The Green Deal - 11/22 (EN)
#responsiblebanking

November 8, 2022 15:50 CET

The ESG credit market was unable to escape the generally weaker market environment in October. Accordingly, primary market activity was significantly lower than in September, both in absolute and relative terms. However, we expect an improvement towards the end of the year, at least for the SSA- and Financials segments. The sentiment on the ESG secondary market also remained unchanged. With general risk-off and high volatility, the greenium remains in the background. In the meantime, the regulatory landscape in the EU has become more stringent for both banks (ECB threatens with stricter capital requirements) and corporates (keyword: CO_2-free vehicles from 2035).

- ESG primary market cannot escape overall weaker environment
- Secondary markets under the spell of central banks
- ECB increases regulatory pressures
- EU agrees to the proposal to ban CO_2 emitting vehicles
- Canada plans transition bonds
- Südzucker with inaugural SLB and TenneT underlines status as an ESG "big player"

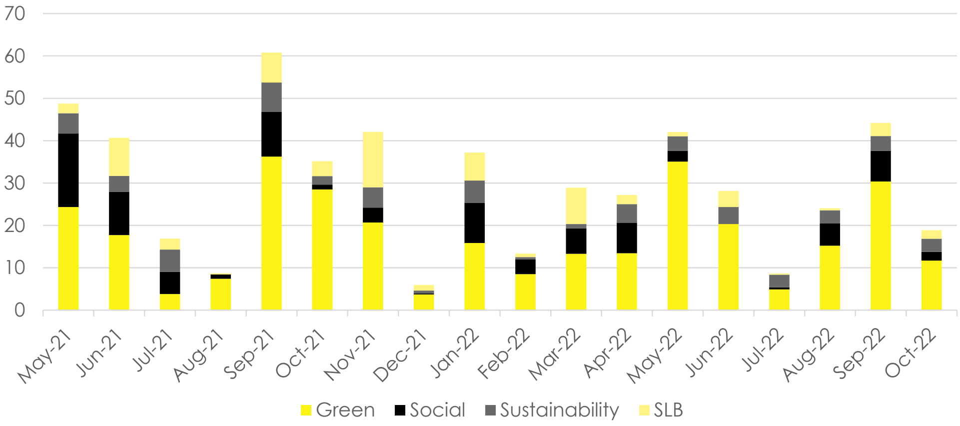
Primary market

The EUR ESG primary market was unable to escape the general market trend of a lack of issuing activity. After primary market activity in September almost reached the level of 2021, it fell again in October - like the market as a whole - significantly behind 2021. In October, only EUR 18.9 bn of EUR-denominated ESG bonds were placed (Sep 2022 EUR 44.2 bn). The share of ESG issuance in the primary market also decreased again in October, amounting to only 11.8% of all new EUR issuance in terms of volume. This represents a decline compared to October 2021 (14%). However, the decline was even more pronounced compared to the previous month (Sep 2022), where ESG bonds still accounted for a quarter of all new EUR issues. Sovereign issuers and banks continue to dominate in terms of volume. Year-on-year, ESG issuance by sovereign issuers is down significantly, amounting to only 58% of the previous year volume at the end of October. The situation is much better at the bank level. They reached 85% of the previous year's level at the end of October and with new issuances still to come, we expect the financial segment to reach, if not exceed, the previous year's volume on annual basis. As the overall market, the ESG EUR corporate primary issuance is in a slack period. In our peer group, only issuers from three industrial groups (BICS1: Utilities, Consumer Discretionary and Consumer Staples) printed labeled bonds in October. In a year-on-year comparison, Industrials, Consumer Discretionary, Health Care and Energy are significantly behind the previous year's volumes and none of these industry groups has yet been able to achieve anything close to 50% of the previous year's volume. While we expect strong primary market activity in the financial and government segments for the remainder of the year, we expect only few issuances in the corporate segment throughout what is left of 2022.

Jörg BAYER
Analyst Editor
+43 1 71707-1909
joerg.bayer@rbinternational.com

Georg ZACCARIA
Analyst Editor
+43 1 71707-8553
georg.zaccaria@rbinternational.com

Chart 1 - Monthly Issuance Volume - EUR ESG Market (EUR bn)

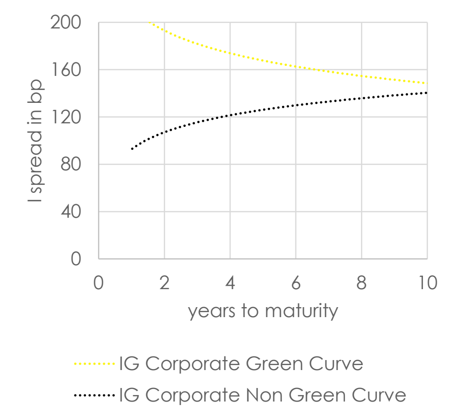


Source: Refinitiv, RBI/Raiffeisen Research

Secondary market

Secondary markets were strongly affected by the string of central bank meetings (ECB, Fed, BoE) in October and early November, with all regulators raising their policy rates by 75bp in line with market expectations. Nevertheless, with the inflation peak still not on the horizon (both euro area headline and core inflation for October came in above previous month levels and above expectations (Reuters poll)) and therefore still looming uncertainty about future interest rate paths (terminal rate levels and magnitude of hikes per meeting), volatility in sovereign yields was also high in October. The 10y Bund yield rose to 2.44% on 21 October from 1.9% at the start of the month only to retreat below 2% a few days later. Currently, we are at 2.35%. Similar behavior was seen for the 10y UST starting October at 3.65% with a later swing up to 4.23% and below 4% again. Symbolic for investors' uncertainty about the future direction was Jerome Powell's speech on Wednesday last week. In the policy statement a lower magnitude of rate hikes per meeting (including already the December meeting) was seen as dovish and resulted in a relief on the markets, but only to reverse substantially a few moments later when the Fed Chair said that the terminal rate levels currently priced in by the market may be too low. This led to a widespread risk-off that also swapped over to the European market. In general, gauges of credit risk in Europe rose slightly over the month of October. From an ESG perspective we have a similar picture as in September. Our BBB green index once again underperformed its non-green counterpart with spreads widening more significantly and the greenium still distorted by the real estate exposure as can be seen in Chart 2. Still interesting to observe is the erosion of greenium for the German twin bonds especially at the longer end of the curve. We are not sure what to make out of that, but it seems that investors are more willing to pay a premium for green bonds over non-green at times of lower overall yield levels. Especially the 2030 and 2031 papers have recently yielded higher compared to the conventional brown bonds. However, the overall movement might also be distorted from current volatile development and uncertainty that drives markets with less focus on the greenium.

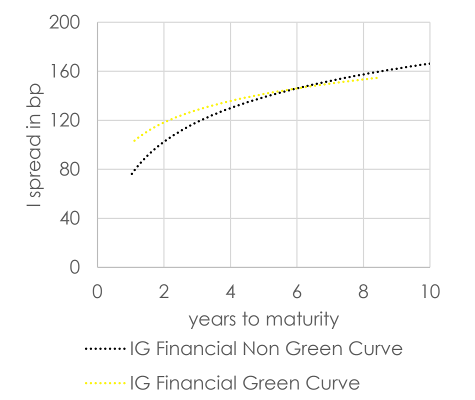
Chart 2 - Corporate Green vs Non Green*



**EUR denom.; > EUR 250 mn; > 1y to maturity; Plain vanilla fixed coupon*

Source: Refinitiv, RBI/Raiffeisen Research

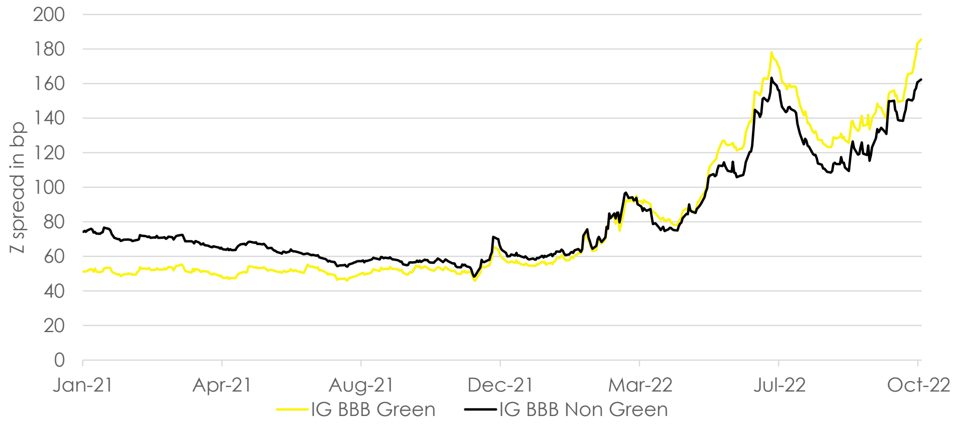
Chart 3 - Financials Green vs Non Green*



**EUR denom.; > EUR 250 mn; > 1y to maturity; Plain vanilla fixed coupon*

Source: Refinitiv, RBI/Raiffeisen Research

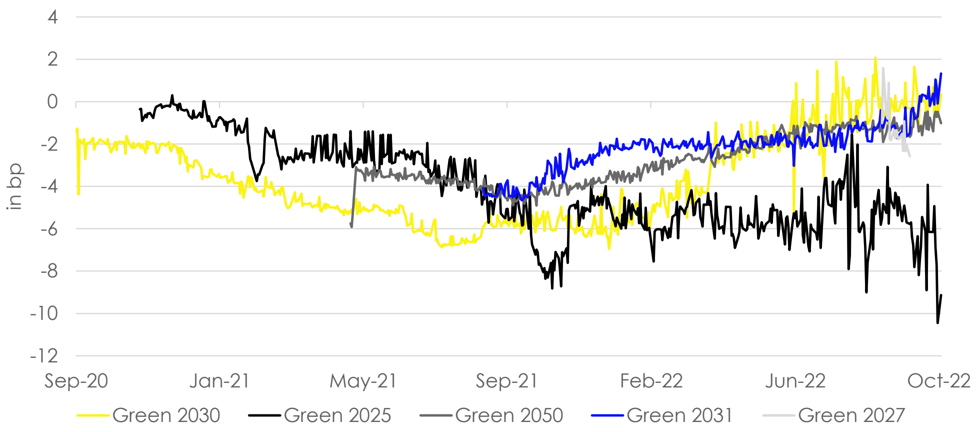
Chart 4 - Corporate green vs non green index spread development*



**BBB rating bucket; EUR denom.; > EUR 250 mn; > 1y to maturity; Plain vanilla fixed coupon*

Source: Refinitiv, RBI/Raiffeisen Research

Chart 5 - Greenium German twin bonds



Source: Refinitiv, RBI/Raiffeisen Research

Hot Topic I: ECB tries green transition with "penalties" - China with incentives

The ECB communicated deadlines for banks as of which interim targets in the management of climate and environmental risks must be achieved. The announcement of this timetable follows the publication of the results of the "Thematic Review". In this review, 186 European banks were examined, where 85% of the sample was found lacking highly developed methods and detailed information to assess climate and environmental risks. According to the supervisor, 96% of the banks significantly underestimated the scope and scale of these risks betraying respective "blind spots" in the identification practices. Thus, the ECB announced three deadlines:

March 2023: A comprehensive assessment of the impact of climate and environmental risks on the banks' operations must be conducted.

By the end of 2023: Climate and environmental risks must be incorporated into the governance, strategy and risk management.

By the end of 2024: All ECB expectations (see the "**Guide on Climate-related and Environmental Risk**"), including the inclusion of climate and environmental risks in the stress testing framework, must be met.

The ECB plans to monitor these deadlines closely and threatens to increase capital requirements if the deadlines are not met. A few banks have already received higher capital requirements from the ECB (Pillar 2) due to lack of inclusion/analysis of climate risks. So here the ECB chooses a path to motivation via "penalties". In China, the regulator chooses a different path.

The Chinese Central Bank has created a possibility for banks to make loans that contribute to CO2 reduction more favorable. The borrowing costs for these loans are supposed to be close to the prime rate. If this is the case, the commercial banks receive 60% of the credit volume for 1 year from the central bank at 1.75%. Also, international banks are already planning to use this (e.g., Deutsche Bank and Societe Generale). Although China definitely does not often serve as a positive example in the ESG segment in this case we welcome this approach and hope that the ECB will consider similar steps. Thus, we would see positive not only a malus system (higher capital ratios) but also a bonus system. The latter could be designed in different ways - for example, lower RWAs for "greener" loans or more favorable refinancing costs for those (e.g., green TLTRO).

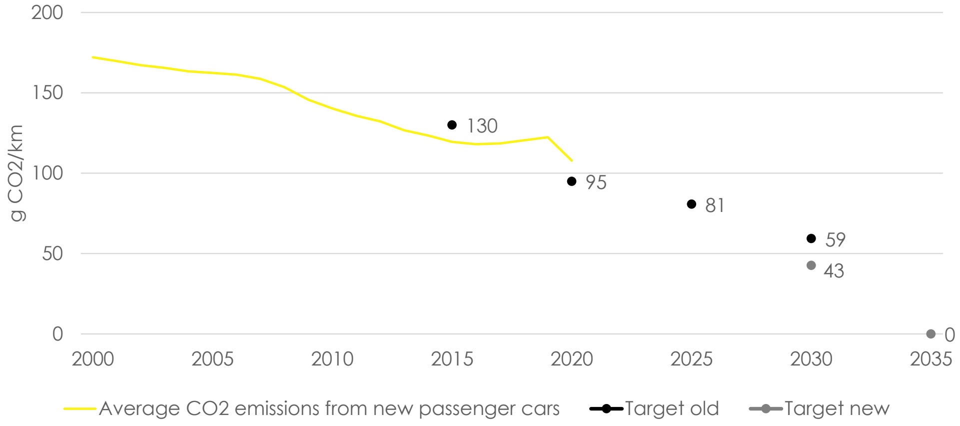
Hot Topic II: EU agrees to the proposal to ban CO2 emitting vehicles

The EU Council and Parliament reached a provisional agreement at the end of October to effectively ban CO_2 emitting cars and light commercial vehicles (LCV; up to 3.5 t) from 2035 onwards. While the agreement is new, the proposal for such an amendment of the existing regulation has been already published in July 2021 as part of the EU Green Deal. The agreement still requires formal adoption by the Council and Parliament. By 2035 CO_2 emissions from cars and LCVs have to be reduced by 100% compared to 2021 levels. In addition, the intermediate target by 2030 was tightened as well. Emissions have to be reduced by 55% for new cars and 50% for LCVs from previously 37.5% and 31%. The 2025 target remains unchanged at -15% vs 2021.

Even though this puts more pressure on OEMs to ramp up their electric vehicle fleet ambitions, manufacturer specific targets have already been in place for 2020 and 2021 albeit with different requirements. While the overall target, as stated in the regulation, is 95g CO_2/km, the individual targets deviate as they are based on average fleet wide mass implying that heavier car fleets can emit more. In addition, there are some relaxations in place. In 2020 only 95% of the least emitting cars were included in the assessment as a phase-in period. For 2021, 100% of the fleet was considered for calculating the average CO_2 emissions. Furthermore, for each registered car emitting less than 50g CO_2/km a super credit can be applied for calculating fleet wide emissions. The super credit factor was set at 2x in 2020 and reduced to 1.67x in 2021. For 2022 the factor will be 1.33x before staying at 1x from 2023 onwards. Based on provisional data from the EEA, our analysis shows that OEMs managed to achieve their individual targets taking into account the super credits which are capped at a maximum of 7.5g CO_2/km. However, the picture changes somewhat if those super credits are removed with only Mercedes Benz and

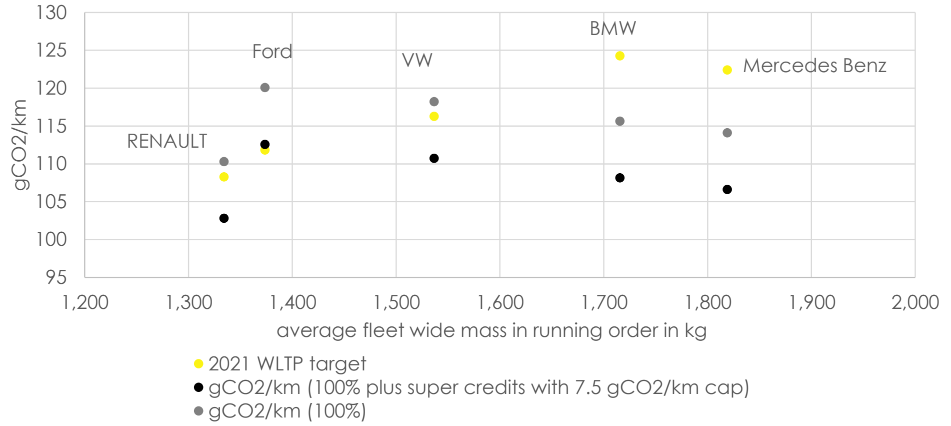
BMW achieving their individual WLTP based 2021 target. Compliance with the targets was supported by the rapidly increasing share of alternative fuel vehicles (AFV) in the EU. In the first nine months of 2022 45% of all car registrations in the EU were AFV according to data from the ACEA (of which roughly 19% were battery electric vehicles (BEV) and plug-in hybrids (PHEV)). To put this in contrast: In 2019, AFV registrations accounted only for 11% before rising to 25% in 2020 and 40% in 2021. We would expect OEMs to achieve their individual targets also in 2022 on the back of the rising share of electric vehicles. For 2023, however, we could see a decline in the dynamic as subsidies for BEVs and PHEVs in Germany — the largest car market in the EU with a 27% share in 2021 — will be reduced and eliminated respectively. Nevertheless, the EU is still the global leader in terms of BEV and PHEV registrations even though China recently caught up in H1 2022 (roughly 20%) while the US is lagging (7%). But also in the US we do see progress. California just recently announced the ban of newly registered CO_2 emitting cars, trucks and SUVs by 2035.

Chart 6 - EU passenger car CO2 emission targets



Source: EEA, EU, RBI/Raiffeisen Research

Chart 7 - OEM specific CO2 emission targets 2021

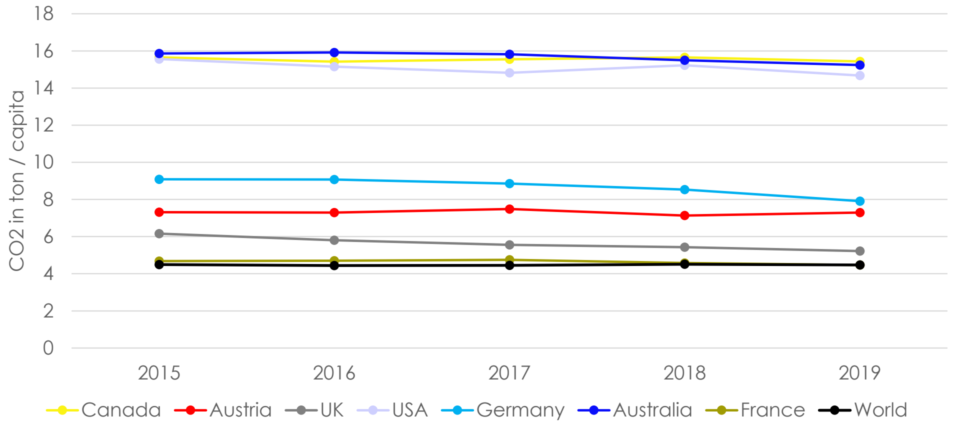


Source: EEA, RBI/Raiffeisen Research

Hot Topic III: Canada plans Transition Bonds

Canada, one of the world's largest oil and gas producers, announced that it is planning a framework to issue other ESG bond classes in addition to the existing Green Bonds. In particular, transition bonds are expected to play a more important role in financing projects that reduce the carbon footprint of carbon-intensive industries. Canada made its debut in the green bond market in March of this year with a CAD 5 bn issue just as the war in Ukraine started. The government agency Export Development Canada has already "put into operation" a framework that makes almost all types of ESG bonds possible - including transition bonds.

Chart 8 - CO2 per capita



Source: World Bank, RBI/Raiffeisen Research

Deals of the month

- **Südzucker** issued its first **SLB** under the new sustainability linked financing framework. The EUR 400 mn bond was moderately well-received by investors with order books peaking at EUR 1.1 bn. However, the final pricing was still tightened to ms +220bp from IPTs of ms+237.5-250bp which is still quite a substantial NIP compared to the outstanding 2025 bond reflecting the current unfavorable environment for issuers. Südzucker paid roughly 12bp per term more for the new SLB compared to the 2025 paper. This might show why Südzucker was still able to tighten the pricing despite a rather weak order book. The resulting 5.125% coupon will be paid annually until 2027. There is no coupon step-up included in the terms of the SLB, however the principal amount will be adjusted upward by 0.5% at maturity if the defined KPI is not achieved among others. That is because the target observation date falls on 31 December 2026 and therefore will be included in the latest report before maturity of the bond. Südzucker set an absolute scope 1&2 emission reduction target of 32% by 2026 vs the base year 2018 (3.7 mn tons). Apart from the fact that it is an absolute target rather than relative (e.g. vs ton of products produced or revenues) and therefore also can be affected by the total operating activity in the specific year and does not necessarily indicate an efficiency improvement, the KPI is not very ambitious in our view. In FY 2021, Südzucker reported scope 1&2 emissions of 2.9 mn tons, already down 22% vs 2018. Over the last two FY, the company reduced their emissions by 11% (2020 vs 2019) and 6% (2021 vs 2020) each. To reach the 2026 target a CAGR of only -2.8% would be needed. Investors should therefore expect the 100% principal payment rather than the 100.5% in 2027. Finally, scope 3 emissions, of high importance for agriculture companies accounting for 3/4 of Südzucker's total emissions have been not included in the framework yet (even though the company has set a 30% reduction target by 2030). (**Georg Zaccaria**)

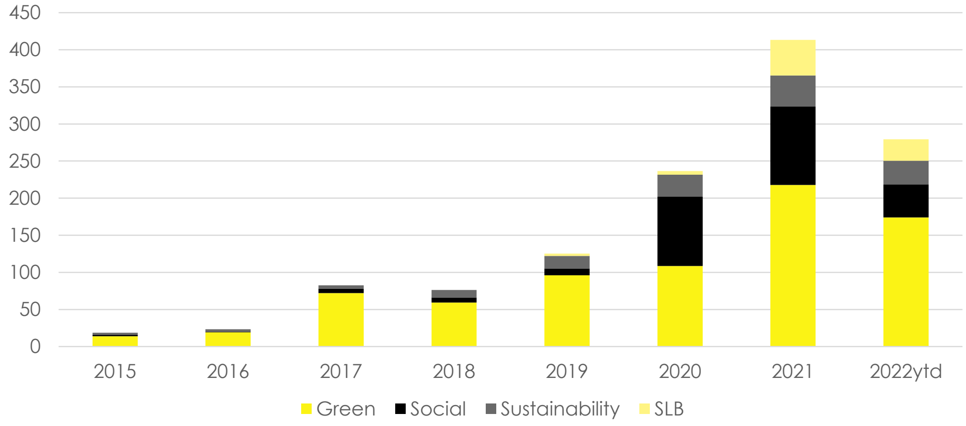
- **TenneT is back!** The Dutch grid operator, which is the issuer of the largest European green corporate bond ever issued, has once again proven that they are experts in large-volume green bond issues even under difficult circumstances. The issuer placed four tranches with a total volume of EUR 3 bn in the maturity range between 6 and 20 years - and this despite the "long" maturities in the current environment - on the basis of a solid order book of EUR 6 bn (for all 4 tranches). However, the longest maturity cost the issuer quite a bit - the new issue premium (NIP) was 60bp. But also, for the two shorter maturities (6 and 9.5Y) the NIP was 25-30bp. The **TenneT issue** alone thus represented **1/3 of the EUR ESG corporate bond primary market volume** in October. The issuance looks even more impressive when considering that the issuer has placed EUR 3.85 bn in May. With close to EUR 20 bn in ESG placements, TenneT is now definitely one of the "big players" in the green bond market. (**Jörg Bayer**)

Good to know

On 21 September, **SBTi** announced the first **1.5°C science-based framework to decarbonize the cement industry**. The guideline is primarily aimed at clinker, cement and concrete producers, as well as manufacturers of novel binders and cement substitutes. In addition, it is also intended to support companies that purchase cement in setting targets for their scope 3 emissions. Overall, the cement industry, as the second largest emitting industry, is responsible for around 7% of global CO_2 emissions. To get on track to achieve the net zero emissions target by 2050, this industry would need to reduce emissions by 3% annually by 2030. About 4.4 gigatonnes of cement are produced each year and currently emit an average of 0.6 tonnes of CO_2 per tonne of cement. It is expected that cement demand will increase by around 20% by 2050. Currently, two thirds of the emissions come from the raw materials used (mainly limestone) in clinker production, while one third is due to fuel and electricity consumption. Currently, more than 30 companies from the cement industry have committed to the SBTi target or are on the way to doing so. Of these, one third are pursuing the net zero emissions target. (Link to SBTi)

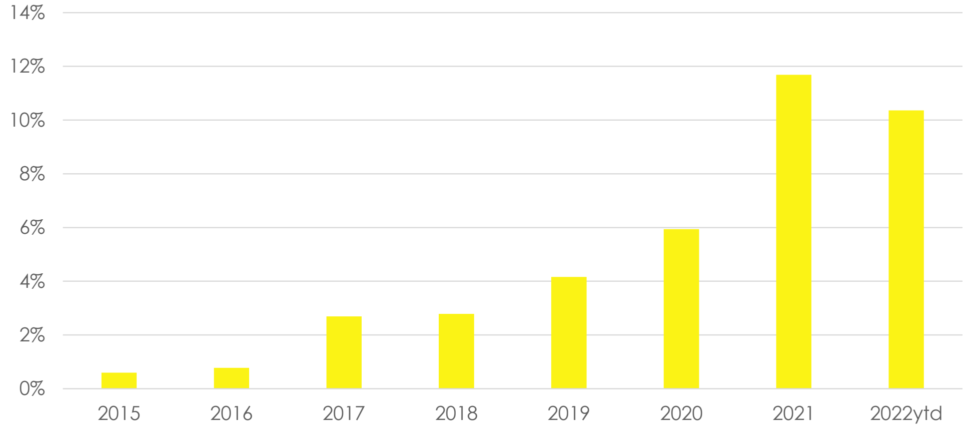
Appendix

Chart 9 - Yearly Issuance Volume - EUR ESG Market (EUR bn)



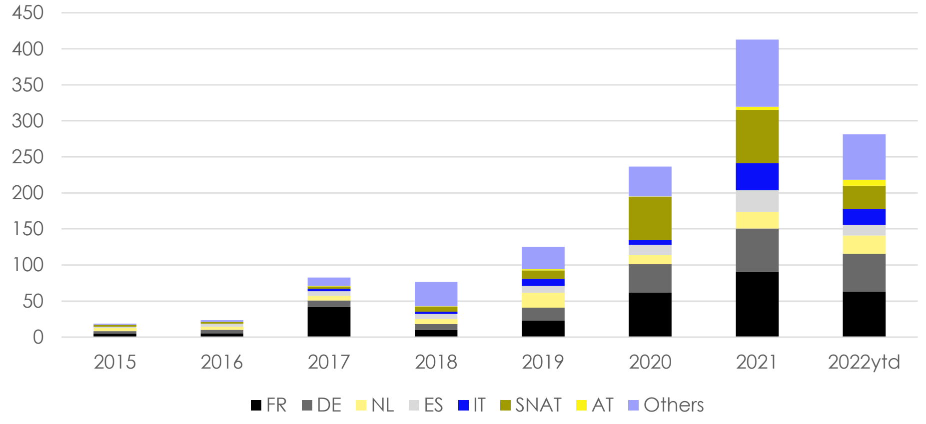
Source: Refinitiv, RBI/Raiffeisen Research

Chart 10 - Share of ESG bonds in the EUR primary market



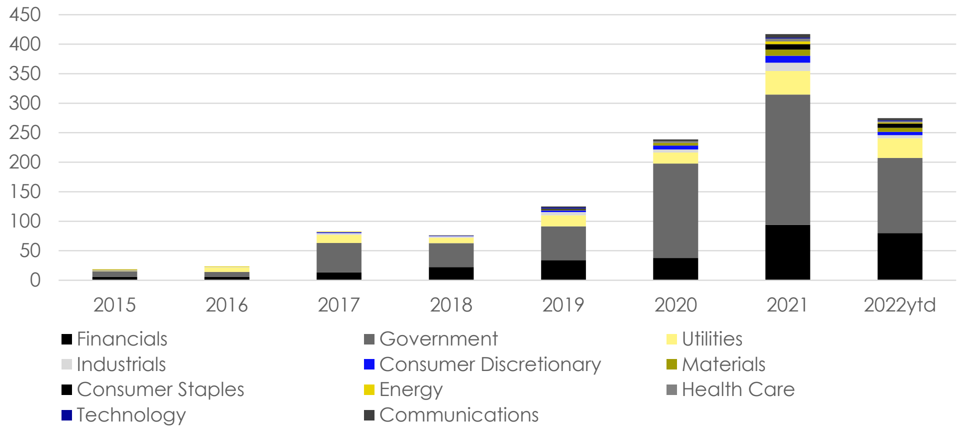
Source: Refinitiv, RBI/Raiffeisen Research

Chart 11 - Country Overview - EUR ESG Market (EUR bn)



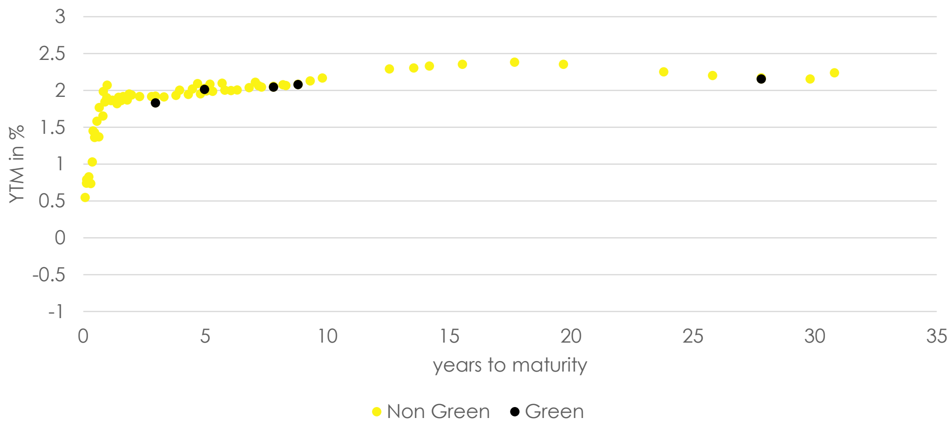
Source: Refinitiv, RBI/Raiffeisen Research

Chart 12 - Industry overview - EUR ESG primary market (EUR bn)



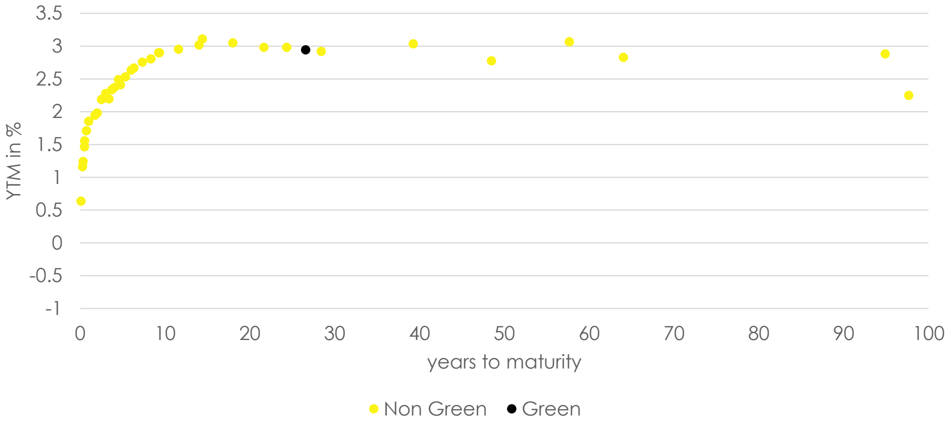
Source: Refinitiv, RBI/Raiffeisen Research

Chart 13 - Yields of German government bonds*



*Source: *EUR denom.; > EUR 250 mn; Plain vanilla fixed coupon*

Chart 14 - Yields of Austrian government bonds*



*Source: *EUR denom.; > EUR 250 mn; Plain vanilla fixed coupon; Source: Refinitiv, RBI/Raiffeisen Research*

Disclosure

Risk notifications and explanations

Warnings

- Figures on performance of economic data presented in this publication refer to the past. Past performance of these data is not a reliable indicator for future results and the development. This is particularly true in cases when the data has been available short (e. g., for less than 12 months). In particular, this very short comparison period is not a reliable indicator for future results and the development of economic data.
- The performance of economic data can rise or fall due to exchange rate fluctuations.
- Forecasts of future performance are based purely on estimates and assumptions. Actual future performance may deviate from the forecast. Consequently, forecasts are not a reliable indicator for future results and the development of economic data.

The information in this publication which is contributed by analysts from RBI's subsidiary banks are disseminated unaltered under RBI's responsibility.

A description of the concepts and methods used in the preparation of macro economic analyses is available under: www.raiffeisenresearch.com/concept_and_methods.

Detailed information on sensitivity analyses (procedure for checking the stability of potential assumptions made in the context of macro economic analysis) is available under: www.raiffeisenresearch.com/sensitivity_analysis.

Disclaimer

Responsible for this publication: Raiffeisen Bank International AG („RBI")

RBI is a credit institution according to §1 Banking Act (Bankwesengesetz) with the registered office Am Stadtpark 9, 1030 Vienna, Austria.

Raiffeisen RESEARCH is an organisational unit of RBI.

Supervisory authority: As a credit institution (acc. to § 1 Austrian Banking Act; Bankwesengesetz) Raiffeisen Bank International AG is subject to the supervision by the Austrian Financial Market Authority (FMA, Finanzmarktaufsicht) and the National Bank of Austria (OeNB, Oesterreichische Nationalbank). Additionally, RBI is subject to the supervision by the European Central Bank (ECB), which undertakes such supervision within the Single Supervisory Mechanism (SSM), which consists of the ECB and the national responsible authorities (Council Regulation (EU) No 1024/2013 - SSM Regulation). Unless set out herein explicitly otherwise, references to legal norms refer to norms enacted by the Republic of Austria.

This document is for information purposes and may not be reproduced or distributed to other persons without RBI's permission. This document is a macro economic analysis, which contains no recommendations on financial instruments, indices or issuers of financial instruments. This document constitutes neither a solicitation of an offer nor a prospectus in the sense of the Austrian Capital Market Act (Kapitalmarktgesetz) or the Austrian Stock Exchange Act (Börsegesetz) or any other comparable foreign law. An investment decision in respect of a financial instrument, a financial product or an investment (all hereinafter "product") must be made on the basis of an approved, published prospectus or the complete documentation for such a product in question, and not on the basis of this document.

This document does not constitute a personal recommendation to buy or sell financial instruments in the sense of the Austrian Securities Supervision Act (Wertpapieraufsichtsgesetz). Neither this document nor any of its components shall form the basis for any kind of contract or commitment whatsoever. This document is not a substitute for the necessary advice on the purchase or sale of a financial instrument, a financial product or advice on an investment. In respect of the sale or purchase of one of the above mentioned products, your banking advisor can provide individualised advice suitable for investments and financial products.

This analysis is fundamentally based on generally available information and not on confidential information which the party preparing the analysis has obtained exclusively on the basis of his/her client relationship to a person.

Unless otherwise expressly stated in this publication, RBI deems all of the information to be reliable, but does not make any assurances regarding its accuracy and completeness.

The information in this publication is current as per the latter's creation date. It may be outdated by future developments, without the publication being changed.

Unless otherwise expressly stated (www.raiffeisenresearch.com/special_compensation) the analysts employed by RBI are not compensated for specific investment banking transactions. Compensation of the author or authors of this report is based (amongst other things) on the overall profitability of RBI, which includes, inter alia, earnings from investment banking and other transactions of RBI. In general, RBI forbids its analysts and persons reporting to the analysts from acquiring securities or other financial instruments of any enterprise which is covered by the analysts, unless such acquisition is authorised in advance by RBI's Compliance Department.

SPECIAL REGULATIONS FOR THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND (UK): This document does not constitute either a public offer in the meaning of the Austrian Capital Market Act (Kapitalmarktgesetz; hereinafter „KMG") nor a prospectus in the meaning of the KMG or of the Austrian Stock Exchange Act (Börsegesetz). Furthermore, this document does not intend to recommend the purchase or the sale of securities or investments in the meaning of the Austrian Supervision of Securities Act (Wertpapieraufsichtsgesetz). This document shall not replace the necessary advice concerning the purchase or the sale of securities or investments. For any advice concerning the purchase or the sale of securities of investments kindly contact your RAIFFEISENBANK. This publication has been either approved or issued by RBI in order to promote its investment business. Raiffeisen Bank International AG ("RBI"), London Branch is authorised by the Austrian Financial Market Authority and subject to limited regulation by the Financial Conduct Authority ("FCA"). Details about the extent of its regulation by the FCA are available on request. This publication is not intended for investors who are Retail Customers within the meaning of the FCA rules and shall therefore not be distributed to them. Neither the information nor the opinions expressed herein constitute or are to be construed as an offer or solicitation of an offer to buy (or sell) investments. RBI may have affected an Own Account Transaction within the meaning of FCA rules in any investment mentioned herein or related investments and/or may have a position or holding in such investments as a result. RBI may have been, or might be, acting as a manager or co-manager of a public offering of any securities mentioned in this report or in any related security.

SPECIFIC RESTRICTIONS FOR THE UNITED STATES OF AMERICA AND CANADA: This document may not be transmitted to, or distributed within, the United States of America or Canada or their respective territories or possessions, nor may it be distributed to any U.S. person or any person resident in Canada, unless it is provided directly through RB International Markets (USA) LLC ("RBIM"), a U.S. registered broker-dealer, and subject to the terms set forth below.

SPECIFIC INFORMATION FOR THE UNITED STATES OF AMERICA AND CANADA: This research document is intended only for institutional investors and is not subject to all of the independence and disclosure standards that may be applicable to research documents prepared for retail investors. This report was provided to you by RB International Markets (USA) LLC (RBIM), a U.S. registered broker-dealer, but was prepared by our non-U.S. affiliate Raiffeisen Bank International AG (RBI). Any order for the purchase or sale of securities covered by this report must be placed with RBIM. You can reach RBIM at 1177, Avenue of the Americas, 5th Floor, New York, NY 10036, phone +1 212-600-2588. This document was prepared outside the United States by one or more analysts who may not have been subject to rules regarding the preparation of reports and the independence of research analysts comparable to those in effect in the United States. The analyst or analysts who prepared this research (i) are not registered or qualified as research analysts with the Financial Industry Regulatory Authority ("FINRA") in the United States, and (ii) are not allowed to be associated persons of RBIM and are therefore not subject to FINRA regulations, including regulations related to the conduct or independence of research analysts.

The opinions, estimates and projections contained in this report are those of RBI only as of the date of this report and are subject to change without notice. The information contained in this report has been compiled from sources believed to be reliable by RBI, but no representation or warranty, express or implied, is made by RBI or its affiliated companies or any other person as to the report's accuracy, completeness or correctness. Securities which are not registered in the United States may not be offered or sold, directly or indirectly, within the United States or to U.S. persons (within the meaning of Regulation S under the Securities Act of

1933 ["the Securities Act"]), except pursuant to an exemption under the Securities Act. This report does not constitute an offer with respect to the purchase or sale of any security within the meaning of Section 5 of the Securities Act and neither shall this report nor anything contained herein form the basis of, or be relied upon in connection with, any contract or commitment whatsoever. This report provides general information only. In Canada it may only be distributed to persons who are resident in Canada and who, by virtue of their exemption from the prospectus requirements of the applicable provincial or territorial securities laws, are entitled to conduct trades in the securities described herein.

If any term of this Disclaimer is found to be illegal, invalid or unenforceable under any applicable law, such term shall, insofar as it is severable from the remaining terms, be deemed omitted from this Disclaimer. It shall in no way affect the legality, validity or enforceability of the remaining terms.

Contacts

JÖRG BAYER
Austria ,
joerg.bayer@rbinternational.com

ALEXANDER FRANK
Austria ,
alexander.frank@rbinternational.com

RUSLAN GADEEV
Austria ,
ruslan.gadeev@rbinternational.com

STEPHAN IMRE
Austria ,
stephan.imre@rbinternational.com

MARTIN KUTNY
Austria ,
martin.kutny@rbinternational.com

FABIAN LAMINGER
Austria ,
fabian.laminger@rbinternational.com

THOMAS LEIRER
Austria ,
thomas.leirer@rbinternational.com

OLIVER MARX
Austria ,
oliver.marx@rbinternational.com

WERNER SCHMITZER
Austria ,
werner.schmitzer@rbinternational.com

JÜRGEN WALTER
Austria ,
juergen.walter@rbinternational.com

GEORG ZACCARIA
Austria ,
georg.zaccaria@rbinternational.com

Imprint

Imprint

Information requirements pursuant to the Austrian E-Commerce Act

Raiffeisen Bank International AG Registered Office: Am Stadtpark 9, 1030 ViennaPostal address: 1010 Vienna, Postfach 50Phone: +43-1-71707-1846Fax: + 43-1-71707-1848Company Register Number: FN 122119m at the Commercial Court of ViennaVAT Identification Number: UID ATU 57531200Austrian Data Processing Register: Data processing register number (DVR): 4002771S.W.I.F.T.-Code: RZBA AT WWSupervisory Authorities: As a credit institution (acc. to § 1 Austrian Banking Act; Bankwesengesetz) Raiffeisen Bank International AG is subject to the supervision by the Austrian Financial Market Authority (FMA, Finanzmarktaufsicht) and the National Bank of Austria (OeNB, Oesterreichische Nationalbank). Additionally, RBI is subject to the supervision by the European Central Bank (ECB), which undertakes such supervision within the Single Supervisory Mechanism (SSM), which consists of the ECB and the national responsible authorities (Council Regulation (EU) No 1024/2013 - SSM Regulation). Unless set out herein explicitly otherwise, references to legal norms refer to norms enacted by the Republic of Austria.Membership: Austrian Federal Economic Chamber, Federal Bank and Insurance Sector, Raiffeisen Association.

Statement pursuant to the Austrian Media Act

Publisher and editorial office of this publication Raiffeisen Bank International AGAm Stadtpark 9, A-1030 Vienna**Media Owner of this publication**Raiffeisen RESEARCH – Verein zur Verbreitung von volkswirtschaftlichen Analysen und FinanzmarktanalysenAm Stadtpark 9, A-1030 Vienna**Executive Committee of Raiffeisen RESEARCH – Verein zur Verbreitung von volkswirtschaftlichen Analysen und Finanzmarktanalysen:**Mag. Peter Brezinschek (Chairman), Mag. Helge Rechberger (Vice-Chairman)Raiffeisen RESEARCH – Verein zur Verbreitung von volkswirtschaftlichen Analysen und Finanzmarktanalysen is constituted as state-registered society. Purpose and activity are (inter alia), the distribution of analysis, data, forecasts and reports and similar publications related to the Austrian and international economy as well as financial markets.**Basic tendency of the content of this publication**

- Presentation of activities of Raiffeisen Bank International AG and its subsidiaries in the area of conducting analysis related to the Austrian and international economy as well as the financial markets.
- Publishing of analysis according to various methods of analyses covering economics, interest rates and currencies, government and corporate bonds, equities as well as commodities with a regional focus on the euro area and Central and Eastern Europe under consideration of the global markets.

Producer of this publication Raiffeisen Bank International AGAm Stadtpark 9, A-1030 Vienna

Creation time of this publication: 08/11/2022 15:50 P.M. (CET) ;

First Dissemination of this publication: 08/11/2022 15:50 P.M. (CET)