CREDIT OPINION

13 August 2025

Update

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RATINGS

Raiffeisen Bank SA

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

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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Raiffeisen Bank SA

Update to credit analysis

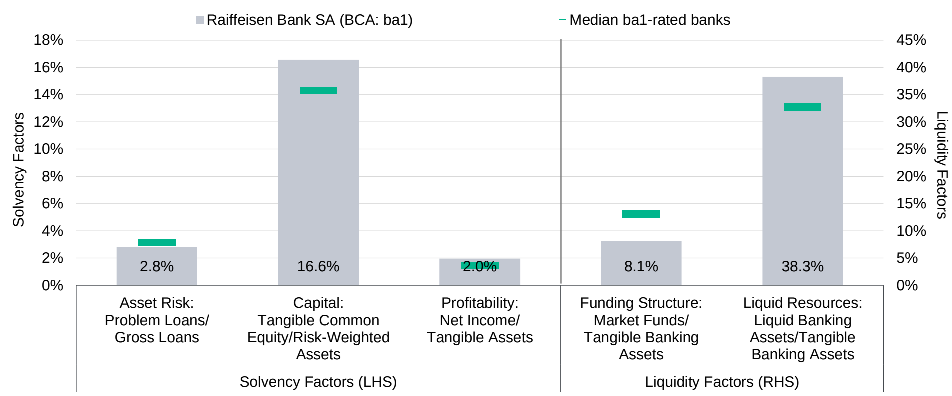
Summary

Raiffeisen Bank SA's (RBRO) Baa1 long-term deposit and senior unsecured ratings reflect the bank's ba1 standalone Baseline Credit Assessment (BCA), one notch of rating uplift based on our assumption of a high likelihood of affiliate support from its parent, Raiffeisen Bank International AG (RBI, A1/A1 stable, baa3[1]) and two notches of rating uplift from the application of our Advanced Loss Given Failure (LGF) analysis that considers the severity of losses faced by different liability classes in the event of a resolution.

RBRO's ba1 BCA reflects its sound capital buffers and strong profitability. Our assessment also incorporates the bank's large liquidity buffers, its predominantly deposit-based funding profile but also the significant portion of foreign-currency (FC) deposits, which elevate funding risks. The ba1 BCA further captures the high concentration in its loan book stemming from its large corporate exposure as well as its high exposure to riskier unsecured consumer loans.

Exhibit 1

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 earnings generation capacity

» Sound capitalisation metrics, well above regulatory requirements

» High liquidity buffers

Credit challenges

» Asset risks from FC-denominated loans, high credit growth and sector concentrations

» Significant proportion of FC deposits entail funding risks in a sovereign-related adverse-case scenario

Outlook

The negative outlook on RBRO's long-term deposit ratings is driven by the negative outlook on the sovereign rating. In case of a downgrade of the Government of Romania's (Baa3 negative) rating, the ratings of RBRO would be capped at two notches above the sovereign rating.

Factors that could lead to an upgrade

» RBRO's Baa1 deposit and senior unsecured debt ratings are constrained at two notches above the Government of Romania's Baa3 rating. They could be upgraded only following an upgrade of the sovereign rating.

» The Baa2 junior senior unsecured debt rating could be upgraded in case of an upgrade of the bank's Adjusted BCA, or a substantial increase in outstanding volumes of such debt or debt subordinated to it that may lower loss severity and result in higher notching uplift under our Advanced LGF analysis.

» RBRO's Adjusted BCA could be upgraded following a combination of an upgrade of RBI's BCA and an upgrade of its own BCA because of sustainably improved asset quality and an increase in capital while maintaining solid liquidity buffers as well as strong core profitability.

Factors that could lead to a downgrade

» RBRO's deposit and senior unsecured ratings could be downgraded in case of a downgrade of Romania's sovereign rating that would constrain these ratings lower.

» The junior senior unsecured debt rating could be downgraded in case of a downgrade of its Adjusted BCA, or changes in the bank's liability structure that would lower the notching uplift from our LGF analysis.

» RBRO's Adjusted BCA could be downgraded either in case of a downgrade of its BCA, or lower affiliate support uplift resulting from a downgrade of RBI's BCA or a reduced probability of parental support. RBRO's BCA could be downgraded following a substantial deterioration in asset quality, a sustained weakening of its profitability and capital, or a funding shock and pressure on its liquidity.

Key indicators

Exhibit 2
Raiffeisen Bank SA (Consolidated Financials) [1]

	12-24[2]	12-23[2]	12-22[2]	12-21[2]	12-20[2]	CAGR/Avg.[3]
Total Assets (RON Million)	82,878.0	70,777.8	62,589.8	59,833.5	52,053.2	12.3[4]
Total Assets (USD Million)	17,248.6	15,715.8	13,500.7	13,697.8	13,084.8	7.2[4]
Tangible Common Equity (RON Million)	7,300.6	6,630.8	5,670.3	4,871.3	4,906.5	10.4[4]
Tangible Common Equity (USD Million)	1,519.4	1,472.3	1,223.1	1,115.2	1,233.4	5.4[4]
Problem Loans / Gross Loans (%)	2.7	2.8	2.9	3.8	3.9	3.2[5]
Tangible Common Equity / Risk Weighted Assets (%)	16.6	16.8	15.4	14.5	16.3	15.9[6]
Problem Loans / (Tangible Common Equity + Loan Loss Reserve) (%)	15.8	15.6	16.9	21.1	19.0	17.7[5]
Net Interest Margin (%)	3.9	4.1	3.9	3.2	3.7	3.8[5]
PPI / Average RWA (%)	4.8	5.3	4.6	3.6	3.9	4.4[6]
Net Income / Tangible Assets (%)	2.0	2.3	2.0	1.3	1.2	1.8[5]
Cost / Income Ratio (%)	50.1	47.2	50.8	58.3	57.4	52.7[5]
Market Funds / Tangible Banking Assets (%)	8.1	8.6	7.9	4.8	2.5	6.4[5]
Liquid Banking Assets / Tangible Banking Assets (%)	38.3	38.4	33.2	41.9	41.4	38.6[5]
Gross Loans / Due to Customers (%)	77.1	79.1	83.7	69.1	69.1	75.6[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.
Sources: Moody's Ratings and company filings

Profile

RBRO is a Romanian universal bank and a 99.95% owned subsidiary of Austria's RBI. The bank provides financial services to individuals, small and medium-sized enterprises (SMEs) and corporate clients. The bank also offers leasing and asset management services through its subsidiary companies.

With year-end 2024 total assets of RON83 billion (around €17 billion), RBRO was the fifth-largest bank by assets in Romania with a market share of 9.3%, but it was the fourth-largest by gross loans with a market share of 10.3%.

Detailed credit considerations

Good loan quality metrics, but elevated asset risks from FC-denominated loans, high credit growth and sector concentrations

Our ba2 Asset Risk score reflects the bank's good loan quality, with a problem loan ratio below 3% since 2022, but also currency-induced credit risk from a material share of FC loans; strong loan growth in recent years that suggests the portfolio is still unseasoned, although this is broadly in line with the market; and some concentration in unsecured consumer finance. There is also concentration to the Romanian sovereign, mainly as part of the bank's liquidity portfolio. Although this exposure had been lower than the sector average in terms of total assets and equity, it has increased in recent quarters.

RBRO's asset quality steadily improved in recent years supported by the close oversight of overdue exposures and aided by write-offs, recoveries and sales of problem loans. The bank's problem loans (defined as IFRS 9 Stage 3 loans and purchased or originated credit impaired loans) was 2.7% of gross loans as of December 2024 (see Exhibit 3). The coverage of problem loans by Stage 3 provisions stood at 59%, while riskier Stage 2 loans decreased slightly to 11% of gross loans and remain below domestic peers.

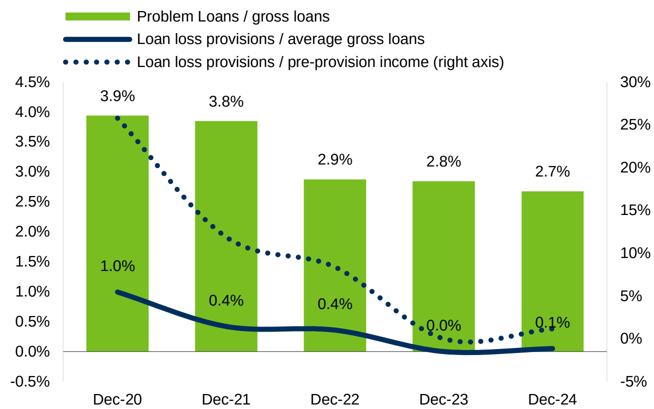
Going forward, we expect higher problem loan formation because of macroeconomic headwinds in Romania that will affect borrowers' repayment ability, including a weaker growth outlook, an increased tax burden and elevated inflation, and for credit costs (loan loss provision expenses/average gross loans) to increase from recent low levels. Credit costs were close to zero in 2023 and 0.1% in 2024. Interim Q2 2025 information published by RBI show stable nonperforming exposures as of June 2025, while credit costs picked up to 0.2% in the first half of 2025.

A significant weakening of the local currency versus the euro remains a key source of asset risk because the bank's FC lending (mainly euro-denominated) accounts for around a third of its gross loans. Most of these loans are to larger corporate clients, and there is limited outstanding FC lending towards private individuals. Additionally, RBRO is largely exposed to unsecured loans to consumers, at 22% of gross loans as of December 2024 (see Exhibit 4, figure includes personal loans, excluding those guaranteed by mortgages, overdrafts and credit cards) and around 155% of the bank's Tangible Common Equity (TCE), a segment with typically higher inherent default risk. The bank's exposure to the cyclical real estate and construction sectors was equivalent to 8% of gross loans.

Exhibit 3

Asset quality metrics has been good in recent years

In percentage terms

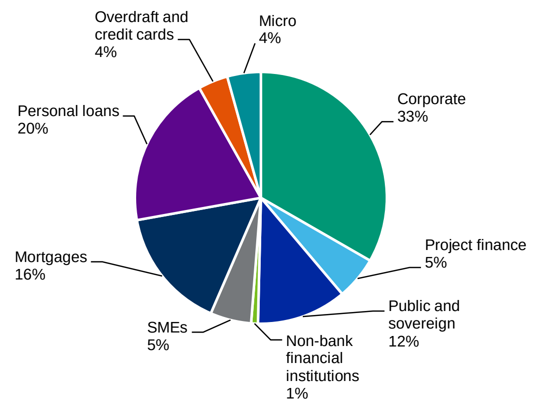


Sources: Company reports and Moody's Ratings

Exhibit 4

RBRO's is largely exposed to consumer loans

Breakdown of credit by segment as of the end of 2024



Credit to the public sector and sovereign increased during 2024 and includes a term deposit placed at Ministry of Finance of RON4.25 billion.

Sources: Company reports and Moody's Ratings

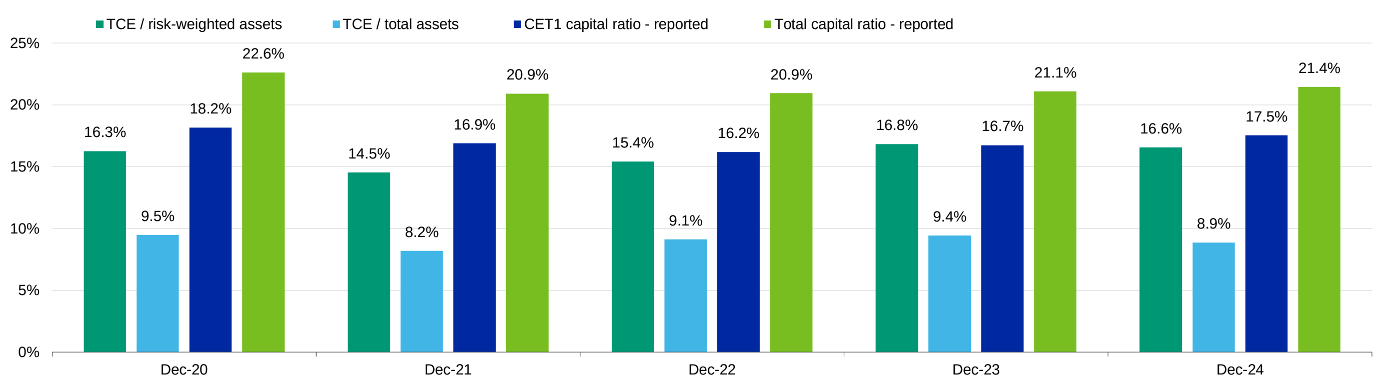
Sound capitalisation, which is well above regulatory requirements

RBRO's has sound capital and therefore loss-absorbing buffers, which drives our ba1 Capital score. Our assessment reflects our expectation of the bank's TCE ratio will hover around 15%, and also captures potential volatility in capital metrics in a stress scenario where the leu depreciates and the leu-equivalent of FC risk-weighted assets increase.

The bank's TCE-to-risk-weighted assets ratio was 16.6% as of year-end 2024, slightly down from 16.8% at year-end 2023 (see Exhibit 5). Our TCE ratio includes all current period profits and does not include some regulatory deductions and certain revaluation reserves that are considered in the calculation of Tier 1 capital, but we consider higher risk weights for RBRO's sovereign bond holdings based on our ratings at the time of reporting per our standard adjustment.

Exhibit 5

RBRO's has sound capital metrics



Source: Moody's Ratings

RBRO's reported regulatory Common Equity Tier 1 (CET1) capital ratio was 17.5% as of the end of 2024 and its total capital ratio was 21.4%, both comfortably above regulatory requirements. The minimum CET1 and total capital ratios that at that time were 11.9% and

17.6% respectively and included a 1% countercyclical capital buffer, a 1% other systemically important bank buffer for RBRO and a bank-specific 5.1% Pillar 2 requirement included in the total capital ratio minimum.

Strong earnings generation capacity

RBRO benefits from a strong and sustainable earnings generation capacity. Potentially higher provisions from recent very low levels and the turnover tax drive our expectation of still-strong but lower profitability in the coming quarters. These drivers are reflected in our baa3 Profitability score.

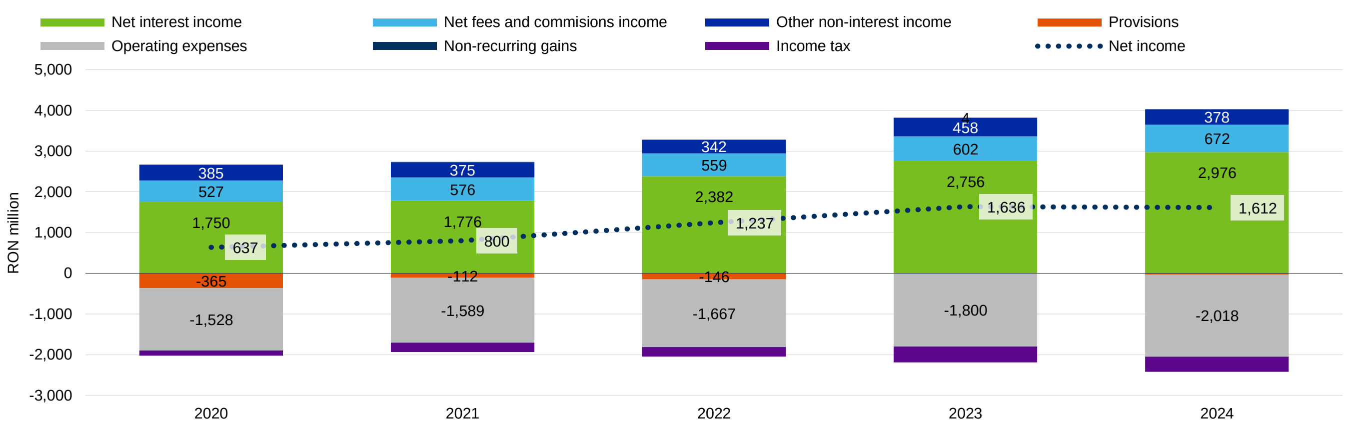
In 2024, net income to tangible assets decreased to 2.0% from 2.3% in 2023. Revenues were mainly driven by net interest income growth of 8% year-over-year to RON3 billion (see Exhibit 6), in turn driven by dynamic lending activity. Net fee and commission income, which represented 17% of operating income in 2024, grew by 12% versus 2023.

Total operating expenses also increased to RON2.0 billion (2023: RON1.8 billion) driven by higher staff costs and the impact of the new turnover tax that is presented under expenses. A tax on banks' turnover at 2% was implement starting from January 2024, which was to be lowered to 1% starting January 2026. However, the turnover tax was increased to 4% for the period between 1 July 2025 and 31 December 2026 as part of the government's fiscal deficit reduction package. Meanwhile, the bank reported a net loan loss provision charge of RON23 million, compared with a net release of RON29 thousands one year earlier.

Exhibit 6

Higher net interest income is the main driver of revenue growth, but expenses have also increased

Breakdown of net income



Sources: Company reports and Moody's Ratings

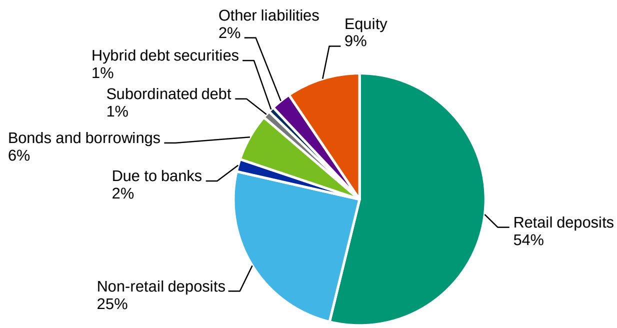
Looking ahead, we expect pressure on profitability given contracting net interest margins, which are coming off a recent peak (2024: 3.9%, 2023: 4.1%), and our expectation of higher loan loss provisions. The tax on turnover will remain a drag on RBRO's profitability and we estimate that the higher 4% tax would reduce net income to tangible assets by approximately 25 basis over an entire year.

Strong deposit franchise but significant proportion of FC deposits entail funding risks; high liquidity balances these risks

RBRO's ba1 Funding Structure score captures the bank's strong deposit funding franchise, with limited reliance on more confidence sensitive market funding at 8% of tangible banking assets as of December 2024, as well as funding risks arising from the significant proportion of FC deposits.

Customer deposits were equivalent to 79% of RBRO's 2024 total assets (see Exhibit 7) and more than funded its lending activities with the net loan-to-deposit ratio at 75%. Deposits are granular with retail deposits accounting for 69% of the total deposit base. Market funding reliance is mainly driven by issuances to meet the minimum requirement for own funds and eligible liabilities (MREL). The RBI group is subject to a multiple point of entry approach and therefore its foreign subsidiaries, such as RBRO, typically issue MREL-eligible debt to third parties. Given that RBRO meets its MREL we expect market funding reliance to remain broadly stable at around 10% of assets.

Exhibit 7
RBRO is predominantly funded by retail deposits as of year-end 2024



Sources: Company reports and Moody's Ratings

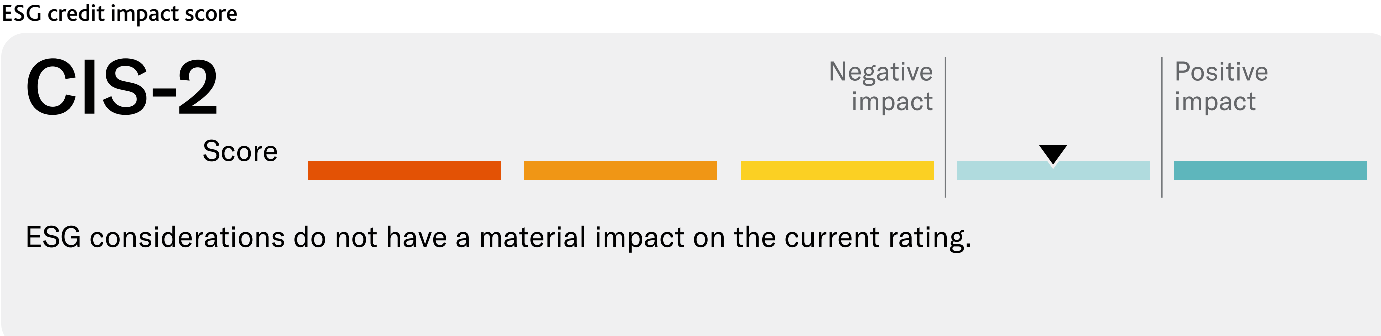
In line with other Romanian banks, RBRO has a substantial dependence on FC funding. Around a third of customer and interbank deposits are FC-denominated, mainly in euro. While exchange-related risks are mitigated by a similar share of FC loans, FC deposits are more prone to deposit flights in a sovereign stress scenario. Furthermore, this degree of deposit euroisation indicates limited confidence in the RON, whereby political and economic shocks can lead to conversions of local-currency deposits into euro that further complicate liquidity management.

RBRO's high liquidity mitigates funding risks and drives our ba1 Liquid Resources score. Liquid assets were 38% of tangible banking assets at end-2024, with cash and interbank balances accounting for 45% of the liquidity reserve while the remaining was mostly invested in Romanian government bonds. However, in our analysis we consider the large amount of Romanian sovereign bonds of weaker quality compared the bank's cash holdings, while they can also be impacted by revaluation effects. The bank's liquidity coverage ratio was a strong 225% in July 2025 according to information published by RBI.

ESG considerations

Raiffeisen Bank SA's ESG credit impact score is CIS-2

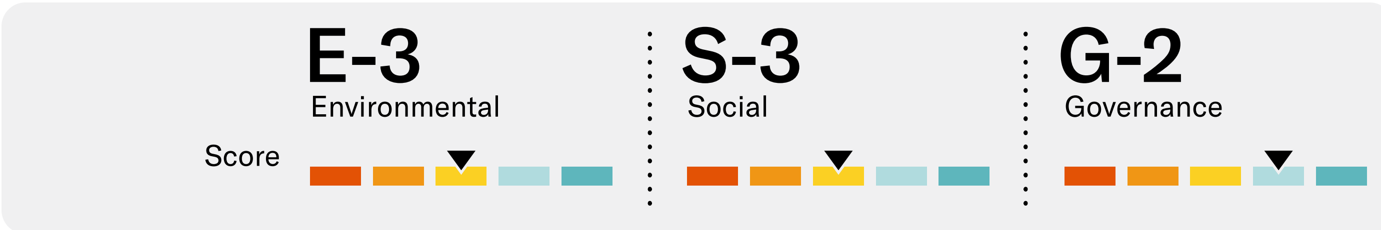
Exhibit 8
ESG credit impact score



Source: Moody's Ratings

Raiffeisen Bank SA (RBRO)'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

RBRO faces moderate environmental risks mainly because of its portfolio exposure to carbon transition risk as a large, universal bank in Romania. Like peers, the bank is facing growing business risks and stakeholder pressure to meet broader carbon transition goals. In response, RBRO is actively engaging in further developing its risk management and climate risk reporting frameworks and trying to align its business with the transition to a low-carbon economy.

Social

RBRO faces moderate social risks mostly related to customer relations, as well as to demographic and societal trends. The bank's developed policies and procedures, supported by its Austrian parent's oversight, mitigate conduct risk associated with the distribution of financial products such as regulatory and reputational risks, as well as exposure to litigation. High cyber and personal data risks are mitigated by technology solutions and organisational measures to prevent data breaches. Product diversity and the ability to adapt to changing consumer preferences, regulatory changes and societal trends such as digitization help address related risks.

Governance

RBRO faces low governance risks. The bank's risk management, policies and procedures are in line with industry practices, and commensurate with its universal banking model. Because RBRO is effectively controlled by Raiffeisen Bank International AG through its 100% shareholding, 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 assess the probability of affiliate support to be high, based on RBRO's ownership by RBI and the association with RBI's brand. This assessment results in one notch of uplift to the Adjusted BCA of baa3 from the BCA of ba1.

Loss Given Failure (LGF) analysis

We apply our Advanced LGF analysis to RBRO's liabilities because it is subject to the EU Bank Recovery and Resolution Directive (BRRD), which is an operational resolution regime. In our Advanced LGF analysis we use our standard assumptions and assume a residual TCE of 3% and post-failure losses of 8% of tangible banking assets, a 25% runoff in junior wholesale deposits, a 5% runoff in preferred deposits and a proportion of 26% of deposits considered junior (in line with the EU average), and assign a 25% probability to deposits being preferred to senior unsecured debt.

For the deposits and senior unsecured debt, our Advanced LGF analysis indicates an extremely low loss given failure. Our assigned notching is driven by the applicable rating cap, two notches higher than the Romanian government's debt rating. Without this restriction, the deposits and senior unsecured instruments would have benefited from three notches of rating uplift above the bank's Adjusted BCA.

For the junior senior unsecured debt, our Advanced LGF analysis indicates a low loss given failure, leading to one notch of rating uplift above the bank's Adjusted BCA.

Government support considerations
We incorporate a low likelihood of support from the Romanian government for RBRO's deposits in the event of its failure. This reflects the operational resolution regime, which is likely to restrict the ability of the government to provide such support, even if it were willing to do so, requiring losses to be imposed on more senior creditors and large depositors under certain circumstances. Consequently, RBRO's deposit and senior unsecured debt ratings do not benefit from any uplift from systemic support from the Romanian authorities.

Methodology and scorecard

About Moody's Bank Scorecard
Our scorecard is designed to capture, express and explain in summary form our Rating Committee's judgement. When read in conjunction with our research, a fulsome presentation of our judgement is expressed. As a result, the output of our scorecard may significantly 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	2.8%	baa3	↓	ba2	Quality of assets	Sector concentration
Capital						
Tangible Common Equity / Risk Weighted Assets (Basel III - transitional phase-in)	16.6%	baa1	↓	ba1	Stress capital resilience	Expected trend
Profitability						
Net Income / Tangible Assets	2.0%	baa2	↓	baa3	Expected trend	
Combined Solvency Score		baa2		ba1		
Liquidity						
Funding Structure						
Market Funds / Tangible Banking Assets	8.1%	baa3	↔	ba1	Deposit quality	
Liquid Resources						
Liquid Banking Assets / Tangible Banking Assets	38.3%	baa3	↔	ba1	Quality of liquid assets	
Combined Liquidity Score		baa3		ba1		
Financial Profile		baa2		ba1		
Qualitative Adjustments				Adjustment		
Business Diversification				0		
Opacity and Complexity				0		
Corporate Behavior				0		
Total Qualitative Adjustments				0		
Sovereign or Affiliate constraint				Baa3		
BCA Scorecard-indicated Outcome - Range				baa3 - ba2		
Assigned BCA				ba1		
Affiliate Support notching				1		
Adjusted BCA				baa3		

Balance Sheet	in-scope (RON Million)	% in-scope	at-failure (RON Million)	% at-failure
Other liabilities	8,529	10.4%	15,170	18.4%
Deposits	65,106	79.1%	58,465	71.0%
Preferred deposits	48,179	58.5%	45,770	55.6%
Junior deposits	16,928	20.6%	12,696	15.4%
Senior unsecured bank debt	726	0.9%	726	0.9%
Junior senior unsecured bank debt	4,214	5.1%	4,214	5.1%
Dated subordinated bank debt	681	0.8%	681	0.8%
Preference shares (bank)	622	0.8%	622	0.8%
Equity	2,470	3.0%	2,470	3.0%
Total Tangible Banking Assets	82,349	100.0%	82,349	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	26.0%	26.0%	26.0%	26.0%	3	3	3	3	0	baa1
Counterparty Risk Assessment	26.0%	26.0%	26.0%	26.0%	3	3	3	3	0	baa2 (cr)
Deposits	26.0%	9.7%	26.0%	10.6%	3	3	3	3	0	baa1
Senior unsecured bank debt	26.0%	9.7%	10.6%	9.7%	3	1	2	3	0	baa1
Junior senior unsecured bank debt	9.7%	4.6%	9.7%	4.6%	0	0	0	1	0	baa2

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	baa1	0	Baa1	Baa1
Counterparty Risk Assessment	3	0	baa2 (cr)	0	Baa2(cr)	
Deposits	3	0	baa1	0	Baa1	Baa1
Senior unsecured bank debt	3	0	baa1	0	Baa1	(P)Baa1
Junior senior unsecured bank debt	1	0	baa2	0	Baa2	Baa2

[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
RAIFFEISEN BANK SA	
Outlook	Negative
Counterparty Risk Rating	Baa1/P-2
Bank Deposits	Baa1/P-2
Baseline Credit Assessment	ba1
Adjusted Baseline Credit Assessment	baa3
Counterparty Risk Assessment	Baa2(cr)/P-2(cr)
Senior Unsecured -Dom Curr	Baa1
Junior Senior Unsecured	Baa2
Junior Senior Unsecured MTN	(P)Baa2
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	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 in this report are the banks' deposit rating, senior unsecured debt rating and Baseline Credit Assessment.

REPORT NUMBER 1447053

CLIENT SERVICES

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