MOODY'S RATINGS

CREDIT OPINION

7 May 2026

Update

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RATINGS

Raiffeisenbank Austria d.d.

Domicile	Zagreb, Croatia
Long Term CRR	A3
Type	LT Counterparty Risk Rating - Fgn Curr
Outlook	Not Assigned
Long Term Debt	Baa1
Type	Senior Unsecured - Dom Curr
Outlook	Negative
Long Term Deposit	A3
Type	LT Bank Deposits - Fgn Curr
Outlook	Stable

Please see the ratings section at the end of this report for more information. The ratings and outlook shown reflect information as of the publication date.

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Raiffeisenbank Austria d.d.

Update following upgrade of deposit ratings

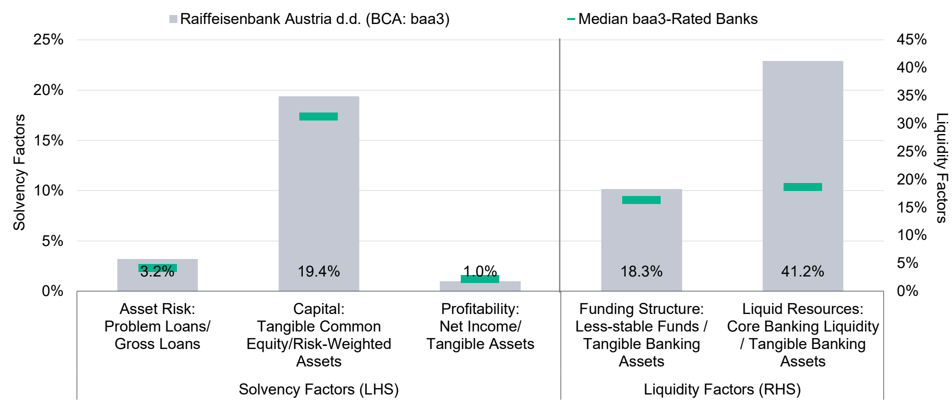
Summary

Raiffeisenbank Austria d.d. (RBA)'s A3 deposit ratings reflect the bank's baa3 Baseline Credit Assessment (BCA) and three notches of rating uplift from the application of our Advanced Loss Given Failure (LGF) analysis. Our assumption of a high probability of affiliate support from Raiffeisen Bank International AG (RBI, A1/A1 stable, baa3[1]) does not result in rating uplift because RBA's BCA is in line with that of its parent.

RBA's baa3 standalone BCA reflects the bank's strong capital buffers, a stable deposit-based funding structure and high liquidity. These strengths are moderated by relatively high asset risks, even though problem loans remain contained.

Exhibit 1

Rating Scorecard - Key financial ratios



These are our Banks Methodology scorecard ratios. Asset Risk and Profitability reflect the weaker of either the latest figure or the three-year and latest figure average. Capital is the latest reported figure. Funding Structure and Liquid Resources reflect the latest fiscal year-end figures.

Source: Moody's Ratings

Credit strengths

» Strong capital buffers

» Stable funding structure and high liquidity

Credit challenges

» Relatively high asset risk, reflecting high share of unsecured loans, some unseasoned loan book risk and historically high cost of risk

Outlook

The stable outlook for RBA's long-term deposit ratings reflects our expectation for a broadly unchanged financial profile of the bank and that the loss severity for these liabilities will not change materially over the outlook horizon.

The negative outlook for RBA's senior unsecured debt rating reflects that we may downgrade these liabilities in the absence of tangible evidence that the bank's liability structure will include sufficient subordination and senior unsecured debt volume to support our current loss severity assessment in light of the upcoming depositor preference.

Factors that could lead to an upgrade

» RBA's ratings could be upgraded in case its own BCA or its parent's BCA is upgraded. The senior unsecured ratings may also be upgraded because of higher volumes of debt than what we currently expect, which would buffer senior creditors resulting in lower losses in case of resolution and a higher LGF uplift. RBA's long-term deposit ratings would not be upgraded from a further improvement in the bank's liability structure because they already benefit from the highest possible uplift under our Advanced LGF analysis.

» RBA's standalone BCA could be upgraded in case of a sustained improvement in its solvency, such as significantly higher ongoing capitalisation and profitability, as well as demonstrated strong asset quality over an entire economic cycle, and further improvements in Croatia's operating environment.

Factors that could lead to a downgrade

» RBA's ratings could be downgraded in case both its BCA and RBI's BCA were to be downgraded, or from a lower level of senior and subordinated debt as proportion of assets that would reduce the uplift provided from our Advanced LGF analysis. RBA's senior unsecured ratings may be downgraded in the absence of tangible evidence that the bank's liability structure will include sufficient subordination and senior unsecured debt volumes.

» RBA's BCA could be downgraded in case of significant deterioration in its solvency or liquidity, especially in case of a material increase in non-performing loans, a decline in its capitalisation or if its market position and therefore its profitability is eroded, or in case there is a reversal in the improvements in Croatia's operating environment. The BCA could also be downgraded in case material ligation risks re-emerge.

Key indicators

Exhibit 2

Raiffeisenbank Austria d.d. (Consolidated Financials) [1]

	12-25[2]	12-24[2]	12-23[2]	12-22[2]	12-21[2]	CAGR/Avg.[3]
Total Assets (EUR Million)	8,102.0	7,303.0	7,001.0	6,676.8	5,920.6	8.2[4]
Total Assets (USD Million)	9,515.4	7,562.2	7,733.7	7,125.8	6,708.6	9.1[4]
Tangible Common Equity (EUR Million)	634.0	616.0	599.0	652.3	629.7	0.2[4]
Tangible Common Equity (USD Million)	744.6	637.9	661.7	696.2	713.5	1.1[4]
Problem Loans / Gross Loans (%)	3.2	3.3	3.1	3.7	4.8	3.6[5]
Tangible Common Equity / Risk Weighted Assets (%)	19.4	20.9	17.4	19.9	17.4	19.0[6]
Problem Loans / (Tangible Common Equity + Loan Loss Reserve) (%)	17.0	16.8	15.8	15.4	18.9	16.8[5]
Net Interest Margin (%)	2.5	2.6	2.6	1.8	1.9	2.3[5]
PPI / Average RWA (%)	4.0	4.2	4.1	1.7	2.2	3.2[6]
Net Income / Tangible Assets (%)	1.0	1.2	1.5	0.6	1.1	1.1[5]
Cost / Income Ratio (%)	57.4	53.3	50.4	74.0	62.3	59.5[5]
Gross Loans / Due to Customers (%)	66.6	71.3	71.5	66.3	67.6	68.7[5]
Core Banking Liquidity (HQLA) / Tangible Banking Assets (%)	41.2	38.6	40.8	35.6	256.2	82.5[5]
Less-stable Funds (LCR) / Tangible Banking Assets (%)	18.3	16.7	15.8	16.3	17.1	16.8[5]

[1] All figures and ratios are adjusted using Moody's standard adjustments. [2] Basel III - fully loaded or transitional phase-in; IFRS. [3] May include rounding differences because of the scale of reported amounts. [4] Compound annual growth rate (%) based on the periods for the latest accounting regime. [5] Simple average of periods for the latest accounting regime. [6] Simple average of Basel III periods.

Further to the publication of our revised methodology in November 2025, only ratios from annual 2024 onwards included in this report apply reported risk weights for all exposures, discontinuing our previously applied standard adjustment for certain government securities. Sources: Moody's Ratings and company filings

Profile

RBA was established in 1994 as the first bank founded with foreign capital in Croatia. RBA provides banking and factoring services to corporates, small and medium-sized enterprises (SMEs), and retail clients. It also offers leasing and consulting services through its subsidiary companies.

RBA was the sixth-largest bank in Croatia in terms of assets with a market share of 8.3% as of December 2025, according to data from the Croatian National Bank (CNB). As of December 2025, RBA had total consolidated assets of €8.1 billion and the bank operated through 59 branches with more than 1,703 employees.

Sources of facts and figures cited in this report

Unless noted otherwise, we have sourced data relating to systemwide trends and market shares from the central bank. Bank specific figures originate from banks' reports and figures are based on our own chart of account and may be adjusted for analytical purposes. Please refer to the document. Please refer to the document Financial Statement Adjustments in the Analysis of Financial Institutions published on 29 April 2026.

Although the bank's operational currency was the Croatian kuna until the end of 2022, we have converted all balance sheet and income statement figures into euro at the prevailing rate for each period given the country's accession to the euro area as of 1 January 2023. Therefore, comparisons and relevant growth rates between periods prior to 2023 are influenced by movements in the kuna/euro exchange rate.

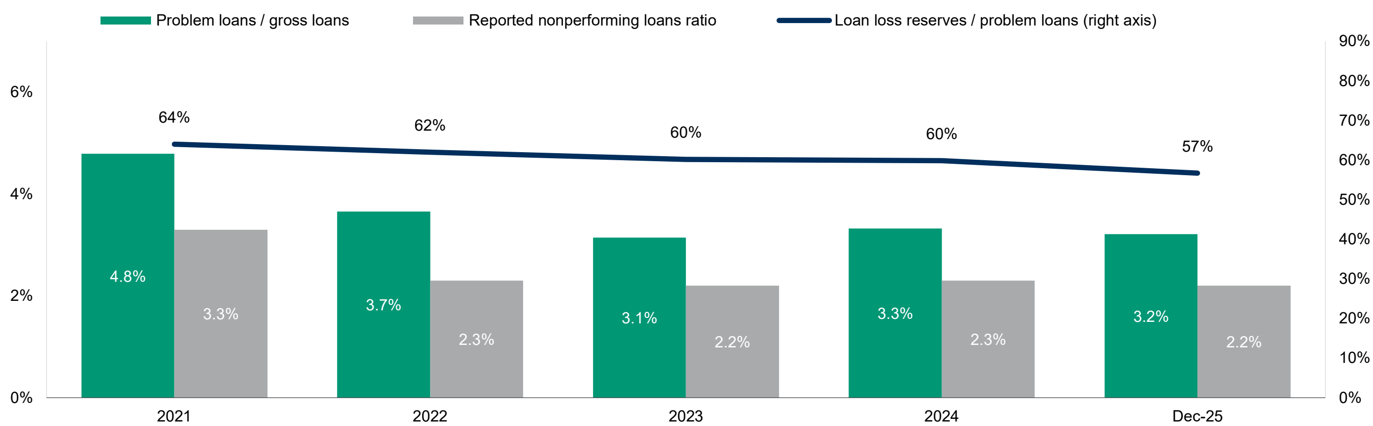
Detailed credit considerations

Problem loans remain contained, but asset risk is somewhat elevated

Our assessment of RBA's asset risk considers its good loan quality in recent years, as well as the relatively high cost of risk in the past and the high share of unsecured personal loans. There is also some unseasoned risk in the bank's portfolio given relatively strong lending growth in the last three years. We expect problem loan formation to remain manageable in the coming quarters because of a favourable macroeconomic environment with robust GDP growth, and contained interest rates. Litigation risk from legacy Swiss-franc borrowers has declined[2], although there is still a risk that losses may be higher than carrying provisions.

The bank's problem loans (defined as IFRS 9 Stage 3 loans and purchased or originated credit impaired loans that are in Stage 3) were 3.2% of gross loans as of the end of 2025 (see Exhibit 3), broadly unchanged from a year earlier. Meanwhile, the coverage of problem loans by Stage 3 provisions stood at 57% as of the end of 2025. The bank's share of Stage 2 loans (with a significant increase in credit risk) increased to 13% at end-2025 compared to 11% end-2024.

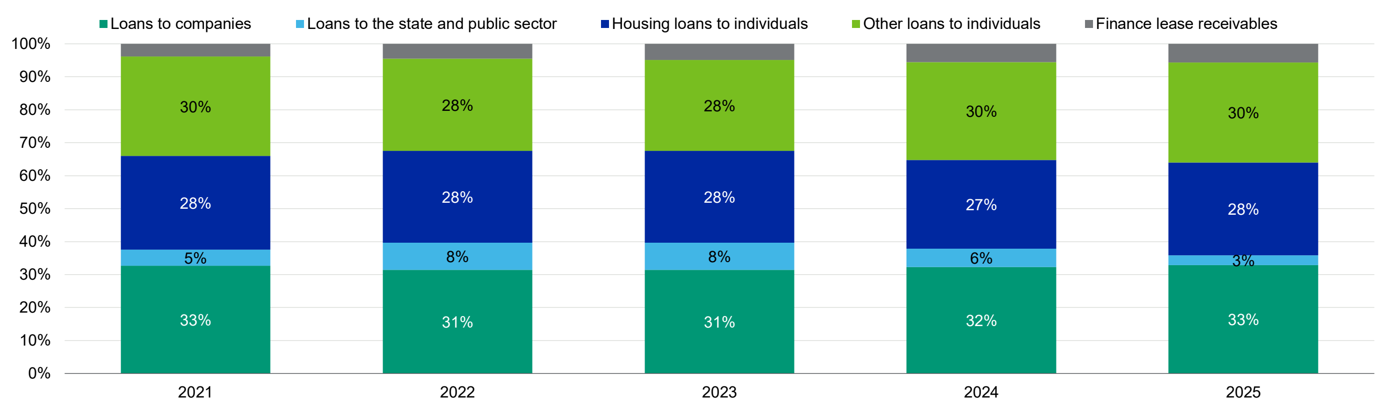
Exhibit 3
Relatively high asset risk, although problem loan levels have been declining



Reported nonperforming loans as disclosed by RBI, which is a different definition from our problem loans. Loan-loss reserves reflect expected credit losses for Stage 3 and purchased or originated credit impaired loans under the IFRS 9 accounting standard.
Sources: Moody's Ratings, RBI results presentations

Around 30% of the bank's loans are unsecured loans to individuals[3] (see Exhibit 4) which carry higher credit risk as borrowers are more vulnerable to macroeconomic challenges. But limits on household lending criteria, including a cap on the debt service to income ratio for consumer and housing loans, help contain risks. Additionally, a large share of granted household loans is at fixed rate, in line with market trends. This lowers borrowers' exposure to interest rate risk and is positive from a credit risk perspective, however it increases the bank's own interest rate exposure, which it hedges using derivatives. Concentration to individual corporate borrowers is moderate.

Exhibit 4
Unsecured loans to individuals make up a significant part of RBA's loan book
Loan book breakdown

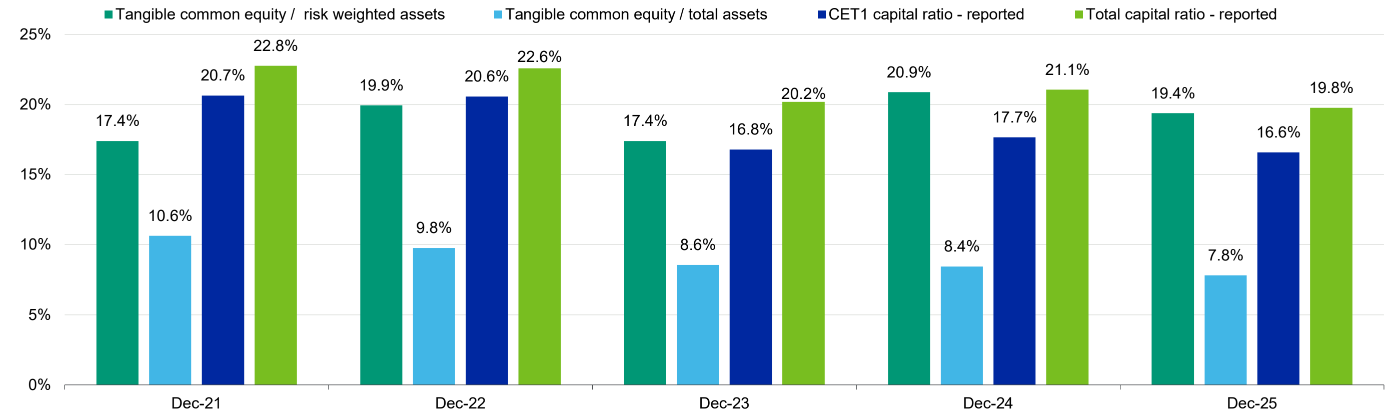


Sources: Moody's Ratings, bank's financial statements

Strong capital buffers

RBA maintains significant capacity to absorb unexpected losses because of its strong capital buffers. Our tangible common equity (TCE)/risk-weighted assets ratio (RWAs) ratio was 19.4%, and TCE/total assets was 7.8% as of the end of 2025 (see Exhibit 5).

Exhibit 5
High capital buffers are a credit strength



From annual 2024, our capital ratio is based on reported risk weighted assets for all exposures, discontinuing our previously applied standard adjustment for certain government securities
Sources: Moody's Ratings, bank's financial statements

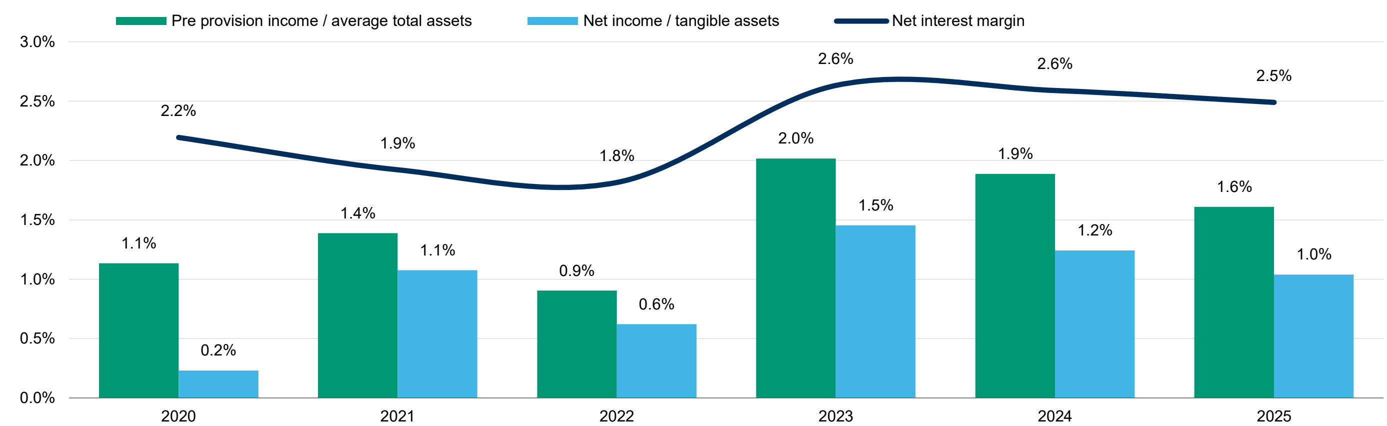
Reported regulatory capital metrics remain significantly higher than capital requirements. The bank reported a Common Equity Tier 1 (CET1) capital ratio of 16.6% and a total capital ratio of 19.8% as of the end of 2025.

These were substantially above the prevailing regulatory requirement of 12.6% for CET1 and 17.0% for total capital ratio, which includes the 2.5% capital conservation risk buffer, a 1.5% systemic risk buffer and a 1.5% countercyclical buffer applicable to all Croatian banks and the bank's 1.5% other systemically important bank buffer. Furthermore, RBA is subject to a 2.0% Pillar 2 capital requirement. The countercyclical buffer will increase to 2.0% in January 2027, but RBA will easily meet the higher requirements.

Moderate ongoing profitability

RBA's ongoing profitability is moderate, with a net income to tangible assets ratio averaging 1.0% during 2020 to 2025. The bank's net income to tangible assets was 1.0% in 2025 (see Exhibit 6), continuing to benefit from low cost of risk and revenue growth, although interest rates have started to decline. The net interest margin was 2.5% during 2025 (2024: 2.6%). We expect profitability to remain broadly stable over the next 12-18 months.

Exhibit 6
RBA has moderate earnings-generation capacity, but profitability increased substantially since 2023



Sources: Moody's Ratings, bank's financial statements

The bank's profitability has historically been constrained by legal provisions against litigation from consumers who had borrowed in Swiss francs and claim to have suffered losses as a result of the currency depreciation or banks' unilateral change of interest rates. These costs are declining given a gradually lower inflow of new cases. The statute of limitations for lawsuits on the currency clause expired in June 2023. As of December 2025, RBA's accumulated provisions for such court cases amounted to €60 million.

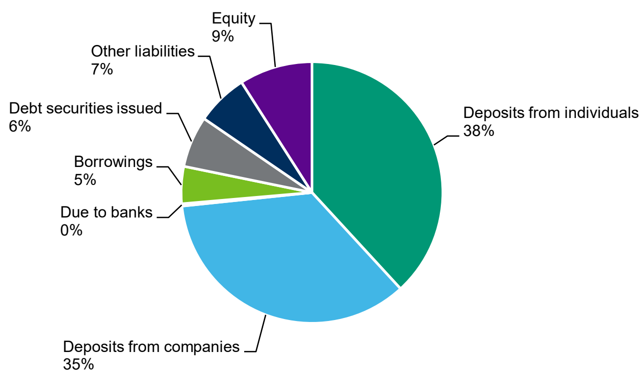
Operating expenses were 2.1% of assets in 2025, higher than larger local peers reflecting more limited economies of scale. However, we expect operating efficiency to improve in light of ongoing digitalisation and automation initiatives by the bank, supporting resiliency at times of stress.

Stable funding structure and robust liquidity

RBA benefits from a stable predominantly deposit-based funding structure with limited reliance on short-term market funding. The bank's less-stable funds to tangible assets ratio was contained at 18.3% as of the end of 2025. Deposits have grown in tandem with loans in recent years and are sufficient to fund the bank's lending operations. The net-loan-to-deposit ratio was broadly stable at 65% as of the end of 2025 compared to a year earlier.

Customer deposits made up 73% of total liabilities and shareholders equity as of the end of 2025 (see Exhibit 7). Customer deposits are relatively granular with deposits from individuals making up 52% of total deposits at the end of 2025.

Exhibit 7
RBA is predominantly funded by customer deposits
Funding structure breakdown as of the end of 2025



Sources: Moody's Ratings, bank's financial statements

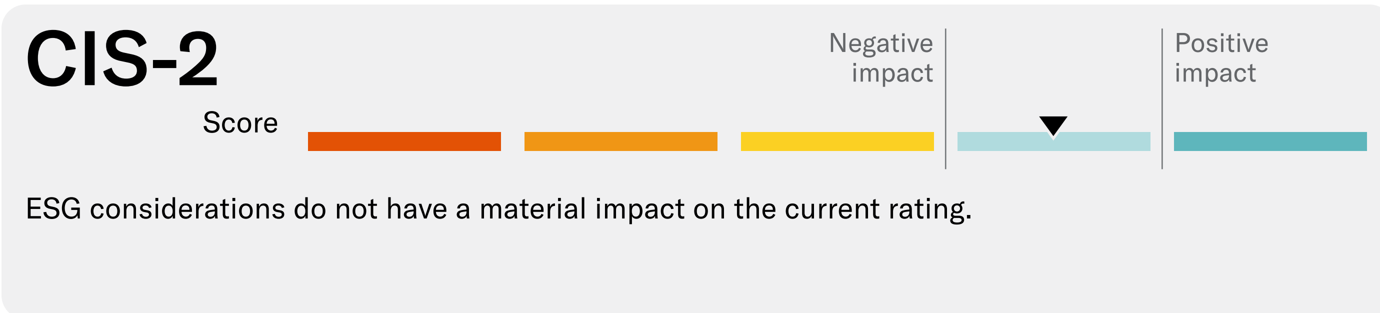
Market funding reliance is mainly driven by interbank exposures, parent-bank borrowings, borrowings from developmental institutions and issuances to meet the minimum requirement for own funds and eligible liabilities (MREL), which the bank typically refinances in advance of them losing eligibility and therefore more than one year before maturity. Our assessment of RBA's funding structure, however also considers that issuances are relatively concentrated and some level of confidence-sensitivity in the bank's deposit base overall.[4]

RBA benefits from ample liquidity, which mitigates risks. Core banking liquidity (HQLAs) made up 41.2% of tangible banking assets at the end of 2025, with a substantial proportion of cash and equivalents, while securities' investments are mostly in government bords. The bank's consolidated liquidity coverage ratio was a robust 254% as of end 2025, with a net stable funding ratio of 182%. Our assessment of the bank's liquidity also incorporates our expectation that the bank will leverage some of its excess liquidity as it expands its operations.

ESG considerations

Raiffeisenbank Austria d.d.'s ESG credit impact score is CIS-2

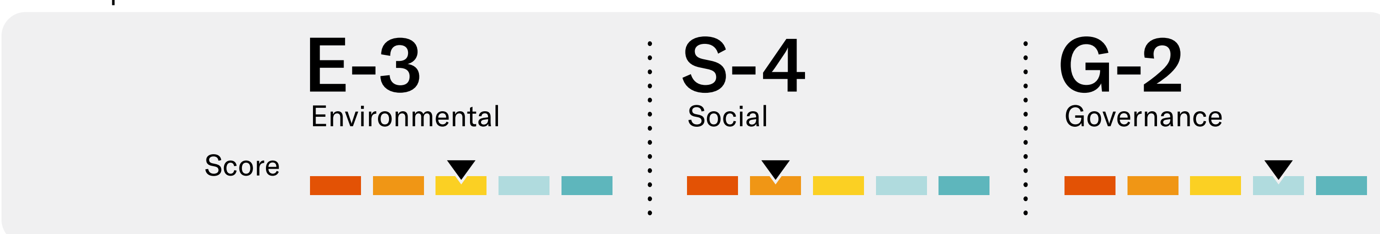
Exhibit 8
ESG credit impact score



Source: Moody's Ratings

Raiffeisenbank Austria d.d. (RBA)'s **CIS-2** indicates that ESG considerations have no material impact on the current ratings.

Exhibit 9
ESG issuer profile scores



Source: Moody's Ratings

Environmental

RBA faces moderate exposure to environmental risks, mainly because of its portfolio exposure to carbon transition risk as a diversified bank with significant corporate exposures. In line with its peers, RBA is facing growing business risks and stakeholder pressure to meet broader carbon transition goals. RBA is engaging in further developing its comprehensive risk management and climate risk reporting frameworks.

Social

RBA faces high social risks from customer relations, related to regulatory risk and litigation exposure and is required to meet high compliance standards. RBA, like other Croatian banks, continues to face litigation risk from legacy Swiss franc borrowers, although these risks have significantly abated. There is significant focus on consumer protection in Croatia and banks have to abide by a number of limits and caps, including a maximum interest rate on variable rate loans which is updated twice per year. Croatia's adverse demographics, including net migration outflows is a moderate risk as it may over time affect business opportunities for the bank.

Governance

RBA faces low governance risks, and its risk management framework, policies and procedures are in line with industry practices. The bank also has a track record of prudent financial policies and strategies. Because RBA is effectively controlled by Raiffeisen Bank International through its full ownership, we have aligned the subsidiary's board structure, policies and procedures score with that of its parent, given the bank's strategic importance and public affiliation with the group, the parent's oversight of its subsidiary board and the regulated nature of both entities.

ESG Issuer Profile Scores and Credit Impact Scores for the rated entity/transaction are available on Moodys.com. In order to view the latest scores, please click here to go to the landing page for the entity/transaction on MDC and view the ESG Scores section.

Support and structural considerations

Affiliate support

We believe that there is a high probability of affiliate support from RBI. Our assessment is based on RBI's 100% stake in RBA, the parent's strong operational support and oversight, Croatia's strategic fit in RBI's operations, and the subsidiary's use of the Raiffeisen logo and name. However, this assessment does not translate into rating uplift for RBA's Adjusted because its baa3 standalone BCA is already in line with that of its parent.

Loss Given Failure (LGF) analysis

RBA operates in Croatia and is subject to the EU Bank Recovery and Resolution Directive (BRRD), which we consider an operational resolution regime. We therefore apply our Advanced LGF analysis to RBA's liabilities, which takes into account the risks faced by the different debt and deposit classes across the liability structure should the bank enter resolution.

In our Advanced LGF analysis, we use our standard assumptions. We also assume that 26% of deposits are considered junior. Following the introduction of full depositor preference across the European Union (EU), which is part of the legislative Crisis Management and Deposit Insurance (CMDI) package that EU lawmakers passed in March 2026, our Advanced LGF analysis reflects that full depositor preference over senior debt creditors will be implemented in the EU by early 2028.

Our Advanced LGF analysis indicates that RBA's deposits ratings are likely to face extremely low loss given failure reflecting the loss absorption provided by the substantial volume of deposits and issued senior unsecured debt, as well as subordinated debt, resulting in three notches of uplift from the bank's Adjusted BCA. The bank's senior unsecured debt faces very low loss given failure resulting in a two notches uplift from the bank's Adjusted BCA.

Government support considerations

We do not incorporate any government support uplift into RBA's ratings because we consider the probability of government support, in case of need, to be low. Our government support assumptions are driven by the authorities history of preferring market-based solutions for troubled banks and the implementation of the EU's BRRD in Croatia, which limits the authorities' flexibility to provide support.

Methodology and scorecard

About Moody's Bank Scorecard

Our Bank Scorecard is designed to capture, express and explain in summary form our Rating Committee's judgment. When read in conjunction with our research, a fulsome presentation of our judgment is expressed. As a result, the output of our scorecard may materially differ from that suggested by raw data alone (though it has been calibrated to avoid the frequent need for strong divergence). The scorecard output and the individual scores are discussed in rating committees and may be adjusted up or down to reflect conditions specific to each rated entity.

Rating methodology and scorecard factors

Exhibit 10

Rating Factors

Macro Factors							
Weighted Macro Profile	**Moderate +**	**100%**					

Factor	**Historic Ratio**	**Initial Score**	**Expected Trend**	**Assigned Score**	**Key driver #1**	**Key driver #2**
Solvency						
Asset Risk						
Problem Loans / Gross Loans	3.2%	baa2	↔	ba2	Sector concentration	Loan growth
Capital						
Tangible Common Equity / Risk Weighted Assets (Basel III - transitional phase-in)	19.4%	a3	↔	baa1	Expected trend	Recognition of risk-weighted assets
Profitability						
Net Income / Tangible Assets	1.0%	baa2	↔	baa3	Expected Trend	
Combined Solvency Score		baa1		baa3		
Liquidity						
Funding Structure						
Less-stable Funds / Tangible Banking Assets	18.3%	baa1	↔	baa2	Deposit quality	Market funding quality
Liquid Resources						
Core Banking Liquidity / Tangible Banking Assets	41.2%	a3	↔	baa1	Expected trend	
Combined Liquidity Score		baa1		baa2		
Financial Profile		baa1		baa3		
Qualitative Adjustments				Adjustment		
Business and Geographic Diversification				0		
Complexity and Opacity				0		
Strategy, Risk Appetite and Governance				0		
Total Qualitative Adjustments				0		
Sovereign or Affiliate constraint				A3		
BCA Scorecard-indicated Outcome - Range				baa2 - ba1		
Assigned BCA				baa3		
Affiliate Support notching				0		
Adjusted BCA				baa3		

Balance Sheet	**in-scope (EUR Million)**	**% in-scope**	**at-failure (EUR Million)**	**% at-failure**
Other liabilities	1,086	13.5%	1,692	21.0%
Deposits	5,942	73.9%	5,336	66.4%
Preferred deposits	4,397	54.7%	4,177	51.9%
Junior deposits	1,545	19.2%	1,159	14.4%
Senior unsecured bank debt	672	8.4%	672	8.4%
Dated subordinated bank debt	60	0.7%	60	0.7%
Preference shares (bank)	40	0.5%	40	0.5%
Equity	241	3.0%	241	3.0%
Total Tangible Banking Assets	8,041	100.0%	8,041	100.0%

Debt Class	De Jure waterfall		De Facto waterfall		Notching		LGF Notching Guidance vs. Adjusted BCA	Assigned LGF notching	Additional Notching	Preliminary Rating Assessment
	Instrument volume + subordination	Sub-ordination	Instrument volume + subordination	Sub-ordination	De Jure	De Facto				
Counterparty Risk Rating	27.0%	27.0%	27.0%	27.0%	3	3	3	3	0	a3
Counterparty Risk Assessment	27.0%	27.0%	27.0%	27.0%	3	3	3	3	0	a3 (cr)
Deposits	27.0%	4.2%	27.0%	12.6%	2	3	3	3	0	a3
Senior unsecured bank debt	27.0%	4.2%	12.6%	4.2%	2	1	1	2	0	baa1

Instrument Class	Loss Given Failure notching	Additional notching	Preliminary Rating Assessment	Government Support notching	Local Currency Rating	Foreign Currency Rating
Counterparty Risk Rating	3	0	a3	0	A3	A3
Counterparty Risk Assessment	3	0	a3 (cr)	0	A3(cr)	
Deposits	3	0	a3	0	A3	A3
Senior unsecured bank debt	2	0	baa1	0	Baa1	(P)Baa1

[1] Where dashes are shown for a particular factor (or sub-factor), the score is based on non-public information.
Source: Moody's Ratings

Ratings

Exhibit 11

Category	Moody's Rating
RAIFFEISENBANK AUSTRIA D.D.	
Outlook	Stable(m)
Counterparty Risk Rating	A3/P-2
Bank Deposits	A3/P-2
Baseline Credit Assessment	baa3
Adjusted Baseline Credit Assessment	baa3
Counterparty Risk Assessment	A3(cr)/P-2(cr)
Senior Unsecured -Dom Curr	Baa1
PARENT: RAIFFEISEN BANK INTERNATIONAL AG	
Outlook	Stable
Counterparty Risk Rating	A1/P-1
Bank Deposits	A1/P-1
Baseline Credit Assessment	baa3
Adjusted Baseline Credit Assessment	baa2
Counterparty Risk Assessment	A1(cr)/P-1(cr)
Senior Unsecured -Dom Curr	A1
Junior Senior Unsecured -Dom Curr	Baa2
Junior Senior Unsecured MTN -Dom Curr	(P)Baa2
Subordinate -Dom Curr	Baa2
Pref. Stock Non-cumulative -Dom Curr	Ba2 (hyb)

Source: Moody's Ratings

Endnotes

1 The ratings shown here are RBI's deposit rating, senior unsecured debt rating and BCA.

2 This relates to consumers who had borrowed in Swiss franc-linked loans and are suing the bank claiming to have suffered losses on the basis of exchange rate differences and interest rate changes.

3 These include personal loans, credit cards and overdrafts.

4 Because of RBI's presence in Russia and Ukraine, at the start of the Russia-Ukraine military conflict the bank experienced some deposit outflows from February to March 2022, but liquidity remained robust and deposit growth picked up subsequently. Deposits still grew by 12% in 2022.

REPORT NUMBER 1482997

CLIENT SERVICES

Americas	1-212-553-1653
Asia Pacific	852-3551-3077
Japan	81-3-5408-4100
EMEA	44-20-7772-5454