of the Austrian Chamber of tax advisors and auditors (*Kammer der Steuerberater und Wirtschaftsprüfer*).

KPMG audited RBI's German language consolidated financial statements for the years ending as of 31 December 2018 and 31 December 2019 in accordance with the EU Regulation (EU) 537/2014<sup>1</sup> and with current Austrian Standards on Auditing which require the audit to be performed in accordance with International Standards on Auditing (ISA), published by the International Federation of Accountants (IFAC), and issued an unqualified auditor's report (*Bestätigungsvermerk*) on 27 February 2019 and on 28 February 2020, respectively.

RBI's statutory external auditor for the audit of the annual financial statements of RBI and the consolidated financial statements of RBI Group will change, starting with the beginning of the business year 2021. It is intended to replace KPMG with *Deloitte Audit Wirtschaftsprüfungs GmbH*. RBI's supervisory board (the "**Supervisory Board**") has approved a respective proposal from RBI's management board (the "**Management Board**") for a corresponding resolution to be made by the ordinary general meeting (*Hauptversammlung*) scheduled for October 2020.

#### **1.1.4. Any recent events particular to the Issuer and which are to a material extent relevant for the evaluation of its solvency**

The Issuer is not aware of any recent events particular to RBI (*i.e.* occurring after the most recent published unaudited interim consolidated financial statements of the Issuer as of 31 March 2020) that are to a material extent relevant to the evaluation of its solvency.

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<sup>1</sup> Regulation (EU) No 537/2014 of the European Parliament and of the Council of 16 April 2014 on specific requirements regarding statutory audit of public-interest entities and repealing Commission Decision 2005/909/EC.

### 1.1.5. Credit ratings

The Issuer has obtained ratings for the Issuer from Moody's Investors Service ("**Moody's**")\* and Standard & Poor's Global Ratings ("**S&P**")\*.

As of the date of this Registration Document such ratings are as follows:

	Moody's <sup>2</sup>	S&P <sup>3</sup>
<b>Rating for long term obligations (senior)</b>	A3 / Outlook stable	A- / Outlook negative
<b>Rating for short term obligations (senior)</b>	P-2	A-2

\*) Both, Moody's Deutschland GmbH, An der Welle 5, 2<sup>nd</sup> Floor, 60322 Frankfurt, Germany, and Standard & Poor's Global Ratings Europe Limited (Niederlassung Deutschland), Bockenheimer Landstraße 2, 60306 Frankfurt am Main, Germany, are established in the European Union, are registered under Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies (the "**CRA Regulation**") and are included in the list of credit rating agencies registered in accordance with the CRA Regulation published by the European Securities and Markets Authority ("**ESMA**") on its website (<https://www.esma.europa.eu/supervision/credit-rating-agencies/risk>).

A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning rating agency.

### 1.1.6. Material changes in the Issuer's borrowing and funding structure

There have been no material changes in the Issuer's borrowing and funding structure since the Issuer's last financial year.

### 1.1.7. Expected financing of the Issuer's activities

RBI is mainly funded by wholesale funding followed by corporate deposits and interbank deposits whereas RBI Group is mainly funded by corporate and retail deposits followed by wholesale funding and interbank deposits.

## 2. BUSINESS OVERVIEW

### 2.1. Principle areas of activity

RBI Group is a universal banking group offering banking and financial products as well as services to retail and corporate customers, financial institutions and public sector entities predominantly in or with a connection to Austria and CEE. In CEE, RBI operates through its Network Banks, leasing companies and numerous specialized financial service providers. RBI Group's products and services include loans, deposits, payment and account services, credit and debit cards, leasing and factoring, asset management, distribution of insurance products, export and project financing, cash management, foreign exchange and fixed income products as well as investment banking services. RBI's specialist institutions provide Raiffeisen Banks and Raiffeisen Regional Banks with retail products for distribution.

<sup>2</sup> Moody's appends long-term obligation ratings at the following levels: Aaa, Aa, A, Baa, Ba, B, Caa, Ca and C. To each generic rating category from Aa to Caa Moody's assigns the numerical modifiers "1", "2" and "3". The modifier "1" indicates that the bank is in the higher end of its letter-rating category, the modifier "2" indicates a mid-range ranking and the modifier "3" indicates that the bank is in the lower end of its letter-rating category. Moody's short-term ratings are opinions of the ability of issuers to honour short-term financial obligations and range from P-1, P-2, P-3 down to NP (Not Prime).

<sup>3</sup> S&P assign long-term credit ratings on a scale from AAA (best quality, lowest risk of default), AA, A, BBB, BB, B, CCC, CC, C, SD to D (highest risk of default). The ratings from AA to CCC may be modified by the addition of a "+" or "-" to show the relative standing within the major rating categories. S&P may also offer guidance (termed a "credit watch") as to whether a rating is likely to be upgraded (positive), downgraded (negative) or uncertain (developing). S&P assigns short-term credit ratings for specific issues on a scale from A-1 (particularly high level of security), A-2, A-3, B, C, SD down to D (highest risk of default).

## 2.2. Strategy

RBI considers itself as a leading corporate and investment bank in Austria and a leading universal credit institution group in CEE. It provides financial services to retail and corporate customers, as well as to banks and other institutional clients. RBI Group will continue to concentrate its core business activities in the CEE region, which offers structurally higher growth rates than Western Europe and therefore more attractive potential returns. Complemented by specialised institutions in Austria, RBI is broadly diversified and also benefits from the opportunities of the Austrian market.

After the conclusion of a transformation program, which was aimed at exiting non-core operations, a strategic repositioning in selected markets and a significant reduction in risk and complexity, RBI has turned its focus back on growth, digitalization and innovation. In response to the profound and fast-paced industry dynamics and ever-changing customer expectations, RBI has determined a new strategic direction focusing on strong growth through customer centricity and digital transformation.

To achieve these targets, RBI is pursuing a strategy aiming at "*superior customer experience and providing a stress-free, effortless banking experience, as well as excellent products and services*". In addition to leveraging RBI's already established competitive strengths (customer focus, extensive local presence, strong brand, long-term relationships, as well as a comprehensive product and service offering across all channels), efforts are being intensified in the following strategic areas:

- **Sales & service model:** transformation of branches, redesign of sales & service models for large corporate and institutional clients, set-up of dedicated customer experience management across all business lines;
- **Digital operational excellence:** improved efficiency and effectiveness through digitalization and automation; redesign of critical customer touchpoints and processes;
- **Group-wide innovation process:** strengthening of payments and FX capabilities with scalable group solutions, development of innovative digital lending propositions;
- **Data & analytics capabilities:** leveraging artificial intelligence and advanced analytics to develop new business opportunities and improve existing processes;
- **IT architecture:** transformation of core IT into lean and scalable architecture, evaluation of greenfield infrastructure, especially for digital retail banking; and
- **Adaptive organizational set-up:** transformation of culture, organization and processes enabling higher responsiveness, improved collaboration and new ways of working.

Ultimately, the strategic initiatives are aimed at creating customer and revenue growth across all business lines and markets. This will be based on improved digital customer acquisition, as well as further leveraging RBI's broad CEE coverage. Each client segment is following individual business strategies aimed at differentiating RBI in terms of customer experience, which are to support RBI's aim to be the most recommended financial services group, as measured by the so-called "Net Promoter Score" (NPS).

## 2.3. Significant new products and services

Currently, no significant new products and services are being introduced. However, in the ordinary course of business new products and services are introduced on a regular basis, most of all in the area of digital banking.

## 2.4. Principle markets and business segments

As a general rule, internal management reporting at RBI is based on the current organisational structure. This matrix structure means that each member of the Management Board is responsible both for individual countries and for specific business activities (country and functional responsibility model). A cash generating unit within RBI Group is a country. The presentation of the countries includes not only subsidiary banks, but all operating units of RBI in the respective countries (such as leasing companies). Accordingly, the RBI management bodies – i.e. the Management Board and the 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 an essential component in the decision-making process. The division into segments was also undertaken in accordance with IFRS 8. 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, Slovakia and Slovenia)*

RBI's segment Central Europe comprises the Czech Republic, Hungary, Poland, Slovakia and Slovenia. In each of these countries, RBI is represented by a credit institution (except Slovenia) or a branch in the case of Poland, leasing companies (except Poland) and other specialised financial institutions.

*Branch of RBI in Poland*

On 31 October 2018, RBI closed the sale of the core banking operations of its former Polish subsidiary Raiffeisen Bank Polska S.A. ("**RBPL**") by way of demerger to Bank BGZ BNP Paribas S.A., a subsidiary of BNP Paribas S.A.

Under the terms of the agreement with the buyer, total assets of approximately EUR 9.5 billion have been allocated to the core banking operations. Following the transaction, RBI transferred the remaining RBPL operations, mainly comprising the foreign currency retail mortgage loan portfolio, to a Polish branch of RBI. The total assets of the Polish branch of RBI amounted to approximately EUR 3 billion as of 31 March 2020.

- **Southeastern Europe**  
*(Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Kosovo, Romania, Serbia)*

The segment Southeastern Europe includes Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Kosovo, Romania and Serbia. Within these countries, RBI is represented by credit institutions, leasing companies, as well as, in some markets, by separate capital management and asset management companies and pension funds.

- **Eastern Europe**  
*(Belarus, Russia and Ukraine)*

The Eastern Europe segment comprises Belarus, Russia and Ukraine. The Network Bank in Russia is one of the largest foreign credit institutions in Russia. RBI also offers leasing products to its Russian clients through a leasing company. In Belarus and Ukraine RBI Group is represented by credit institutions, leasing companies and other financial service companies.

- **Group Corporates & Markets**  
*(business booked in Austria)*

Operating business at head office divided into subsegments: Austrian and international corporate customers, Markets, Financial Institutions & Sovereigns, business with the Raiffeisen Banking Sector, as well as specialized subsidiaries providing services in the financial sector, e.g. Raiffeisen Centrobank AG, Kathrein Privatbank Aktiengesellschaft, Raiffeisen Leasing Group, Raiffeisen Factor Bank AG, Raiffeisen Bausparkasse Österreich Gesellschaft mbH, 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.

## 2.5. Capital requirements

Based on the Supervisory Review and Evaluation Process ("**SREP**") in 2019 and the ECB decision dated 8 April 2020, both, RBI and RBI Regulatory Group, shall meet a Pillar 2 requirement ("**P2R**") of 2.25 per cent., while RBI Regulatory Group shall additionally meet a Pillar 2 guidance ("**P2G**") of 1.00 per cent. The P2R shall be met with at least 56.25 per cent. Common Equity Tier 1 ("**CET 1**") capital and 75 per cent. Tier 1 capital. Furthermore, the P2G of 1.00 per cent. shall be met with 100 per cent. CET 1 capital.

As of 31 March 2020, the following capital requirements apply to RBI Regulatory Group and to RBI:

Capital requirements as of 31 March 2020	RBI Regulatory Group	RBI
CET 1 Pillar 1 requirement (Article 92 CRR)	4.50 per cent.	4.50 per cent.
CET 1 Pillar 2 requirement	1.27 per cent.	1.27 per cent.
Capital buffers:		
<i>Countercyclical capital buffer</i>	<i>0.34 per cent.</i>	<i>0.05 per cent.</i>
<i>Capital conservation buffer</i>	<i>2.50 per cent.</i>	<i>2.50 per cent.</i>
<i>the higher of the following: *</i>		
– <i>Other systemically important institution buffer</i>	<i>2.00 per cent.</i>	<i>2.00 per cent.</i>
– <i>Systemic risk buffer</i>	<i>2.00 per cent.</i>	<i>2.00 per cent.</i>
Combined buffer requirement	4.84 per cent.	4.55 per cent.
<b>CET 1 requirement (incl. capital buffers)</b>	<b>10.60 per cent.</b>	<b>10.32 per cent.</b>
AT 1 requirement (Article 92 CRR)	1.50 per cent.	1.50 per cent.
AT 1 Pillar 2 requirement	0.42 per cent.	0.42 per cent.
<b>Tier 1 requirement (incl. capital buffers)</b>	<b>12.52 per cent.</b>	<b>12.24 per cent.</b>
Tier 2 requirement (Article 92 CRR)	2.00 per cent.	2.00 per cent.
Tier 2 Pillar 2 requirement	0.56 per cent.	0.56 per cent.
<b>Total capital requirement (incl. capital buffers)</b>	<b>15.09 per cent.</b>	<b>14.80 per cent.</b>
Pillar 2 guidance	1.00 per cent.	0.00 per cent.
<b>CET 1 requirement (incl. capital buffers &amp; P2G)</b>	<b>11.60 per cent.</b>	<b>10.32 per cent.</b>

(Source: unaudited internal data)

\* With the implementation of the EU Banking Package into Austrian law (until 28 December 2020 at the latest), the way of applying these two buffers will change insofar that these buffers will be cumulative in general. However, no impact is expected on the capital requirements as the Austrian Financial Market Stability Board (*Finanzmarktstabilitätsgremium – "FMSG"*), which has been established to strengthen cooperation in the field of macroprudential supervision and to promote financial market stability, proposed adjusting the systemic risk buffer and the other systemically important institution (O-SII) buffer as of 29 December 2020.

The countercyclical capital buffer is calculated on an average basis derived from the respective buffer rate requirements in the various countries and the exposure split per country of the relevant entity or consolidation layer.

Furthermore, the Issuer shall meet the minimum requirements for own funds and eligible liabilities ("**MREL**") in accordance with the Austrian Recovery and Resolution Act (*Sanierungs- und Abwicklungsgesetz – "BaSAG"*)/the SRMR upon request of the resolution authority. This MREL target shall be determined by the resolution authority (in the case of the Issuer, the Single Resolution Board ("**SRB**") is the competent authority) and shall be calculated as the amount of own funds and eligible liabilities expressed as a percentage of the total liabilities and own funds of the Issuer.

On 24 April 2020, RBI received the formal decision of the FMA on MREL for the RBI Resolution Group Austria (as described in section "3.1 RBI is part of the Raiffeisen Banking Sector" below), based on the amounts of the balance sheet as of 31 December 2018. The FMA decision represents the formal implementation of the joint decision made by the SRB, the FMA and other relevant resolution authorities dated 27 February 2020 under Austrian law.

According to this FMA decision, the Issuer shall comply with an MREL of 17.66 per cent. of total liabilities and own funds ("**TLOF**") as of 31 December 2021. This requirement translates into 29.91 per cent. of the total risk exposure amount ("**TREA**").

For the RBI Regulatory Group (as described in section 3.1 "RBI is part of the Raiffeisen Banking Sector" below), the multiple point of entry ("**MPE**") approach is the designated resolution strategy. Thus, this MREL target applies to the RBI Resolution Group Austria with the Issuer as the resolution entity only, but not to the RBI Regulatory Group.

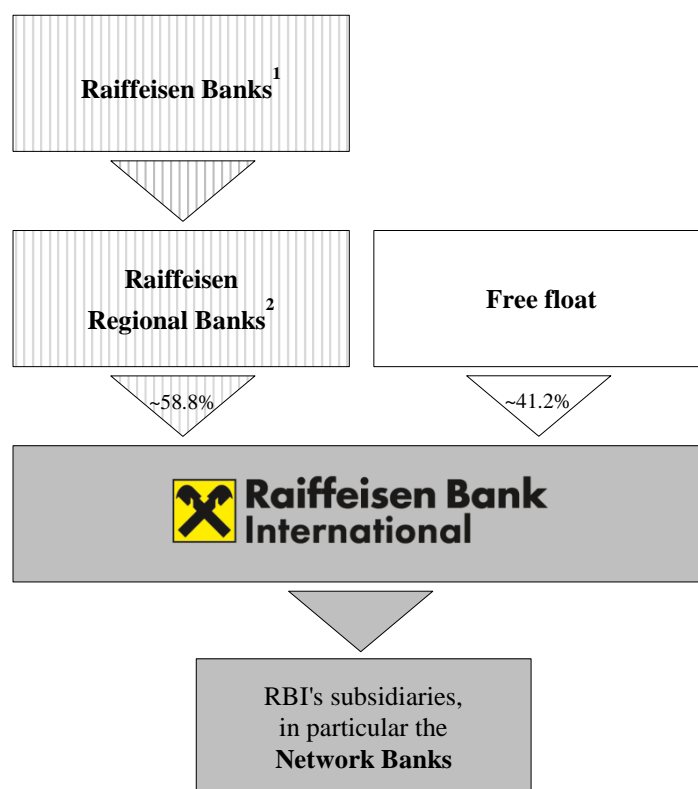
### **3. ORGANISATIONAL STRUCTURE**

#### **3.1. RBI is part of the Raiffeisen Banking Sector**

RBI's majority shareholders are jointly the Raiffeisen Regional Banks (*Raiffeisen-Landesbanken*), which directly and/or indirectly hold approximately 58.8 per cent. of RBI's shares as of 31 March 2020. Each of the Raiffeisen Regional Banks is in turn directly and/or indirectly held by the locally operating Raiffeisen Banks (as described below) in its respective federal province of Austria. RBI is the central institution of the Raiffeisen Regional Banks (in particular for purposes of the § 27a BWG), functioning, *inter alia*, as the central liquidity clearing unit of the Raiffeisen Regional Banks, whereas each of the Raiffeisen Regional Banks is the central institution of the Raiffeisen Banks located in its respective Austrian federal province. "**Raiffeisen Banking Sector**" means RBI, the Raiffeisen Regional Banks and Raiffeisen Banks, as well as most of their subsidiaries, which are jointly also referred to and commonly known as "Raiffeisen Banking Group Austria" ("*Raiffeisen Bankengruppe Österreich*").

For the avoidance of doubt, this group does not constitute a group of companies (*Konzern*) pursuant to § 15 of the Austrian Stock Corporation Act (*Aktiengesetz – "AktG"*) nor a credit institution group (*Kreditinstitutsgruppe*) pursuant to § 30 BWG nor a credit institution association (*Kreditinstitute-Verbund*) pursuant to § 30a BWG, but it is also not identical with the different IPS (for further details, please see section 3.1.3).

### Simplified scheme of RBI's direct and indirect owners



 RBI Group

as of 30 June 2020

- (1) The Raiffeisen Banks are located in each of Austria's federal provinces, are mainly organised as co-operatives, act in their local environment as so-called universal credit institutions. Each of the Raiffeisen Regional Banks is collectively owned by the Raiffeisen Banks in the respective federal province. For the avoidance of doubt, the Raiffeisen Banks neither belong to RBI Group nor the RBI Regulatory Group.
- (2) The Raiffeisen Regional Banks are RAIFFEISEN LANDESBANK NIEDERÖSTERREICH-WIEN AG, Raiffeisen-Landesbank Steiermark AG, Raiffeisen Landesbank Oberösterreich Aktiengesellschaft, Raiffeisen Landesbank Tirol AG, Raiffeisenverband Salzburg eGen, Raiffeisenlandesbank Kärnten - Rechenzentrum und Revisionsverband regGenmbH, Raiffeisenlandesbank Burgenland und Revisionsverband regGenmbH, and Raiffeisenlandesbank Vorarlberg Waren- und Revisionsverband regGenmbH. They operate mainly at a regional level, render central services for the Raiffeisen Banks within their region and also operate as universal credit institutions. For the avoidance of doubt, the Raiffeisen Regional Banks neither belong to RBI Group nor the RBI Regulatory Group nor the RBI Resolution Group Austria.

RBI is the parent undertaking of RBI Group and pursuant to § 30 BWG also the superordinate credit institution (*übergeordnetes Kreditinstitut*) of the RBI group of credit institutions (*Kreditinstitutsgruppe*), which comprises all credit institutions, financial institutions, securities companies and enterprises offering banking related support services in which RBI holds an indirect or direct majority interest or exerts a controlling influence. The BWG requires RBI in its function as superordinate credit institution for the RBI credit institution group to control among other things risk management, accounting and control processes as well as the risk strategy for the entire RBI Group.

Due to disparities between certain regulatory and accounting provisions, RBI Group is not fully identical with RBI Regulatory Group. "**RBI Regulatory Group**" means, from time to time, any banking group: (i) to which the Issuer belongs; and (ii) to which the own funds requirements pursuant to Parts Two and Three of the CRR on a consolidated basis due to prudential consolidation in accordance with Part One, Title Two, Chapter Two of the CRR apply. For the avoidance of doubt, the Federal IPS (for details see section 3.1.3) is not such a banking group. "**RBI Resolution Group Austria**" means, from time to time, RBI and certain fully consolidated (direct and indirect) subsidiaries of RBI, namely: (i) all (direct and indirect) Austrian subsidiaries of RBI; (ii) all (direct) non-Austrian subsidiaries of

RBI which are not a credit institution; and (iii) all (direct and indirect) subsidiaries of such RBI subsidiaries mentioned in items (i) and (ii).

The term "RBI Group" therefore refers to the scope of consolidation in accordance with IFRS, while the term "RBI Regulatory Group" refers to the scope of prudential consolidation of own funds which does not include all legal entities which are part of RBI Group. Contrary to that, the "RBI Resolution Group Austria" only refers to RBI and such legal entities within RBI Group which are subject to the same resolution strategy as RBI and therefore, in particular does not include the Network Banks and their subsidiaries.

Like the Raiffeisen Banks and the Raiffeisen Regional Banks, RBI belongs to the Raiffeisen Banking Sector. Thus, and due to its function as central institution of the Raiffeisen Regional Banks, RBI is a member of several joint institutions of the Raiffeisen Banking Sector, such as Österreichischer Raiffeisenverband, a voluntary customer guarantee scheme and an IPS.

### **3.1.1. Österreichischer Raiffeisenverband and trademarks**

By virtue of RBIs membership in the Austrian Raiffeisen Association (*Österreichischer Raiffeisenverband* - "ÖRV"), RBI is entitled to use the name "Raiffeisen" and a logo element of the Raiffeisen organization, the so-called "gable cross" (*Giebelkreuz*). These are registered trademarks of the ÖRV. However, the name and logo "Raiffeisen Bank International" are a registered combined trademark of RBI in Austria, and their protection has been expanded to all relevant countries where relevant units of RBI Group presently operate.

### **3.1.2. Raiffeisen-Kundengarantiegemeinschaft Österreich (RKÖ)**

In addition to the statutory deposit guarantee scheme, the nationwide voluntary Raiffeisen Customer Guarantee Scheme Austria (*Raiffeisen-Kundengarantiegemeinschaft Österreich (RKÖ)* - "RKÖ") shall provide supplementary protection in the event of bankruptcy of a member institution. RKÖ consists of the provincial Raiffeisen customer guarantee associations open to each of the Raiffeisen Banks and Raiffeisen Regional Banks as well as RBI. About 82 per cent. of all Raiffeisen Banks are currently members of a customer guarantee association. RBI is also a member of RKÖ.

In view of the change in the legal and regulatory framework and the implementation of the institutional protection schemes (for details see section 3.1.3 below), the participants of RKÖ have decided to discontinue the scheme for new transactions. The supplementary protection by RKÖ is therefore only granted in relation to claims under senior debt instruments issued by participants of RKÖ prior to 1 January 2019 and in respect of all customer deposits held with participants of RKÖ prior to 1 October 2019. Respective transactions entered into thereafter will not be protected any more by the RKÖ.

### **3.1.3. Federal Institutional Protection Scheme**

RBI became a member of the federal institutional protection scheme within the Raiffeisen Banking Sector ("**Federal IPS**") and assumed from RZB all rights and obligations under the Federal IPS agreements of RZB in the course of the Merger 2017.

The Federal IPS currently consists of RBI, all Raiffeisen Regional Banks, RAIFFEISEN-HOLDING NIEDERÖSTERREICH-WIEN registrierte Genossenschaft mit beschränkter Haftung, Posojilnica Bank eGen, Raiffeisen Wohnbaubank Aktiengesellschaft and Raiffeisen Bausparkasse Gesellschaft m.b.H.

Pursuant to Article 113(7) CRR, an institutional protection scheme ("**IPS**") is required to ensure the solvency and liquidity of its members. In addition to the Federal IPS, there are six so-called "**Regional IPS**" within the Raiffeisen Banking Sector, currently formed by the respective Raiffeisen Regional Bank and all or most of its local Raiffeisen Banks as members. As of the date of this Registration Document, there are no Regional IPS in Salzburg and Carinthia. The Raiffeisen Regional Banks and Raiffeisen Banks situated in these federal provinces operate regional voluntary solidarity schemes instead. A Raiffeisen Regional Bank shall be supported in the first instance, by the Regional IPS or solidarity scheme, as the case may be; if support on regional level is insufficient, Federal IPS will step in. Support

on regional level may be insufficient, in case support has been granted to local Raiffeisen Banks before.

All IPS of the Raiffeisen Banking Sector are based on and are constituted under civil law agreements. Each member of the Federal IPS may terminate its membership of the Federal IPS with two years' notice by the end of each calendar quarter. However, for a period of three years from the Merger 2017, the Issuer has waived its right to give notice of termination.

The Federal IPS is required by the competent authority/ies to set up an *ex ante* fund by contributions of its members. The Federal IPS fund's current target volume is EUR 636 million, to be reached by end of 2022. It is based on the result of an annual stress test or the minimum requirement of 0.5 per cent. of the aggregated risk weighted assets ("**RWA**") set by the competent authority/ies. The fund size was about EUR 403 million as of 31 March 2020. In 2019, the total amount of the contributions of RBI Group members was approximately EUR 50 million.

Under the Federal IPS agreements, Sektorrisiko eGen (former "*Österreichische Raiffeisen-Einlagensicherung eGen*") is mandated to keep the resources of the Federal IPS fund as a trustee and to operate the Federal IPS' risk assessment schemes.

Financial support to members may take various forms including guarantees, liquidity support, loans and/or equity subscriptions. Financial resources for such support are primarily taken from the *ex-ante* fund. If necessary, additional resources will be provided by *ex post* contributions going up to 50 per cent. of the average operating income of a member of the last three business years, however limited by the preservation of the respective minimum regulatory capital requirements plus a 10 per cent. buffer. Additional contributions may be requested from members up to 25 per cent. of their remaining capital in excess of its minimum regulatory capital requirement (plus 10 per cent. buffer), if any. Further contributions may be made on a voluntary basis or if required by the competent authority/ies.

### **3.2. Dependencies from other entities within RBI Group**

RBI is dependent from valuations of and dividends from its subsidiaries. RBI is further dependent from outsourced operations, in particular in the areas of back-office activities as well as IT.

## **4. TREND INFORMATION**

### **4.1. Material adverse changes in the prospects of the Issuer since the date of its last published audited financial statements**

Save as disclosed in section 4.3 "*Information on any known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Issuer's prospects for at least the current financial year*", first bullet point ("**Outbreak of the corona virus disease (COVID-19)**") below, there have been no material adverse changes in the prospects of RBI since 31 December 2019.

### **4.2 Significant change in the financial performance of RBI Group since the end of the last financial period for which financial information has been published**

Save as disclosed in section 4.3 "*Information on any known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Issuer's prospects for at least the current financial year*", first bullet point ("**Outbreak of the corona virus disease (COVID-19)**") above, there has been no significant change in the financial performance of RBI Group since 31 March 2020.

**4.3. Information on any known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Issuer's prospects for at least the current financial year**

RBI has identified the following trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on its prospects for at least the current financial year:

- ***Outbreak of the corona virus disease (COVID-19).*** The changed circumstances affecting the daily environment and the global economy as a result of the measures being taken to limit the spread of COVID-19 are likely to result in a severe global recession with negative repercussions for RBI's markets (for further details see in the section Risk Factors under d.4. "*Outbreaks of diseases can have severe impacts on banking operations, the social and economic environment, and financial market developments*"). Thus, as of the date of this Registration Document, RBI expects modest loan growth in 2020 and the provisioning ratio for the full year 2020 to rise to around 75 basis points, depending on the length and severity of disruption. Furthermore, RBI, based on current estimates, expects a consolidated return on equity in the mid-single digits for 2020. Also as of the date of this Registration Document, with regard to RBI Group's credit risk exposure towards non-retail clients amounting to a total of approximately EUR 150 billion, the Issuer based on internal assessment regards 1.5 % to qualify as "high risk", 9.2 % as moderate risk and 89.3 % as lower risk. According to the Issuer's determination the "high-risk" sector comprises companies engaged in tourism, leisure facilities, airlines and airport services, the "moderate-risk" sector companies engaged in oil & gas business, automotive, air freight & logistics and the "lower risk" sector includes inter alia sovereigns, financial institutions and companies engaged in construction, engineering, food, agriculture, healthcare, telecommunication, retail wholesales.
- ***Continuing increasing regulatory requirements.*** The Single Supervisory Mechanism (SSM) – i.e. the system of banking supervision in Europe – is one of the pillars of the EU Banking Union. Under the SSM the ECB has certain tasks and in particular directly supervise significant banks such as RBI (both, on an individual basis as well as on a consolidated basis at the level of RBI Regulatory Group). The ECB is, *inter alia*, entitled to require RBI and the RBI Regulatory Group to hold additional own funds and comply with specific liquidity requirements, in particular as part of the SREP and/or impose (other) supervisory measures to address potential problems.

The Single Resolution Mechanism (SRM) which shall ensure an orderly resolution of failing banks with minimal costs for taxpayers and to the real economy is a further pillar of the EU Banking Union. In case of a resolution imposed against RBI and/or the RBI Resolution Group Austria, their creditors may suffer losses of their investments even without the opening of normal insolvency/bankruptcy proceedings or liquidation of RBI. In addition, under the SRM, RBI and its resolution group shall meet, at all times, the MREL set by the respective resolution authority.

The regulatory requirements (as implemented by the CRR, CRD IV, BRRD and SRMR) and the respective amendments (in particular the EU Banking Package and the Basel III reforms (for further details see also in the section Risk Factors under b.1. "*The Issuer is subject to a number of strict and extensive regulatory rules and requirements.*")), as well as any stress tests conducted by the competent authorities), quite likely will result in increased requirements for the RBI Regulatory Group, RBI, and/or the RBI Resolution Group Austria – in particular on their capital and liquidity planning – which may restrict RBI's margin and potential for growth.

- ***General trends regarding the financial industry.*** The trends and uncertainties affecting the financial sector in general and consequently also RBI Group continue to include the macroeconomic environment. The financial sector as a whole, but in particular also RBI Group, is affected by the related instability of and volatility on the financial markets, including a potential general economic downturn. Thus, RBI Group will not be able to escape the effects of corporate insolvencies, deteriorations in the creditworthiness of borrowers and valuation uncertainties. Likewise, the

extraordinarily low interest rate level could affect the behaviour of investors and clients alike, which may lead to weaker fee income and/or pressure on the interest rate spread. In 2020 – and by considering COVID-19 impacts - RBI Group therefore faces a difficult environment once again.

#### 4.4. Profit Forecasts or Estimates

Not applicable. This Registration Document does not contain profit forecasts or estimates.

### 5. ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES

#### 5.1. Members of the administrative, management and supervisory bodies of RBI

The members of the Management Board and the Supervisory Board may be contacted at RBI's business address at Am Stadtpark 9, 1030 Vienna, Austria.

The current members of the Management Board and the Supervisory Board listed below hold the following additional supervisory board mandates or similar functions in various companies as of the date of this Registration Document.

<b>Member</b>	<b>Major functions outside RBI</b> (functions within RBI Group are marked with *)
<b>Members of RBI's Management Board</b>	
<b>Johann Strobl</b> (Chairman)	<b>Supervisory board functions</b> <ul style="list-style-type: none"> <li>– AO Raiffeisenbank, Moscow, Russia (Chairman)*</li> <li>– Raiffeisen Bank S.A., Bucharest, Romania (Chairman)*</li> <li>– Raiffeisenbank a.s., Prague, Czech Republic*</li> <li>– Tatra banka, a.s., Bratislava, Slovakia*</li> <li>– UNIQA Insurance Group AG, Vienna, Austria*</li> <li>– UNIQA Österreich Versicherungen AG, Vienna, Austria*</li> </ul>
<b>Andreas Gschwenter</b>	<b>Supervisory board functions</b> <ul style="list-style-type: none"> <li>– Raiffeisenbank Austria d.d., Zagreb, Croatia (Chairman)*</li> <li>– Raiffeisen Bank Zrt., Budapest, Hungary (Chairman)*</li> <li>– AO Raiffeisenbank, Moscow, Russia*</li> <li>– Raiffeisenbank a.s., Prague, Czech Republic*</li> <li>– Raiffeisen Bank S.A., Bucharest, Romania*</li> <li>– Tatra banka, a.s., Bratislava, Slovakia*</li> <li>– RSC Raiffeisen Service Center GmbH, Vienna, Austria*</li> <li>– Raiffeisen Informatik Geschäftsführungs GmbH, Vienna, Austria*</li> </ul>
<b>Lukasz Januszewski</b>	<b>Supervisory board functions</b> <ul style="list-style-type: none"> <li>– Raiffeisen Centrobank AG, Vienna, Austria (Chairman)*</li> <li>– AO Raiffeisenbank, Moscow, Russia*</li> <li>– Raiffeisen Bank S.A., Bucharest, Romania*</li> <li>– Raiffeisen Kapitalanlage-Gesellschaft m.b.H., Vienna, Austria*</li> </ul>
<b>Peter Lennkh</b>	<b>Supervisory board functions</b> <ul style="list-style-type: none"> <li>– Raiffeisen Bank Sh.a., Tirana, Albania (Chairman)*</li> <li>– Raiffeisen banka a.d., Belgrade, Serbia (Chairman)*</li> <li>– Raiffeisen Bank Kosovo J.S.C., Prishtina, Kosovo (Chairman)*</li> <li>– AO Raiffeisenbank, Moscow, Russia*</li> <li>– Raiffeisenbank a.s., Prague, Czech Republic*</li> <li>– Raiffeisen Bank S.A., Bucharest, Romania*</li> <li>– Tatra banka, a.s., Bratislava, Slovakia*</li> <li>– Oesterreichische Kontrollbank Aktiengesellschaft, Vienna, Austria</li> </ul>

	<ul style="list-style-type: none"> <li>– <i>Raiffeisenbank (Bulgaria) EAD</i>, Sofia, Bulgaria*</li> </ul>
<b>Hannes Mösenbacher</b>	<p><b><i>Supervisory board functions</i></b></p> <ul style="list-style-type: none"> <li>– <i>Raiffeisen Centrobank AG</i>, Vienna, Austria*</li> <li>– <i>Raiffeisenbank a.s.</i>, Prague, Czech Republic*</li> <li>– <i>AO Raiffeisenbank</i>, Moscow, Russia*</li> <li>– <i>Tatra banka, a.s.</i>, Bratislava, Slovakia*</li> <li>– <i>Raiffeisen Bank Bank S.A.</i>, Bucharest, Romania*</li> </ul>
<b>Andrii Stepanenko</b>	<p><b><i>Supervisory board functions</i></b></p> <ul style="list-style-type: none"> <li>– <i>Raiffeisen Centrobank AG</i>, Vienna, Austria*</li> <li>– <i>Raiffeisen Bank Aval JSC</i>, Kyiv, Ukraine*</li> <li>– <i>Raiffeisenbank a.s.</i>, Prague, Czech Republic*</li> <li>– <i>Tatra banka, a.s.</i>, Bratislava, Slovakia* (Chairman)</li> <li>– <i>AO Raiffeisenbank</i>, Moscow, Russia*</li> <li>– <i>Kathrein Privatbank Aktiengesellschaft</i>, Vienna, Austria*</li> <li>– <i>Raiffeisen Bank S.A.</i>, Bucharest, Romania*</li> <li>– <i>Raiffeisen Kapitalanlage-Gesellschaft m.b.H.</i>, Vienna, Austria*</li> </ul>
<b>Members of RBI's Supervisory Board</b>	
<b>Erwin Hameseder</b> (Chairman)	<p><b><i>Management board function</i></b></p> <ul style="list-style-type: none"> <li>– <i>RAIFFEISEN-HOLDING NIEDERÖSTERREICH WIEN</i> registrierte Genossenschaft mit beschränkter Haftung, Vienna, Austria (Chairman)</li> </ul> <p><b><i>Supervisory board functions</i></b></p> <ul style="list-style-type: none"> <li>– <i>AGRANA Beteiligungs-Aktiengesellschaft</i>, Vienna, Austria (Chairman)</li> <li>– <i>LEIPNIK-LUNDENBURGER INVEST Beteiligungs Aktiengesellschaft</i>, Vienna, Austria (Chairman)</li> <li>– <i>Kurier Redaktionsgesellschaft m.b.H.</i>, Vienna, Austria (Chairman)</li> <li>– <i>KURIER Zeitungsverlag und Druckerei Gesellschaft m.b.H.</i>, Vienna, Austria (Chairman)</li> <li>– <i>Mediaprint Zeitungs- und Zeitschriftenverlag Gesellschaft m.b.H.</i>, Vienna, Austria (Chairman)</li> <li>– <i>RAIFFEISENLANDESBANK NIEDERÖSTERREICH-WIEN AG</i>, Vienna, Austria (Chairman)</li> <li>– <i>RWA Raiffeisen Ware Austria Aktiengesellschaft</i>, Vienna, Austria</li> <li>– <i>Südzucker AG</i>, Mannheim, Germany</li> <li>– <i>STRABAG SE</i>, Villach, Austria</li> </ul> <p><b><i>Managing director functions</i></b></p> <ul style="list-style-type: none"> <li>– <i>Medicur – Holding Gesellschaft m.b.H.</i>, Vienna, Austria</li> <li>– <i>Printmedien Beteiligungsgesellschaft m.b.H.</i>, Vienna, Austria</li> </ul> <p><b><i>Shareholders' committee function</i></b></p> <ul style="list-style-type: none"> <li>– <i>Kurier Redaktionsgesellschaft m.b.H. &amp; Co. Kommanditgesellschaft</i>, Vienna, Austria</li> </ul>



<p><b>Martin Schaller</b> (First Deputy Chairman)</p>	<p><b>Management board function</b></p> <ul style="list-style-type: none"> <li>- Raiffeisen-Landesbank Steiermark AG, Graz, Austria (Chairman)</li> </ul> <p><b>Supervisory board/advisory board functions</b></p> <ul style="list-style-type: none"> <li>- Landes Hypothekenbank Steiermark Aktiengesellschaft, Graz, Austria (Chairman)</li> <li>- GRAWE-Vermögensverwaltung, Graz, Austria</li> <li>- Grazer Wechselseitige Versicherung Aktiengesellschaft, Graz, Austria</li> <li>- ÖWGES Gemeinnützige Wohnbaugesellschaft m.b.H., Graz, Austria</li> <li>- Comm-Unity EDV GmbH, Lannach, Austria</li> <li>- Raiffeisen Informatik Center Steiermark GmbH, Graz, Austria</li> <li>- Raiffeisen Software GmbH, Linz, Austria</li> </ul> <p><b>Managing director functions</b></p> <ul style="list-style-type: none"> <li>- RLB-Stmk Verbund eGen, Graz, Austria</li> <li>- RLB-Stmk Verwaltung eGen, Graz, Austria</li> <li>- RLB-Stmk Holding eGen, Graz, Austria</li> </ul>
<p><b>Heinrich Schaller</b> (Second Deputy Chairman)</p>	<p><b>Management board function</b></p> <ul style="list-style-type: none"> <li>- Raiffeisenlandesbank Oberösterreich Aktiengesellschaft, Linz, Austria (Chairman)</li> </ul> <p><b>Supervisory board functions</b></p> <ul style="list-style-type: none"> <li>- OÖ Wohnbau Gesellschaft für den Wohnungsbau, gemeinnützige GmbH, Linz, Austria (Chairman)</li> <li>- OÖ Wohnbau gemeinnützige Wohnbau und Beteiligung GmbH, Linz, Austria (Chairman)</li> <li>- SALZBURGER LANDES-HYPOTHEKENBANK AKTIENGESELLSCHAFT, Salzburg, Austria (Chairman)</li> <li>- AMAG Austria Metall AG, Ranshofen, Austria</li> <li>- Energie AG Oberösterreich, Linz, Austria</li> <li>- Oberösterreichische Landesbank Aktiengesellschaft, Linz, Austria</li> <li>- Raiffeisen Software GmbH, Linz, Austria</li> <li>- Salinen Austria Aktiengesellschaft, Ebensee, Austria</li> <li>- Österreichische Salinen Aktiengesellschaft, Ebensee, Austria</li> <li>- voestalpine AG, Linz, Austria</li> <li>- VIVATIS Holding AG, Linz, Austria</li> </ul>
<p><b>Klaus Buchleitner</b></p>	<p><b>Management board function</b></p> <ul style="list-style-type: none"> <li>- RAIFFEISENLANDESBANK NIEDERÖSTERREICH-WIEN AG, Vienna, Austria (Chairman)</li> </ul> <p><b>Supervisory board functions</b></p> <ul style="list-style-type: none"> <li>- NÖM AG, Baden bei Wien, Austria (Chairman)</li> <li>- Raiffeisen Software GmbH, Linz, Austria (Chairman)</li> <li>- Z&amp;S Zucker und Stärke Holding AG, Vienna, Austria (Chairman)</li> <li>- BayWa Aktiengesellschaft, Munich, Germany</li> <li>- LEIPNIK-LUNDENBURGER INVEST Beteiligungs Aktiengesellschaft, Vienna, Austria</li> <li>- Niederösterreichische Versicherung AG, St. Pölten, Austria</li> <li>- Saint Louis Sucre S.A., Paris, France</li> <li>- Süddeutsche Zuckerrübenverwertungs Genossenschaft e.G., Ochsenfurt, Germany</li> <li>- AGRANA Beteiligungs-Aktiengesellschaft, Vienna, Austria</li> </ul>

	<ul style="list-style-type: none"> <li>– AGRANA Zucker, Stärke und Frucht Holding AG, Vienna, Austria</li> </ul> <p><b>Managing director functions</b></p> <ul style="list-style-type: none"> <li>– RAIFFEISEN-HOLDING NIEDERÖSTERREICH-WIEN registrierte Genossenschaft mit beschränkter Haftung, Vienna, Austria</li> </ul> <p><b>Shareholders' committee function</b></p> <ul style="list-style-type: none"> <li>– Austria Juice GmbH, Allhartsberg, Austria</li> </ul>
<b>Eva Eberhartinger</b>	<p><b>Supervisory board functions</b></p> <ul style="list-style-type: none"> <li>– Österreichische Bundesfinanzierungsagentur, Vienna, Austria</li> <li>– maxingvest ag, Hamburg, Germany</li> </ul>
<b>Andrea Gaal</b>	–
<b>Peter Gauper</b>	<p><b>Management board function</b></p> <ul style="list-style-type: none"> <li>– Raiffeisenlandesbank Kärnten - Rechenzentrum und Revisionsverband, registrierte Genossenschaft mit beschränkter Haftung, Klagenfurt, Kärnten (Chairman)</li> </ul> <p><b>Managing director functions</b></p> <ul style="list-style-type: none"> <li>– RAIFFEISEN-VERMÖGENSWERTUNGSGMBH, Klagenfurt, Austria</li> <li>– RBK GmbH, Klagenfurt, Austria</li> <li>– RLB Beteiligungsmanagement GmbH, Klagenfurt, Austria</li> <li>– RLB Verwaltungs GmbH, Klagenfurt, Austria</li> <li>– RS Beteiligungs GmbH, Klagenfurt, Austria</li> </ul>
<b>Wilfried Hopfner</b>	<p><b>Management board functions</b></p> <ul style="list-style-type: none"> <li>– Raiffeisenlandesbank Vorarlberg Waren- und Revisionsverband registrierte Genossenschaft mit beschränkter Haftung, Bregenz, Austria (Chairman)</li> <li>– Haberkorn GmbH, Wolfurt, Austria</li> <li>– Haberkorn Holding AG, Wien, Austria</li> </ul>
<b>Rudolf Könighofer</b>	<p><b>Management board functions</b></p> <ul style="list-style-type: none"> <li>– Raiffeisenlandesbank Burgenland und Revisionsverband eGen, Eisenstadt, Austria (Chairman)</li> <li>– Raiffeisen Einkaufs- und Beschaffungsgenossenschaft Burgenland eGen, Eisenstadt, Austria (Chairman)</li> <li>– Raiffeisenbezirksbank Güssing eGen, Güssing, Austria</li> <li>– Raiffeisenbezirksbank Oberwart eGen, Oberwart, Austria</li> </ul> <p><b>Supervisory board functions</b></p> <ul style="list-style-type: none"> <li>– UNIQA Insurance Group AG, Vienna, Austria</li> <li>– Neue Eisenstädter gemeinnützige Bau-, Wohn-, und Siedlungsgesellschaft m.b.H., Eisenstadt, Austria</li> </ul>
<b>Birgit Noggler</b>	<p><b>Managing director function</b></p> <ul style="list-style-type: none"> <li>– BIN Beteiligungsverwaltungs GmbH, Vienna, Austria</li> </ul> <p><b>Supervisory board functions</b></p> <ul style="list-style-type: none"> <li>– NOE Immobilien Development GmbH, St. Pölten, Austria (Chairman)</li> <li>– immigon portfolioabbau ag, Vienna, Austria</li> <li>– B &amp; C Industrieholding GmbH, Vienna, Austria</li> <li>– B &amp; C LAG Holding GmbH, Vienna, Austria</li> <li>– Semperit Aktiengesellschaft Holding, Vienna, Austria</li> </ul>
<b>Johannes Ortner</b>	<p><b>Management board function</b></p> <ul style="list-style-type: none"> <li>– Raiffeisen-Landesbank Tirol AG, Innsbruck, Austria (Chairman)</li> </ul>

<b>Heinz Konrad</b>	<p><b>Management board function</b></p> <ul style="list-style-type: none"> <li>– Raiffeisenverband Salzburg eGen, Salzburg, Austria</li> </ul> <p><b>Supervisory board functions</b></p> <ul style="list-style-type: none"> <li>– GEISLINGER GmbH, Hallwang, Austria</li> <li>– Porsche Bank Aktiengesellschaft, Salzburg, Austria</li> </ul> <p><b>Managing director function</b></p> <ul style="list-style-type: none"> <li>– Agroconsult Austria Gesellschaft m.b.H., Salzburg, Austria</li> </ul>
<b>Members of the Supervisory Board delegated by the works council (<i>Betriebsrat</i>)</b>	
<b>Rudolf Kortenhof</b> (Chairman of the Staff Council)	–
<b>Peter Anzeletti-Reikl</b> (First Deputy to the Chairman of the Staff Council)	–
<b>Susanne Unger</b> (Second Deputy to the Chairman of the Staff Council)	–
<b>Gebhard Muster</b> (Third Deputy to the Chairman of the Staff Council)	–
<b>Natalie Egger Grunicke</b>	–
<b>Helge Rechberger</b>	–

#### **Other / state commissioners and government commissioners**

According to § 76 BWG and unless otherwise provided for by law, a state commissioner (*Staatskommissär*) and a deputy must be appointed for a term of office of no more than five years by the Austrian Federal Minister of Finance (*Bundesminister für Finanzen*) with respect to credit institutions whose balance sheet total exceeds EUR 1 billion. Re-appointments are permissible. The roles are currently filled by Alfred Lejsek as state commissioner and Anton Matzinger as deputy state commissioner.

A government commissioner (*Regierungskommissär*) and a deputy are appointed by the Austrian Federal Ministry of Finance for a period of no more than five years. Re-appointments are permissible. It is their task to audit cover pools according to the Austrian Act on Covered Bank Bonds (*Gesetz betreffend fundierte Bankschuldverschreibungen – "FBSchVG"*). The roles are currently filled by Dietmar Schuster as government commissioner and Josef Dorfinger as deputy government commissioner.

Source: Internal data.

#### **5.2. Administrative, Management and Supervisory bodies' Potential Conflicts of Interest**

RBI is not aware of any undisclosed respectively unmanaged conflicts of interest between the obligations of the Supervisory Board members and/or the Management Board members and their private or other interests.

In addition, the Issuer has internal guidelines pursuant to the Austrian Securities Supervision Act 2018 (*Wertpapieraufsichtsgesetz 2018 – "WAG 2018"*) as well as internal compliance rules (which take into account relevant applicable Austrian law, the "Guidelines on the assessment of suitability of members of the management body and key function holders" (EBA/GL/2017/12) of the European Banking Authority ("EBA") and the European Securities and Markets Authority ("ESMA"), "Guidelines for internal governance" (EBA/GL/2017/11) of the EBA, the "ECB Guide to fit and proper assessments" of the European Central Bank ("ECB") and the "Fit & Proper Circular" of the Austrian Financial Market Authority (*Finanzmarktaufsichtsbehörde – "FMA"*) in place regulating the management of conflicts of

interest and the ongoing application of such guidelines and rules. Their objective is to prevent conflicts of interests which may adversely affect the interests of customers or of the Issuer. If any conflicts of interest are identified with respect to the members of the Management Board, Supervisory Board or the upper management level, procedures will be in place or measures will be taken in order to cope with and in particular to disclose such conflicts of interest:

The guidelines and rules relate to potential or actual conflicts which may affect RBI Group, the employees themselves (including management), their spouses/partners, children or other family members living in the same household to the extent that these persons have a close relationship with customers or other contractual partners (in particular suppliers) or issuers of financial instruments.

Such close relationship may arise from a contractual relationship exceeding the scope of everyday transactions or from a direct or indirect shareholding equal to or exceeding 1 per cent. of the share capital or representing a value of EUR 100,000 or more (on an accumulated basis in case of an indirect holding), membership of any managing or supervisory body, any other opportunity, as determined by the relevant person, to exert a material influence on management or under a general commercial power of attorney (*Prokura*).

Each member of the Management Board must – according to the Austrian Corporate Governance Code – immediately disclose any conflict of interest to the Supervisory Board and inform the other members of the Management Board of the conflict. Management Board members may hold offices, including supervisory board positions in unrelated companies, subject only to the approval of the working committee (*Arbeitsausschuss*) of the Supervisory Board.

The various functions held by the members of the Supervisory Board might cause a potential conflict of interest in specific circumstances. However, the members of the Supervisory Board are required to disclose immediately any conflict of interest to the chairman of the Supervisory Board, especially if such conflicts may arise as a result of consultancy services or by holding a board position with a business partner. In the event that the chairman himself should encounter a conflict of interest, he/she must report this immediately to the deputy chairman.

No family ties between the members of the Management Board or Supervisory Board or any senior managers of the Issuer exist, except for Heinrich Schaller and Martin Schaller who are brothers.

No potential conflict of interests exists in respect of any member of the Management Board or Supervisory Board between his duties to the Issuer and his private or other duties. Members of the Management Board or Supervisory Board may enter into business transactions with RBI Group in the ordinary course of business on an arm's length basis.

Individual members of the Management and the Supervisory Board own capital stock of the Issuer or of its subsidiaries.

Members of the Management Board serving on the management or supervisory boards of or performing any similar functions in other companies/foundations (see section "5.1. Members of the administrative, management and supervisory bodies of RBI" above) may in individual cases be confronted with conflicts of interest arising in the context of RBI Group's banking operations, if the Issuer maintains active business relations with such other companies.

Conflicts of interest may also arise if members of the Supervisory Board are members of the supervisory or management boards of companies competing with RBI.

Generally, members of the Management Board and Supervisory Board serving on management or supervisory boards outside RBI Group, including customers of and investors in RBI Group as well as companies of the Raiffeisen Banking Sector not related on a group level with RBI Group, may, in individual cases, be confronted with potential conflicts of interest if the Issuer maintains active business relations with said companies.

To the extent that members of the Management Board and Supervisory Board simultaneously serve on the management or supervisory boards of companies outside RBI Group, such companies (including customers of and investors in RBI Group as well as companies of the Raiffeisen Banking Sector not related on a group level with RBI Group) may also compete with RBI.

## 6. SHARE CAPITAL AND MAJOR SHAREHOLDERS

### 6.1. Share capital of RBI

As of the date of this Registration Document, RBI's nominal share capital amounts to EUR 1,003,265,844.05 and is fully paid. It is divided into 328,939,621 ordinary bearer shares with equal voting rights. The shares are issued in the form of no-par value shares and are listed on the Official Market (*Amtlicher Handel*) of the Vienna Stock Exchange.

### 6.2. Shareholders of RBI

RBI is majority-owned by the Raiffeisen Regional Banks which jointly hold approximately 58.8 per cent. of RBI's issued shares as of 30 June 2020. The free float is 41.2 per cent. of RBI's issued shares.

The following table sets forth the percentage of outstanding shares beneficially owned by RBI's principal shareholders, the Raiffeisen Regional Banks. To RBI's knowledge, no other shareholder beneficially owns more than 4 per cent. of RBI's shares. Raiffeisen Regional Banks do not have voting rights that differ from other shareholders.

<b>Shareholders of RBI*</b> (ordinary shares held directly and/or indirectly)	<b>Per cent. of share capital</b>
RAIFFEISEN LANDESBANK NIEDERÖSTERREICH-WIEN AG	22.6 per cent.
Raiffeisen-Landesbank Steiermark AG	10.0 per cent.
Raiffeisen Landesbank Oberösterreich Aktiengesellschaft	9.5 per cent.
Raiffeisen Landesbank Tirol AG	3.7 per cent.
Raiffeisenverband Salzburg eGen	3.6 per cent.
Raiffeisenlandesbank Kärnten - Rechenzentrum und Revisionsverband regGenmbH	3.5 per cent.
Raiffeisenlandesbank Burgenland und Revisionsverband regGenmbH	3.0 per cent.
Raiffeisenlandesbank Vorarlberg Waren- und Revisionsverband regGenmbH	2.9 per cent.
<b>Sub-total Raiffeisen Landesbanken</b>	<b>58.8 per cent.</b>
<b>Sub-total free float</b>	<b>41.2 per cent.</b>
<b>Total</b>	<b>100 per cent.</b>

\*) excluding 322,204 treasury shares

Source: Internal data, as of 30 June 2020

### 6.3. Arrangements, known to RBI, the operation of which may at a subsequent date result in a change in control of RBI

At the date of this Registration Document, there are no arrangements, known to RBI, the operation of which may at a subsequent date result in a change in control of RBI.

## 7. FINANCIAL INFORMATION AND DOCUMENTS INCORPORATED BY REFERENCE

The specified pages of the following documents which have been previously published or are simultaneously published with this Registration Document and which have been filed with the CSSF are incorporated by reference into and form part of this Registration Document.

In the information extracted from RBI's financial reports which have been incorporated by reference pursuant to the subsections below,

- (i) the terms "Raiffeisen Bank International (RBI)" or "RBI" refer to "RBI Group" as defined in this Registration Document; and
- (ii) the term "RBI AG" refers to the "Issuer" or "RBI" as defined in this Registration Document.

### Documents incorporated by reference

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#### a. Translations of the audited consolidated financial statements of RBI for the fiscal year 2018 and of the auditor's report

Extracted from RBI's Annual Report 2018

– Statement of Comprehensive Income	pages 87 – 89
– Statement of Financial Position	page 90
– Statement of Changes in Equity	pages 91 – 92
– Statement of Cash Flows	pages 93 – 94
– Segment Reporting	pages 95 – 101
– Notes	pages 102 – 267
– Auditor's Report	pages 268 – 273

The Annual Report 2018 of RBI containing the audited consolidated financial statements of RBI for the fiscal year 2018 is made available on the website of the Issuer under:

<http://ar2018.rbinternational.com/>

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#### b. Translations of the audited consolidated financial statements of RBI for the fiscal year 2019 and of the auditor's report

Extracted from RBI's Annual Report 2019

– Statement of Comprehensive Income	pages 89 – 90
– Statement of Financial Position	page 91
– Statement of Changes in Equity	pages 92
– Statement of Cash Flows	pages 93 – 94
– Segment Reporting	pages 95 – 101
– Notes	pages 102 – 274
– Auditor's Report	pages 276 – 281

The Annual Report 2019 of RBI containing the audited consolidated financial statements of RBI for the fiscal year 2019 is made available on the website of the Issuer under:

<http://ar2019.rbinternational.com/>

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**c. Translation of the unaudited interim consolidated financial statements of RBI for the three months ended 31 March 2020**

Extracted from RBI's First Quarter Report as of 31 March 2020

– Statement of Comprehensive Income	pages 39 – 40
– Statement of Financial Position	page 41
– Statement of Changes in Equity	page 42
– Statement of Cash Flows	pages 43 – 44
– Segment Reporting	pages 45 – 49
– Notes	pages 50 – 131

The First Quarter Report as of 31 March 2020 of RBI containing the unaudited interim consolidated financial statements of RBI for the three months ended 31 March 2020 is made available on the website of the Issuer under

<http://qr012020.rbinternational.com/>

The auditor's reports dated 27 February 2019 and 28 February 2020, respectively, regarding the German language annual consolidated financial statements of RBI for the fiscal years 2018 and 2019 do not contain any qualifications. RBI is responsible for the non-binding English language convenience translation of all financial information incorporated by reference as well as any related auditor's reports or reports on a review, as the case may be.

Any information not listed in the cross-reference list above but contained in one of the documents mentioned as source documents in such cross-reference list is pursuant to Article 19(1) of the Prospectus Regulation not incorporated by reference as it is either not relevant for the investor or covered in another part of this Registration Document.

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**The audited consolidated financial statements of RBI for the fiscal year 2018, incorporated by reference herein, include the following Alternative Performance Measures ("APM"):**

Consolidated return on equity – consolidated profit in relation to average consolidated equity, i.e. the equity attributable to the shareholders of RBI. Average 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 in relation to operating income 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, 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) gives a good understanding of the tax rate the company faces and simplifies comparison among companies. It will often differ from the company's jurisdictional tax rate due to many accounting factors. 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 indicates a bank's ability to refinance its loans by deposits rather than wholesale funding. 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, intangible fixed assets, tangible 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) and comprises all defaulted non-performing loans and debt securities and non-defaulted non-performing loans and debt securities (exposures without grounds for default pursuant to Article 178 CRR).

**NPL – Defaulted, non-performing loans.** A default and thus a non-performing loan pursuant to Article 178 CRR applies if it can be assumed that a customer is unlikely to fulfil all of its credit obligations to the bank, or if the debtor is overdue at least 90 days on any material credit obligation to the bank (for non-retail customers, twelve indicators are used to identify a default event).

**NPE ratio** is an economic ratio to demonstrate the proportion of non-defaulted and defaulted non-performing loans and debt securities according to the applicable EBA definition in relation to the entire loan portfolio of customers and banks (gross carrying amount) 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 (non-banks)** is an economic ratio to demonstrate the proportion of loans that have been classified as defaulted non-performing in relation to the entire customer loan portfolio (gross carrying amount). The definition of non-performing has been adopted from regulatory standards and guidelines and comprises in general those customers where repayment is doubtful, a realization of collaterals is expected and which thus have been moved to a defaulted customer rating segment. 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-defaulted and defaulted non-performing loans and debt securities have been covered by impairments (Individual loan loss provisions – Stage 3) thus expressing also 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-defaulted and defaulted non-performing loans to customers and banks and debt securities.

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

**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** – It comprises net interest income, dividend income, net fee and commission income, net trading income and fair value result, net gains/losses from hedge accounting and other net operating income.

**Other result** – Consists of impairment/reversal of impairment on investments in subsidiaries and associates, impairment on non-financial assets, negative goodwill recognized in profit or loss, current income from investments in subsidiaries and associates, result from non-current assets and disposal groups classified as held for sale and deconsolidation.

**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 (categories: financial assets measured at amortized cost and financial assets at fair value through other comprehensive income).

**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 net profit for the period as presented in the income statement as a percentage of the respective underlying (either equity related or asset related). 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.



## 8. LEGAL AND ARBITRATION PROCEEDINGS

From time to time, the Issuer and other members of RBI Group are party to certain legal, governmental or arbitration proceedings before various courts and governmental agencies arising in the ordinary course of business involving contractual, labour and other matters.

The following is a description of the most significant proceedings in which RBI Group is currently involved:

- 8.1. Following the insolvency of Alpine Holding GmbH ("**Alpine**") in 2013, a number of lawsuits were filed by retail investors in Austria against RBI and another credit institution in connection with a bond which had been issued by Alpine in 2012 in an aggregate principal amount of EUR 100 million. The claims against RBI, filed either directly or by investors represented by a "class action association", amount to approximately EUR 10 million of value in dispute. Among others, it is claimed that the banks acted as joint lead managers of the bond issue and were or at least should have been aware of the financial problems of Alpine at the time of the issue. Thus, they should have known that Alpine was not in a position to redeem the bonds as set forth in the terms and conditions of the bonds. It is alleged that the capital market prospectus in relation to the bond issue was misleading and incomplete and that the joint lead managers including RBI, which were also involved in the preparation of the prospectus, were aware of that fact.
- 8.2. RBI has been a member of two bank consortiums which granted loans to Alpine Bau GmbH in 2009 and 2010. These credit claims are partly secured by payment guarantees issued by the Republic of Austria. After the opening of insolvency proceedings over the borrower the guarantee holders requested payment under the guarantees, but the Republic of Austria refused to pay. Thus, the banks initiated lawsuits against the issuer of the guarantees in August 2013. In these litigations, RBI claims payments of the Republic of Austria in the aggregate amount of approximately EUR 20.3 million. The lawsuits are, in different stages, still pending.
- 8.3. In March 2018, an administrative fine of EUR 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 in the course of administrative proceedings based on alleged non-compliance with formal documentation requirements relating to the know-your-customer principle. According to the interpretation of the FMA, RBI had failed to comply with these administrative obligations in a few individual cases. 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. RBI took the view that it had duly complied with all due diligence obligations regarding know-your-customer requirements and appealed against the fining order in its entirety. The administrative court of first instance confirmed FMA's decision and – again – RBI appealed against this decision in its entirety. In December 2019, the Austrian Supreme Administrative Court (*Verwaltungsgerichtshof*) revoked the decision of the lower administrative instances and referred the case back to the administrative court of first instance.
- 8.4. In 2018, RBI instigated legal proceedings in London, United Kingdom, against, *inter alia*, a company and a law firm, primarily based on claims of RBI for performance of contractual obligations, or for damages due to non-performance of contractual obligations, in an amount of approximately USD 70 million plus interest, costs and expenses. The proceedings are pending.
- 8.5. Legal action was filed against RZB (prior to the Merger 2010) and Raiffeisen Investment AG ("**RIAG**") (prior to the Merger 2010) in New York. The claimant alleged that RBI, in its capacity as universal successor to RZB, had unlawfully paid USD 150,000 on a bid bond and that RIAG had been involved in a fraud committed by the Serbian privatization agency resulting in a damage in the range of USD 31 million to USD 52 million. At a later point in time, the alleged damage was reduced to USD 30.5 million. According to the defendants' and Issuer's assessment the claim is unfounded and very unlikely to succeed. In February 2014, the action was dismissed and the plaintiff filed a Motion for Reconsideration with the court which was

pending for several years. In 2018 this case has been assigned to a new judge and is now again pending in New York. The defendants' and Issuer's assessment of the claim remains unchanged.

- 8.6. RBI was served with a lawsuit by the Romanian Ministry of Traffic against RBI and Banca de Export Import a Romaniei Eximbank SA ("**EximBank**") regarding payment of EUR 10 million in May 2017. According to the lawsuit, in the year 2013, RBI issued a letter of credit on the amount of EUR 10 million for the benefit of the Romanian Ministry of Traffic on the request of a Romanian customer of RBI's Romanian Network Bank Raiffeisen Bank S.A., Bucharest. EximBank acted as advising bank of RBI in Romania. The Romanian Ministry of Traffic had sent a payment request under the mentioned letter of credit in March 2014 which had been denied by RBI as having been received after termination date thereof. In April 2018, the lawsuit has been rejected as unfounded by the court of first instance which was confirmed by the Bucharest Court of Appeal in October 2019.
- 8.7. In July 2019, a former corporate customer (the "**Claimant**") of RBI filed a request for arbitration with the International Court of Arbitration of the International Chamber of Commerce, claiming from RBI payment of USD 25 million plus damages, interest and costs. The dispute relates to a guarantee of a third party, which served as a security for a loan granted by RBI to the Claimant in 1998. The Claimant defaulted under the loan, whereupon RBI claimed payment under the guarantee. In 2015, a settlement was reached between RBI and the guarantor as to the claims of RBI under the guarantee. RBI applied all monies received from the guarantor towards payment by the Claimant under the loan. In its request for arbitration, the Claimant, *inter alia*, alleges that the settlement was detrimental to it, and that RBI would be obliged to transfer the monies received from the guarantor to the Claimant. RBI takes the view that the claims raised by the Claimant are baseless. In June 2020, the arbitral tribunal issued an award holding that it has no jurisdiction over the claims and disputes raised by Claimant. This arbitral award and the question of jurisdiction could still be challenged before English courts.
- 8.8. In May 2017, a subsidiary holding company of RBI has been sued in Austria for an amount of approximately EUR 12 million for breach of warranties under a share purchase agreement relating to a real estate company. The claimant, i.e. the purchaser under the share purchase agreement, alleges the breach of a warranty, more precisely it alleges the defendant warranted that the company sold under the share purchase agreement had not waived potential rental payment increases to which it may have been entitled.
- 8.9. In February 2020, Raiffeisen-Leasing GmbH ("**RL**") was served with a lawsuit in Austria for an amount of approximately EUR 43 million. The plaintiff claims damages alleging that RL had breached its obligations under a real estate development agreement. According to the assessment of RL and its lawyers, this claim is very unlikely to succeed, in particular given the fact that a similar claim of the plaintiff was rejected by the Austrian Supreme Court (*Oberster Gerichtshof*) in a previous legal dispute. In this case already two applications for legal aid filed by the plaintiff have been rejected by the Commercial Court (*Handelsgericht*) of Vienna because of malicious abuse of right.
- 8.10. A claim for damages filed against RBI Leasing GmbH ("**RBIL**") in August 2019 in the original preliminary amount of EUR 70,000 plus interest was increased to an amount of approximately EUR 16.2 million in March 2020. The claimant argues that RBIL sold an object financed by RBIL below its market value to a third party after termination of the financing agreement, whereas he could have obtained a considerably higher price. RBIL claims that the financed object had been offered to the claimant before the final sales agreement was concluded between RBIL and the third party.

- 8.11.** In September 2017, RBI, together with Raiffeisenbank Austria, d.d., Croatia ("**RBHR**"), filed a request for arbitration with the International Centre for Settlement of Investment Disputes in Washington, DC against the Republic of Croatia. The claimants, RBI and RBHR, have initiated this arbitration against Croatia to obtain relief under the Austrian-Croatian investment protection treaty for Croatia's breaches of its obligations under that treaty in connection with legislation concerning the conversion of CHF loans. Among other things the claimants argue that Croatia has failed to afford the claimants fair and equitable treatment and has breached its obligation to treat foreign investors and investments no less favourably than its own national investors and investments.

In June 2019, RBI and RBHR filed (with the Commercial Court of Zagreb) a joint lawsuit against the Republic of Croatia, claiming essentially compensation for damages in the amount of EUR 60 million (plus interest and costs) resulting from Croatia's breaches of its obligation under EU law in connection with the Croatian legislation concerning the conversion of CHF-loans.

On 14 February 2020, RBI and RBHR have initiated another arbitration proceeding against Croatia arguing violations in respect of the so-called "Lex Agrokor", FX loans and court practice. This time under the UNCITRAL arbitration rules.

- 8.12.** In 2011, a client of RBHR filed a claim for damages in the amount of approximately HRK 143.5 million and alleged that damages have been caused by an unjustified termination of the loan. In February 2014, the commercial court in Zagreb issued a judgment by which the claim was declined. The plaintiff launched an appeal against this judgment which is not finally decided. In the meantime, the plaintiff went through bankruptcy proceedings and the bankruptcy trustee has filed to the Commercial court a request for withdrawal of the claim. A ruling on the termination of the lawsuit against RBHR has not yet been issued by the Commercial court in Zagreb.
- 8.13.** In 2015, a former client of RBHR filed a claim for damages in the amount of approximately HRK 181 million based on the allegation that RBHR had acted fraudulently by terminating loans, which had been granted for the financing of the client's hotel business, without justification. In previous court proceedings in respect of the termination of the loans, as well as the enforcement over the real estate, all final judgments were in favour of RBHR. Several hearings were held as well as submissions exchanged. To the date of this Registration Document, no ruling was passed.
- 8.14.** From 2014 onwards, a group of former clients of RBHR filed several claims for damages in the amount of approximately HRK 120.7 million based on the allegation that RBHR had acted fraudulently by terminating and collecting loans. In some of the court proceedings the final court decisions were issued by which the claims (in the amount of approximately HRK 20 million) were declined.
- 8.15.** In spring 2018, Raiffeisen Factoring Ltd. ("**RFHR**"), then a subsidiary of RBHR, sued a client for payment of approximately HRK 131.4 million. RFHR claimed that the client had factored its trade receivables with RFHR on a recourse factoring basis but failed to pay when its recourse obligation fell due. In October 2019, the legal dispute was settled out-of-court. In November 2019, RFHR (by then re-named into Raiffeisen Services Ltd.) was merged into RBHR, which became its legal successor.
- 8.16.** In Croatia, following litigation initiated by a Croatian Consumer Association against 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 change clause cannot be challenged anymore. The decision on the nullity of the CHF index clause was confirmed by the Croatian Supreme Court but was challenged by RBHR at the Croatian Constitutional Court. A final decision by this court may have an impact on the relevant CHF index clause. However, based on the decisions already

rendered on the nullity of the interest change clause and/or the CHF index clause, borrowers – subject to the statute of limitation – raise claims against RBHR already now. Given current legal uncertainties relating to the statute of limitations, the validity of the CHF index clause, the appropriate further procedures, the final outcome of the constitutional court challenge and the number of borrowers raising such claims, a quantification of the financial impact and the possible damage is not possible at this point of time.

- 8.17.** In June 2012, a client (the "**Slovak Claimant**") of the Issuer's subsidiary in Slovakia, Tatra banka, a.s. ("**Tatra banka**") filed a petition for compensation of damage and lost profits in the amount of approximately EUR 71 million. The lawsuit is connected with certain credit facilities agreements entered into between Tatra banka and the Slovak Claimant. The Slovak Claimant claims that Tatra banka breached its contractual obligations by refusing to execute payment orders from the Slovak Claimant's accounts without cause and by not extending the maturity of facilities despite a previous promise to do so, which led to non-payment of the Slovak Claimant's obligations towards its business partners and the termination of the Slovak Claimant's business activities. In February 2016, the Slovak Claimant filed a petition for increasing the claimed amount by EUR 50 million, but the court refused this petition. A constitutional appeal was filed regarding this court's decision. The constitutional court refused this appeal and rejected the proposed increase of the claimed amount. In December 2017, Tatra banka was delivered a new claim amounting to EUR 50 million, based on the same grounds as the increasing petition from February 2016. This new claim was joined to the original claim. Thus, the Slovak Claimant in this lawsuit demanded compensation of damage and lost profits in the amount of approximately EUR 121 million. In February 2018, the court of first instance rejected the petition in full. The Slovak Claimant, which by law is now the trustee in the Slovak Claimant's bankruptcy proceedings, as the Slovak Claimant has become bankrupt, filed an appeal against the rejection. In September 2018, the appellate court upheld the decision of the first-instance court and confirmed the rejection of the claim in full. In January 2019, the Slovak Claimant filed an extraordinary appeal with the Supreme Court of the Slovak Republic but the extraordinary appeal was refused by the Supreme Court in April 2019. The Slovak Claimant filed a constitutional appeal with respect to the Supreme Court ruling in July 2019. The Constitutional Court's decision to reject the constitutional appeal in October 2019 was received by Tatra banka in March 2020 and, thus, the lawsuit is definitively terminated.

Furthermore, a Cypriot company (the "**Cypriot Claimant**") filed a separate action for damages in the amount of approximately EUR 43.1 million. In January 2016, the Cypriot Claimant filed a petition for increasing the claimed amount by EUR 84 million and the court approved this petition. It means that the total claimed amount in this lawsuit is approximately EUR 127 million. This lawsuit is connected with the proceeding of the Slovak Claimant above because the Cypriot Claimant having filed the action had acquired the claim from a shareholder of the holding company of the Slovak Claimant. Subject matter of the claim is the same as in the proceeding above. According to the Cypriot Claimant, this had caused damage to the Slovak Claimant and, thus, also to the shareholder of the holding company in the form of a loss of value of its shares. Subsequently, said shareholder assigned his claim to the Cypriot Claimant. The Cypriot Claimant claims that Tatra banka acted contrary to the good morals as well as contrary to fair business conduct and requires Tatra banka to pay part of its claims corresponding to the loss in value of the holding company's shares. In November 2019, the claim was rejected in full by the first-instance court. The Cypriot Claimant filed an appeal against this first-instance judgement in January 2020.

- 8.18.** Following an assignment of Tatra banka's receivable (approximately EUR 3.5 million) against a corporate customer to an assignee, two lawsuits in the total amount of approximately EUR 18.6 million were filed by the original shareholders of the corporate customer against Tatra banka. Their shares in the corporate customer had been pledged as security for a financing provided by Tatra banka to the corporate customer. The claims are claims for compensation of damages which were incurred by the original shareholders as a consequence of an alleged late notification of the assignment to the original shareholders, the fact that the assignee had realized

the pledge over the shares and, thus, the original shareholders ceased to be the shareholders of the corporate customer as well as the fact that the assignee had realized a mortgage over real estates of the corporate customer (which had also been created as a security for the financing provided by Tatra banka to the corporate customer). The original shareholders claimed that the value of the corporate customer was EUR 18.6 million and that this amount would represent the damage incurred by them due to the assignment of Tatra banka's claim against the corporate customer.

Subsequently, the original shareholders assigned their claims under the lawsuits mentioned above to a Panamanian company which is now the plaintiff. The plaintiff claims that Tatra banka had acted in contradiction of good faith principles and that it had breached an obligation arising from the Slovak Civil Code.

In June 2019, the court entirely rejected the claim. The plaintiff filed an appeal against the judgment of the first-instance court in August 2019.

- 8.19.** In 2015, a former client of the Issuer's Network Bank in the Czech Republic, Raiffeisenbank a.s. ("**RBCZ**"), filed a lawsuit against RBCZ claiming damages in the amount of approximately CZK 371 million based on the allegation that RBCZ caused damage to him by refusing to provide further financing to him. Owing to the non-payment of court fees by the claimant, a court ruling on dismissal of the lawsuit was issued but has been appealed by the claimant. In the meantime, the court has united two proceedings launched by the claimant against RBCZ and therefore the sued amount has increased to approximately CZK 494 million. After the first instance court decision was revoked by the High Court and the claimant finally paid the court fee, the first instance court was able to issue a verdict on the core matter of the dispute in which the court dismissed the claimant's claims in September 2019. The claimant has appealed that decision. In June 2020, the lawsuit was dismissed by the second instance court. The decision is in legal force, however under certain circumstances, the plaintiff may still appeal to the Supreme Court.
- 8.20.** In May 2017, RBCZ and Raiffeisen – Leasing, s.r.o. were approached by a Czech leasing company ("**Czech Leasing**") demanding CZK 1,057,114,000 on the basis that RBCZ and Raiffeisen - Leasing, s.r.o. had allegedly: (i) contrived and fundamentally contributed to a mass leaving of Czech Leasing employees; and (ii) organized the setting up of a new company where most of the leaving employees of the Czech Leasing have found a new job; and (iii) had been poaching customers from the Czech Leasing. In June 2017, a lawsuit for such claim in the above-mentioned amount was filed by Czech Leasing against RBCZ and Raiffeisen - Leasing, s.r.o. at the City Court of Prague. In January 2019 the court announced a judgment in which all claims of Czech Leasing were dismissed. Czech Leasing filed an appeal against this judgment. In December 2019 the legal dispute was resolved by way of out-of-court settlement and Czech Leasing formally withdrew its appeal. Thus, the judgment of the City Court of Prague has become final.
- 8.21.** In December 2017, a French company filed a lawsuit at the commercial court in Warsaw against Raiffeisen Bank Polska S.A. ("**RBPL**"), the former Polish subsidiary of RBI, and RBI. The French company claimed damages from both banks in the aggregate amount of EUR 15.3 million alleging that RBPL failed to comply with duties of care when opening an account for a certain customer and executing money transfers through this account, and that RBI acted as a correspondent bank in this context and failed to comply with duties of care when doing so. As regards the lawsuit against RBI, the commercial court in Warsaw declined jurisdiction in May 2019. The decision has been appealed.

In the course of the sale of the core banking operations of RBPL by way of demerger to Bank BGZ BNP Paribas S.A. in 2018 (for further details see chapter "2.4. Principle markets and business segments", within the first bullet point, "*Branch of RBI in Poland*"), the lawsuit against RBPL was allocated to Bank BGZ BNP Paribas S.A. However, RBI agreed to fully indemnify

Bank BGZ BNP Paribas S.A. for any negative financial consequences in connection with said proceedings.

- 8.22.** In April 2018, Raiffeisen Bank Polska S.A. ("**RBPL**"), the former Polish subsidiary of RBI, obtained the lawsuit filed by a former client claiming an amount of approximately PLN 203 million. According to the plaintiff's complaint, RBPL blocked the client's current overdraft credit financing account for 6 calendar days in 2014 without the formal justification. The plaintiff claims that the blocking of the account resulted in losses and lost profits due to a periodic disruption of the client's financial liquidity, the inability to replace loan-based funding sources with financing streams originating from other sources on the blocked account, a reduction in inventory and merchant credits being made available and generally a resulting deterioration of the client's financial results and business reputation. RBPL contended that the blocking was legally justified and implemented upon the information obtained.

In the course of the sale of the core banking operations of RBPL by way of demerger to Bank BGZ BNP Paribas S.A. in 2018 (see section "2.4. Principle markets and business segments", within the first bullet point "*Branch of RBI in Poland*"), the lawsuit against RBPL was allocated to Bank BGZ BNP Paribas S.A. However, RBI remains commercially responsible for negative financial consequences in connection with said proceeding.

- 8.23.** A German client had instructed RBI with the issuance of guarantees for the benefit of a Polish entity and a Polish municipality (together, the "**Plaintiffs**"). RBI instructed RBPL with such issuance in Poland and provided respective counter-guarantees to RBPL. RBI itself had received a declaration of full indemnification from the German client. The Plaintiffs demanded payment under the guarantees from Bank BGZ BNP Paribas S.A. ("**BNP**") which - with respect to said guarantees - is the legal successor to RBPL (see section "2.4. Principle markets and business segments", within the first bullet point, "*Branch of RBI in Poland*"). BNP rejected such request due to abusive exercise. In March 2019 BNP was served with a lawsuit by the Plaintiffs for payment of approximately PLN 50.3 million plus interest against BNP by the Commercial Court of Warsaw. RBI remains commercially responsible for negative financial consequences in connection with said proceedings and was invited by BNP to join the lawsuit in November 2019.
- 8.24.** In September 2018, two administrative fines of total PLN 55 million (one for PLN 5 million and one for PLN 50 million, together approximately EUR 13.12 million) were imposed on RBPL in the course of administrative proceedings based on alleged non-performance of the duties as the depositary and liquidator of certain investment funds. RBPL as custodian of investment funds assumed the role as liquidator of certain funds in spring 2018. According to the interpretation of the Polish Financial Supervision Authority ("**PFSA**") RBPL failed to comply with certain obligations in its function as depositary bank and liquidator of the funds. In the course of the transactions related to the sale of RBPL (see section "2.4. Principle markets and business segments", within the first bullet point, "*Branch of RBI in Poland*"), 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 fine regarding RBPL's duties as depositary bank, the Voivodship Administrative Court approved RBI's appeal and overturned the PFSA's decision entirely. However, the PFSA appealed such decision. In relation to the PLN 50 million fine regarding RBPL's function as liquidator, the Voivodship Administrative Court decided to dismiss the appeal and uphold the PFSA decision entirely. RBI has raised appeal to the Supreme Administrative Court because it takes the view that RBPL has duly complied with all its duties.

- 8.25. RBI as a legal successor to RBPL and currently operating in the territory of Poland through a branch, is defendant in a number of ongoing civil lawsuits concerning mortgage loans denominated in or indexed to Swiss Franc and Euro. As of the end of June 2020, the total amount of disputes is in the region of approximately PLN 480 million and the number of such lawsuits is still increasing.

In this context, the District Court in Warsaw requested the Court of Justice of the European Union ("ECJ") to issue a preliminary ruling regarding the consequences of considering the contractual provisions which stipulate the amount and manner of performance of an obligation by the parties to be unfair in case of a consumer mortgage loan denominated in Polish zloty ("PLN") but indexed to foreign currency. Due to the request for a preliminary ruling, in many cases, similar proceedings in regional and district courts in Poland have been suspended until the preliminary ruling of the ECJ is issued.

On 3 October 2019, the ECJ announced its judgment in this case. It does not qualify any contract clauses as unfair or invalid. This is, according to the ECJ, a matter to be decided by Polish courts under Polish law. In its judgment the ECJ rather provides guidance on principles of European law to be applied by Polish courts if they consider contract clauses as being unfair. According to previous case law, the ECJ ruled that the contract shall remain valid without an unfair term, if this is legally possible under national law. The ultimate objective of this rule is to restore in substance balance (equality) between the lender and the borrower. If the contract cannot remain valid without the unfair term, the entire contract will be annulled. This needs to be decided objectively, taking the situation of both the lender and the borrower into account. 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. On the basis of the ECJ judgment, it appears unlikely that any loan be qualified as a PLN loan bearing interest at CHF LIBOR. Otherwise, at this point of time, a meaningful assessment of the outcome and economic impact on foreign currency consumer loans in Poland is not possible. It remains to be seen how this will be decided by Polish courts under Polish law on a case-by-case basis.

A significant increase of inflow of new cases has been observed since the beginning of 2020 which is caused by the ECJ preliminary ruling and intensified marketing activity of law firms acting on behalf of borrowers. Such increased inflow of new cases has not only been observed by the Issuer's Polish branch but by all banks handling currency loan portfolios in Poland.

Furthermore, Polish common courts decided to approach the ECJ with requests for a preliminary ruling in other three civil proceedings which could lead to the provision on further ECJ's clarifications and may influence on how court cases concerning currency loans are decided by national Polish courts. However, proceedings before the ECJ are currently at a very early stage. RBI is directly involved in one of these proceedings.

The impact assessment may also be influenced in relation to affected FX-indexed or FX-denominated loan agreements by the outcome of ongoing administrative proceedings concerning, inter alia, practice infringing the collective consumer interests and the classification of clauses in standard agreements as unfair, carried out by the President of the Office of Competition and Consumer Protection ("UOKiK") against the Issuer's Polish branch. As at the date of this Registration Document, it is uncertain if any administrative decisions would be made in these proceedings by the President of UOKiK and what could be their potential impact on said FX-indexed or FX-denominated loan agreements and the Issuer.

Apart from the above, a number of further administrative proceedings in connection with FX-indexed or FX-denominated credit or loan agreements is currently carried out by the President of the UOKiK against the Issuer's Polish branch based on the alleged practice of infringement of collective consumer interests and the classification of clauses in standard agreements as unfair/abusive. Such proceedings may result in administrative fines imposed on the Issuer's Polish branch – and in case of appeals – in administrative court proceedings.

- 8.26.** Following an audit review of the Romanian Court of Auditors regarding the activity of Aedificium Banca Pentru Locuinte S.A. (former "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 the state premiums on savings have not been met. Thus, allegedly, such premiums may have to be repaid. Should RBL not succeed in reclaiming said amounts from its customers or providing satisfactory documentation, RBL would be liable for the payment of such funds. RBL has initiated a court dispute against the findings of the Romanian Court of Auditors. RBL has won the court dispute on the merits in what concerns the most relevant alleged deficiencies. The case is now in appeal at the High Court of Cassation and Justice. Given current uncertainties, an exact quantification of the negative financial impact is not possible, however, repayment of premiums and potential penalty payments are not expected to exceed EUR 48 million.
- 8.27.** In October 2017, the Romanian consumer protection authority ("**ANPC**") has issued an order for the Issuer's Romanian Network Bank Raiffeisen Bank S.A., Bucharest to stop its alleged practice of "not informing its customers about future changes in the interest rate charged to the customers". The order does not imply any monetary restitution or payment from Raiffeisen Bank S.A., Bucharest. However, the possibility of any monetary restitution claims instigated by customers cannot be excluded. The Issuer's Romanian Network Bank Raiffeisen Bank S.A., Bucharest has disputed this order, having also obtained a final stay of its enforcement pending a final solution. These proceedings are currently in the appeal phase, the first ruling on merits having been in favour of ANPC. Given current uncertainties, an exact quantification of the negative financial impact is not possible, however, estimation of Raiffeisen Bank S.A., Bucharest, based on the current known elements is that such impact is not expected to exceed EUR 20 million.
- 8.28.** In July 2014, the ANCP had issued a decision applicable to Raiffeisen Bank S.A., Bucharest, asking the bank to stop the practice of including the credit management commission in the interest margin on the occasion of the restructuring of consumer loans. Although, provisions describing that method were included in the respective agreements, ANCP has the opinion that those provisions were not clear enough. Initially, the way how the ANCP decision should be implemented was not clear, however, after a dispute in court that was lost by Raiffeisen Bank S.A. in June 2020, it is now understood that the implementation would mean returning a portion of the interest rate to all consumers to whom such practice had been applied, at least for the period starting from July 2014 until either the point of time such borrowers entered into a new agreement on the interest rate or the point of time Raiffeisen Bank S.A. actually implements the court decision. This also applies to originally affected loans that were repaid in the meantime. Given current uncertainties, at this stage, an exact quantification of the negative financial impact is not possible, but based on early estimates a negative impact of approximately EUR 17,000,000 may be expected.
- 8.29** On 11 November 2019, the chairman of the Board of Raiffeisen Bank Aval, Ukraine, was questioned in connection with investigations by the National Anti-Corruption Bureau of Ukraine. The reason for the action is not related to the performance of the chairman's duties as chairman of the Board of Raiffeisen Bank Aval.
- 8.30.** RBI and members of RBI Group were involved in various tax audits, tax reviews and tax proceedings.

In Germany, a tax review and tax proceedings led to or may lead to an extraordinary tax burden of approximately EUR 27 million. Additionally, late payment interest and penalty payments may be imposed.

In Romania, this has resulted in an extraordinary tax burden in an aggregate amount of approximately EUR 33.1 million plus EUR 22.2 million penalty payments. Following an



administrative appeal by Raiffeisen Bank S.A., Bucharest, the tax burden was reduced to EUR 29.9 million plus related penalty payments of estimated EUR 22 million.

In Russia, the tax audit has resulted in or may result in an extraordinary tax burden in an aggregate amount of approximately EUR 9 million plus EUR 2.6 million late payment interest. Additionally, penalty payments may be imposed in an amount of up to EUR 3.5 million.

In the vast majority of the aforementioned amounts, the decision of the respective tax authorities is or will be challenged.

Save as disclosed in this section "8. *Legal and Arbitration Proceedings*" and based on the Issuer's and RBI Group's current assessment of the facts and legal implication, there are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) during the 12 months prior to the date of this Registration Document, which may have, or have had in the recent past, significant effects on the financial position or profitability of the Issuer.

## **9. SIGNIFICANT CHANGE IN THE FINANCIAL POSITION OF THE GROUP**

Save as disclosed in section 4.3 "*Information on any known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Issuer's prospects for at least the current financial year*", first bullet point ("**Outbreak of the corona virus disease (COVID-19)**") above, there has been no significant change in the financial position of RBI Group since 31 March 2020.

## **10. MATERIAL CONTRACTS**

### **10.1 Syndicate Agreement**

The Raiffeisen Regional Banks and certain subsidiaries of the Raiffeisen Regional Banks are parties to a syndicate agreement regarding RBI. As a result of the syndicate agreement, the voting rights in relation to shares in RBI (corresponding to approximately 58.8 per cent. of the issued shares) are mutually attributable to the Raiffeisen Regional Banks and their subsidiaries as acting in concert (§ 1(6) of the Austrian Takeover Act (*Übernahmegesetz* – "**ÜbG**") pursuant to §§ 130, 133(7) of the Austrian Stock Exchange Act 2018 (*Börsegesetz 2018* – "**BörseG 2018**"). A corresponding attribution to the controlling shareholders of individual Raiffeisen Regional Banks pursuant to §§ 130, 133(4) BörseG 2018 is made.

The terms of the syndicate agreement include a block voting agreement in relation to the agenda of the shareholders' meeting of RBI, pre-emption rights and a contractual restriction on sales of the RBI shares held by the Raiffeisen Regional Banks (with a few exceptions) if the sale would directly and/or indirectly reduce the Raiffeisen Regional Banks' aggregate shareholding in RBI to less than 40 per cent. of the share capital. Further, the syndicate agreement provides for an arrangement amongst the Raiffeisen Regional Banks to nominate nine members of the RBI Supervisory Board.

### **10.2 Membership in the IPS**

RBI is a member of an IPS, the Federal IPS, which besides RBI comprises of the Raiffeisen Regional Banks, RAIFFEISEN-HOLDING NIEDERÖSTERREICH-WIEN registrierte Genossenschaft mit beschränkter Haftung, Posojilnica Bank eGen as well as RBI's subsidiaries Raiffeisen Wohnbaubank Aktiengesellschaft and Raiffeisen Bausparkasse Gesellschaft m.b.H. Pursuant to Article 113(7) and Article 49(3) of the CRR an IPS is required to ensure the solvency and liquidity of its members. For further details of the Federal IPS reference is made to the section "3.1.3. *Federal Institutional Protection Scheme*".

### **10.3 Membership in the RKÖ**

With respect to RBI's membership in the RKÖ, reference is made to the section "3.1.2. *Raiffeisen-Kundengarantiegemeinschaft Österreich (RKÖ)*".

## 10.4 Commitment Agreement

RBI is party to an agreement with the Raiffeisen Regional Banks and Posojilnica Bank eGen pursuant to which each Raiffeisen Regional Bank and Posojilnica Bank eGen committed on an individual basis to subscribe at the request of RBI for ordinary senior debt securities and/or ordinary senior eligible debt securities (which do not meet the criteria for debt instruments pursuant to § 131(3)(1) to (3) BaSAG) provided that the total volume of the relevant issuance of debt securities amounts at least to EUR 500,000,000 (*five hundred million*) or its equivalent in other currencies. The aggregate amount of all commitments pursuant to the respective agreement is capped with EUR 250,000,000 (*two hundred fifty million*) per year.

In the ordinary course of its business, members of RBI Group enter into a variety of contracts with various other entities. Other than set forth above, RBI has not entered into any material contracts outside the ordinary course of its business which could result in any group member being under an obligation or entitlement that has a material adverse impact on RBI's ability to meet its obligations under RBI's debt securities.

## 11. THIRD PARTY INFORMATION

If and to the extent information contained in this Registration Document, as supplemented from time to time, has been sourced from a third party, RBI confirms that to the best of its knowledge this information has been accurately reproduced and that, so far as RBI is aware and able to ascertain from information published by such third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

## 12. DOCUMENTS ON DISPLAY

This Registration Document, any supplements hereto and the documents incorporated herein by reference are available on RBI's website ([www.rbinternational.com](http://www.rbinternational.com)) and on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)). The day of such first publication is deemed to be the valid day of publication.

This Registration Document is valid for a period of twelve months from the date of its approval. For the period of validity of this Registration Document all documents mentioned above and RBI's Articles of Association are available free of charge at RBI's registered office and on RBI's website ([www.rbinternational.com](http://www.rbinternational.com)).

RBI's Articles of Association can be expected under <https://www.rbinternational.com/en/investors/corporate-governance.html>.