

Raiffeisen Bank Czech Republic **Investor Presentation Q1/2024**

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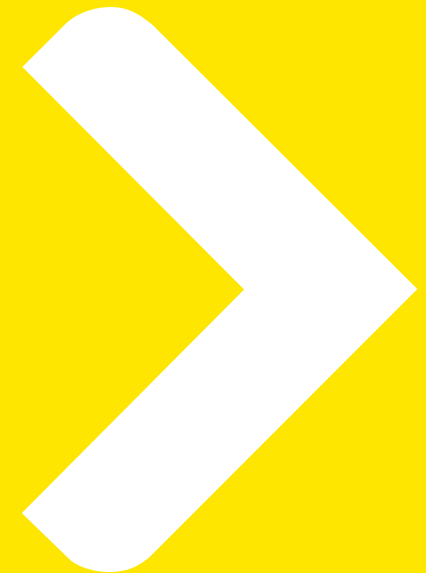
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Executive Summary



The 5th largest bank in the Czech Republic by Assets and the largest network bank within Raiffeisen Bank International Group

- Greenfield launch in 1993 and a **series of successful acquisitions throughout the years**, most recently Equa Bank, ING Retail Customers and Akcenta
- **Largest network bank within the RBI Group**, comprising 15.1% share of RBI's total assets and 11.7% share of RWA (as of 31.12.2023)
- **One of the leading banks in the Czech Republic** with 1.96 million customers and 8.5% market share in loans and 8.0% market share in deposits
- **Solid digital footprint**, with almost 9 out of 10 retail clients actively using banking services via digital channels and 33 average mobile log-ons monthly per active user
- **Robust asset quality**, with NPE ratio of 0.9% as of December 2023

Shareholder Structure



Customers



31/12/2023

1.96 mn

Assets

31/12/2023

CZK740 bn / EUR30 bn

Business Outlets



31/12/2023

128

Customer Deposits

31/12/2023

CZK594 bn / EUR24 bn

Digitalization

31/12/2023

87% of retail clients use digital channels

NPE Ratio / NPE Coverage

31/12/2023

0.9% / 50.6%

MOODY'S Rating⁽¹⁾

07/02/2024

A2 (stable)

Loans to Deposits

31/12/2023

75.5%

Robust organic growth with addition of more new customers than at any time in the history of the Bank and becoming number three on the Czech consumer loan market.

Customers

31/12/2023

1.96 mn

Net Loans to Customers

31/12/2023

CZK429 bn / EUR17.4 bn

Customer Deposits

31/12/2023

CZK594 bn / EUR24 bn

Further improvements in asset quality and maintaining of prudent capitalization ratios well above the regulatory requirements.

NPE Ratio

31/12/2023

0.9%

Liquidity Coverage Ratio

31/12/2023

230%

CET1 / CAR

31/12/2023

16.0% / 20.0%

Net Interest Income reached CZK 15.4 bn (1.5% decrease compared to the last year), while Net profit for the 2023 reached CZK 7.3bn (17% decrease year-on-year).

Net Interest Margin

1-12/2023

2.2%

Return on Equity

1-12/2023

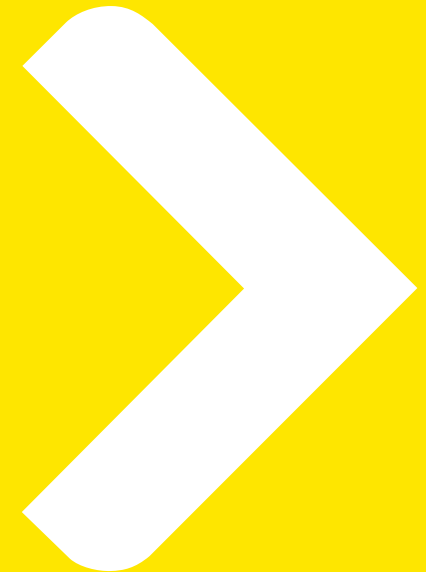
13.7%

Shareholders' Equity

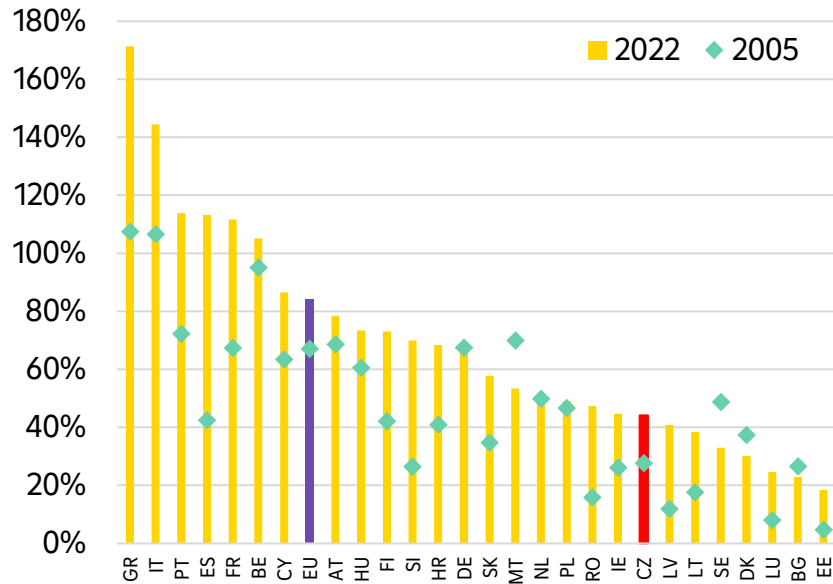
31/12/2023

CZK57.6 bn / EUR2.3 bn

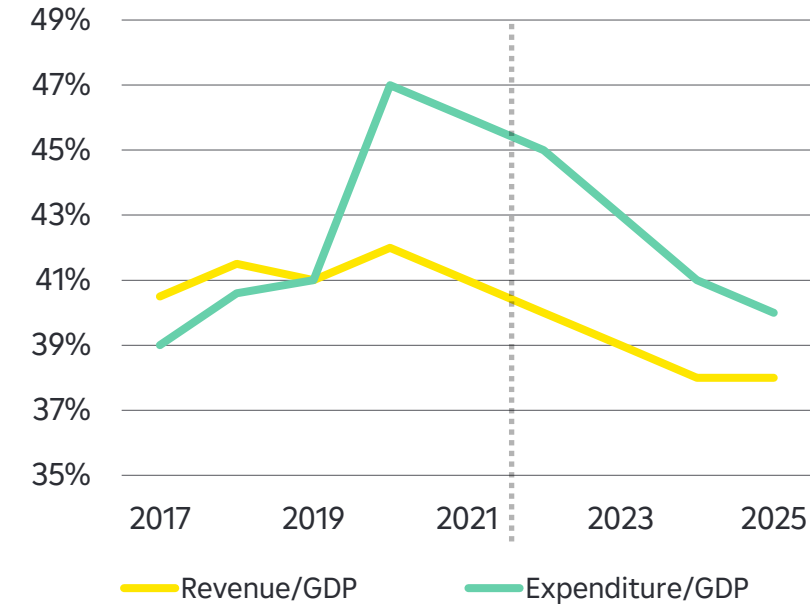
Czech Macroeconomic Backdrop



Low Government Debt and Highest Credit Rating among the CEE Countries



Aaa	Denmark, Germany, Lux., Netherlands, Sweden
Aa1	Austria, Finland
Aa2	France
Aa3	Belgium, Czech Republic , Ireland
A1	Estonia
A2	Lithuania, Malta, Poland, Slovakia
A3	Latvia, Slovenia, Portugal
≤ Baa1	Bulgaria, Spain, Hungary, Croatia, Italy, Romania, Cyprus, Greece



Debt to GDP is among the lowest in the EU

The long-term trend is similar to the EU. In the coming years, we expect the debt-to-GDP ratio to stabilise around 45-46%.

The **share of government debt held by foreign investors** is low compared to the EU, <30% in recent years.

Czech rating closer to developed countries

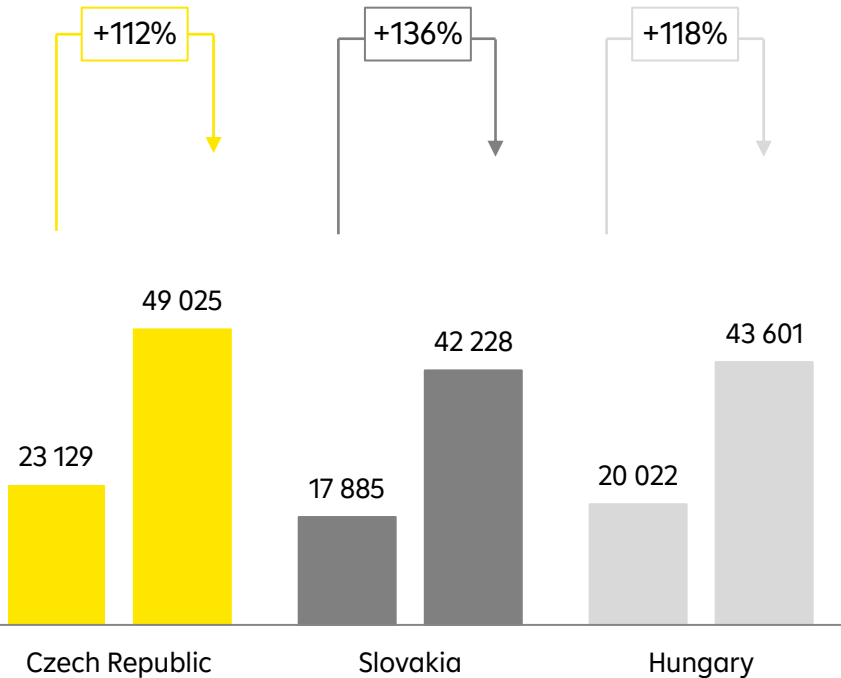
The Czech Republic's rating has been improving steadily over time and nowadays is the best in the CEE region.

The FTSE Russell World Index reclassified the Czech Republic from an emerging **market to a developed market in 2020**.

Gov. finances in process of consolidation

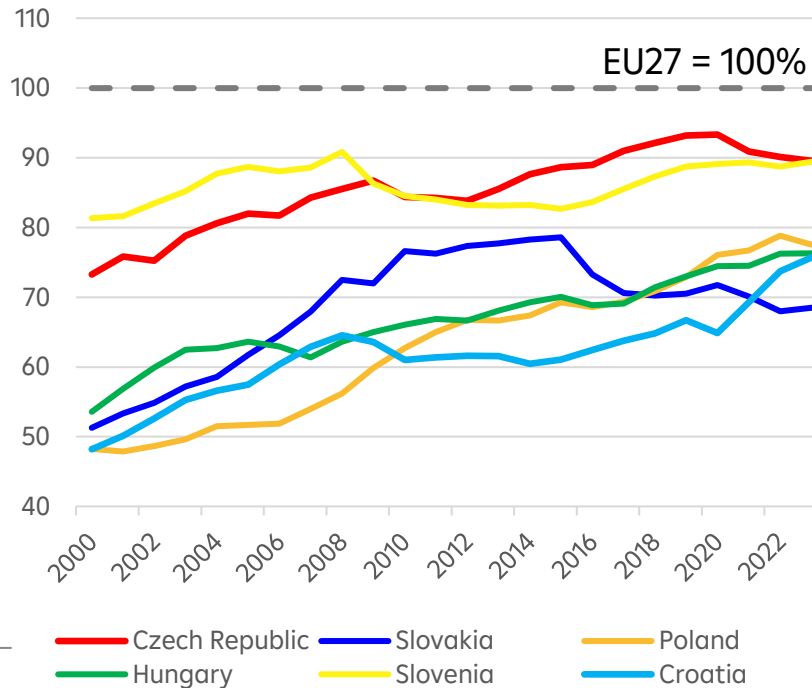
The covid shock was followed by a widening of the gap between revenues and expenditures. We expect a gradual closure and a government deficit below 3% of GDP in 2024.

CNB holds **FX reserves** at >40% of GDP



GDP / Capita in 2005 vs. 2023 (US\$ PPP)

The growth of the Czech economy was similar to that of other CEE countries, although its starting position was much higher.



Economic Convergence (GDP per capita in PPS in % of EU27)

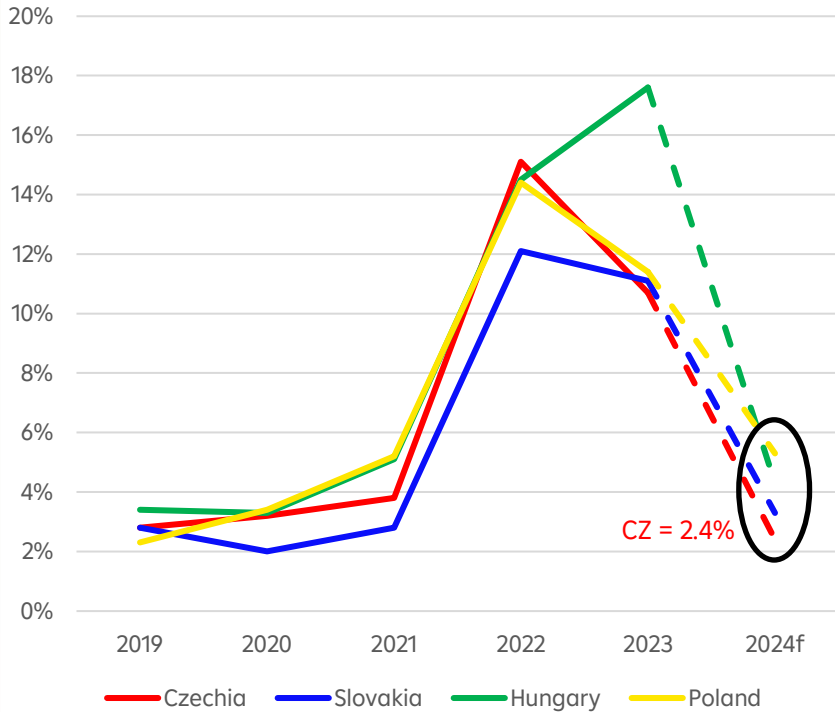
Czech Republic is the closest to Western countries in terms of economic performance among the CEE countries.

Country	Political Stability Index
Czech Republic	0.82
Hungary	0.64
Germany	0.61
Poland	0.50
Slovakia	0.44

Note: Political stability index (-2.5 weak; 2.5 strong), in 2022

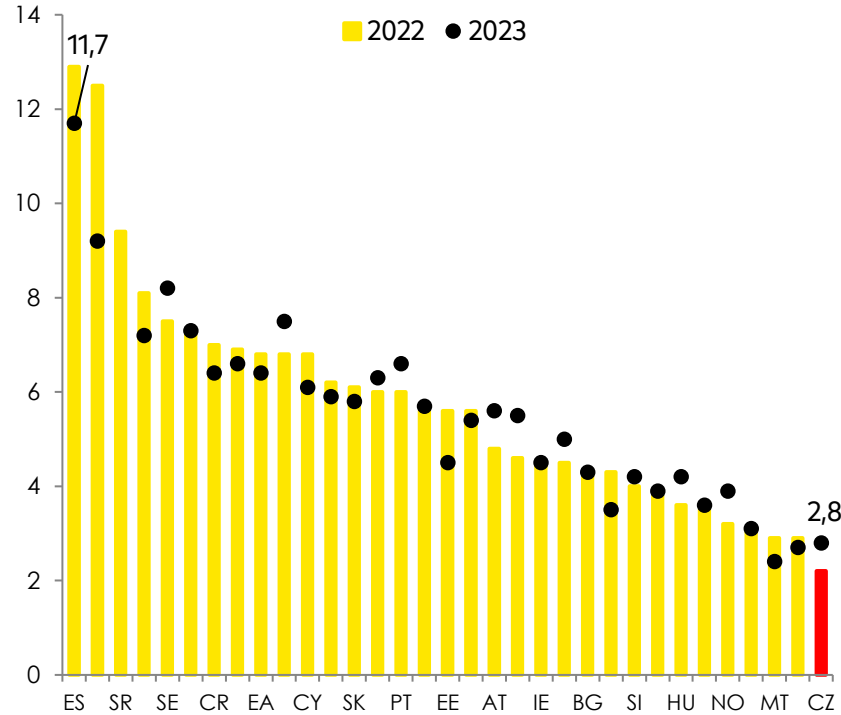
Political Stability

Czech Republic is one of the countries with the highest level of political stability in CEE region.



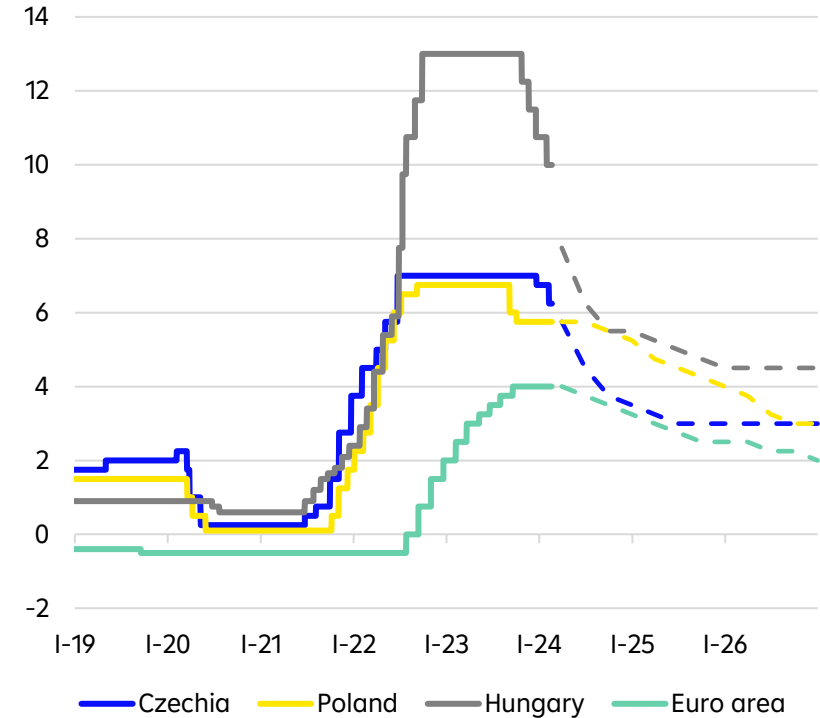
CPI (in %, average)

The period of high inflation in the Czech Republic is over. Price stability has been restored. While inflation remains persistent in other CEE countries, the inflation target is within reach in the Czech Republic.



Unemployment Rate (in %, end of period)

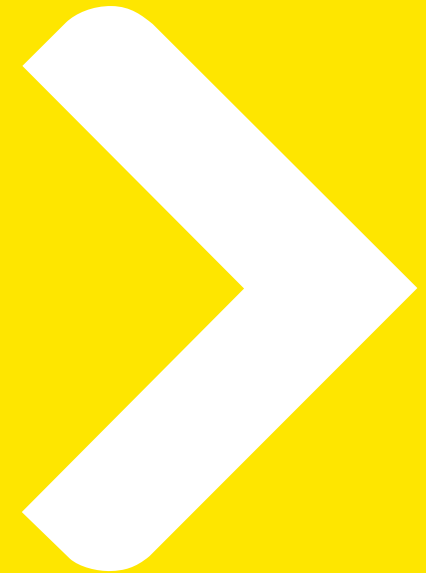
Over the long-term, Czech Republic has been one of the countries with the lowest unemployment rate in the EU.



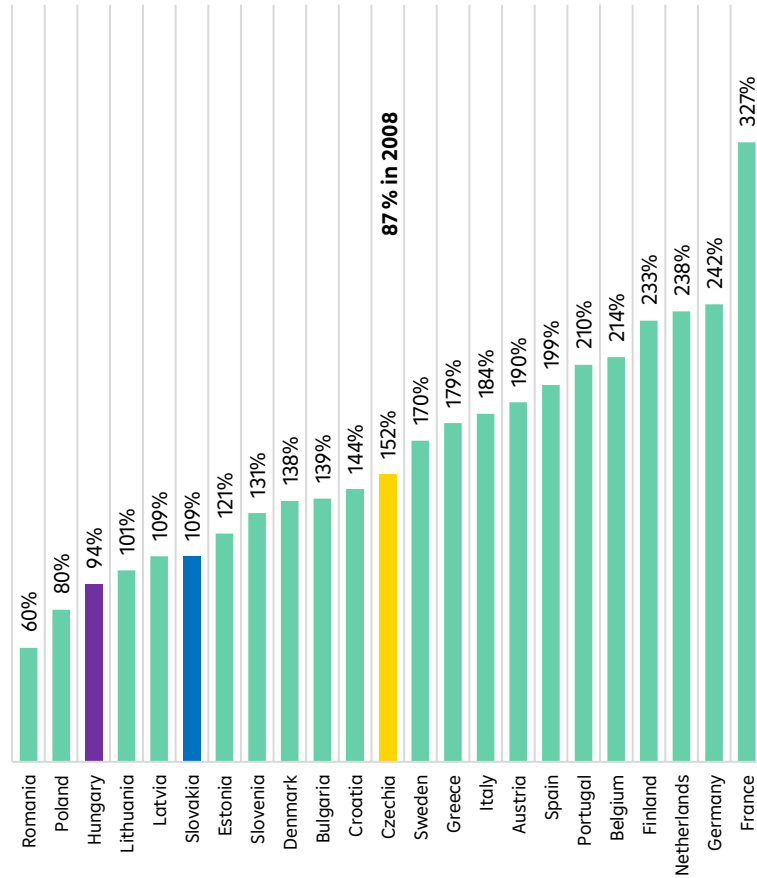
Expected development of interest rates (%)

Thanks to the decline in inflation, Czech rates will fall rapidly. Within the region, we expect the quickest pace, yet the key rate should remain above the ECB deposit rate for the whole time.

Czech Banking Sector

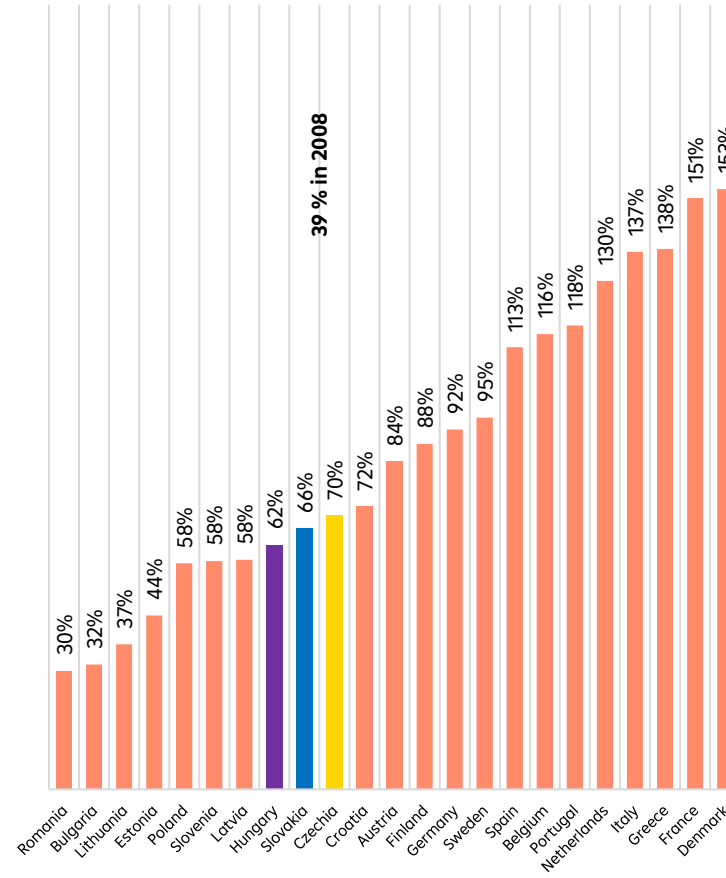


Loans/GDP



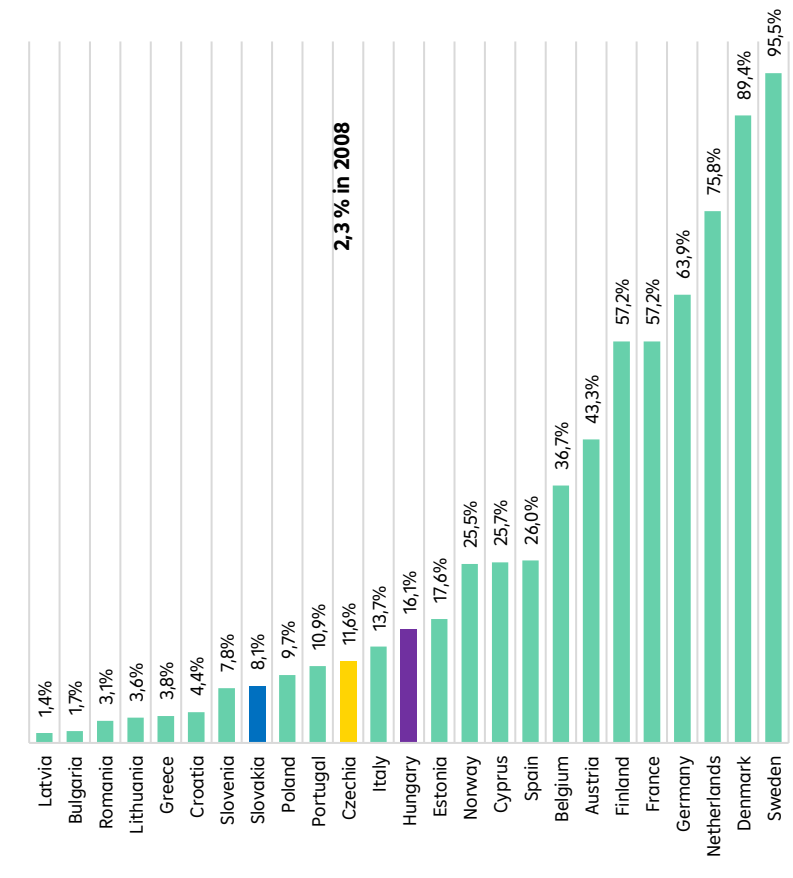
Source: Eurostat, credit institutions, 2022-end

Debt securities/GDP



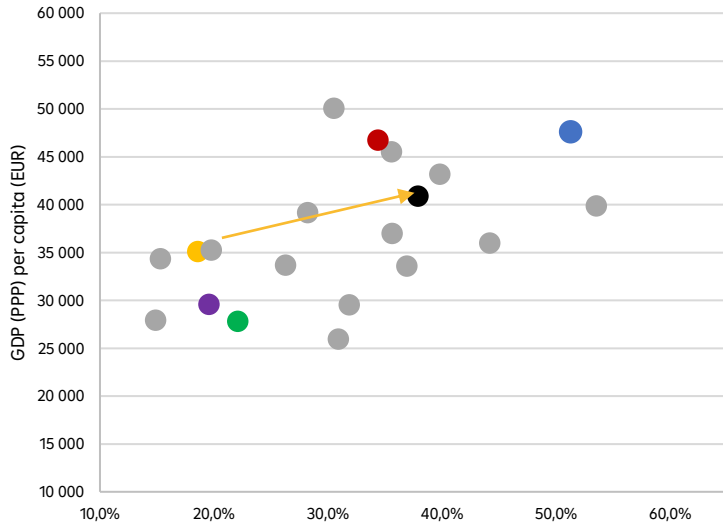
Source: Eurostat, credit institutions, 2022-end

Total Assets of investment funds/GDP



Source: Eurostat, Total assets of non-MMF investment funds, 2022-end

Corporate loans in % of GDP



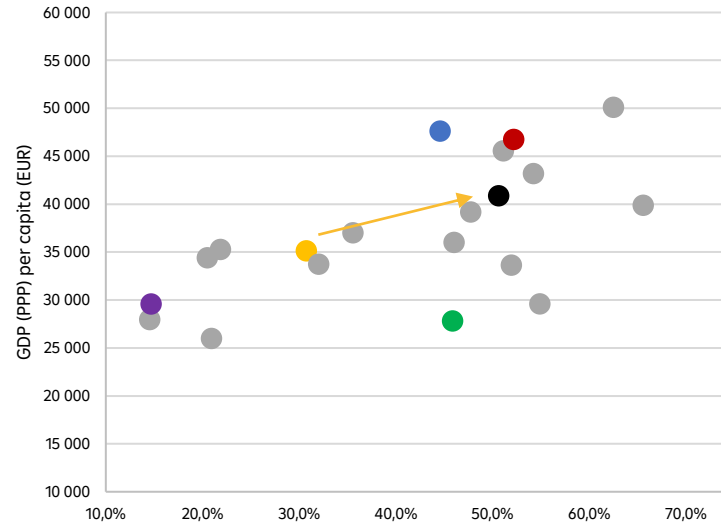
Source: Eurostat, end of 2022

■ CZ
 ■ Austria
 ■ Germany
 ■ Slovakia
 ■ Hungary
 ■ Euro area
 ■ other countries of Euro area

Corporate loans are slowing considerably

New lending is down 33% in 2023 compared to 2022. In 2022, euro-denominated loans contributed significantly to loan growth, which is no longer the case this year. Nevertheless, the share of euro loans is at an all-time high of 50.4%. Corporate lending will pick up again as the economy recovers and market interest rates fall.

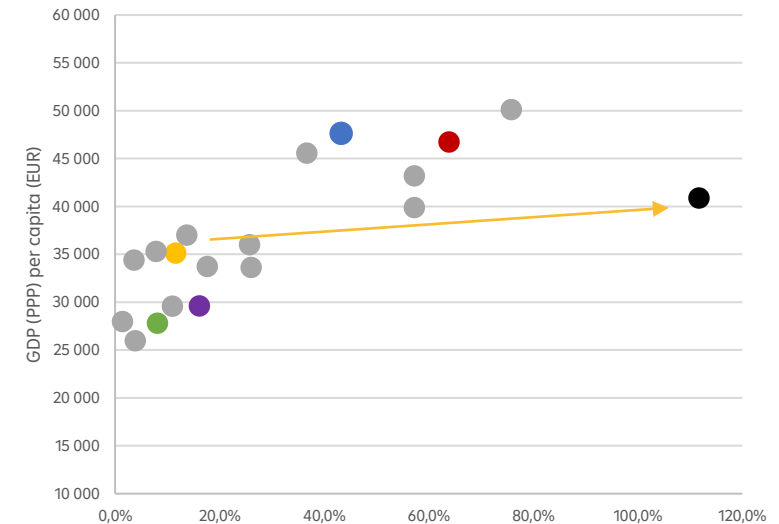
PI loans in % of GDP



PI loans suffer from weak mortgage market

PI loans slowed to 4.0% yoy due to a sharp fall in demand for mortgage loans. Last year's volume of new mortgages is 24% lower than in previous year. Although we see signs of recovery in 2H2023, the return to pre-covid levels will be gradual.

Assets of Investment funds in % of GDP

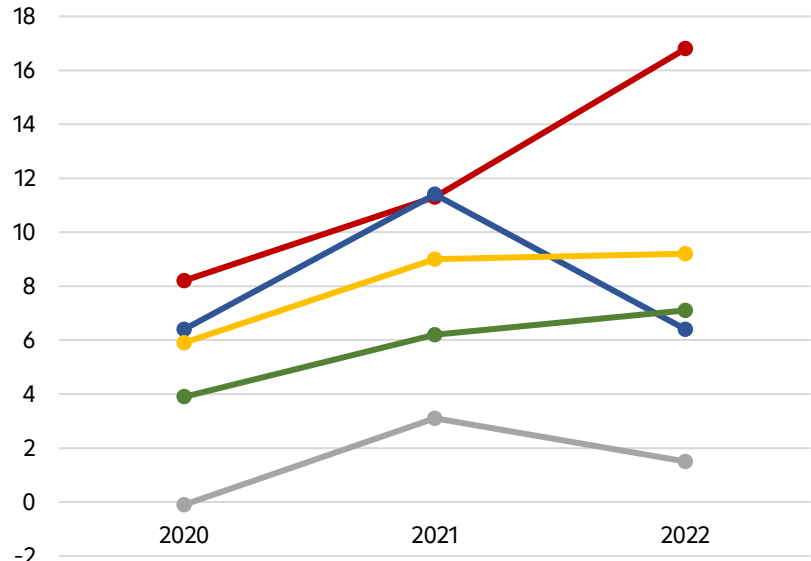


Investment funds – untapped growth potential

The average Czech household invests only around 2% of its assets in investment funds. This is well below the EU average of 10%. If Czech households were to increase their investment in investment funds to the EU average, the total assets under management in Czech investment funds would increase to over CZK 1.5 trillion (EUR 58 billion). ¹²

Czech Banking Sector - Highly Profitable with Stable Liquidity and Robust Capital Equipment

ROE (%)

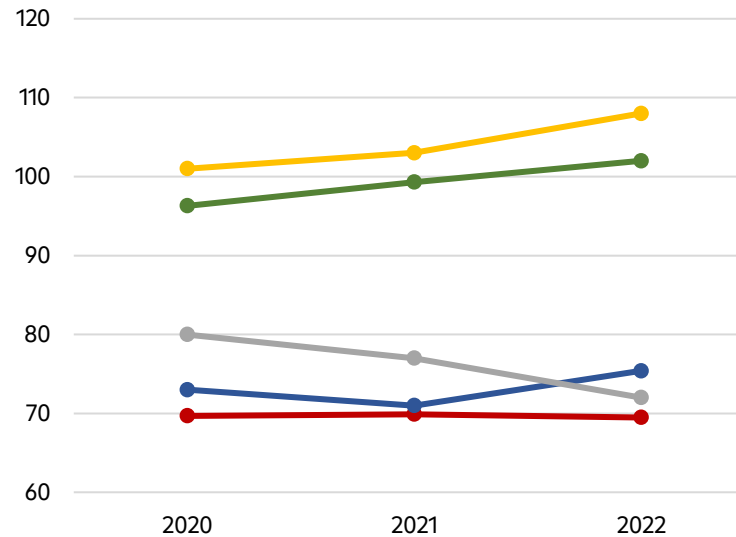


— Czech republic — Hungary — Poland — Slovakia — Austria

The highest ROE in region

The banking sector's profit is supported by higher interest rate levels and still active demand for credit.

LTD ratio (%)

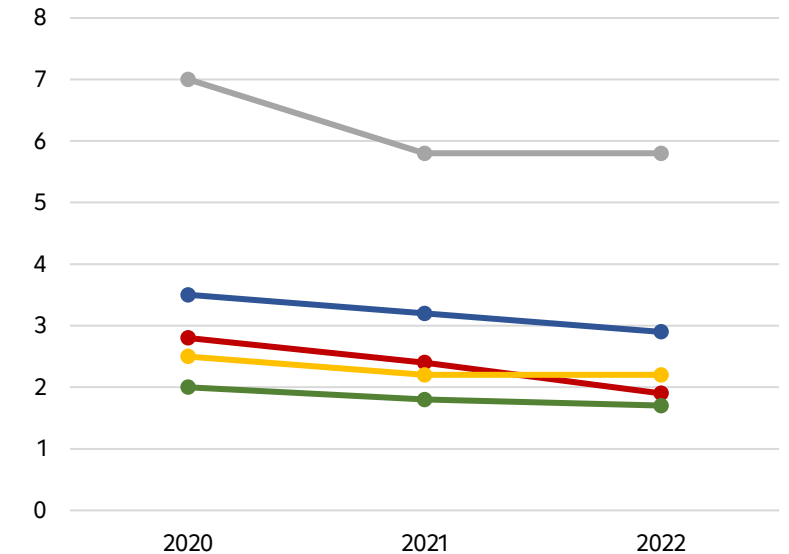


— Czech republic — Hungary — Poland — Slovakia — Austria

The lowest LTD ratio in region

The banking sector is not dependent on external sources of funding due to rising deposits and still has a high potential for credit expansion.

NPL share (%)

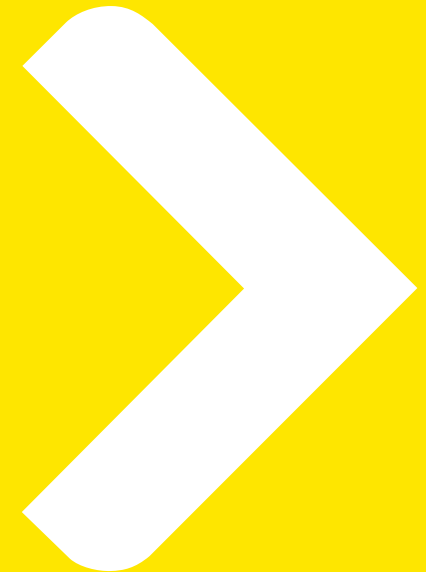


— Czech republic — Hungary — Poland — Slovakia — Austria

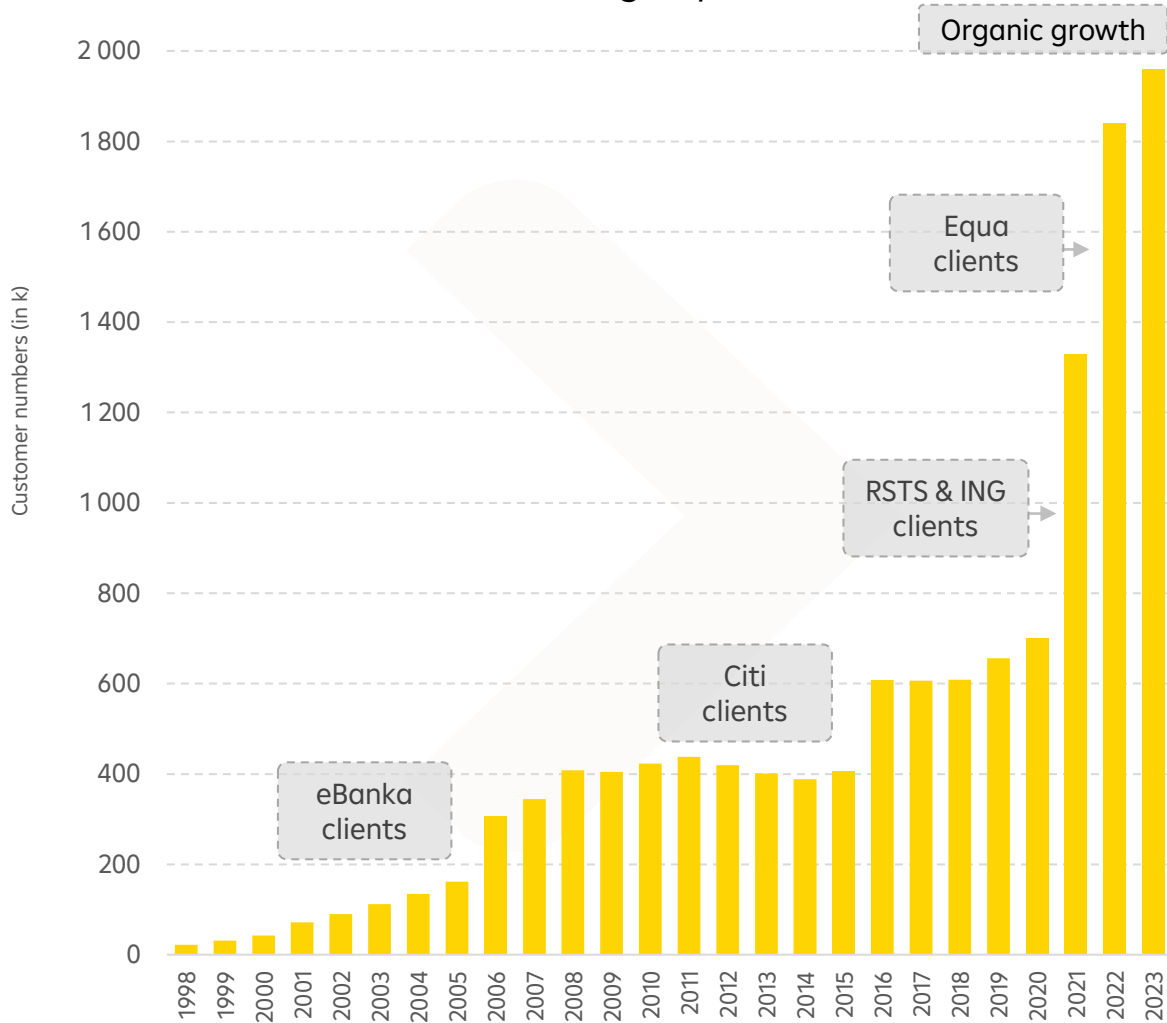
Low level of NPLs

High quality of the loan portfolio with a low share of NPLs below 2% and a high level of provisioning.

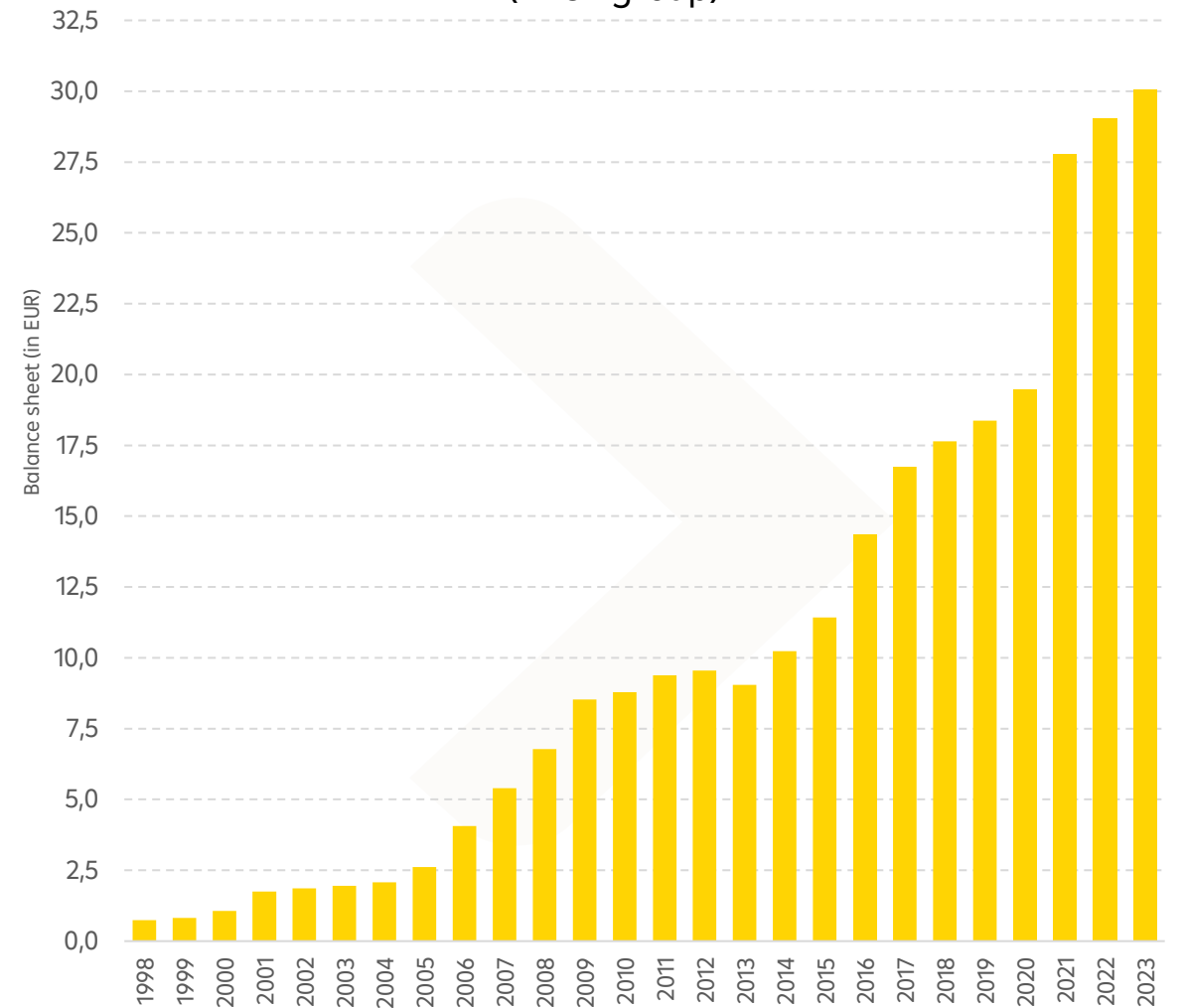
Overview of Raiffeisenbank and RBI Group



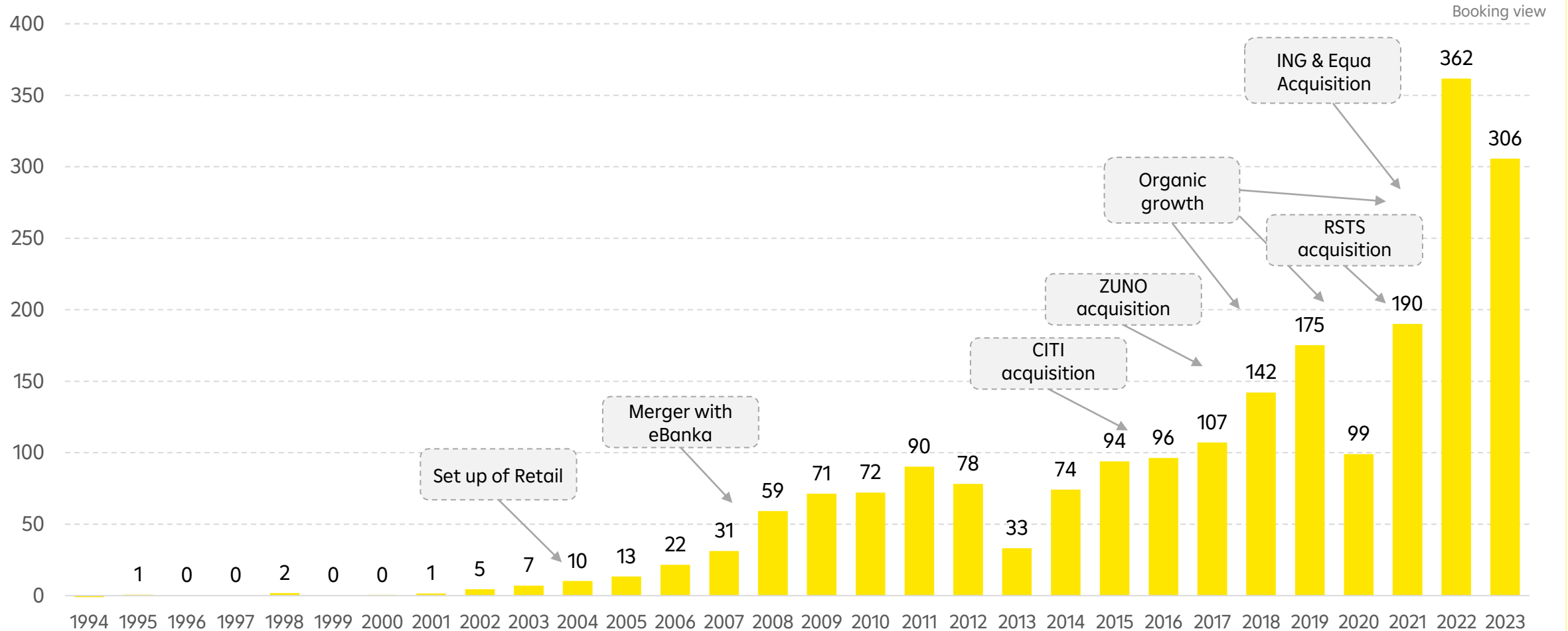
Customer numbers
(RBCZ group)



Balance sheet
(RBCZ group)



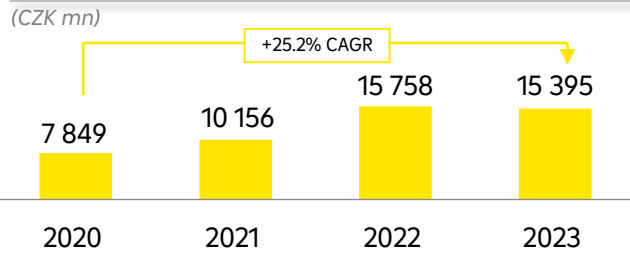
Consolidated NPAT (EUR mn)



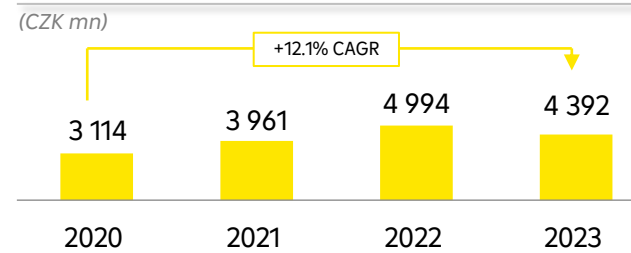
Resilient Performance, Strong Organic Equity Generation and Robust Capitalization

Solid profitability enables strong organic equity generation and robust capitalization well above regulatory requirements to support the strong growth rate of Raiffeisenbank

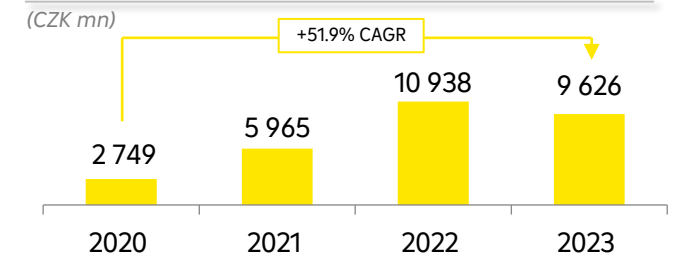
Net Interest Income



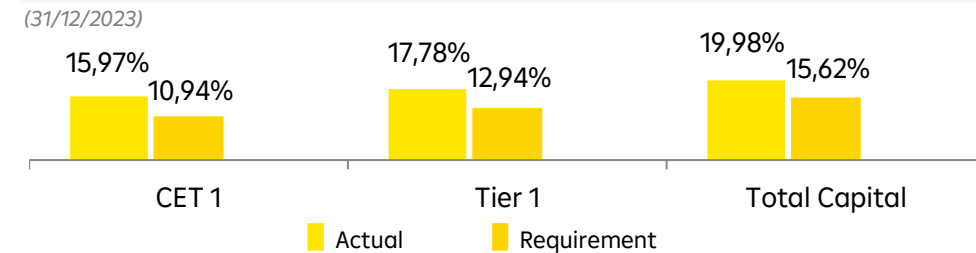
Net Fees and Commissions



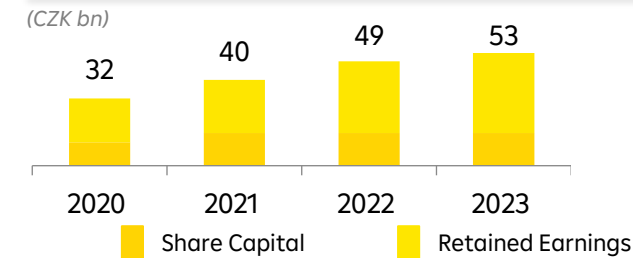
Profit Evolution (Before Tax)



Capital Stock



Strong Organic Equity Generation



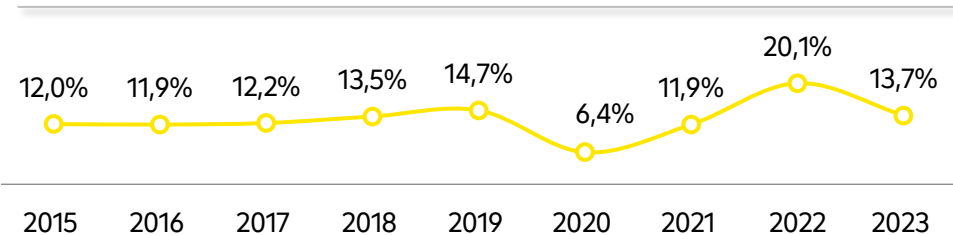
Life-to-date share capital

CZK 15.5 bn / EUR 0.6 bn

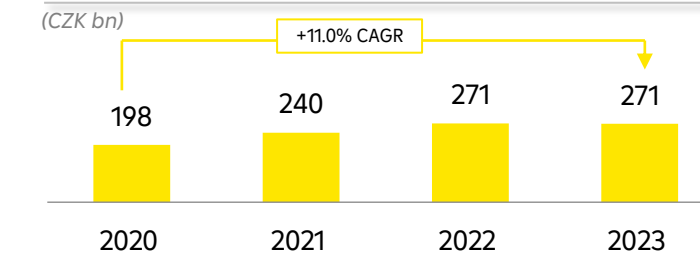
Cumulative Retained Earnings⁽¹⁾

CZK 37.7 bn / EUR 1.5 bn

Return on Equity⁽²⁾



Risk-Weighted Assets (RWA)



Consistent return on equity allows for a well-capitalized bank and strong RWA growth

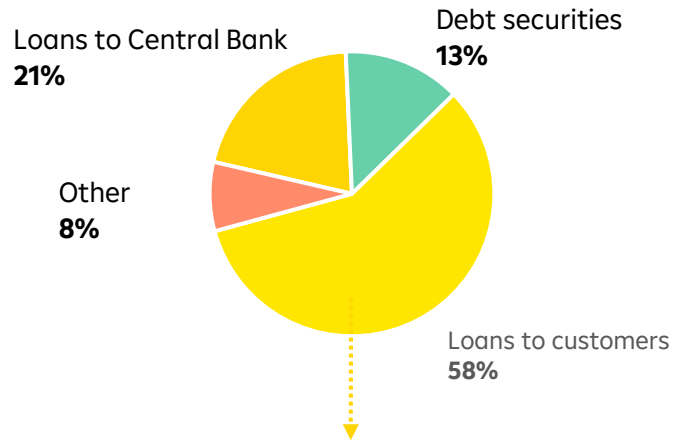
Notes: Convenience translation at 1 EUR = 24.725 CZK (FX rate published by the Czech National Bank as of 31/12/2023).

(1) Incl. profit of current year, excl. AT1

(2) RBI Group View. Source: Company Information

Prudent balance sheet with growth driven by retail customers and low delinquencies and strong provisions

Total Assets, net

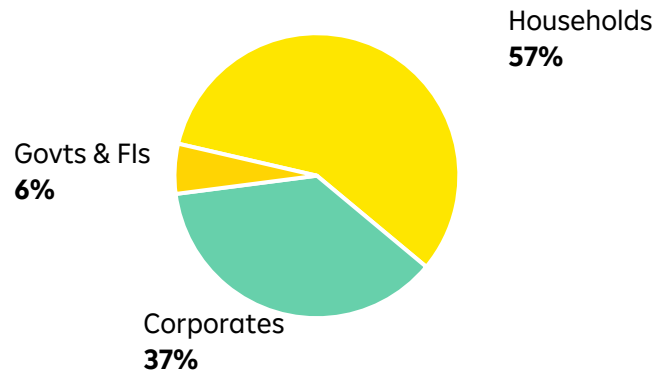


Total Assets

31/12/2023

CZK740 bn
EUR30 bn

Loans to Customers, net⁽¹⁾



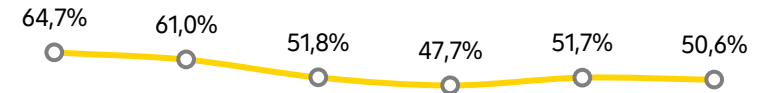
Loans to Customers

31/12/2023

CZK429bn
EUR17.4 bn

Asset Quality

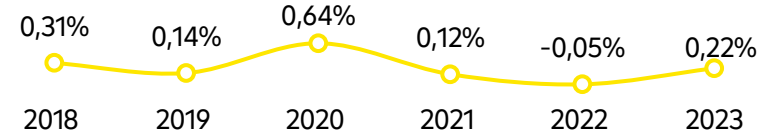
NPE Coverage



NPE Ratio

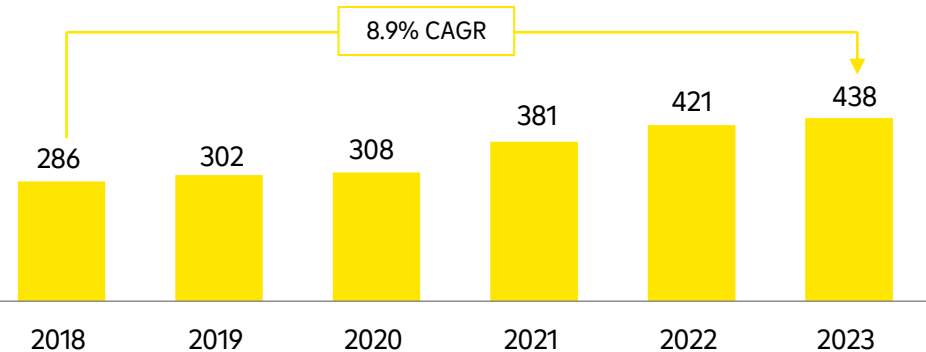


Provisioning ratio



Loans to Customers Evolution

(CZK bn)

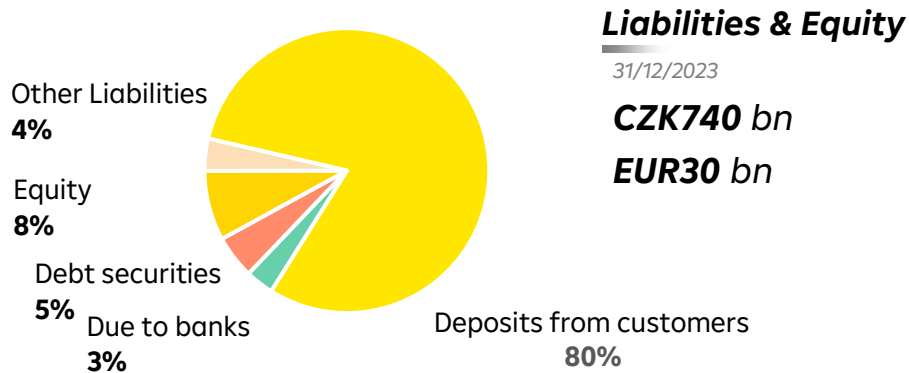


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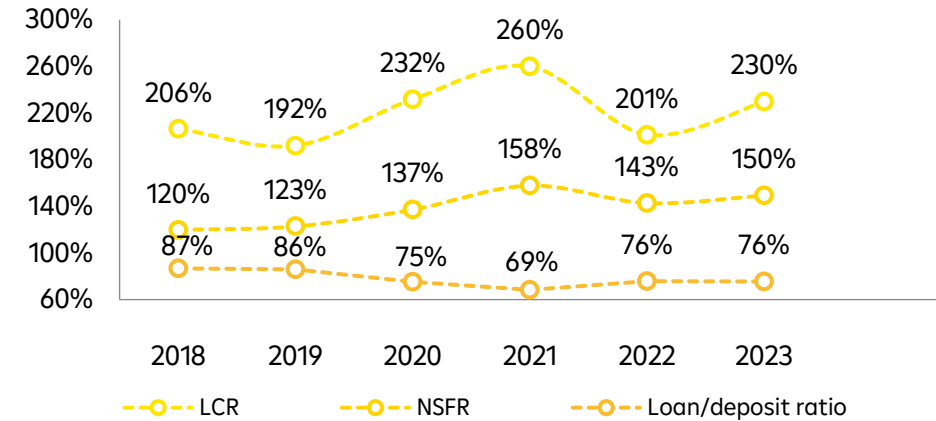
(1) Split based on gross amount; excl. loss allowances which cannot be allocated. Source: Company Information

Raiffeisenbank has delivered strong growth in deposit gathering activities, leading to prudent liquidity position

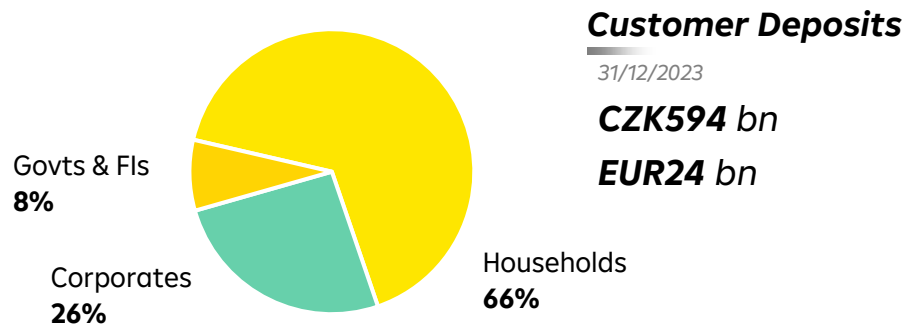
Liabilities and Equity



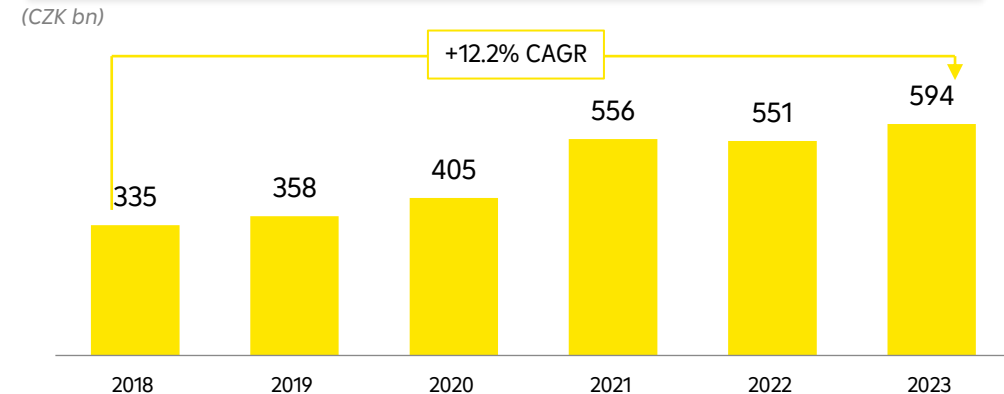
Selected Liquidity Ratios



Deposits from Customers

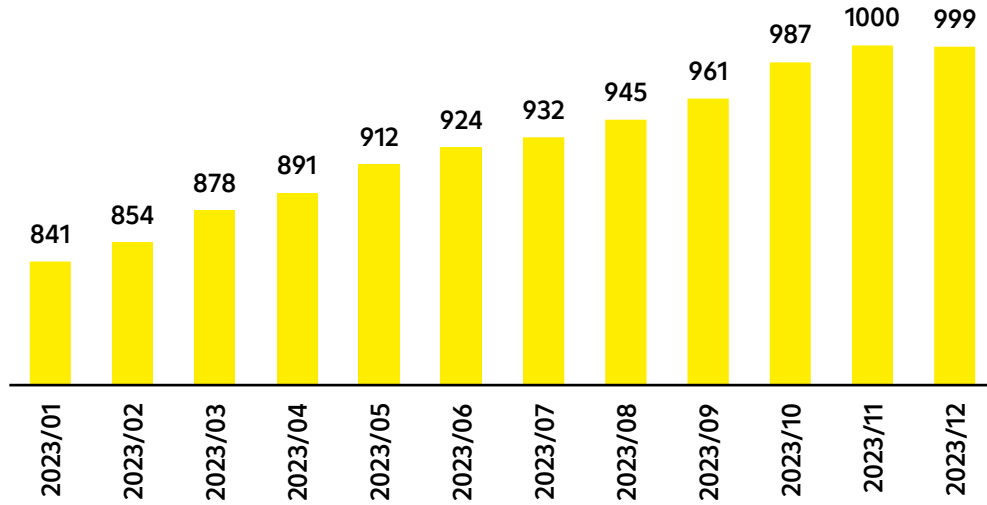


Deposit Growth

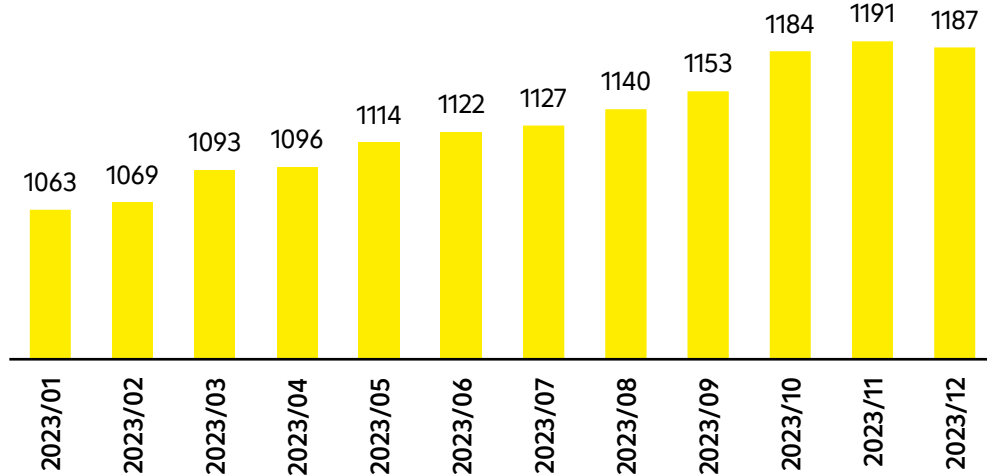


The bank reached 1 million of mobile banking users, which are the most digitally active in the CE region

Number of mobile banking users ('000)

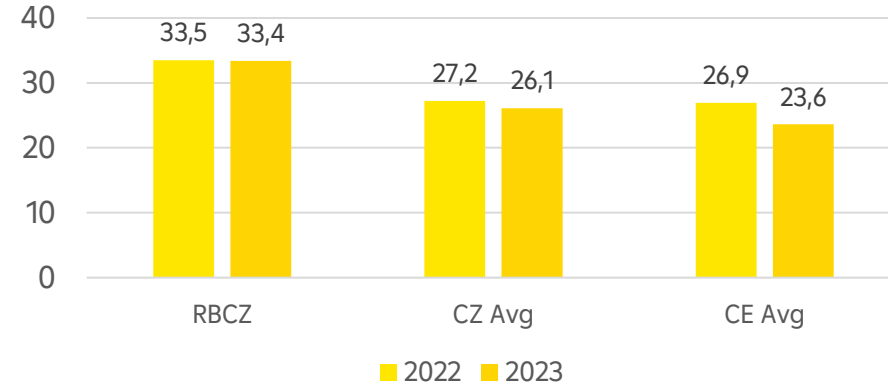


Number of digital channels users ('000)



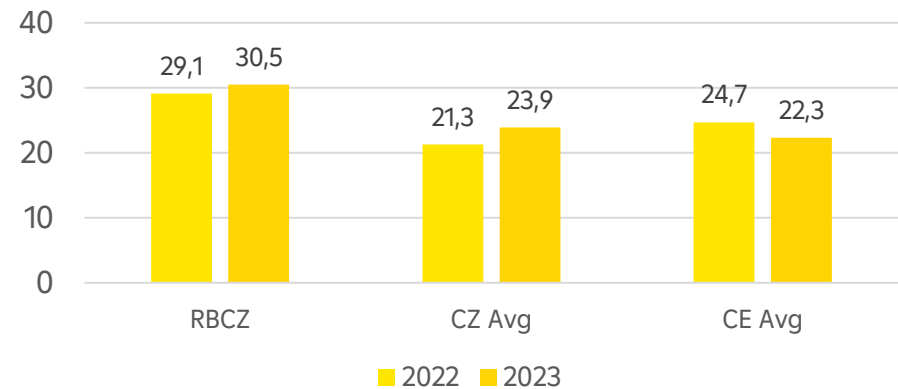
Monthly total mobile log-on frequency

Total mobile log-ons / 30-day active mobile users (June 2023)



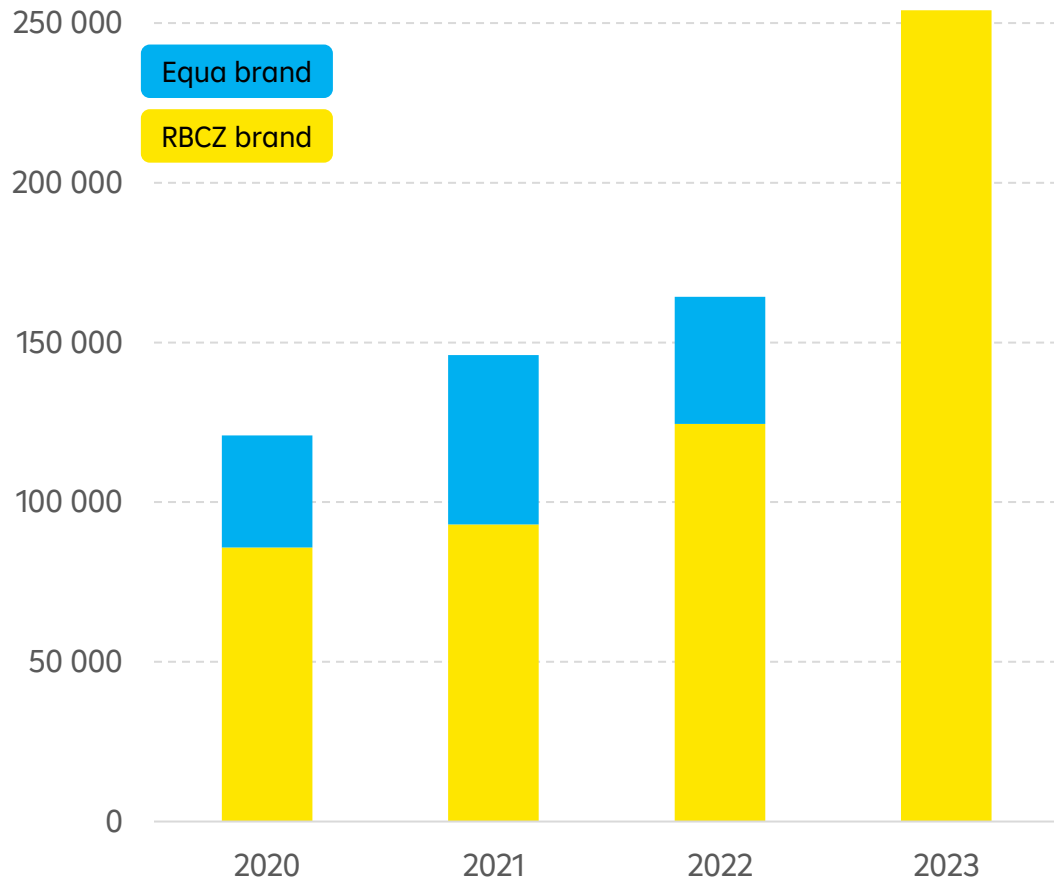
Monthly total digital log-on frequency

Total digital log-ons / 30-day active digital users (June 2023)

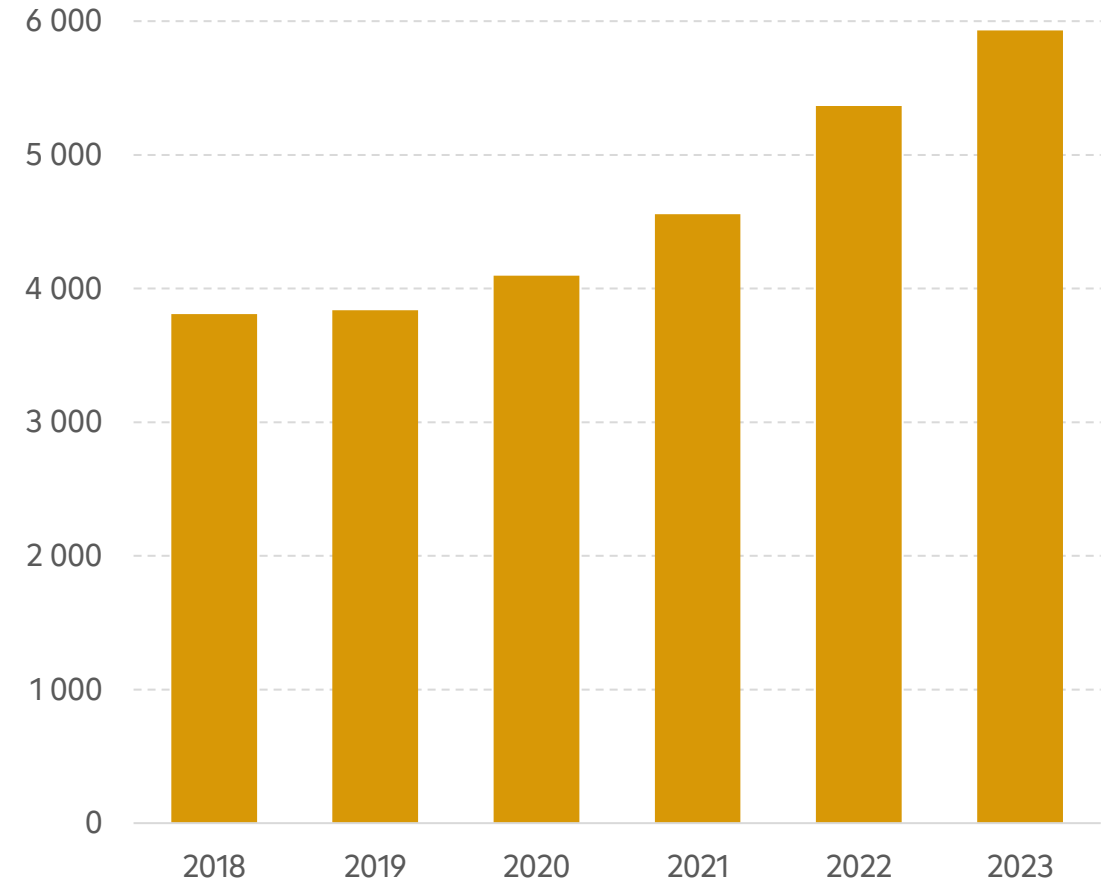


We know how to acquire new clients organically, both PI & Corporate. We will continue reading the market in order to drive profitable growth going forward

Organic gross acquisition – PI



Growth of CORP customer base

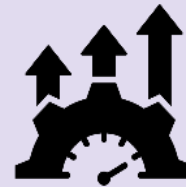


Strategy 2025: We organize ourselves around tree strategic pillars; we believe that through activities in these pillars, we will achieve our goals



To frame and guide our ambitions, and to support our primary purpose – ease the lives of our customers, our employees & society at large – we grouped our priorities into **three strategic pillars**:

Digitalization
towards clients



Internal processes
improvements

Streamlining
of IT architecture



And ... if we continue doing the right things, we might even win again some nice awards 😊😊😊



2023 The best bank and the most customer-friendly bank

2022 The best bank and the most customer-friendly bank

2019 The most customer-friendly bank

2018 The most customer-friendly bank

2017 The most customer-friendly bank

2016 The best bank and the most customer-friendly bank

2015 The most customer-friendly bank



Responsible Bank of the Year 2023



The best bank in digital solutions in the Czech republic



TOP Responsible Company in the category - Diversity



TOP 3 employer in Banking sector

Raiffeisenbank Bank International Group is the leading banking group in CEE with strong presence across 13 countries in the region and top 5 position in 12 of them

RBI Group – Key Financial and Other Indicators

Operating Income

1-12/2023

EUR9.1 bn

Profit After Tax

1-12/2023

EUR2.6 bn

Assets

31/12/2023

EUR198.2 bn

Customer Loans

31/12/2023

EUR99.4 bn

Customer Deposits

31/12/2023

EUR119.4 bn

CET 1 Ratio

31/12/2023

17.3%

Total Capital Ratio

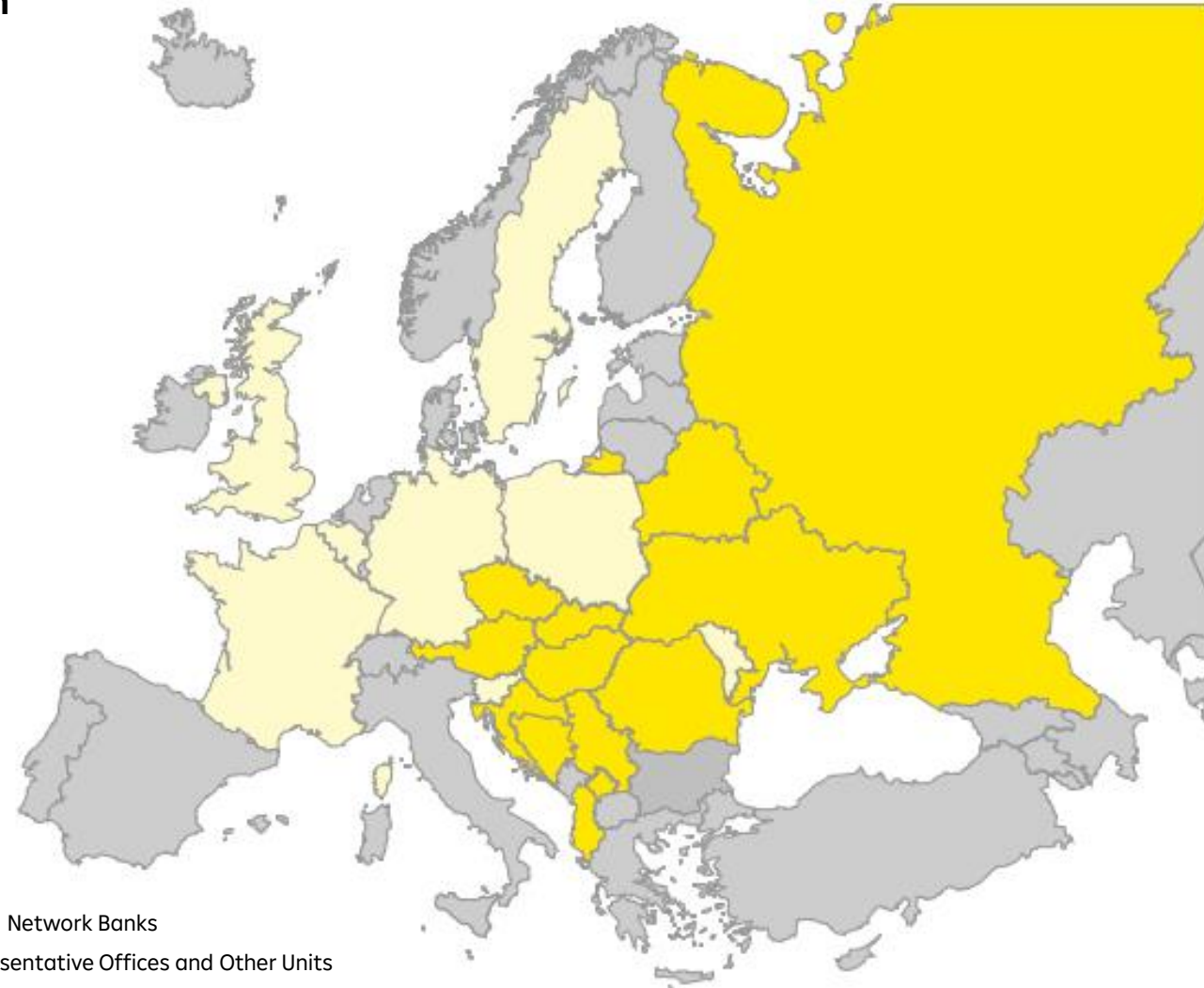
31/12/2023

21.5%

Ratings⁽¹⁾

31/12/2023

**A1 (stable) /
A- (negative)**

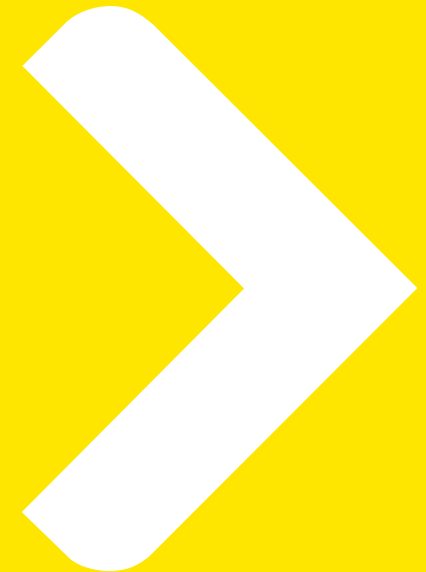


Dark Yellow: Head Office and Network Banks
Light Yellow: Branches, Representative Offices and Other Units

Note: Financial data source: Public data by RBI

(1) Moody's / S&P Global Ratings; Long-Term Deposit Rating.


Group Resolution Strategy and Implications for Raiffeisenbank



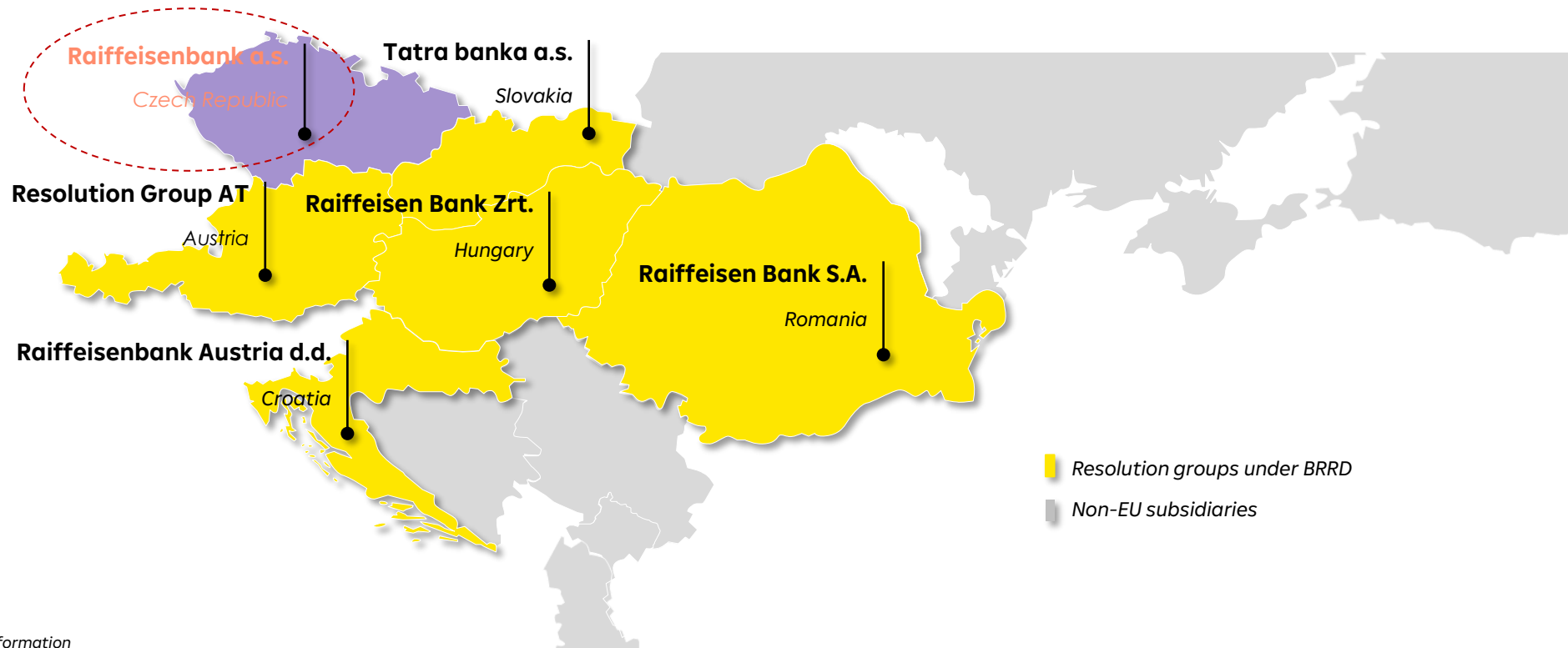
Multiple-Point-of-Entry (MPE) is considered the most suitable resolution strategy for RBI

6 Independent and ringfenced resolution groups

 Strict intra-group limits to mitigate contagion risk

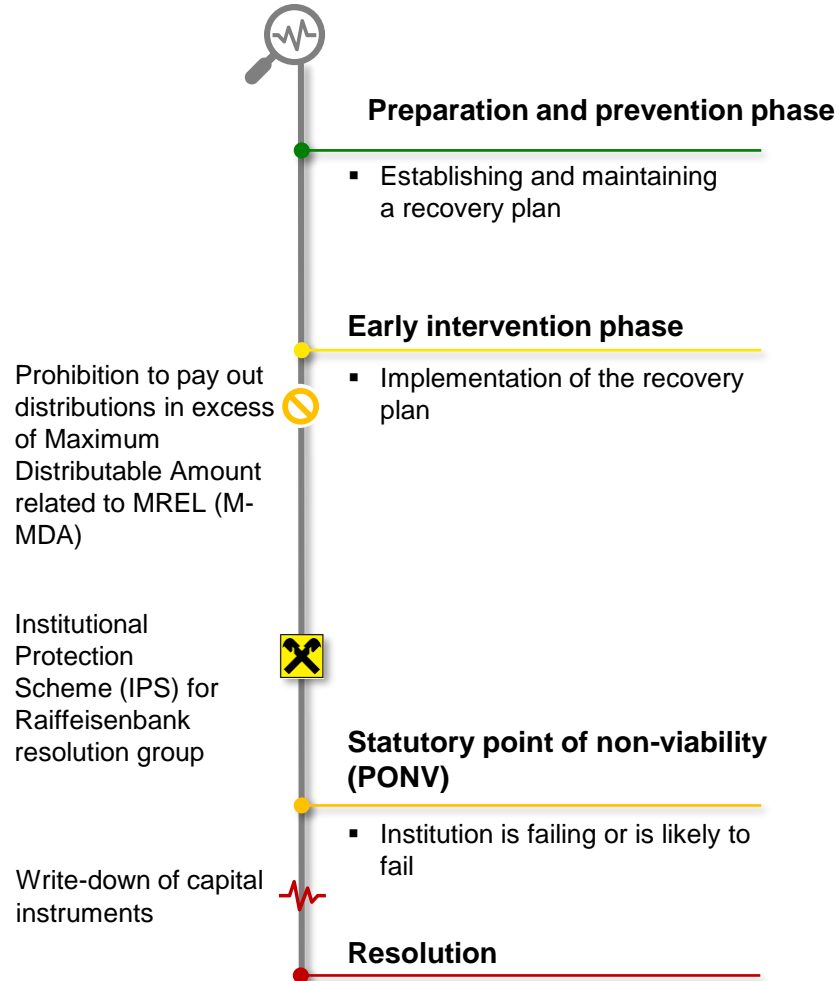
 RBI AG is rated: A2 by Moody's A- by S&P

MREL Relevant Resolution Groups:

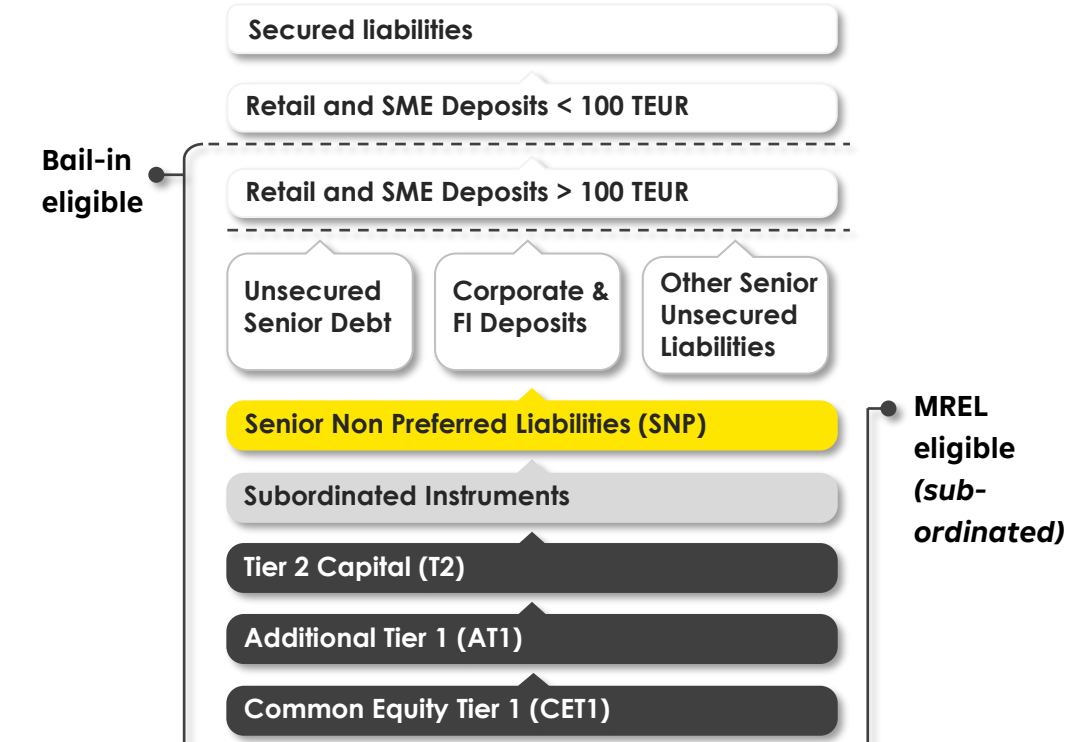


Source: Company Information

Solvency (own funds), liquidity and asset quality situation



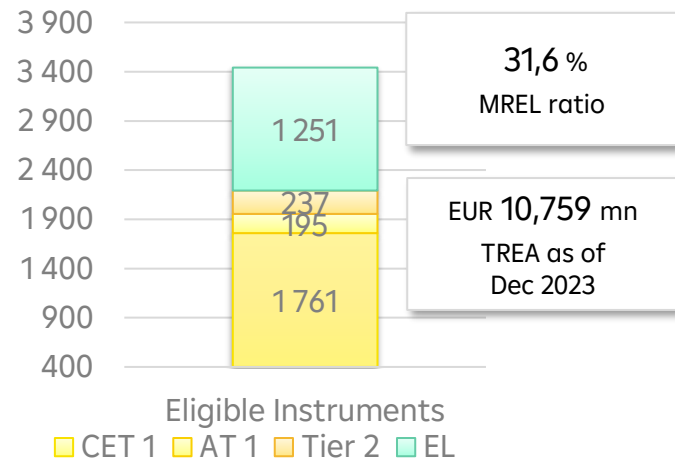
Resolution Cascade



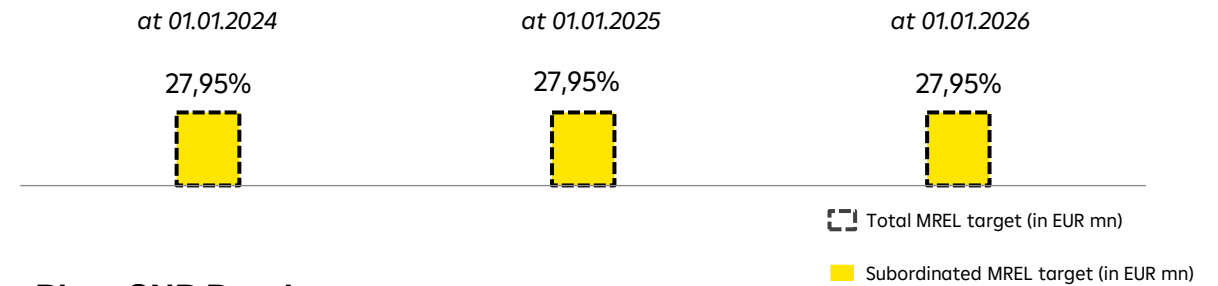
- The Czech Resolution and Recovery Act enables the CNB to adopt various measures in a resolution scenario including write-down or conversion powers in relation to MREL eligible notes
- The CNB would exercise the write-down or conversion in accordance with the hierarchy of claims in normal insolvency proceedings (i.e. claims would be written-down or converted in inverse order to the order in which the claims would be satisfied in insolvency proceedings). Accordingly, the impact of application of such powers on the Notes would depend on their ranking in accordance with such hierarchy

Capital markets instruments will play an important role in meeting Raiffeisenbank’s MREL requirements

Current MREL Situation (EUR mn, 12/2023)



MREL Targets (expected requirement since 01/2024, incl. CBR)



Funding Plan: SNP Bonds

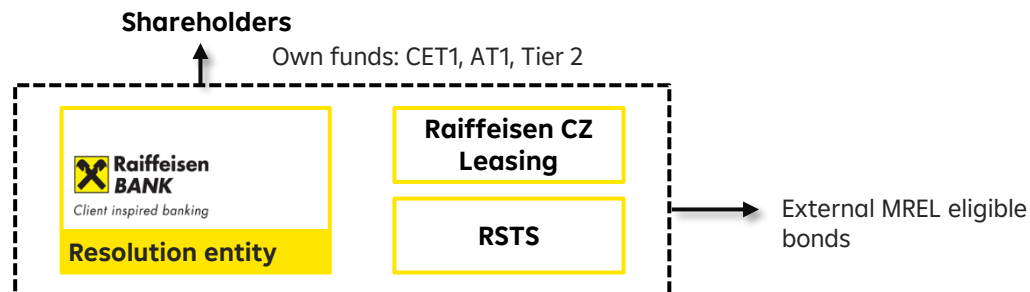
EUR 600-700 mn

EUR ~200 mn

EUR ~350 mn

- EUR ~100-200 mn (domestically, in CZK)
- EUR 500-600 mn (internationally, in EUR)

Resolution strategy

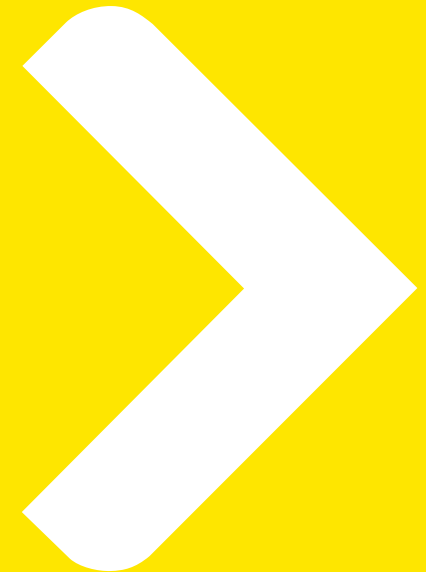


- CNB acting as Resolution authority
- Minimum requirement class is senior non-preferred

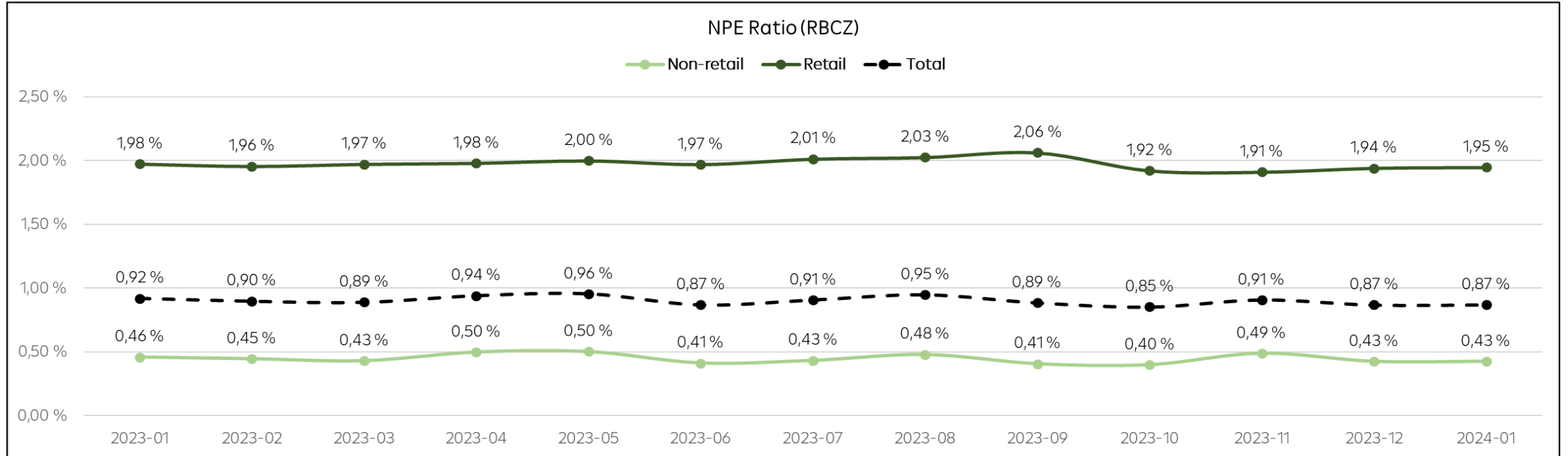
- RBCZ is on track as for the qualitative regulator's (CNB) expectations in the Resolution Planning
- Constant dialogue is being held with CNB in order to keep high standards
- Following are the developments within the defined Resolution dimensions:

Dimension	Progress Achieved
Governance	<ul style="list-style-type: none"> • Governance arrangements defined and followed (Resolution Team is held as an agile team) • BoD regularly informed on the progress • First internal audit took place in 2023 • First dry runs took place in 2023: on collateral, write down and conversion and internal bail-in (in cooperation with CNB)
Loss Absorption and Recapitalisation	<ul style="list-style-type: none"> • Bail-in Playbook approved in 2023 (incl. detailed steps to be taken before, during and after resolution weekend) • Constantly keeping the MREL target
Liquidity and Funding	<ul style="list-style-type: none"> • Liquidity and Funding in Resolution approved as a new norm, after various consultations with CNB
Operational & FMI Continuity	<ul style="list-style-type: none"> • Whole set of necessary documents approved (Operational Continuity Handbook, Service Catalogue, Risk Identification Framework - RIF, Retention Plan, FMI Contingency Plan) • First Operational Continuity Risk Assessment (based on the RIF) held in 2023
Information Systems	<ul style="list-style-type: none"> • Data sets in the extent required by CNB in 2023 developed and delivered • Models Catalogue - new internal governance tool developed
Communication	<ul style="list-style-type: none"> • Resolution Communication Plan approved and aligned with other norms
Separability & Restructuring	<ul style="list-style-type: none"> • New governance arrangement – question on separability added to yearly RSA (Risk Self-Assessment) • Business Reorganisation Plan developed, included in the Bail-in Playbook

Raiffeisenbank Credit risk management



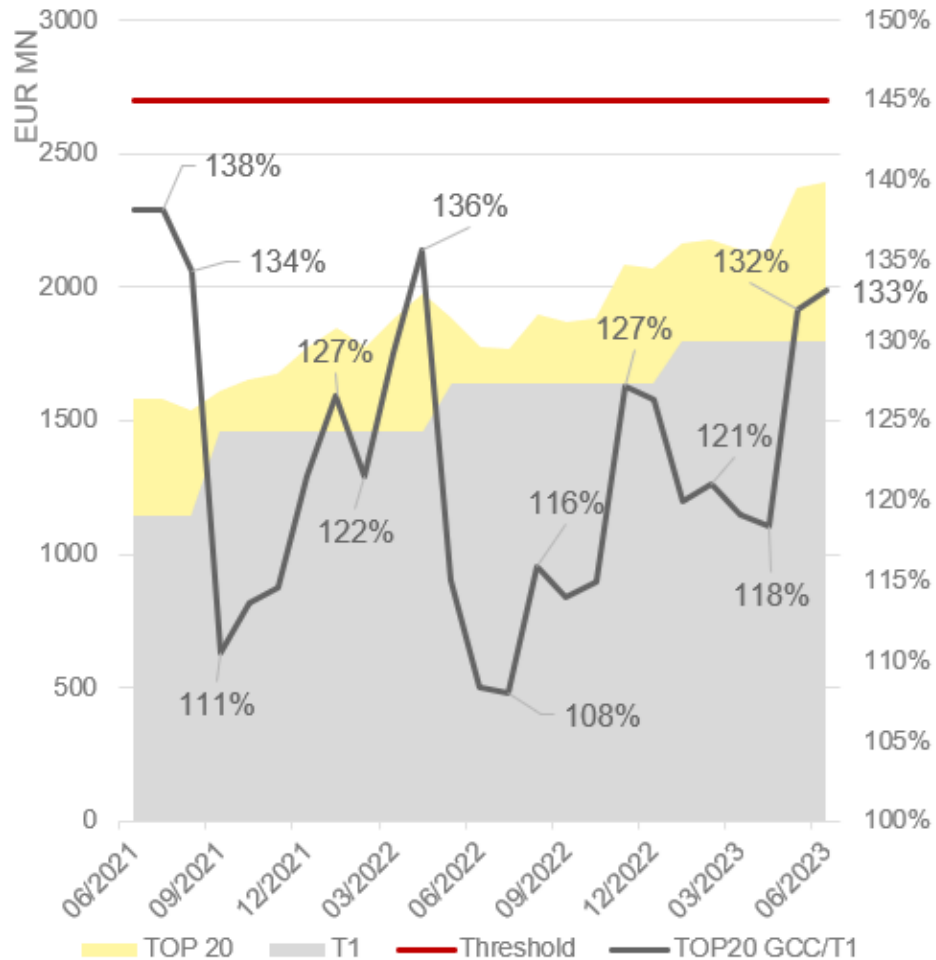
Despite Covid-19, higher inflation, volatile energy prices and geopolitical turbulences, NPE Ratio remained very stable and low



Stage shares (2023/12)	Non-retail	Retail	Total
Stage 1	78,7%	73,3%	75,6%
Stage 2	20,4%	25,1%	23,1%
Stage 3	0,9%	1,6%	1,3%

Low concentration risk: TOP 20 Exposures / Tier 1 capital managed below long-term target 145% and well diversified and healthy non-retail portfolio

TOP20 DEVELOPMENT



Industry	Measure	Measure%	NPL %
Real Estate	2 404 371 846	23,10%	0,36 %
Consumer Staples (Nonc.)	1 098 292 059	10,55%	0,69 %
Construction	997 394 598	9,58%	5,18 %
Utilities	923 878 856	8,88%	0,34 %
Consumer Discretionary (Cy...	829 001 346	7,97%	0,35 %
Capital Goods	825 188 917	7,93%	1,34 %
Materials	589 772 083	5,67%	0,77 %
Transportation Infrastructure	540 115 331	5,19%	1,10 %
Automotive	483 564 609	4,65%	0,17 %
Financials	392 165 971	3,77%	0,50 %
Industrials	341 470 988	3,28%	0,66 %
Communications	326 039 304	3,13%	0,00 %
Information Technology	218 403 704	2,10%	0,00 %
Health Care	205 930 323	1,98%	3,89 %
Not Relevant	173 728 355	1,67%	0,03 %
Energy	51 383 034	0,49%	4,53 %
N.A.	5 960 545	0,06%	23,76 %

Prudent Management of Geopolitical Risk Exposures

Exposure to RU/UA Below 0.5% of Total Assets

Risks related to the Russia/Ukraine conflict mitigated by RBCZ having no direct operations in Russia, Ukraine and Belarus and by the low amounts of exposure across its operational segments

Immaterial Exposure and Proactive Risk Management

- **Negligible exposure to Russia and Ukraine, comprising less than 0,5% of RBCZ's total assets**
- Within the retail division, exposures to Russia, Ukraine and Belarus have showed **solid resilience with no major upticks in delinquencies** and the delayed payment balances remaining relatively stable.
- **All exposures to these countries are also closely monitored and proactively managed within the non-retail division, #32 customers** without exposure to RU/UA/BY but with potential risk arising from the conflict (i.e. commodity, supplier chain, liquidity risk and impacted industries). Only #15 have been categorized as threatened internally (0.4% of the non-retail division portfolio).
- More than 54% of non-retail exposure covered by ECA since the most affected transactions are export deals to RU (country risk is obviously insured).

Non-retail Exposure to Russia, Ukraine & Belarus

Clients With Identified Exposures

CLIENTS

32

0,8% of Corporate, PF, SMB, FI ptf

EAD PRE CCF

312 EUR mn

2,4% of Corporate, PF, SMB, FI ptf

PD

0,8%

Avg CORP, PF, SMB, FI PD 0,9%

Clients Identified as 'Threatened'

CLIENTS

15

0,4% of Corporate, PF, SMB, FI ptf

EAD PRE CCF

58 EUR mn

0,4% of Corporate, PF, SMB, FI ptf

PD

1,3%

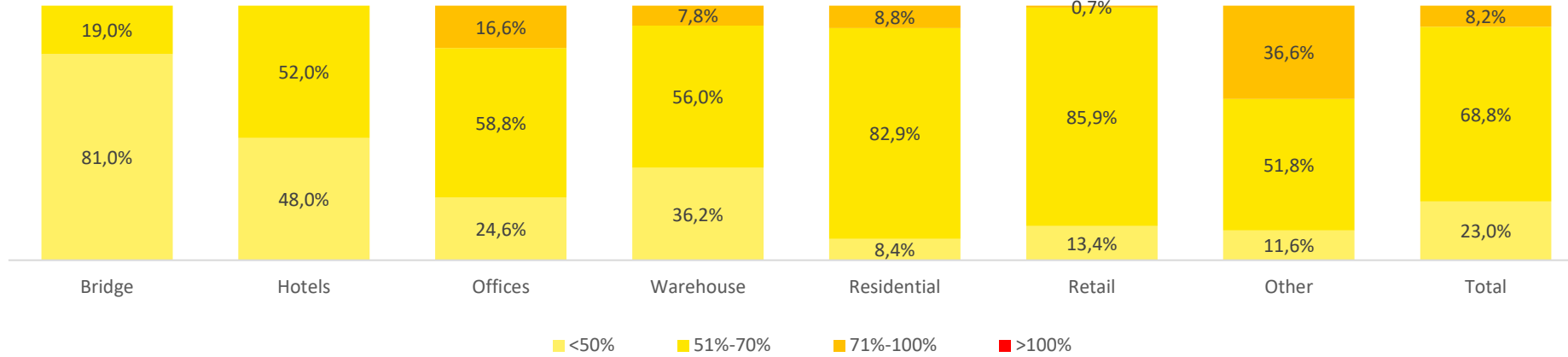
Avg CORP, PF, SMB, FI PD 0,9%

Most Affected Industries

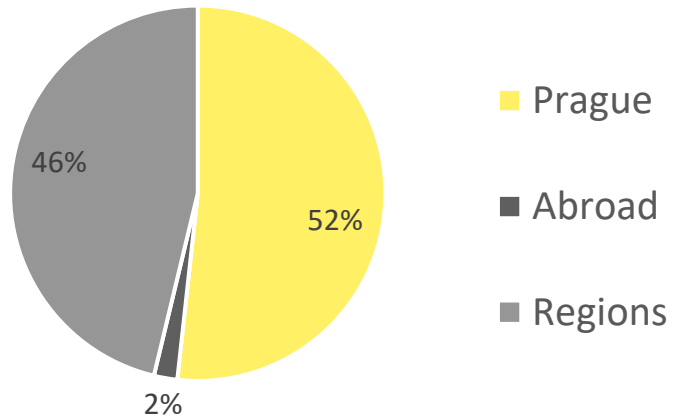
- capital goods
- household durables & specialty retail
- ferrous metals

R/E: Sufficient collateral value, focus on good locations, segment diversification and interest rate risk covered by hedging

LTV Distribution



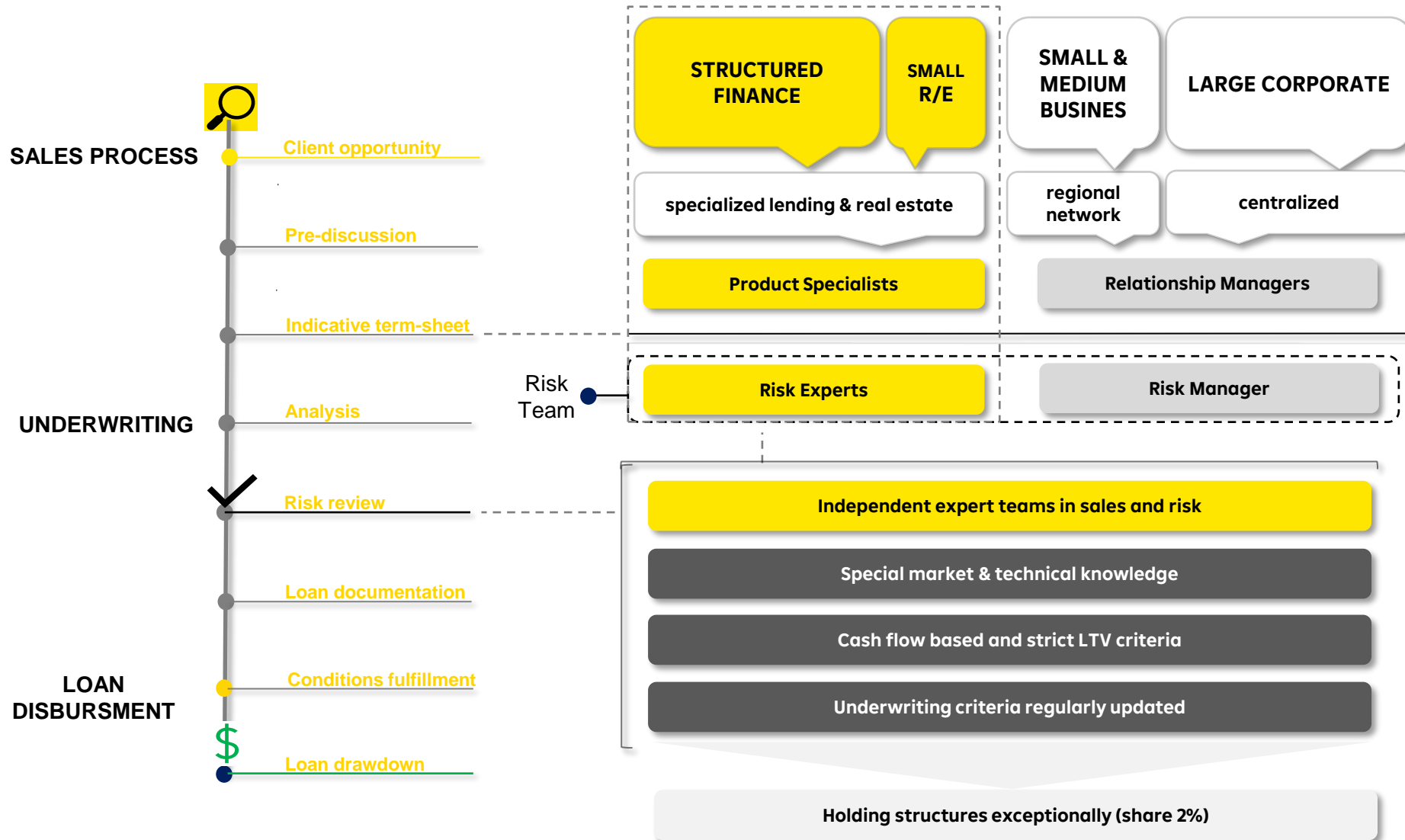
R/E Locations



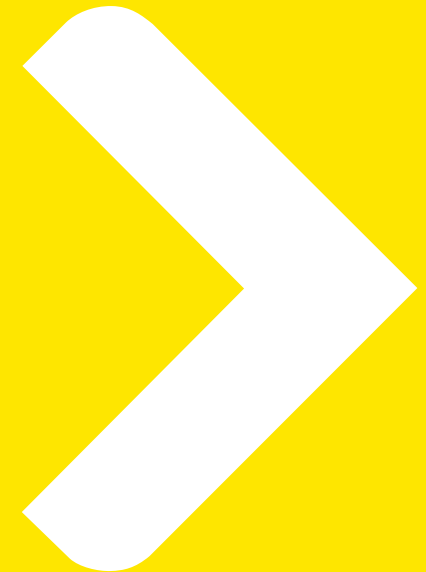
R/E Segmentation



Resilient Corporate Credit Risk Assessment Process



Raiffeisenbank's Sustainable Bond Framework



Raiffeisenbank is committed to sustainability, with ESG elements being embedded in its corporate strategy

Sustainability and Responsibility arising from Corporate Culture



- Friedrich Wilhelm Raiffeisen believed in helping others to help themselves and in the principles of charity, community and solidarity
- **Raiffeisenbank's** sustainability strategy is based on three pillars, all contributing to the Raiffeisenbank's sustainability commitment:



Responsible Banker



Fair Partner



Engaged Citizen

Enhancing all elements of E-S-G locally and on the Raiffeisenbank level



- Raiffeisenbank is involved in a number of community service activities related to culture, education and charity, reflecting Raiffeisen's 140-year tradition
- Raiffeisenbank has signed the Sustainable Finance Memorandum of the Czech Banking Association committing the bank to assess activities in the light of the requirements for environmentally and socially responsible business
- Raiffeisenbank is committed to not engaging in business with companies that generate more than 25% of their revenues from thermal coal mining
- RBI and thus Raiffeisenbank is a signatory of the global UN Principles for Responsible Banking and is therefore aligned to the objectives of the UN SDGs and the 2015 Paris Climate Agreement

Contributing to All 17 SDGs will be Supported by Sustainable Bond



All 17 SDGs will be supported by Sustainable Bond, with projects significantly contributing to meet the below goals:











Sustainable Bond Framework and Issuance: Rationale



SUSTAINABLE BOND FRAMEWORK
Raiffeisen Bank Czech Republic
May 2022









- Raiffeisenbank has established the Sustainable Bond Framework as a part of its broader sustainability strategy with the aim to focus on assets with a positive environmental and social impact in order to support the necessary transition to an environmentally sustainable future
- The framework aligns with the ICMA Green Bond Principles (GBP), ICMA Social Bond principles (SBP) and ICMA Sustainability Bond Guidelines (SBG)
- The Framework reflects both the UN SDGs and, on a best effort basis, the EU Taxonomy
- Raiffeisenbank's Sustainability Bond Framework is designed as an umbrella framework that will allow Raiffeisenbank to issue Green Bonds, Social Bonds, or Sustainability Bonds

Raiffeisen Bank Czech Republic has established this Sustainable Bond Framework as a part of its broader sustainability strategy with the aim to focus on assets with a positive environmental and social impact in order to support the necessary transition to a sustainable

 Green Buildings	<ul style="list-style-type: none"> ▪ Commercial or residential green buildings which meet at least one of the following criteria: <ul style="list-style-type: none"> ✓ a minimum certification level of LEED Gold, BREEAM Very Good11 or DGNB/ ÖGNI Gold ✓ top 15% of low carbon buildings at national level based on local building codes, building years and EPC certificates ✓ where an assessment of the top 15% low carbon buildings is not possible, Raiffeisen Bank Czech Republic will define buildings with the EPC with a min. level A ▪ Refurbished buildings leading to reduction of Primary energy Demand of at least 30%
 Renewable Energy	<ul style="list-style-type: none"> ▪ Wind onshore ▪ Solar Power ▪ Hydropower (up to 20MW) ▪ Geothermal projects (with direct emissions <100gCO2/kWh) ▪ Energy from biomass⁽¹⁾ ▪ Waste-to-energy
 Energy Efficiency	<p>Examples include, but are not limited to:</p> <ul style="list-style-type: none"> ▪ Energy efficient lighting ▪ Projects improving the energy efficiency aiming to achieve at least 30% improvement in energy efficiency ▪ Energy storage projects from renewable sources ▪ Smart grid solutions for more efficient transmission / distribution of energy
 Clean Transportation	<ul style="list-style-type: none"> ▪ Zero direct emission vehicles as well as infrastructure for low carbon transport: <ul style="list-style-type: none"> ✓ Public Transport: Manufacturing, acquisition as well as modernization of zero direct emissions land transport activities ✓ Commercial and retail vehicles: Zero tailpipe emission vehicles ✓ Personal Mobility Devices and Cycle Logistics: Selling, purchasing, financing, leasing, renting and operation of personal mobility or transport devices, including the provision of freight transport services ✓ Infrastructure: Financing of low carbon transport infrastructure, including electric charging points, electricity grid connection upgrades, hydrogen fueling stations or electric highways, rail networks, high-speed railway lines, electric railway lines, pavements, bike lanes and pedestrian zones.
 Sustainable Agriculture and Forestry	<ul style="list-style-type: none"> ▪ Environmentally sustainable forestry, including afforestation or reforestation, and preservation or restoration of natural landscape providing compliance or alignment with international forest certification standards (e.g. FSC/PEFC) ▪ Environmentally sustainable agriculture, including organic farming and improvement or maintenance of existing carbon pools
 Pollution Prevention and Control	<ul style="list-style-type: none"> ▪ Development, construction, operation and maintenance of sustainable waste management and recycling projects, activities and operations, such as: <ul style="list-style-type: none"> ✓ Waste prevention, waste reduction and waste recycling ✓ Reduction of industrial air emissions and greenhouse gas control
 Eco-efficient and / or Circular Economy Adapted Products	<ul style="list-style-type: none"> ▪ Circular Design and Production Projects: <ul style="list-style-type: none"> ✓ Solutions that extend the product life cycle ✓ Production technologies that use recycled resources ▪ Circular Support and Products: <ul style="list-style-type: none"> ✓ Circular support through tools and services that enable circular economy strategies and business models ✓ Certified eco-efficient products, which refers to products that have a smaller environmental footprint over their life-cycle than other products serving the same use
 Sustainable Water and Wastewater Management	<ul style="list-style-type: none"> ▪ Development, construction, operation and maintenance of sustainable water and waste-water management projects and facilities, such as: <ul style="list-style-type: none"> ✓ Water treatment facilities, activities and technologies that increase water quality, sanitation facilities ✓ Upgrades to wastewater treatment plants for nutrient removal, wastewater discharge infrastructure ✓ Technologies that increase water-use efficiency, water recycling and reuse, water saving systems and technologies and water metering

⁽¹⁾ excluding biomass from sources depleting biomass and carbon pools, sources grown on land with high biodiversity and sources that use land that competes with food sources

Raiffeisen Bank Czech Republic has established this Sustainable Bond Framework as a part of its broader sustainability strategy with the aim to focus on assets with a positive environmental and social impact in order to support the necessary transition to a sustainable future

 Education and Vocational Training	 <ul style="list-style-type: none"> ▪ Access to public and publicly subsidized educational services as well as investments that support childhood development (e.g. Kindergartens) through the provision of loans for construction/ upgrading of facilities and/ or equipment.
 Access to Essential Services	 <ul style="list-style-type: none"> ▪ Construction, acquisition, renovation, expansion or maintenance of health care facilities for provision of free or subsidized health care services ▪ Production and distribution of vital medication, medical equipment and medical supplies for the prevention and treatment of diseases that are considered infectious, rare or particularly common amongst a vulnerable group ▪ Regional development and/or infrastructure in underserved, underdeveloped and rural regions in European Union
 Affordable Housing	 <ul style="list-style-type: none"> ▪ Financing the construction, renovation, and/or maintenance of social and affordable housing in Czech Republic. Financing co-operative housing associations, building societies, non-profit organizations and public utility housing enterprises, with the aim of providing suitable homes for individuals and families
 Employment Generation and Protection	 <ul style="list-style-type: none"> ▪ To be eligible, loans must meet the following criteria: <ul style="list-style-type: none"> ✓ Meet the definition of Micro-, Small- and Medium-size Enterprises ✓ Micro- and Small-size enterprises in all regions, and Medium-size enterprises located in underserved, underdeveloped and rural regions in European Union ✓ Not be engaged in any of the business activities described in the Exclusions List*

** Raiffeisen Bank Czech Republic will not allocate proceeds received from the issuance of Green/Social/Sustainability Bonds to loans for companies operating in: Defence and Weapons; Nuclear Energy; Fossil Fuel Energy; Mining; Alcohol; Tobacco; Gambling*

Process for Asset Evaluation and Selection

SBC

Raiffeisenbank's **Sustainable Bond Committee** ("SBC") is responsible for ensuring that allocations are made to Eligible Sustainable Loans as specified in the Use of Proceeds section of the framework and to oversee the entire issuance process

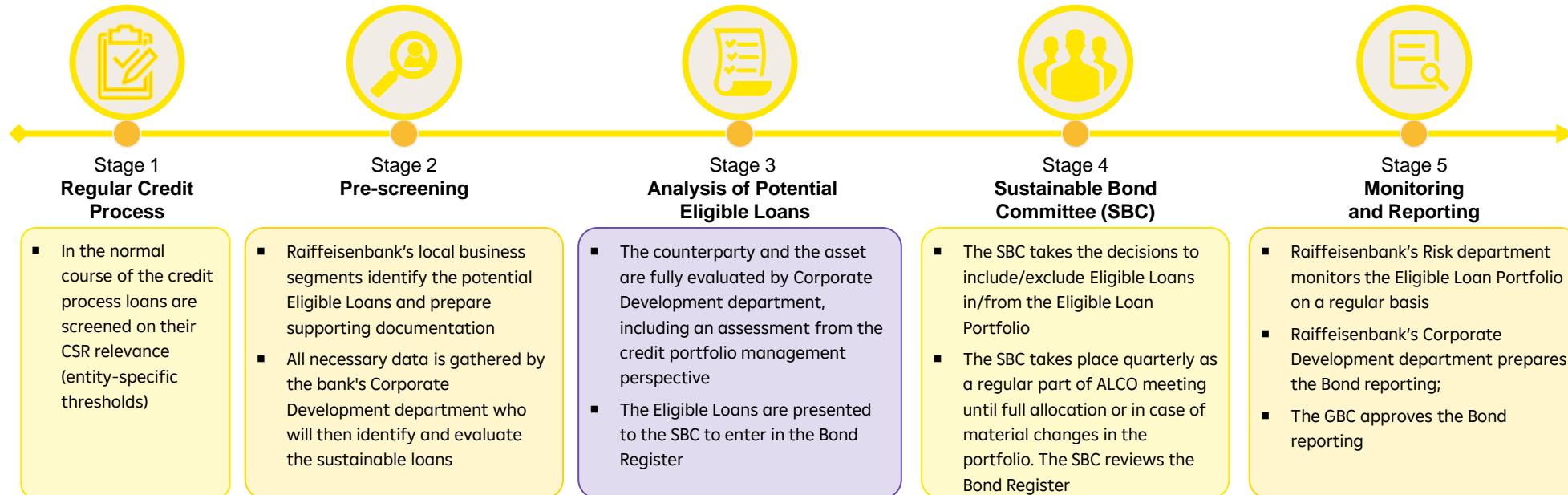
Composed of...

Members of the local Asset Liability Management Committee (ALCO) include representatives from Raiffeisenbank's Risk, Business and Treasury

Responsible for...

- Ensuring the potential Eligible Sustainable Loans are aligned with the categories and eligibility criteria as specified in the Use of Proceeds section of the framework, and approving any proposed changes to the eligible Sustainable Loan Portfolio in the event that the Loans no longer meet the eligibility criteria
- Ensuring the proposed allocations are aligned with the relevant general company policies and company's ESG strategy
- Approving Allocation and Impact Report

Following the stages of...



Source: Company Information

An amount equivalent to the net proceeds of any Raiffeisenbank's Sustainable Bonds will be managed by the **Sustainable Portfolio Manager (SPM) on a portfolio basis**

Raiffeisenbank will strive to regularly add Eligible Sustainable Loans to the Eligible Sustainable Loan Portfolio so that a **full allocation** of an amount at least equal to the proceeds of the green bonds is **achieved until maturity of the bonds**

All Eligible Sustainable Loans to be included in the Eligible Sustainable Loan Portfolio are entered in **Raiffeisenbank's Sustainable Bond Register** managed by the SPM

On an annual basis the SPM will check the eligibility and availability of the Eligible Sustainable Loans in the Sustainable Bond Register

Raiffeisenbank will **strive to substitute any redeemed or maturing Eligible Sustainable Loans** with other eligible Sustainable Loans and/or if any such loans cease to be an Eligible Sustainable Loan

Pending the allocation or reallocation of an amount equivalent to the net proceeds of Sustainable Bonds to the Eligible Sustainable Loans, **Raiffeisenbank will invest the balance in money market instruments, cash or cash equivalent instruments**



Allocation Reporting

Raiffeisenbank will publish an annual Allocation report on the use of proceeds from any Sustainable Bonds outstanding under the framework, including a description of its Eligible Sustainable Loan Portfolio:

- Total volume of Green, Social and Sustainability bonds issued
- Total amount and number of Eligible Loans
- Total amount of proceeds allocated to Eligible Loans
- Breakdown by Eligible Category
- Balance of unallocated proceeds, if any

Impact Reporting

Where feasible, and on a best effort basis, Raiffeisenbank intends to publish **an impact report on an annual basis** that will provide information on the environmental impact of its Eligible Loan Portfolio by category

Reporting will be provided on an annual basis until full allocation, and thereafter if there are material changes to the Eligible Sustainable Loan portfolio, until the maturity of Raiffeisenbank's Green/ Social/ Sustainability Bonds

Source: Company Information

Green Eligible Categories	Examples of Possible KPIs
Green Buildings	<ul style="list-style-type: none"> • Estimated Annual energy savings (MWh) • Estimated annual GHG emission avoided (tCO₂e) • Type of scheme, certification level, if applicable
Renewable Energy	<ul style="list-style-type: none"> • Installed renewable energy capacity (MW) • Expected annual renewable energy generation (MWh) • Estimated annual GHG emission avoided (tCO₂e)
Energy Efficiency	<ul style="list-style-type: none"> • Annual energy savings (MWh) • Estimated annual GHG emission avoided (tCO₂e)
Clean Transportation	<ul style="list-style-type: none"> • Number of people using public mass transportation • Estimated annual GHG emission avoided (tCO₂e)
Sustainable Agriculture and Forestry	<ul style="list-style-type: none"> • Total land area certified by FSC and PEFC • Estimated annual GHG emissions avoided (tCO₂e)
Pollution Prevention and Control	<ul style="list-style-type: none"> • Type and annual amount of recycled waste (tonnes) • Energy generation (MWh per year)
Eco-efficient and / or Circular Economy Adapted Products	<ul style="list-style-type: none"> • Annual savings of relevant resources • Estimated annual GHG emissions avoided or reduced (tCO₂) and/or energy savings, where applicable
Sustainable Water and Wastewater Management	<ul style="list-style-type: none"> • Annual absolute (gross) water savings (in m³ or in %) • Annual absolute (gross) amount of wastewater treated, reused or avoided (in m³ or in %)

Social Eligible Categories	Examples of Possible KPIs
Education and Vocational Training	<ul style="list-style-type: none"> • Number of education facilities • Number of individuals / students enrolled • Number of educational programs or professional development measures • Number of students attaining standard for the targeted education level
Access to Essential Services	<ul style="list-style-type: none"> • Number of medical facilities built/ upgraded • Number of patients reached with improved healthcare
Affordable Housing	<ul style="list-style-type: none"> • Number of individuals benefiting from affordable housing • Number of affordable buildings or dwellings constructed or renovated • m² of affordable living space constructed or renovated
Employment Generation and Retention	<ul style="list-style-type: none"> • Number of financed enterprises and split per region/ sector if available • Number of jobs created / supported and split per region if available • Number and average amount of the MSME loans Number of financed enterprises with 50% women share

To confirm the transparency and robustness of Raiffeisenbank's Sustainable Bond Framework, it has been verified and approved by an external second opinion provider, ISS ESG, confirming the alignment with the ICMA Green Bond Principles (GBP), Social Bond Principles (SBP), and Sustainable Bond Guidelines (SBG)



Use of Proceeds

ISS ESG considers the Use of Proceeds description provided by Raiffeisenbank's Sustainable Bond Framework as aligned with the ICMA's Green Bond Principles, Social Bond Principles, and Sustainability Bond Guideline



Project Evaluation and Selection

The Company provides transparency and clearly defined the responsibility of the Sustainability Bond Committee in its evaluation and step-by-step selection process



Management of Proceeds

The Sustainable Portfolio Manager under the review of the Sustainable Bond Committee will ensure on an annual basis that total Eligible Sustainable Loans meet or exceed the proceeds raised by Sustainable Bond. Finally, the Bank specifies the investment instruments for unallocated proceeds



Reporting

The Bank commits transparently on the level of expected reporting, project categories and reporting metrics, and reporting frequency

Loans to Customers Breakdown (EUR mn)

- Raiffeisenbank's external auditor will verify on an annual basis until full allocation of any Green/ Social/ Sustainability Bonds issued under this Framework that Raiffeisenbank duly applied the defined procedures of approval of the SBC and that an amount equal to the net proceeds of a Green/ Social/ Sustainability Bond has been allocated to Eligible Loans as defined in the present Framework

Source: Company Information



"Its Green, Social and Sustainable Bonds link to Raiffeisenbank's sustainability strategy – drawing on Raiffeisenbank's overall sustainability profile and issuance-specific Use of Proceeds categories."



VERIFICATION PARAMETERS	
Types of instruments contemplated	• Green, Social and Sustainable Bonds
Relevant standards	• ICMA's Green Bond Principles, Social Bond Principles, and Sustainability Bond Guidelines (GBP/SBP/SBG) (June 2021) • Raiffeisen Bank Czech Republic Sustainable Bond Framework (as of 12.04.2022)
Scope of verification	• Raiffeisen Bank Czech Republic Eligibility Criteria (as of 12.04.2022)
Lifecycle	• Pre-issuance verification
Validity	• As long as there is no material change to the Framework





Important Facts at a glance:

In 2021, Raiffeisenbank launched its green bond issuance program to promote sustainable lending in the Czech Republic

As at 31 December 2022:

- € 350 million Green Bonds outstanding:
 - ✓ €269.23 million Green Loan Portfolio
 - ✓ €153.22 million Green Buildings
 - ✓ €36.24 million Clean Transportation
 - ✓ €68.53 million Renewable Energy
 - ✓ €11.24 million Sustainable Forestry and Agriculture
- 190,366 metric tons of CO₂ saved per year, which equals to 707 metric tons of CO₂ saved per year per €1 million investment

The current Green Loan Portfolio contributes to the following SDGs (EUR mn)

Eligible Category				
Green Buildings	153.22		153.22	
Renewable Energy	68.53			68.53
Sustainable Forestry and Agriculture		11.24		
Clean Transportation			36.24	
Total	221.75	11.14	189.46	68.53

Source: Company Information

Allocation	Project
Green Buildings €153.22 million (56.9%)	Of which 100% built All projects located in the Czech Republic
Sustainable Agriculture and Forestry € 11.24 million (4.18%)	Sustainable forestry focused on production of tree seedlings Project located in the Czech Republic
Clean Transportation € 36.24 million (13.46%)	Financing of public electric railway transport Project located in the Czech Republic
Renewable Energy €11.96 million (25.45%)	Production of energy from photovoltaics All projects located in the Czech Republic

Asset Category	Co2 savings per year in metric tons	Co2 savings in %	Allocated amount in %
Green Buildings	16,770	8.81%	56.91%
Clean Transportation	15,628	8.21%	13.46%
Sustainable Forestry and Agriculture	99,540	52.29%	4.18%
Renewable Energy	58,428	30.69%	25.45%
Total Green Portfolio	190,366		

Thank you!

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