RAIFFEISEN BANK INTERNATIONAL AG

INITIATION OF COVERAGE

19 January 2026

RBI VALUE ARB: RISING ROE AND RE-RATING MEANS BIG UPSIDE

Geopolitical pressure and heavy legal costs have weighed on earnings and clouded visibility, however we see relief ahead. Key recovery drivers include volume growth, operating leverage, a drop of the CHF legal costs, and the reinstatement of a formal dividend policy. A RU-UKR "peace dividend" is a potential catalyst. EPS acceleration and normalization of the RBI-Core earnings multiple add up to a highly attractive upside of > 50%. Furthermore, we see the potential value uplift from Rasperia litigation and various scenarios in Russia. Given this pronounced valuation arbitrage opportunity, we initiate coverage with a Buy and end-26 TP of EUR 57.

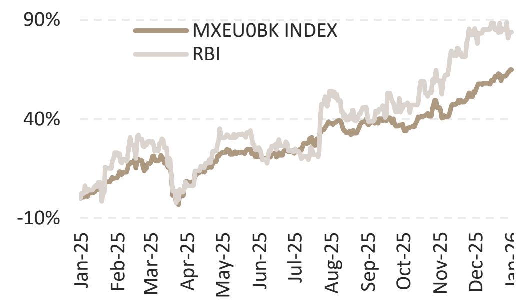
Focus on RBI Core (ex-RU) attractive earnings outlook. We estimate that in 2025 earnings should exceed EUR 1.5bn driven by a 3% pick-up in revenue and a 44% drop in CHF litigation costs. Recurring ROE should improve further to 13% in 2026–27, on volume growth overcompensating for moderate NIM erosion and with positive opex jaws. Est. litigation costs drop 39% in 2026 and 29% in 2027.

Multiple recovery underway. Even with no direct tangible effect on the RBI-Core fundamentals, Russia continues to cast a long shadow on its earnings multiple, still at more than 50% discount to the MXEU0BK Index. We see this anomaly as a temporary phenomenon, allowing for valuation arbitrage. Cessation of Russia-Ukraine hostilities, resolution of the Russian gridlock, and reinstatement of the dividend policy are visible catalysts in our view.

We see RBI-Core PE of 8x as fair. Before the war, the stock was trading at 8x earnings (ex-Russia), and we view this level as fair, particularly as it would still allow for a substantial 30% discount to the current levels of the MSCI EU Banking Index multiple. Cross-checking with RBI's bond current spreads, we estimate its COE (and earnings yield) as 12.5%, also translating into a PE of 8x.

Highly attractive valuation upside from RBI-Core, with further potential uplift from the legal action and Russian gridlock resolution. At 8x of RBI-Core 2027 recurring EPS our end-26 TP is EUR 57, with over 50% upside. A successful court action against Rasperia in the EU, an eventuality in our view, could add nearly EUR 2bn, or 17%, to the valuation. On top would come any salvaged value from repatriation from Russia of EUR 5bn capital, locked at present.

RELATIVE PERFORMANCE



Source: Bloomberg

RBI: RATING AND TP, EUR

Bloomberg TK	RBI AV
Price, EUR	37.44
Date	17-Jan-26
MCAP, EURmn	12,316
Shares out, mn	329
Free float	39%
ADTV 3M, EURmn	16.9
TP, EUR	**57**
Valuation horizon	Dec-26
Interim DY	4.3%
Expected return	57%
COE	12.50%
Target PE	8.0
Rating – (initation).	Buy

Source: Bloomberg, Roemer Capital

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RBI: OPERATING FORECAST AND MULTIPLES

EURmn	2023A	2024F	2025F	2026F	2027F	2028F
Revenue	8,827	8,701	9,133	9,485	9,404	9,411
Opex	-3,837	-3,786	-4,151	-4,357	-4,498	-4,614
Provisions, impairments, legal costs	-1,578	-1,931	-2,257	-1,078	-1,026	-864
Net attr. Income	2,386	1,157	1,621	2,910	2,759	2,753
Loans	99,434	99,551	105,768	110,567	115,843	120,929
Equity	17,009	17,299	19,223	20,969	22,348	23,450
NIM	3.0%	3.1%	3.0%	2.8%	2.6%	2.5%
FCM	1.5%	1.3%	1.3%	1.2%	1.1%	1.1%
CIR	43.5%	43.5%	45.4%	45.9%	47.8%	49.0%
COR	0.4%	0.1%	0.2%	0.4%	0.4%	0.4%
ROE	14.0%	6.7%	8.9%	14.5%	12.7%	12.0%
ROE - Core, recurring	9.5%	9.0%	10.6%	13.0%	13.0%	13.2%
PE - Core	5.2	10.6	7.6	4.2	4.5	4.5
PB	0.77	0.76	0.68	0.62	0.58	0.55
DY	3.3%	2.9%	4.3%	6.8%	9.1%	12.1%

Source: Roemer Capital, Company

RBI: SHAREPRICE PERFORMANCE ANALYSIS

The "Russian discount" remains in place. A four-year performance comparison of RBI against the MXEU0BK Index demonstrates a large gap that was formed in the wake of the onset of Russia-Ukraine hostilities.

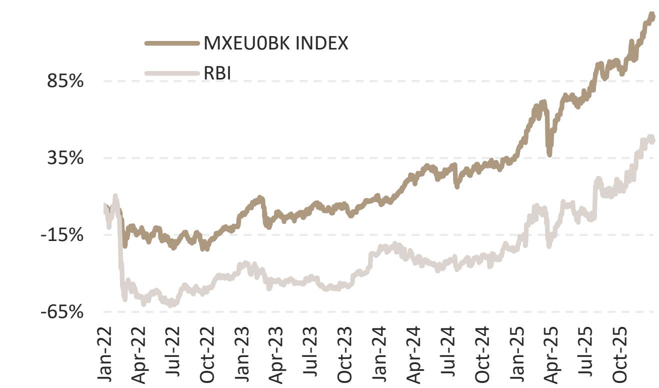
Looking at a shorter horizon, we highlight **RBI's outperformance in recent quarters**. We attribute the phenomenon to: (1) increasingly visible ROE recovery owing to the fading impact of CHF-related legal costs in Poland; (2) rising hopes that a de-escalation of geopolitical risks would benefit RBI's Russian entity.

To eliminate the Russian discount valuation distortion, we provide **a separate earnings forecast for RBI-Core** (ex. RU) in this report, enabling us to conduct a more granular valuation exercise

RBI VS MXEF0BK RELATIVE PERFORMANCE

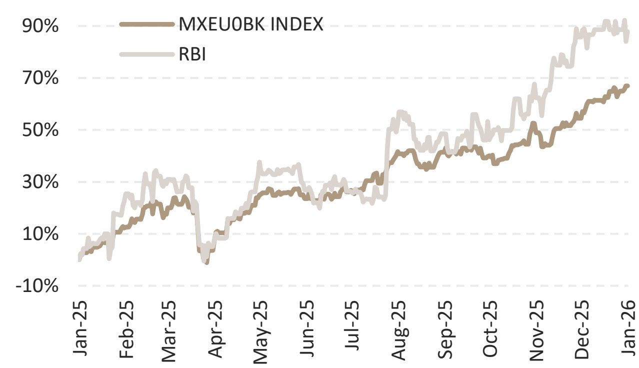
Source: Bloomberg

FOUR YEAR PERFORMANCE COMPARISON



Source: Bloomberg

ONE YEAR PERFORMANCE COMPARISON



Source: Bloomberg

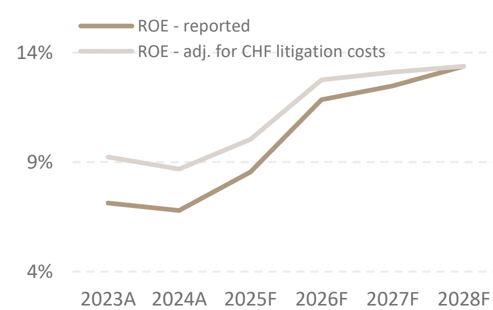
RBI: DISTILLING VALUATION FOR RBI-CORE (EX-RU)

While the Russian entity continues to represent a large share of the group's operating results, with **Vienna effectively lacking control** over it and visibility remaining poor, the Russian discount is deeply baked into the valuation. To address this challenge, we provide a separate valuation of RBI-Core (ex-RU), followed by a probabilistic valuation scenario exercise for the Russian entity.

"Clean earnings." Consolidating our segment models' operating forecasts for Central Europe, Southeastern Europe, the Corporate Center, and Ukraine, we forecast earnings to reach EUR 1.5bn in 2025, EUR 2.1bn in 2026, and EUR 2.2bn in 2027. Adjusted for CHF litigation costs, these estimates translate into an ROE of 10.6% in 2025, and 13% in 2026-27, somewhat conservative against the management guidance. We consider steadily declining CHF litigation costs to be the main driver of ROE recovery.

We expect RBI to issue a formal dividend policy with the dividend payout rising to 35% for 2025, and to 40% and 50% in 2026 and 2027 respectively, with yields doubling within the period.

RBI-CORE ROE



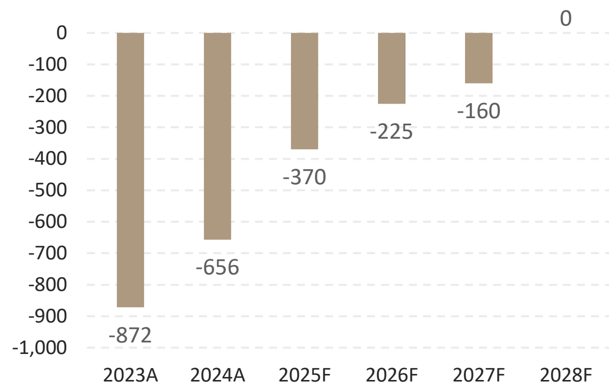
Source: Company, Roemer Capital

RBI-CORE - KEY OPERATING PERFORMANCE AND VALUATION METRICS (EURMN)

	2023A	2024A	2025F	2026F	2027F	2028F
Revenue	6,208	6,264	6,472	7,285	7,542	7,838
Operating costs	-3,121	-3,311	-3,500	-3,626	-3,707	-3,758
Pre-provision income	3,087	2,953	2,972	3,659	3,835	4,081
Provisions and litigation	-1,433	-1,230	-666	-716	-671	-515
Pre-tax income	1,654	1,723	2,306	2,943	3,164	3,566
Attr. Net income	1,159	1,141	1,523	2,091	2,230	2,482
Litigation costs	-872	-656	-370	-225	-160	0
Attr. Net income - Recurring (ex. litigation)	**1,502**	**1,458**	**1,782**	**2,249**	**2,342**	**2,482**
Payout	410	361	533	836	1,115	1,489
Payout, %	35%	32%	35%	40%	50%	60%
ROE	7.3%	7.0%	9.1%	12.1%	12.3%	13.2%
ROE - recurring (ex. for litigation)	**9.5%**	**9.0%**	**10.6%**	**13.0%**	**13.0%**	**13.2%**
EPS, EUR	3.52	3.47	4.63	6.36	6.78	7.54
Adj. EPS, EUR	4.57	4.43	5.42	6.84	7.12	7.54
BVPS, EUR	48.10	50.82	51.40	53.85	56.07	58.22
DPS, EUR	1.25	1.10	1.62	2.54	3.39	4.53
PE - adj.	**8.2**	**8.4**	**6.9**	**5.5**	**5.3**	**5.0**
PB	0.8	0.7	0.7	0.7	0.7	0.6
DY	3.3%	2.9%	4.3%	6.8%	9.1%	12.1%

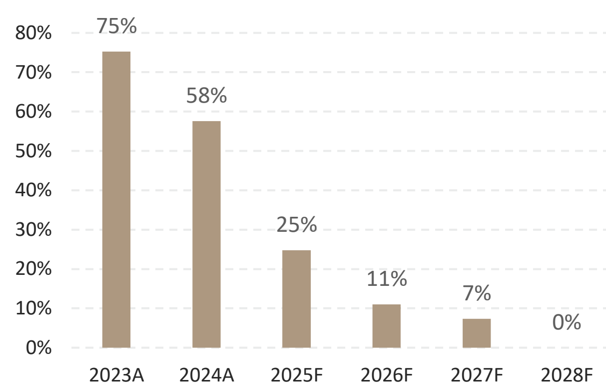
Source: Company, Roemer Capital

CHF LITIGATION COSTS, EURMN



Source: Company, Roemer Capital

CHF LITIGATION COSTS AS SHARE OF NET ATTR. INCOME (EX RU)

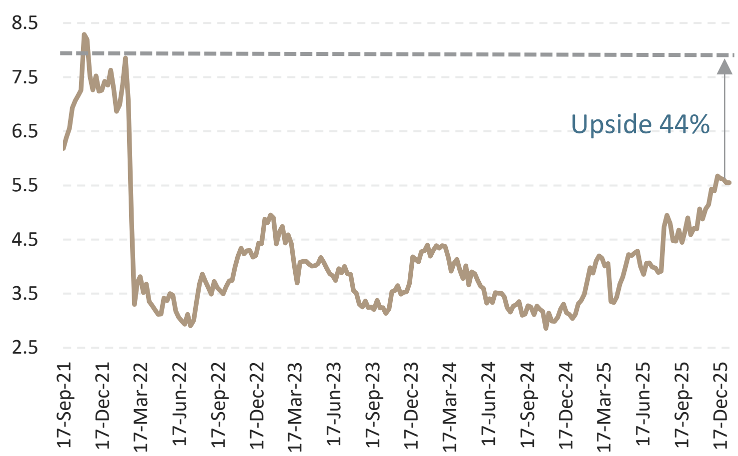


Source: Company, Roemer Capital

DETERMINING A FAIR MULTIPLE FOR RBI-CORE

PE history is instructive, implying high upside. Reconstructing the historical series for the 12-month forward PE for RBI-Core demonstrates the significant discount to the pre-war levels of nearly 8x, which is still visible in the current multiple levels. With no direct effect from Russia across RBI-Core, we argue that the current multiple levels are unjustifiably low. Recovery of the multiple to the pre-war levels would imply a theoretical uplift of value for RBI-Core of over 40%.

RBI-CORE 12M FWD ROLLING PE



Source: Bloomberg, Roemer Capital

RBI-CORE PE VS THE INDEX

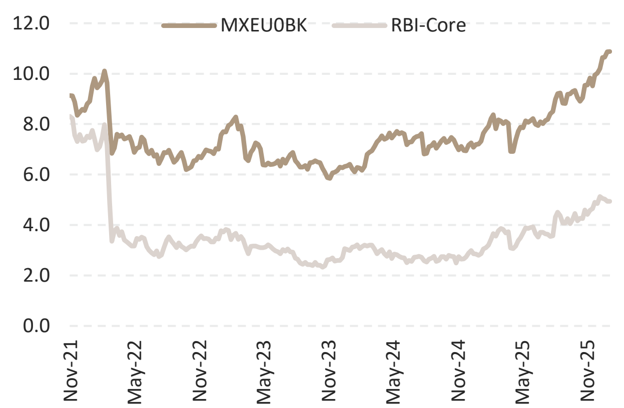
From the pre-war levels EU banks have re-rated, while RBI has not. Comparisons of the PE ratio for RBI-Core with that of the MSCU0BK Index demonstrate that RBI's multiple recovery after the onset of the war has been sluggish compared to the European banks. From mid-2023, the index P/E nearly doubled and now hovers above pre-war levels.

The implied PE discount of over 50% looks excessive to us. We argue that the Russo-Ukrainian conflict cannot have a significant effect on RBI operations outside Russia. Within the group, Ukraine is the only segment affected by the war, but the country assets represent mere 2% of the consolidated balance sheet.

Nor do we buy the argument that RBI's continuing presence in Russia creates a risk of sanctions by the EU or the US. Firstly, we have seen multiple reports that RBI discussed selling the Russian entity with several potential suitors, however a deal has not materialized because of the CBR objections. Second, RBI-Russia remains one of the few remaining open channels for payments from the West, crucial for gas exports, thus serving the interest of both sides.

We therefore see the discount as a valuation anomaly and a clear case of mispricing by the markets. This discount will correct eventually, we believe.

ROLLING 12M FWD PE COMPARISON



Source: Roemer Capital, Bloomberg

RBI-CORE DISCOUNT

Source: Roemer Capital, Bloomberg

RBI VS REGIONAL PEERS

Comparisons of RBI-Core to the multiples for banks within the EMEA area also demonstrate that RBI is **grossly undervalued**, as shown in the table below.

We highlight that one valuation aspect where RBI is still lagging against peers in Emerging EMEA is **dividend yield**, which is explainable by the absence of a clearly formulated dividend payout policy and an effective payout on core earnings in the 30% range. We believe that this may be due to restrictions imposed by the ECB, in turn prompted by the CHF mortgage issue and the Russian situation. We consider a payout in the 30s to be rather low and unappealing to value-seeking investors. Conversely, resolving this issue may become a pronounced catalyst for the shares, we believe

RBI-CORE (EX-RU) COMPARATIVE VALUATIONS

	2026 PE	2026 PB	ROE	2025 DY
RBI-Core	5.4	0.7	12.8	4.3%
Developed Europe	10.2	1.4	14.4	4.0%
Emerging Europe	9.7	1.8	16.1	4.8%
Middle East	9.9	1.5	14.3	4.6%
South Africa	7.7	1.3	17.1	6.6%
Discounts to	**2026 PE**	**PB**		
Developed Europe	-47%	-51%		
Emerging Europe	-45%	-61%		
Middle East	-46%	-54%		
South Africa	-30%	-47%		

Source: Roemer Capital, Bloomberg

ESTIMATING THE FAIR MULTIPLE THROUGH BOND YIELD

Using bond pricing for equity valuation. RBI's current 2031 unsecured bond yields 3.55%, at a 90bp spread over EU government debt of similar maturity. Taking into account the benchmark yield for a 15-year horizon, which is more suitable for equity valuation, we arrive at 4.5% as a "fair" long-term level for RBI. After adding an equity risk premium of 7%, we arrive at a base cost of equity of 11.5%. To account for RBI's insufficient share liquidity, we make a further upward adjustment of 100bp to arrive **at 12.5% as a fair cost of equity (COE).**

Estimating fair PE. We see this figure as a useful proxy for a fair earnings yield, the reciprocal of which is a "fair" company-specific **PE of 8x**, effectively matching the pre-war levels.

RBI: COE MODEL

	Rate, %	Comment
Company-specific bond yield	3.55%	RBI 2031 INTL bond yield
Benchmark yield	2.65%	EU 5Y govt bond yield
Spread over benchmark, bp	90	
LT Benchmark	3.64%	EU 15Y govt bond yield
Assumed fair 15Y RBI bond yield	4.5%	Benchmark adjusted for spread
Equity risk premium	7.0%	Diff. between LT returns of stocks and bonds
Base cost of equity	11.5%	
Liquidity risk premium, bp	100	3M ADTV EUR17mn
Implied COE	12.5%	A proxy for earnings yield
Fair PE	**8.0**	As implied by earnings yield

Source: Bloomberg, Roemer Capital

VALUATION SCENARIOS: UPSIDES AND SENSITIVITIES

Valuation: scenarios and sensitivity analysis. For RBI-Core, assigning a PE of 8x to 2027 recurring EPS (adjusted for CHF litigation costs) results in an end-26 valuation of EUR 57/share. We note that our target P/E level still represents a steep 30% discount to the MXEU0BK Index. The matrix below reflects valuations at different levels of target P/E and ROE.

Practically all the scenarios within the matrix ranges result in **attractive upsides for the shares**. We see further potential uplift to valuations from the litigation effort and possible resolution of the stalemate in Russia.

VALUATION SENSITIVITY TO TARGET PE AND ADJ. ROE*

		ROE		
		12%	13%	14%
	7.0	46	50	54
Target PE	8.0	53	57	61
	9.0	59	64	69

Upside

		ROE		
		12%	13%	14%
	7.0	23%	34%	44%
Target PE	8.0	42%	52%	63%
	9.0	58%	71%	84%

*Source: Roemer Capital. *ROE ADJUSTED FOR CHF LEGAL COSTS*

RBI-RUSSIA: GRIDLOCK, LITIGATION AND SALVAGE VALUE

Raiffeisen Bank International (RBI) remains **the largest Western bank operating in Russia that is not under sanctions**, making its local subsidiary, AO Raiffeisenbank, systemically important for trade payments, including gas exports to Europe.

Exit Attempts & Pressure: Since Russia's full-scale invasion of Ukraine in 2022, RBI has repeatedly stated its intention to sell or spin off its Russian operations due to pressure from EU regulators.

Russian Opposition: All efforts to find a buyer have failed because the Russian authorities have blocked potential deals. Moscow is reportedly concerned that a change of ownership could trigger Western sanctions against the bank, thus closing a vital financial channel.

Reducing Business: In parallel with exit negotiations, RBI has significantly reduced its Russian business (e.g., cutting loan volumes and international payments) in line with demands from the European Central Bank (ECB). The bank has accumulated billions of euros in profits in its Russian unit that cannot be repatriated to Vienna due to restrictions imposed by the Central Bank of Russia (CBR). The last reported equity value is EUR5.4bn.

A major legal battle stemming from a collapsed deal has complicated the exit further and resulted in substantial financial impacts:

The Strabag Deal: In 2023, RBI attempted a complex asset swap to acquire a stake in the Austrian construction firm Strabag from a Cyprus-based firm (Rasperia) linked to sanctioned Russian tycoon Oleg Deripaska, hoping to unlock frozen Russian assets. The U.S. pressured RBI to drop the deal, leading the bank to withdraw the offer in May 2024.

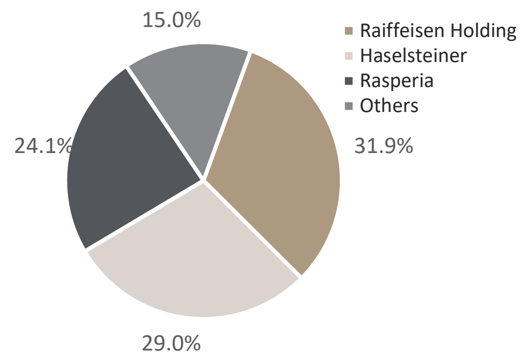
Rasperia Lawsuit: Rasperia sued RBI-RU for damages over the failed deal. In January 2025, a Russian court ordered RBI to pay over EUR2bn in damages.

The court ruling initially authorized the seizure of assets from Raiffeisen's Russian division and froze the bank's shares in its local subsidiary, bringing any **sale to a standstill**. The asset freeze was temporarily lifted in August 2025 following an appeal process. RBI has made significant provisions (over €840 million) to cover potential losses and is appealing the damages ruling, with the case ongoing in Russian courts.

In a recent ruling on December 18, 2025, a Russian court ordered RBI-RU to pay **EUR339mn in damages** to MKAO Rasperia Trading. This amount compensates Rasperia for alleged losses related to unpaid dividends and a capital reduction at the Austrian firm Strabag. RBI will book a provision of EUR339mnin Q4 2025 and plans to appeal the ruling.

Damages, damages… The verdict brings the total damages awarded to Rasperia by Russian courts to over EUR2.4bn, a high number, which most certainly push RBI into launching legal action aiming at recovery of the said amount.

STRABAG SHAREHOLDING STRUCTURE



Source: Bloomberg

RBI: ESTIMATING FULL VALUATION INCLUDING STRABAG LITIGATION AND THE RUSSIAN SUBSIDIARY SALVAGE VALUE

We use RBI-Core valuation as our end-26 TP, also highlighting a significant potential uplift from Rasperia/Strabag litigation and RBI-RU “salvage” value. With Strabag’s current market capitalization of EUR 9.6bn, the value of Rasperia’s stake is EUR2.3bn, close to the total damages awarded to Rasperia so far. In several months we expect RBI to launch a lawsuit against Rasperia in Austria to recover assets there, with decision due in 2H26 or 2027.

As to the prospects of value recovery, we are positive for two reasons:

(1) The Russian Court assigned ownership of Rasperia’s Strabag to RBI-RU, which in our view would make it difficult for Rasperia to defend its ownership in the builder in the European courts.

(2) The legality of the damages awarded to Rasperia for violations not committed by RBI looks highly questionable and could easily be challenged outside of Russia.

Allowing for associated legal expenses, we believe that RBI stands a high chance of clearing EUR 2bn in 2026–27.

How much could the Russian subsidiary be worth? Taking into account the last reported equity value of EUR 5.4bn and adjusting it downwards by the EUR 339mn damages awarded to Rasperia in Q4 2025, we further reduce the number by a 60% mandatory exit valuation haircut and a 35% "tax" to arrive at EUR 1.3bn.

For the Russian entity valuation impact we see the following **four possible scenarios:**

(1) **Negative - As is.** The stalemate continues. Assets continue to shrink along with customer deposits, however the group has no control over the Russian entity. The shares continue to react to geopolitical ups and downs.

(2) **Negative - Confiscation** of RBI’s assets on the ground; example: Rockwool, Uniper, Danone. However, it may trigger the almost certain imposition of Western sanctions and termination of access to SWIFT, thus nullifying the bank usefulness as a payment channel, so the probability of such an outcome is low.

(3) Positive -An orderly exit with reduction, where RBI would repatriate over EUR 1bn, example: Goldman Sachs and City.

(**4) Positive - Going concern and restoration of control**: RBI continues its operations in Russia and regains control and the ability to repatriate dividends — example: OTP

It goes without saying that assigning probabilities to various outcomes in Russia is a nuanced (and subjective) exercise. The table below presents the impact on the group value and valuation upside from the litigation and positive scenarios.

AMENDMENTS TO RBI-CORE VALUATION

Valuation	Total, EURmn	P.S. EUR	Upside to current	Comment
Current	12,058	37.44	0%	Current market value
RBI-Core	**18,750**	**57**	**52%**	**At 8x 2027 rec. EPS, adj. ROE of 13%**
Rasperia litigation	2,000	6.1	16%	Exp. Proceeds ex. related legal costs
RBI-RU salvage value	1,300	4.0	7%	Assuming 60% exit value cut and 35% tax
Full valuation	**22,050**	**67.0**	**79%**	
RB-RU going concern	3,750	11.4	30%	RBI regains control over RU entity, 0.75x BV
Full valuation	**24,500**	**74.5**	**99%**	

Source: Bloomberg, Roemer Capital

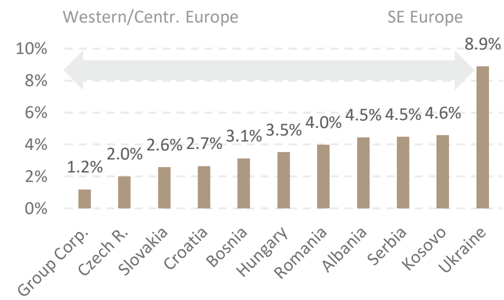
RBI: BUSINESS OVERVIEW – SEGMENTS

Geographic spread complicates analysis. RBI operates in multiple countries across Central, Eastern, and Southeastern Europe (the Balkans), with financial disclosures grouped into several segments.

The main geographies include Central Europe (38% of assets), Southeastern (SE) Europe (20% of assets), as well as Russia and Ukraine with 9% and 2% respectively. RBI's Group Corporate and Markets segment is responsible for corporate business loans to Western and Central/Eastern Europe originated in Vienna, resulting in some overlap with other segments.

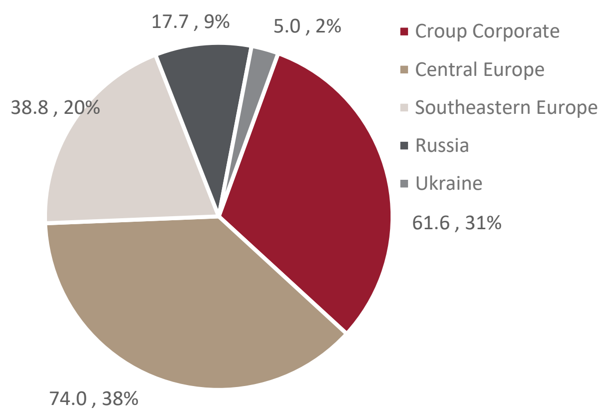
Earnings: In 3Q25, the Group Corporate segment accounted for a mere 9%, owing to thinner margins (due to higher costs of liquidity with no retail deposits) and allocated risk management costs. In contrast, Central and SE Europe contributed 18% and 29% respectively, due to much better margins. Russia delivered a whopping 39% of the total—a consequence of ultra-high policy interest rates imposed by the CBR boosting NIM to over 10%; however, in 9M25 its contribution was negative due to high litigation costs. Given that at the group level RBI has little control over the entity, we conducted a profitability analysis of the "core" (i.e., ex-Russia) business separately. Ukraine delivered 5% of total earnings, owing to a very high NIM of 9%.

9M25 NIM COMPARISONS



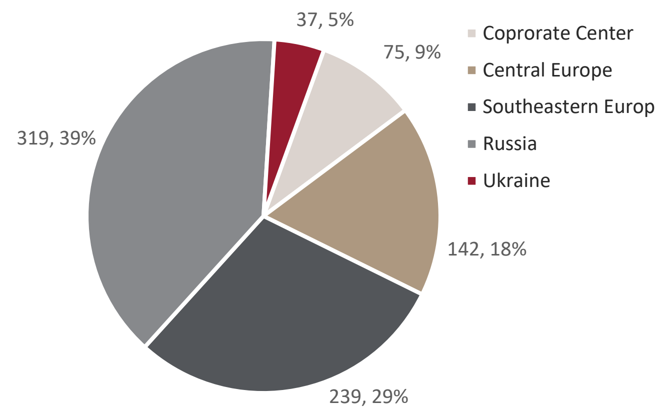
Source: Company

3Q25A ASSETS BY REGION, EURBN



Source: Company

3Q25 NET INCOME BY COUNTRY, EURMN



Source: Company

RBI: COUNTRY AND SEGMENT OVERVIEW, 9M25

	Assets	Assets %	Net income	Outlets	Headcount	LDR	NIM	CIR	LLP	Loans yoy	ROE
Czech Republic	38,095	18.2%	316	127	3,773	67.3%	2.00%	44.9%	-0.05%	7.2%	18.6%
Hungary	12,497	6.0%	182	68	3,004	64.0%	3.53%	42.0%	-0.63%	13.5%	24.8%
Poland	1,667	0.8%	- 301	1	330	–	1.27%	–	-3.34%	5.2%	–
Slovakia	21,888	10.5%	205	140	3,549	105.4%	2.58%	43.1%	0.23%	8.4%	17.3%
Central Europe	**73,958**	**35.4%**	**402**	**336**	**10,656**	**80.0%**	**2.43%**	**46.2%**	**-0.10%**	**8.4%**	**11.6%**
Albania	3,308	1.6%	63	76	1,343	54.1%	4.46%	0.0%	-0.43%	14.6%	25.5%
Bosnia	3,098	1.5%	48	85	1,330	69.8%	3.13%	46.0%	0.27%	8.0%	16.3%
Croatia	7,852	3.8%	71	67	1,755	65.8%	2.65%	50.5%	0.20%	6.6%	13.9%
Kosovo	1,786	0.9%	26	37	901	90.8%	4.59%	50.0%	0.43%	17.4%	20.2%
Romania	16,154	7.7%	272	272	4,829	73.4%	3.98%	41.5%	0.27%	10.1%	23.0%
Serbia	6,685	3.2%	190	104	2,182	64.4%	4.49%	29.4%	-0.11%	7.6%	32.1%
SE Europe	**38,878**	**18.6%**	**669**	**641**	**12,340**	**69.2%**	**3.80%**	**40.7%**	**0.16%**	**9.6%**	**22.6%**
Russia	17,665	8.4%	- 118	68	8,614	29.4%	10.05%	23.7%	0.98%	1.4%	4.4%
Ukraine	4,982	2.4%	159	290	5,113	39.5%	8.89%	41.0%	-2.12%	16.6%	35.4%
Group Corporate	**61,599**	**29.5%**	**240**	**17**	**3,727**	**166.2%**	**1.19%**	**58.3%**	**0.63%**	**-4.9%**	**7.7%**
Total RBI Group	**209,110**	**100.0%**	**1,115**	**1,352**	**42,581**	**83.2%**	**2.99%**	**43.8%**	**0.18%**	**2.9%**	**9.1%**

Source: Company

RBI: BALANCE SHEET

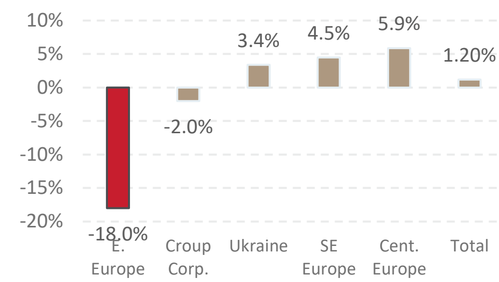
Static balance sheet conditioned by divergent trends. The consolidated assets' CAGR over the last two years has been 1.2%; however, this masks different underlying trends across the main geographic segments.

While assets in the highly significant Central European and Southeastern European segments (accounting for 38% and 20% respectively as of 9M25) have grown with a robust CAGR of ~5-6%, the Group Corporate segment (31% of assets) has been shrinking marginally.

The biggest drag has been in the Eastern Europe segment, where assets have tanked with a CAGR of -18%, reflecting the disposal of a subsidiary in Belarus and efforts to shrink the business in Russia due to sanctions and political pressure. As the Russian operation restricted the issuance of new loans over the last two years, the share of securities in aggregate assets has risen from 15% to 21%.

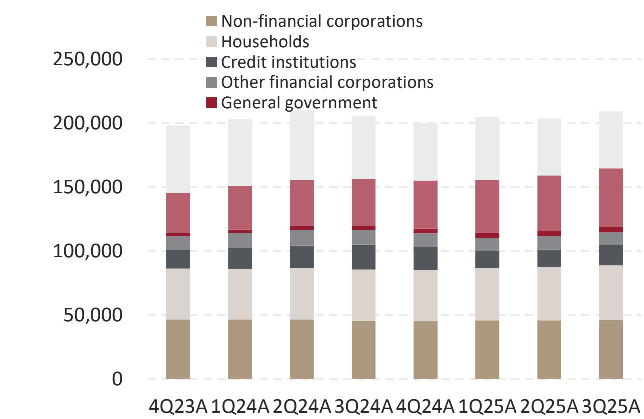
With cash at over 20% of assets and an LDR over 80%, **liquidity remains ample**. In recent quarters, wholesale debt (used for maturity risk management) was around 18-19% of total assets.

2Y CAGR OF ASSETS BY SEGMENT



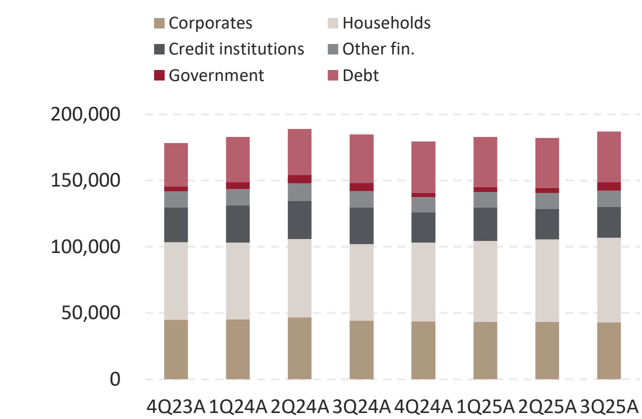
Source: Company

ASSET SPLIT, EURMN



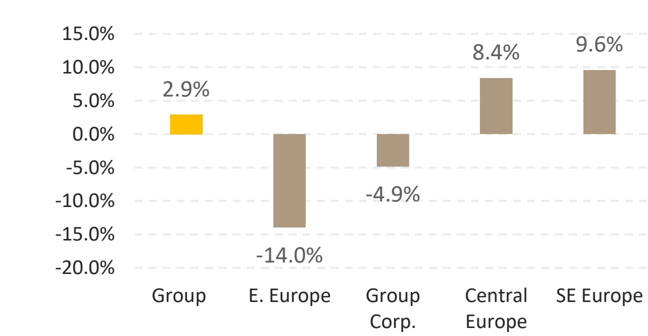
Source: Company

LIABILITIES SPLIT, EURMN



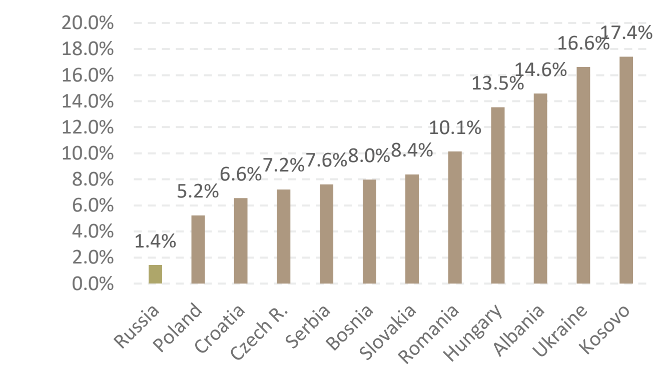
Source: Company

3Q25 YOY LOAN GROWTH BY SEGMENT



Source: Company

3Q25 YOY LOAN GROWTH BY COUNTRY



Source: Company

RBI: ASSET QUALITY REVIEW AND LEGACY CHF MORTGAGES ISSUE

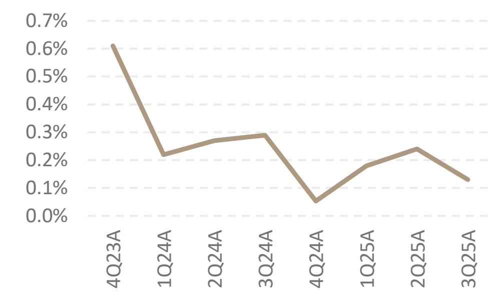
Non-performing exposures (NPE) across different markets appear **generally benign**, with the exception of legacy Swiss franc (CHF) mortgage issues. These remain subject to ongoing government intervention, litigation, and significant financial provisioning.

While a government-led conversion **in Croatia has largely resolved the matter**, the process **in Poland remains fragmented and protracted**. It continues to be defined by individual lawsuits, with courts typically ruling in favor of customers.

In 2018, **RBI divested its Polish operations** but retained the legacy CHF mortgage portfolio. To address this, the bank has consistently set aside substantial provisions to cover potential legal losses. Although provisions reached over 80% of the remaining exposure by mid-2023—with no further significant needs expected at that time—additional provisions were booked in late 2024. This adjustment impacted the bank's earnings guidance, highlighting the persistent financial drag depressing ROE.

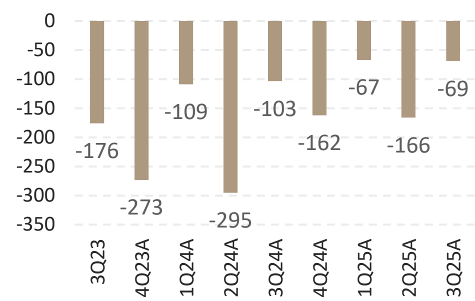
RBI reports regular operational provisioning costs separately from CHF-related impairment losses, which are categorized under "**Other Results**." These amounts remain significant; however, with approximately €2.8bn already paid, **the pressure on the bottom line is subsiding.** An estimated €350m remains for the 2026–27 period. As of 3Q25, assets in Poland were less than 1% of the group's total.

RBI: COST OF RISK



Source: Company

RBI: CHF PORTFOLIO LITIGATION COSTS, EURMN



Source: Company

RBI: NPE RATIO

	4Q23A	1Q24A	2Q24A	3Q24A	4Q24A	1Q25A	2Q25A	3Q25A
Czech Republic	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.8%	0.8%
Hungary	1.3%	1.1%	1.0%	1.1%	1.3%	1.2%	0.8%	0.7%
Poland	9.1%	7.9%	8.3%	9.2%	9.1%	5.1%	5.2%	5.4%
Slovakia	1.1%	1.2%	1.3%	1.4%	1.3%	1.4%	1.3%	1.3%
Central Europe	**1.2%**	**1.2%**	**1.2%**	**1.2%**	**1.3%**	**1.2%**	**1.1%**	**1.0%**
Albania	2.7%	2.7%	2.7%	2.7%	2.6%	2.5%	2.3%	2.3%
Bosnia and Herzegovina	2.5%	2.4%	2.3%	2.3%	2.2%	2.2%	2.1%	2.0%
Croatia	1.8%	1.7%	1.8%	2.1%	1.7%	1.8%	1.7%	1.7%
Kosovo	2.5%	2.5%	2.6%	2.7%	2.4%	2.2%	3.0%	3.4%
Romania	1.6%	1.7%	1.7%	1.6%	1.5%	1.5%	1.5%	1.5%
Serbia	1.5%	1.5%	1.4%	1.4%	1.4%	1.4%	1.3%	1.3%
Southeastern Europe	**1.8%**	**1.8%**	**1.8%**	**1.9%**	**1.7%**	**1.7%**	**1.7%**	**1.7%**
Belarus	1.4%	1.4%	1.3%	1.3%	0%	0%	0%	0%
Russia	1.4%	1.7%	1.5%	1.7%	1.6%	1.5%	1.6%	1.7%
Eastern Europe	1.4%	1.7%	1.5%	1.7%	1.6%	1.5%	1.6%	1.7%
Ukraine	5.6%	5.6%	4.9%	4.8%	4.4%	4.0%	3.7%	3.3%
Group Corporates & Markets	3.0%	2.9%	2.9%	3.2%	3.5%	3.2%	2.9%	3.0%
Total	**1.9%**	**1.9%**	**1.8%**	**2.0%**	**2.1%**	**1.9%**	**1.8%**	**1.7%**
Coverage	51.7%	50.1%	53.3%	51.8%	51.6%	48.4%	50.2%	49.8%
Poland	84.0%	83.6%	82.7%	82.7%	81.9%	87.0%	88.2%	88.4%

Source: Company

RBI: OUTLOOK

Our consolidated model aggregates operating forecasts for the main segments. We remind readers that for valuation purposes we exclude Russia, given that the group lacks control and is unable to extract dividends from the Russian subsidiary.

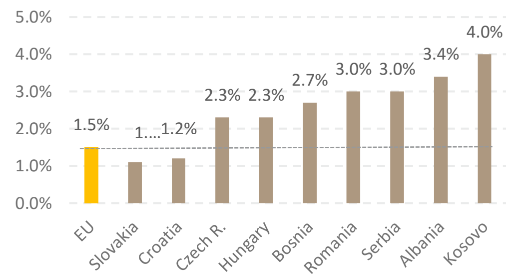
Central Europe: Loan growth may accelerate slightly following possible rate cuts for some markets (likely 25bp in 2026), but slightly better volume growth should compensate for margin compression, also due to less competition on deposit prices. Fees should outpace Net Interest Income (NII), with strong demand and higher volumes on the asset management side, and better retail customer participation. Remaining CHF mortgage payments should be progressively lower, estimated at EUR 220–250mn for 2026, EUR 150mn for 2027, and "double digits" for 2028. Costs should trail revenue for Slovakia and Czechia. In Hungary, the situation may worsen somewhat, with potential additional taxation the extent of which is currently unclear, leading to flattish earnings at best.

Southeastern Europe: The outlook for loans remains attractive, supported by strong macro trends continuing from recent years. In Romania, we anticipate the most pronounced rate cuts in the region, a full 1 percentage point (pp) reduction. However, the effect on 2026 results may be less pronounced if implemented late in the year. NIM may be slightly down, but Net Interest Income should remain positive thanks to volume growth. The bank expects some growth in fees, 2-3% opex growth, and a stable Cost-to-Income Ratio (CIR). Croatia is expected to show positive revenue and positive operating jaws. We expect relatively stable operating performance metrics for the smaller markets in the Balkans.

Corporate and Markets Division: Growth was sluggish in 2025 due to weak demand in the Eurozone, but pickup is anticipated for 2026–27, due to lower ECB rates and improved economic activity, with management forecasting positive jaws and a strong focus on cost containment over the next three years. Operationally, the division differs from retail banking as it relies on different liquidity risk management strategies due to the absence of retail deposits, requiring sufficient liquidity to cover 12 months in the event external factors deny RBI access to international capital markets.

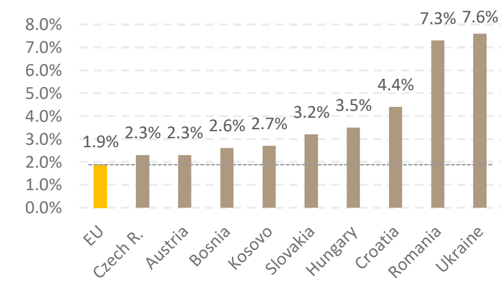
The outlook for war-torn Ukraine remains highly uncertain. We assumed moderate 1.5% per quarter asset expansion accompanied by gradual NIM erosion amidst a slightly higher CIR, with static operating results and Cost of Risk (COR) settling in the 175–200bp range.

2026F GDP GROWTH BY COUNTRY



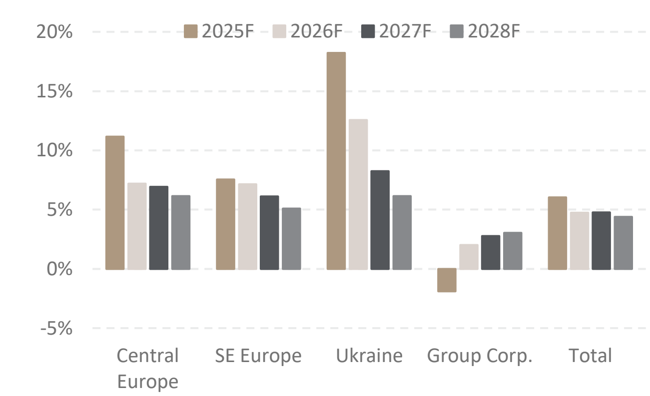
Source: IMF

2026F INFLATION BY COUNTRY



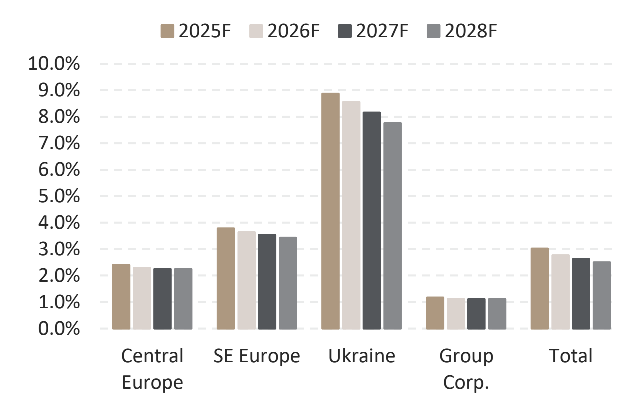
Source: IMF

LOAN GROWTH BY SEGMENT



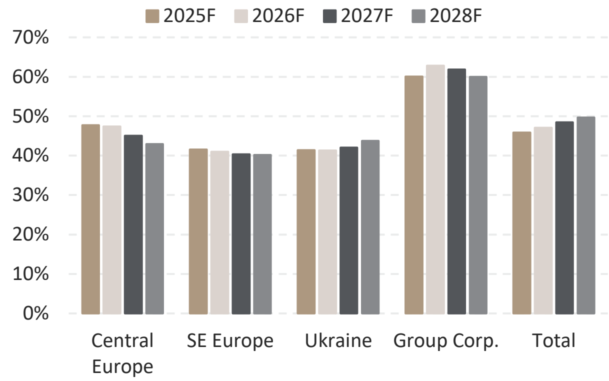
Source: Company, Roemer Capital

NIM BY SEGMENT



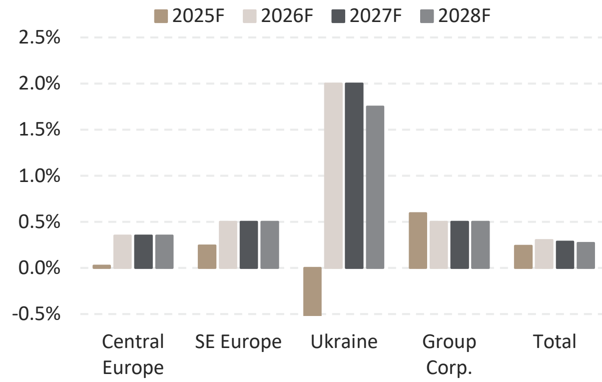
Source: Company, Roemer Capital

CIR BY SEGMENT



Source: Company, Roemer Capital

COR BY SEGMENT



Source: Company, Roemer Capital

RBI: OPERATING FORECAST

EURmn	2023A	2024F	2025F	2026F	2027F	2028F
NII	5,596	5,779	5,894	5,782	5,739	5,746
Fee income	2,906	2,638	2,705	2,660	2,641	2,651
Core revenue	8,502	8,417	8,599	8,443	8,380	8,397
Total revenue	8,827	8,701	9,133	9,485	9,404	9,411
Operating expenses	-3,837	-3,786	-4,151	-4,357	-4,498	-4,614
Pre-provision income	4,991	4,915	5,092	5,127	4,906	4,797
Provisions & impairments	-1,578	-1,931	-2,257	-1,078	-1,026	-864
Pre-tax income	3,412	2,984	2,835	4,049	3,880	3,933
Net attr. income	2,386	1,157	1,621	2,910	2,759	2,753
Per share data, EUR						
AVG shares out, mn	329	329	329	329	329	329
EPS	7.25	3.52	4.93	8.85	8.39	8.37
DPS	1.25	1.10	1.62	2.54	3.39	4.53
BVPS	51.71	52.59	58.44	63.75	67.94	71.29
TBVPS	48.76	49.54	55.26	60.57	64.77	68.11
Ratios						
NIM	3.0%	3.1%	3.0%	2.8%	2.6%	2.5%
FCM	1.5%	1.3%	1.3%	1.2%	1.1%	1.1%
CIR	43.5%	43.5%	45.4%	45.9%	47.8%	49.0%
COR	0.39%	0.13%	0.23%	0.45%	0.44%	0.43%
ROE	14.03%	6.74%	8.88%	14.48%	12.74%	12.02%
ROTE	14.87%	7.16%	9.40%	15.27%	13.39%	12.60%
ROA	1.20%	0.58%	0.78%	1.32%	1.20%	1.14%
Div payout	35%	32%	35%	40%	50%	60%

Source: Company data, Roemer Capital

RBI: BALANCE SHEET

EURmn	2023A	2024F	2025F	2026F	2027F	2028F
Cash and equivalents	43,234	34,871	36,104	39,628	42,962	45,948
Loans to customers	99,434	99,551	105,768	110,567	115,843	120,929
Securities	31,108	37,430	46,956	49,087	51,429	53,687
Assets	198,241	199,851	214,476	224,934	235,891	246,225
Due to banks incl. CB	99,434	99,551	24,192	25,290	26,497	27,660
Customer deposits	119,353	117,717	128,616	134,453	140,868	147,053
Debt securities	32,894	38,779	39,186	40,964	42,919	44,803
Total liabilities	251,681	256,047	191,994	200,707	210,284	219,516
Common equity	17,009	17,299	19,223	20,969	22,348	23,450
Ratios						
Cash to assets	22%	17%	17%	18%	18%	19%
Loans to assets	50%	50%	49%	49%	49%	49%
Securities to assets	16%	19%	22%	22%	22%	22%
Loans to deposits	83%	85%	82%	82%	82%	82%
Equity to assets	8.6%	8.7%	9.0%	9.3%	9.5%	9.5%
Asset quality and capital adequacy						
LLR	1.0%	1.1%	0.9%	0.9%	0.9%	0.9%
NPE ratio	1.9%	2.1%	1.7%	1.7%	1.7%	1.7%
NPE coverage	51.7%	51.6%	52.9%	52.9%	52.9%	52.9%
RWA density	47%	48%	47%	47%	47%	47%
CET 1 ratio	17.3%	17.1%	18.2%	18.2%	18.2%	18.2%
Total capital ratio	21.5%	21.5%	22.2%	22.2%	22.2%	22.2%

Source: Company data, Roemer Capital

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