

**CREDIT OPINION**

25 November 2024

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	Stable
Long Term Deposit	Baa1
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.**

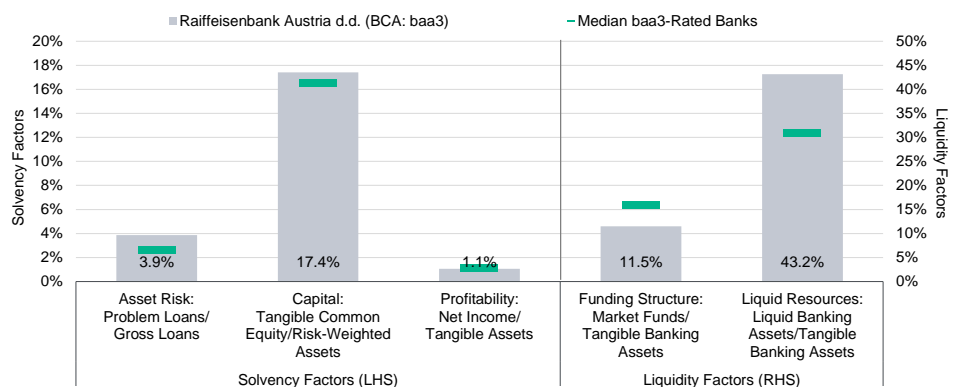
Update following ratings upgrade, outlook stable

**Summary**

[Raiffeisenbank Austria d.d.](#) (RBA)'s Baa1 deposit ratings incorporate the bank's baa3 Baseline Credit Assessment (BCA) and two 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<sup>1</sup>) 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. RBA's reported nonperforming loan ratio was 2.7% as of September 2024. We also expect litigation risks – relating to legacy Swiss-franc loans – to gradually abate.

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 deposit-based funding structure and robust liquidity

## Credit challenges

- » Relatively high asset risk, reflecting high share of unsecured loans, past through-the-cycle cost of risk and some unseasoned risk

## Outlook

The stable outlook on RBA's long-term deposit and senior unsecured ratings reflects our expectation that its capital will remain strong, buffering the bank from unexpected losses, liquidity will stay high and its financial performance will remain resilient in light of a benign macroeconomic environment.

It also reflects our expectation that the bank will continue to issue senior unsecured and subordinated debt to maintain a buffer above regulatory requirements, which will sustain our Advanced LGF notching uplift.

## Factors that could lead to an upgrade

- » RBA's ratings could be upgraded in case its own BCA or RBI's BCA is upgraded, or because of higher volumes of debt than what we currently expect, which would buffer depositors and senior creditors resulting in lower losses in case of resolution and a higher LGF uplift.
- » 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 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 litigation risks re-emerge.

This publication does not announce a credit rating action. For any credit ratings referenced in this publication, please see the issuer/deal page on <https://ratings.moody's.com> for the most updated credit rating action information and rating history.

## Key indicators

Exhibit 2

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

	12-23 <sup>2</sup>	12-22 <sup>2</sup>	12-21 <sup>2</sup>	12-20 <sup>2</sup>	12-19 <sup>2</sup>	CAGR/Avg. <sup>3</sup>
Total Assets (EUR Million)	7,001.0	6,676.8	5,920.6	5,316.2	4,951.5	9.0 <sup>4</sup>
Total Assets (USD Million)	7,733.7	7,125.8	6,708.6	6,504.7	5,558.0	8.6 <sup>4</sup>
Tangible Common Equity (EUR Million)	599.0	652.3	629.7	570.0	568.7	1.3 <sup>4</sup>
Tangible Common Equity (USD Million)	661.7	696.2	713.5	697.4	638.4	0.9 <sup>4</sup>
Problem Loans / Gross Loans (%)	3.1	3.7	4.8	5.4	5.4	4.5 <sup>5</sup>
Tangible Common Equity / Risk Weighted Assets (%)	17.4	19.9	17.4	16.7	16.2	17.5 <sup>6</sup>
Problem Loans / (Tangible Common Equity + Loan Loss Reserve) (%)	15.8	15.4	18.9	21.1	21.2	18.5 <sup>5</sup>
Net Interest Margin (%)	2.6	1.8	1.9	2.2	2.5	2.2 <sup>5</sup>
PPI / Average RWA (%)	3.9	1.7	2.2	1.7	2.3	2.3 <sup>6</sup>
Net Income / Tangible Assets (%)	1.5	0.6	1.1	0.2	1.2	0.9 <sup>5</sup>
Cost / Income Ratio (%)	53.2	74.0	62.3	70.0	63.8	64.7 <sup>5</sup>
Market Funds / Tangible Banking Assets (%)	11.5	8.5	5.5	8.3	8.9	8.5 <sup>5</sup>
Liquid Banking Assets / Tangible Banking Assets (%)	43.2	44.2	44.1	42.5	39.0	42.6 <sup>5</sup>
Gross Loans / Due to Customers (%)	71.5	66.3	67.6	73.4	78.9	71.5 <sup>5</sup>

[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.

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 with a market share of 8.5% as of June 2024, according to data from the Croatian National Bank (CNB). As of September 2024, RBA had total consolidated assets of €7.3 billion and the bank operated through 70 branches with more than 1,760 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 [Financial Statement Adjustments in the Analysis of Financial Institutions](#) published on 8 April 2024.

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.

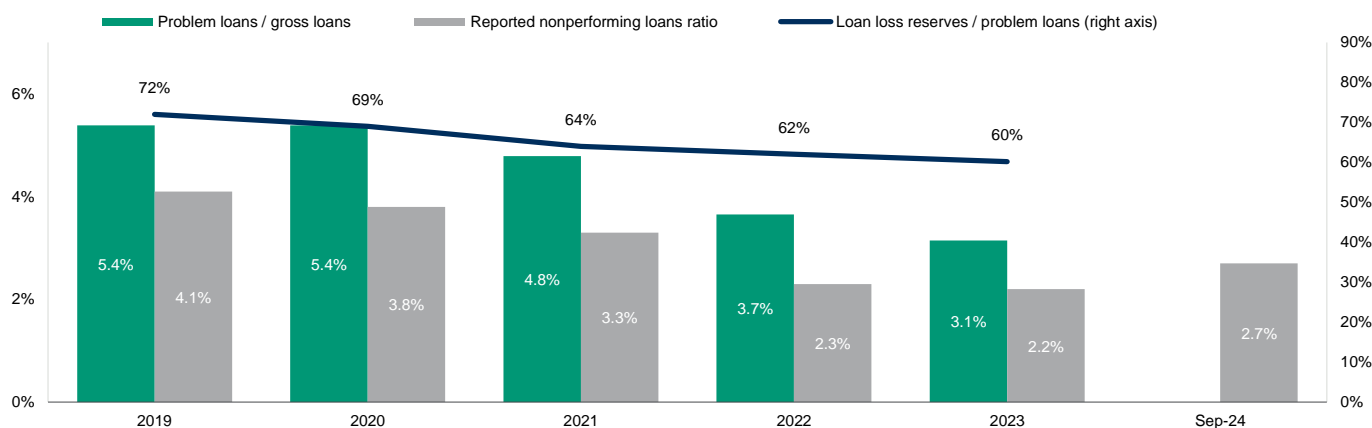
## Detailed credit considerations

### Problem loans remain contained and well-covered by provisions, but asset risk is somewhat elevated

Our assessment of RBA's asset risk considers the improvement in 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, lower inflation and declining interest rates. Litigation risk from legacy Swiss-franc borrowers has declined<sup>2</sup>, 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) declined to 3.1% of gross loans as of the end of 2023, from 5.4% in 2019 (see Exhibit 3). According to RBI disclosures, RBA reported nonperforming loan ratio of 2.7% as of September 2024, slightly higher than year-end 2023 because of some borrower defaults.

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

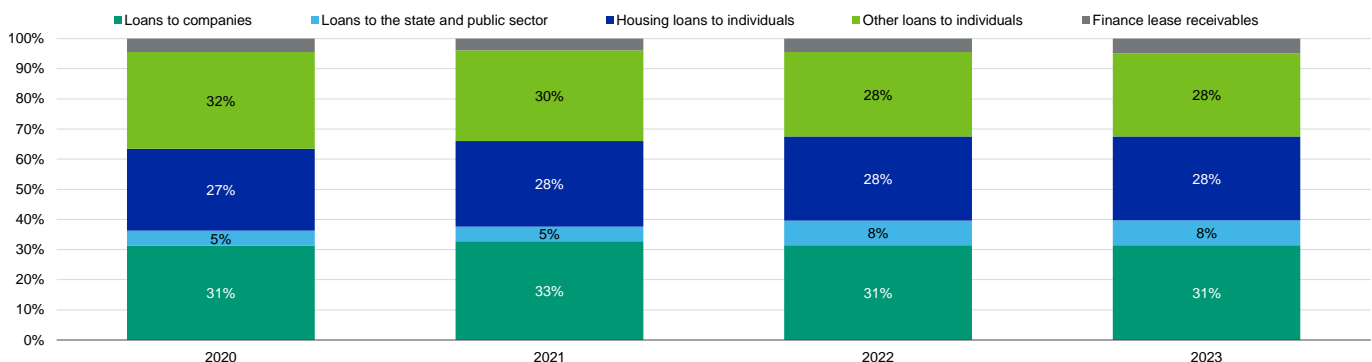


Reported nonperforming loans as disclosed by RBI, which is a different definition from our problem loans. Loan-loss reserves reflect expected credit losses for Stage 3 and purchased or originated credit impaired loans under the IFRS 9 accounting standard.  
 Sources: Moody's Ratings, RBI results presentations

Meanwhile, the coverage of problem loans by Stage 3 provisions stood at 60% as of the end of 2023. The bank's share of Stage 2 loans (with a significant increase in credit risk) increased to 17% as of year end 2023 from 12% in 2022, as the bank incorporated higher credit risk on some portfolio segments during the year from high inflation and higher interest rates, as well as environmental factors like wildfire and flood risk.

Around 28% of the bank's loans are unsecured loans to individuals<sup>3</sup> (see Exhibit 4) which carry higher credit risk and borrowers are more vulnerable to macroeconomic challenges. Also a large share of newly granted household loans is fixed rate, in line with market trends. This lowers borrowers' exposure to interest rate risk and is positive from a credit risk perspective, but increases the bank's own interest rate exposure, which it hedges using derivatives.

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

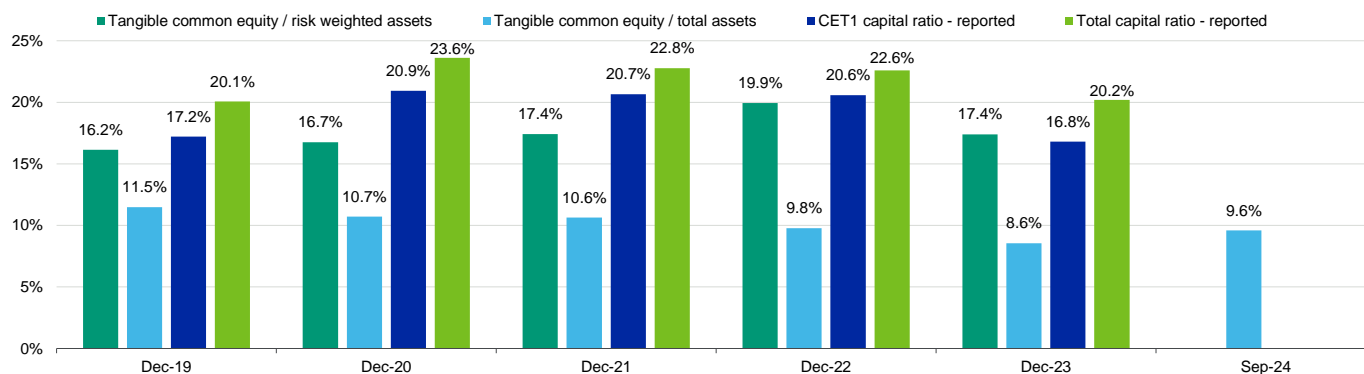
Concentration to individual corporate borrowers is moderate. Furthermore, Croatia's adoption of the euro at the start of 2023 largely eliminated currency-induced credit risk in the bank's portfolio.

### Strong capital buffers

RBA maintains significant capacity to absorb unexpected losses because of its strong capital buffers. Our adjusted tangible common equity (TCE)/risk-weighted assets ratio (RWAs) ratio where we risk-weight government exposures according to the prevailing sovereign rating for Croatia was 17.4%, and TCE/total assets was 8.6% as of the end of 2023 (see Exhibit 5). The TCE/RWAs ratio should remain broadly stable, balancing the expected growth in RWAs and regular dividend payments, against the upgrade of Croatia's sovereign rating to A3 that reduces the risk-weight we use for government securities to 20% from 50%.

Exhibit 5

#### High capital buffers are a credit strength



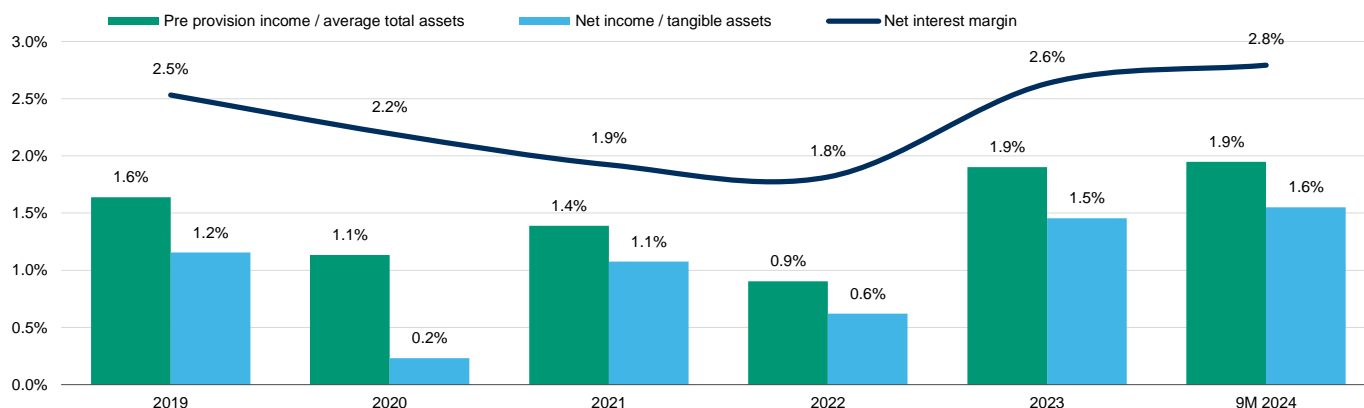
For September 2024 the ratio tangible common equity/total assets reflects equity/total assets  
Sources: Moody's Ratings, September 2024 data sourced from RBI's Q3 2024 results presentation

Reported regulatory capital metrics remain significantly higher than capital requirements. The bank reported a Common Equity Tier 1 (CET1) capital ratio of 16.8% and a total capital ratio of 20.2% as of the end of 2023. These were substantially above the prevailing regulatory requirement of 12.1% for CET1 and 16.5% for total capital ratio, which includes the 2.5% capital conservation risk buffer, a 1.5% systemic risk buffer and a 1.0% countercyclical buffer applicable to all Croatian banks and the bank's 1.5% other systemically important bank buffer. Furthermore, RBA should maintain additional capital of 2.0% of its Risk weighted assets to meet its Pillar 2 capital requirement. The countercyclical buffer increased to 1.5% in June 2024, 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 0.9% during 2019 to 2023. The bank's net income to tangible assets was 1.5% in 2023, one of the highest levels in recent years – benefiting from higher operating income and a provision reversal – and based on RBI disclosures, profitability remained strong during the first nine months of 2024 (see Exhibit 6). Going forward, we expect profitability to gradually decline from these high levels along with lower interest rates, especially on the bank's excess liquidity, but will continue to benefit from relatively contained cost of risk and a focus on operating efficiency.

Exhibit 6

**RBA has moderate earnings-generation capacity, but profitability increased substantially in 2023**

Sources: Moody's Ratings, nine-month (9M) 2024 data are estimates based on RBI's Q3 2024 results presentation

Operating income benefited from new interest income from central bank placements of around €50 million in 2023 and that contributed to around 20% of overall interest income. Following Croatia's adoption of the euro, mandatory reserves were released and the bank is now remunerated for placements at the central bank in excess of reserves at the ECB [deposit facility rate](#) from zero previously. We also note that adoption of the euro has led to reduced fee income from foreign exchange transactions.

The bank's NIM therefore widened to 2.6% during 2023 from 1.8% in 2022 because of the higher returns generated by the bank's liquid assets also because tighter monetary policy, and secondly from a gradual rise in lending rates especially for legal entities, while deposit costs were slower to catch up. Interest rates on loans to households grew at slower pace because of regulation that limits interest rates on variable rate loans.<sup>4</sup>

The bank's profitability has 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 should gradually decline given a gradually lower inflow of new cases. The statute of limitations for lawsuits on the currency clause expired in June 2023. As of September 2024, RBA's accumulated provisions for such court cases amounted to €56 million.

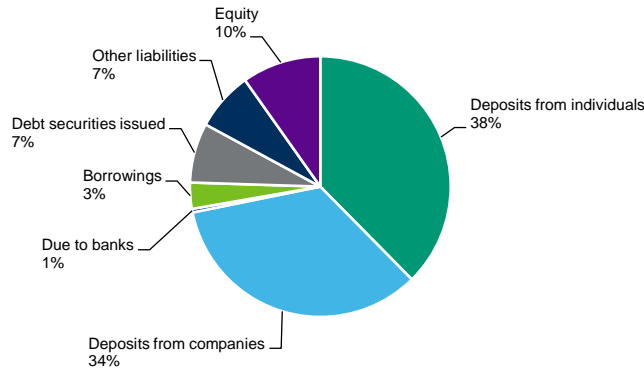
Operating expenses were 2.1% of assets in 2023 (2.4% in 2022), higher than larger local peers also reflecting relatively limited economies of scale. However, we expect operating efficiency to improve in light of ongoing digitalisation and automation initiatives by the bank, supporting resiliency at times of stress.

### Stable deposit-based funding structure and robust liquidity

RBA benefits from a broadly stable predominantly deposit-based funding structure. Deposits have grown strongly in recent years and are sufficient to fund the bank's lending operations. The net-loan-to-deposit ratio was broadly stable at 64% as of September 2024 compared to a year earlier, according to RBI disclosures. Croatia's euro area accession eliminated foreign currency risk from the large share of euro/ euro-linked deposits as of the end of 2022.

Customer deposits made up 72% of total liabilities and shareholders equity as of the end of 2023 (see Exhibit 7). Customer deposits are relatively granular with deposits from individuals making up 52% of total deposits at the end of 2023. Our assessment of RBA's funding structure, however, also considers the substantial share of deposits from companies and some level of confidence-sensitivity in the bank's deposit base overall.<sup>5</sup>

Exhibit 7  
**RBA is predominantly funded by customer deposits**  
 Funding structure breakdown as of the end of 2023



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

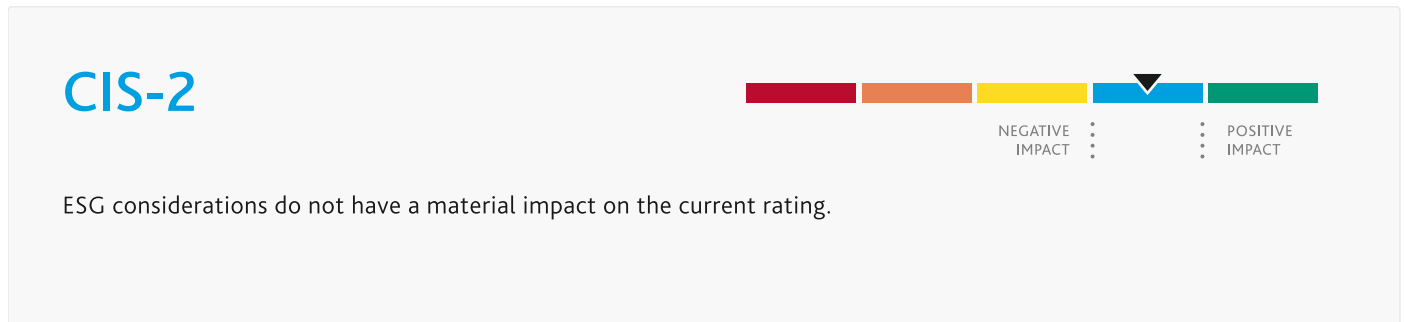
Reliance on potentially more confidence sensitive market funding remains limited. Market funds accounted for 11.5% of tangible banking assets as of the end of 2023. These funds included interbank exposures, parent-bank borrowings, borrowings from developmental institutions and MREL-related senior unsecured debt issuances. As the bank fully meets its final MREL target, we expect market funding reliance to remain at current levels over the coming quarters.

High liquidity buffers also further mitigate funding risks. Liquid assets were 43% of tangible banking assets at the end of 2023. Cash and interbank balances accounted for 25% of assets, while the remaining was invested in securities, mainly government bonds. The bank's consolidated liquidity coverage ratio was a robust 268% in 2023, with a net stable funding ratio at 180%. Our assigned liquidity score reflects some modest asset encumbrance and our expectation that liquid assets will decline slightly from year-end 2023 as credit growth rebounds.

## 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 Moody's.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. However, we assume junior deposits equivalent to 10% of total deposits because the junior-most deposits, which rank pari passu with senior unsecured debt, in Croatia are those that are excluded from deposit insurance. Excluded deposits are predominantly those from other financial institutions, insurance companies, pension funds and public administrative bodies.



For RBA's Baa1 deposits and senior unsecured debt, our Advanced LGF analysis indicates a very 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, translating into two notches of uplift from the bank's baa3 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

<b>Macro Factors</b>							
<b>Weighted Macro Profile</b>	<b>Moderate</b>	<b>100%</b>					
	<b>+</b>						
<b>Factor</b>	<b>Historic Ratio</b>	<b>Initial Score</b>	<b>Expected Trend</b>	<b>Assigned Score</b>	<b>Key driver #1</b>	<b>Key driver #2</b>	
<b>Solvency</b>							
<b>Asset Risk</b>							
Problem Loans / Gross Loans	3.9%	baa2	↔	ba2	Sector concentration	Long-run loss performance	
<b>Capital</b>							
Tangible Common Equity / Risk Weighted Assets (Basel III - transitional phase-in)	17.4%	a2	↔	baa1	Expected trend	Stress capital resilience	
<b>Profitability</b>							
Net Income / Tangible Assets	1.1%	baa2	↓	baa3	Expected trend		
Combined Solvency Score		baa1		baa3			
<b>Liquidity</b>							
<b>Funding Structure</b>							
Market Funds / Tangible Banking Assets	11.5%	baa1	↔	baa3	Expected trend	Deposit quality	
<b>Liquid Resources</b>							
Liquid Banking Assets / Tangible Banking Assets	43.2%	a3	↓↓	baa1	Expected trend	Asset encumbrance	
Combined Liquidity Score		baa1		baa2			
<b>Financial Profile</b>							
				baa3			
<b>Qualitative Adjustments</b>				<b>Adjustment</b>			
Business Diversification				0			
Opacity and Complexity				0			
Corporate Behavior				0			
<b>Total Qualitative Adjustments</b>				0			
Sovereign or Affiliate constraint				A3			
BCA Scorecard-indicated Outcome - Range				baa2 - ba1			
Assigned BCA				baa3			
Affiliate Support notching				0			
Adjusted BCA				baa3			
<b>Balance Sheet</b>							
		<b>in-scope (EUR Million)</b>	<b>% in-scope</b>	<b>at-failure (EUR Million)</b>	<b>% at-failure</b>		
Other liabilities		1,260	17.5%	1,295	18.0%		
Deposits		5,028	69.9%	4,993	69.4%		
Preferred deposits		4,525	62.9%	4,590	63.8%		
Junior deposits		503	7.0%	403	5.6%		
Senior unsecured bank debt		592	8.2%	592	8.2%		
Dated subordinated bank debt		60	0.8%	60	0.8%		
Preference shares (bank)		40	0.6%	40	0.6%		
Equity		216	3.0%	216	3.0%		
Total Tangible Banking Assets		7,196	100.0%	7,196	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	18.2%	18.2%	18.2%	18.2%	3	3	3	3	0	a3
Counterparty Risk Assessment	18.2%	18.2%	18.2%	18.2%	3	3	3	3	0	a3 (cr)
Deposits	18.2%	4.4%	18.2%	12.6%	2	3	2	2	0	baa1
Senior unsecured bank debt	18.2%	4.4%	12.6%	4.4%	2	1	2	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	2	0	baa1	0	Baa1	Baa1
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
<b>RAIFFEISENBANK AUSTRIA D.D.</b>	
Outlook	Stable
Counterparty Risk Rating	A3/P-2
Bank Deposits	Baa1/P-2
Baseline Credit Assessment	baa3
Adjusted Baseline Credit Assessment	baa3
Counterparty Risk Assessment	A3(cr)/P-2(cr)
Senior Unsecured -Dom Curr	Baa1
<b>PARENT: RAIFFEISEN BANK INTERNATIONAL AG</b>	
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	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

- The ratings shown here are RBI's deposit rating, senior unsecured debt rating and BCA.
- 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.
- These include personal loans, credit cards and overdrafts.
- The interest rate on variable rate housing loans may not be higher by more than one-third above the weighted average interest rate on existing housing loans in a particular currency. For non-housing variable rate loans, the interest rate may not be higher by more than one half of the weighted average interest rate of existing consumer loans in a particular currency. For the cap applicable as of 1 January, the average weighted interest rates are calculated based on the data available on 31 October of the previous year, while for the cap applicable as of 1 July they are calculated based on the data available on 30 April of the current year

[5](#) 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.

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