

# Wide Angle Shot: Back and forth in CEE Banking ... plus geopolitics

A dramatic year for Europe and a controversial year for CEE banking yielded a mixed bag of results. Bold rate hikes have lent a great deal of support to banks' profitability in CE/SEE markets, while the war and sanctions impact caused significant hardship for EE economies and banks. The year ahead does not offer a smooth sailing either, as the economic slowdown, rising funding costs and additional government levies/interventions will likely temper earnings for banks. Despite drastic exposure reductions and/or market exits, some Western CEE banks are still directly exposed to the war and sanctions in Ukraine and Russia. That said, we find core CE/SEE banking sectors well-positioned to traverse a more challenging landscape in the forthcoming quarters.



Ironically, from a big picture point of view and with the benefit of hindsight **major regional CEE banks** have **benefited** indirectly even more from the **COVID-19 crisis** than we thought last year. Strong and policy-supported credit expansion in the CE/SEE markets, where Western players have much larger market shares than in Russia, has now contributed even more to the fact that the **Eastern European shares** in the **CEE banking business** (due to strong growth elsewhere) have fallen to **crisis-tolerable proportions** in recent years (incl. 2020 & 2021). The share of Russia in the CEE exposures fell again from just under 12% to below 9%. Meanwhile, regional banks strongly profited from the bold regional monetary tightening in CE/SEE. So far so good, because the post-Corona upswing in the European economy has unfortunately come to a standstill due to the Ukraine war. In this respect, we think that **one cannot simply extrapolate** very **favourable CE/SEE banking sector trends of 2021 and 2022 well into 2023**. This holds especially true since the **effects of drastic rate hikes** in CE/SEE are already **petering out**. In this respect, we currently see a constructively cautious outlook for the CEE banking market, but we do see some **challenges** in the **area of refinancing, refinancing costs, capital buffers** or an overall **banking sector environment** that **resembles somewhat** the **challenging 2012/2013 years** in CE/SEE banking. We will touch upon key dimensions with regards to the regional banking outlook in this note, capitalizing on our annual flagship report CEE Banking Sector Report.

## Interest margins - how much more can the cash cow be milked for?

Overall, we see the CEE banking sectors experiencing both swings and roundabouts throughout 2022, with immense drags on the business in our Eastern remit balanced by the **boon** to banks' **interest income** from **higher interest rates** in **non-euro CE/SEE markets**. That said, the slowing economic growth will have its mark on the dynamics in CEE banking. The overarching income-supportive factor of high interest rates **may carry over well into 2023** for the largest non-euro CE/SEE markets (and will kick in at a fuller pace for euro countries), but banks will also see **more risk factors** woven into the business narrative. Among those are a greater focus on **credit risks, cost pressures**

*Interest margins - how much more can the cash cow be milked for?* **1**

*The regional MREL-funding challenges plus cost sharing in the "cost of living crisis"* **3**

*Regional champions, role of Austrian banks and "geopolitically" included Sberbank Europe winddown* **3**

*Russian & Ukrainian banking sector plus geopolitics* **5**

*Market maturity continues its positive trends - also during COVID-19 times* **6**

*Disclaimer* **7**

*Analyst* **14**

**Gunter DEUBER**

*Analyst Editor*

+43 1 71707-5707

gunter.deuber@rbinternational.com

**Ruslan GADEEV**

*Analyst Editor*

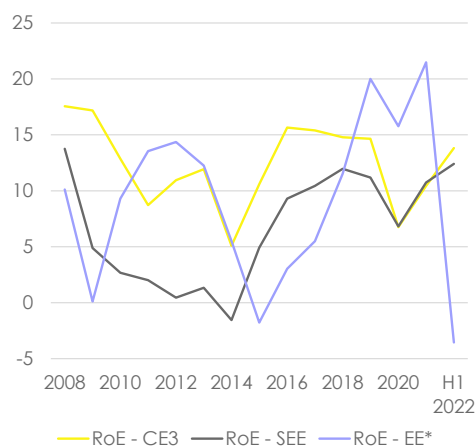
+43 1 71707-2216

ruslan.gadeev@rbinternational.com

associated with (double-digit) inflation and **additional government measures/levies** (including “windfall taxes”), and a **catch-up in funding costs**. The latter includes a shift in customer deposits towards more expensive term placings, up trending loan-to-deposit ratios plus **more challenging capital market refinancing** conditions (including the regional “MREL-funding challenge” for EU countries). Nevertheless, we see core CE/SEE banking sectors as well-placed to endure a bumpier ride ahead (e.g. the NPL rates there are around multi-year lows), while major CEE banks are likely to adapt further to geopolitical realities in the region.

Speaking of CE/SEE banking markets, the rampant increase in interest rates has beefed up banks’ net interest income, hence cementing the sturdy after-COVID recovery in profitability with the regional **Return on Equity** climbing to **12-14%** in the course of 2022. In this respect, central banks have been in the driving seat when it comes to commercial banks’ profitability factors in 2022. This is especially true for the largest CE/SEE markets, which led front-loaded tightening cycles where lenders capitalized on the steep ascent in policy rates. **Average monetary policy rates** in CE/SEE (i.e. in countries with active and independent monetary policy) being **currently at 9%+**, higher than prior to the Global Financial Crisis and in times of the CE/SEE “bonanza boom”. Essentially, this confirmed one part of the classical relationship between monetary policy and banks’ profitability, i.e. the positive link between short-term key rates and lending margins. The other factor in this equation — the **rates’ term structure** — the banks could so far largely dispense with, notwithstanding the prevailing **inversion** of regional benchmark **government bond yield curves**. This was thanks to conservative banking sector funding profiles dominated by low-cost and **sticky current accounts** which fostered **high inertia** in **blended cost of deposits**. **Asset yields**, in the meantime, were **adjusting faster** driven, inter alia, by resets under floating-rate loans.

**Return on equity (%) weighted by total assets**

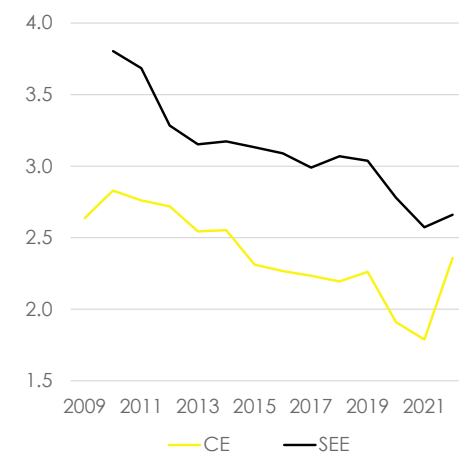


\* end point for EE is 10M 2022 with the RoE of -4.2% (RU). +5.8% (UA), +12.7% (BY)

CE-3: CZ,HU,SK; SEE: RO,BG,HR,RS,BH,AL,KO; EE: RU,UA,BY

Source: National sources, RBI/Raiffeisen Research

**Net interest margin (%)\* weighted by total assets**



\* Net interest income/average total assets

CE: PL,CZ,HU,SK; SEE: RO,HR,RS,BH,AL,KO

Source: ECB, IMF, national sources, RBI/Raiffeisen Research

It is probably not yet a wide transformation but the **customers’ shift** toward **higher-yielding term deposits** has been afoot, even though low-cost sight deposits remain to be the core product. Looking for instance at Czechia, Hungary and Romania, in terms of new business volumes term deposits have supplanted around 5-7% of current/overnight accounts in the household segment since the beginning of 2022. At first blush, this shows only marginal change in composition, however its **impact** on the **blended cost of deposit funding** is actually nontrivial when one considers the large difference in applied interest rates. Thus, while the market rates on overnight accounts in the given countries have barely bottomed out from virtual zero, the cost of new <1y term deposits

in local currency has exceeded mid-single digits. Notably, the latter represents the most expensive bucket in the term structure reflective of the inverted benchmark yield curves in the markets. Moreover, one interesting point we derive from a **longer retrospective view** is that the **transmission** of the **upswing in monetary policy rates** into banks' margins seems now **more limited** than **historically**. Thus, the recent recovery in NIM constituted only a marginal move as compared to the central banks' key rates, which have largely approached (and in some cases topped) the levels of 2008/2009. We attribute this to the changed operating environment toward **increased market penetration** levels and **stiffer competition** (incl. the digital space). We expect these factors to keep a lid on further widening of margins, while some major regional central banks might be also ready to call time on the rate-hiking cycle (Poland, Czechia, Hungary).

### **The regional MREL-funding challenges plus cost sharing in the “cost of living crisis”**

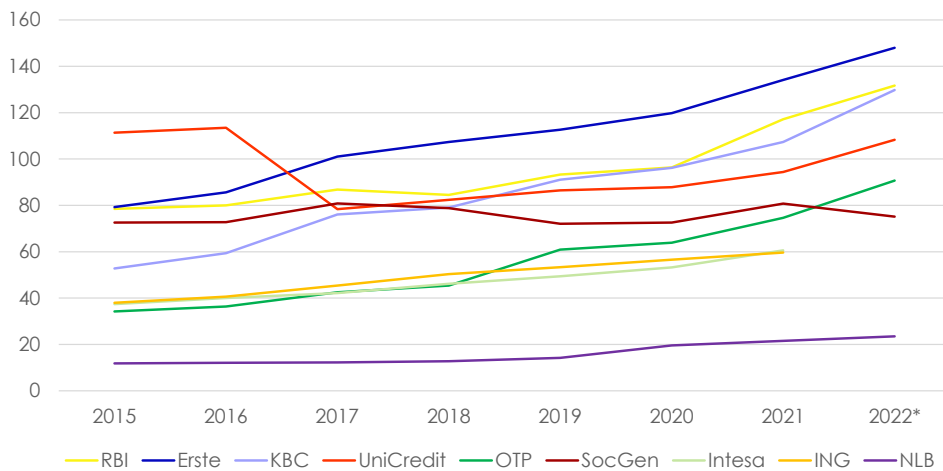
Overall, even **though core CE/SEE markets** on average still feature a **<80% loan-to-deposit ratio**, the funding situation becomes less favourable as compared to recent years. Together with certain catch-up in deposit prices, **CEE banks' funding profiles** are now also challenged by **required MREL debt issuance**. Here, in contrast to Western markets, the **eastern part** of the **EU proved slower** to implement the bail-in regulation on both the national and single-bank levels. As a result, **lenders** are now **running into a pitfall** of generally **elevated capital markets volatility** and **uneasy borrowing conditions** coupled with a short time to market before final legally binding MREL targets (1 January 2024). In principle, banks have some leeway in terms of the **local debt markets' capacity** and support from multilateral creditors — we calculate that EBRD alone invested more than EUR 300 mn in MREL bonds (local and international) of CEE banks in 2022, for a ~20% participation rate on average. Indeed, MREL issuance in local currency is actively used, for example, by Czech and Romanian systemic banks, where they can often secure a relative price advantage as compared to the international market. We envisage a similar strategy for Polish majors given the relative depth of the local debt market. Having said that, there is **still little alternative** to the **Eurobond market** when seeking to **borrow larger tickets**. International investors, however, prove much more demanding when it comes to CEE risk these days. Therefore, even established subsidiaries of European MPE [Multiple Point of Entry resolution strategy] banks and entrenched investment-grade local players have to pay considerable premiums currently to get the deal done.

### **Regional champions, role of Austrian banks and “geopolitically” included Sberbank Europe winddown**

From a sub-regional perspective, **KBC** took over the **leading position** among large foreign cross-border **lenders** in both the **CE** and **CE-3** (CZ, HU, SK) country groupings among foreign lenders from Erste on the back of active organic growth in Czechia. RBI also moved one position up in the CE-3 ranking to #4 (outstripping SocGen on the margin and being hard on UniCredit's heels) following acquisitions in Czechia and solid growth in Slovakia and Hungary. In **SEE**, **UniCredit** and **Erste** remain **ahead** of others. Overall, on an interesting note there are also **new challengers** on the block. The **large Austrian CEE banks Erste Bank** and **Raiffeisen Bank International** continue to lead the **regional ranking** of the **largest credit institutions**. Belgium's **KBC** Group, **number three**, is catching up strongly and is now the largest player in Central Europe, while **Hungary's OTP** is now the **fifth largest regional bank** (still behind UniCredit, but ahead of SocGen). We see the outlined expansion strategies as confirmation of the general attractiveness of the regional banking markets for well-established regional players. It is much harder to gauge the market trends in Eastern Europe due to currently limited disclosures by Russian banks (latest sector data from January 2022). Still, what is worth noting in terms of recent developments are the strengthening position of VTB due to the government-approved acquisition of Bank Otkritie FC, the exit of SocGen from the capital of Rosbank and downsizing of the Russian subsidiaries of RBI and UniCredit (i.e. (shrinkage of loan portfolios in local currency by 20-40 %). Depending on further rouble exchange rate

developments, possible further local balance sheet reduction and/or active exposure reduction (until market exit), the **continuation of Russian business at RBI and UniCredit** could again significantly **shift the CEE bank ranking in 2023**.

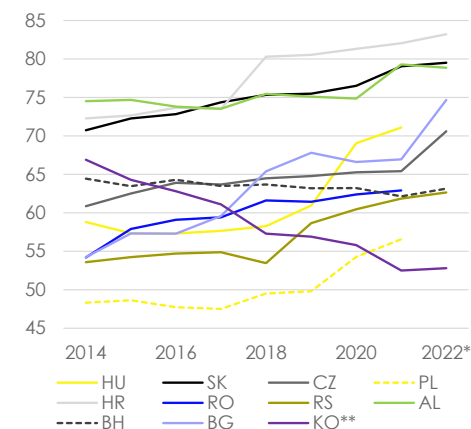
**Total assets in CEE (EUR bn)**



\* 9M 2022 (RBI,Erste,OTP,SocGen,NLB) and H1 2022 (KBC,UniCredit); accounts for M&A announced but not yet completed  
Source: Company data, RBI/Raiffeisen Research

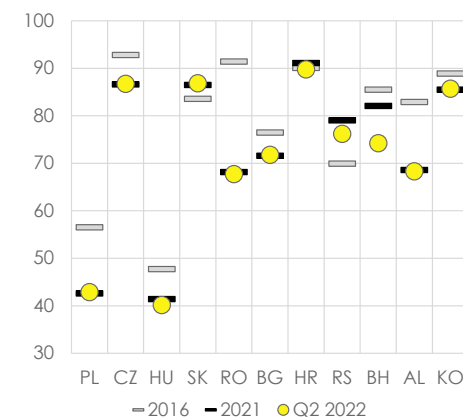
On a special note, the **regulatory closure/failure of Sberbank Europe group** (~EUR 11 bn assets in CE/SEE) made a splash on the market **testing national resolution frameworks** (both in and outside the EU) and also **contributing to the M&A streak**. Ironically, the group had been already on track for an orderly sale of select CEE subsidiaries in the end of 2021, however the deal largely failed upon the bank's crisis and the sanctions hit in Feb/Mar 2022. Eventually, among the **acquirers** in the course of selective bail-outs there were **local players** able to make a swift decision on the takeover and hence gain market share, including markets like **Croatia, Slovenia** or **Bosnia** and Herzegovina. Overall, we see the much-needed **resolution of Sberbank Europe** as **managed rather smoothly**. Sberbank's (enforced) withdrawal hence added to the **changing balance of market powers** toward **domestic banking groups in smaller markets** of the **Western Balkans**, which has been already underway in the last five years.

**Top-5 banks market share % total assets**



\* Q2 2022; \*\* top-3 banks  
Source: ECB, national sources, RBI/Raiffeisen Research

**Market share of foreign banks % total assets**



Source: ECB, national sources, RBI/Raiffeisen Research

Otherwise, in larger CE/SEE markets the **lively consolidation trend did not alter much the participation rate of foreign players** in 2021/2022, i.e. recent redistributions and combinations of market shares were largely within the groups of either foreign or local players. From a longer-term view, **Serbia** is perhaps a **rare exception** where the market share of foreign banks has increased notably in the last five years to top 75% on the back

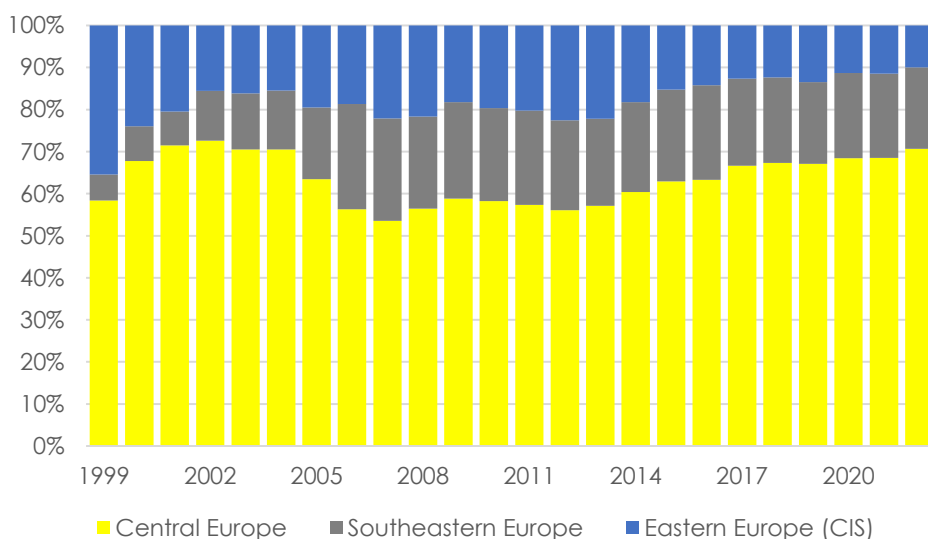
This report is intended for replaceme@bluematrix.com. Unauthorized distribution of this report is prohibited.

of acquisitions of local banks by OTP and NLB. Echoing the **brisk M&A activity** in the last few years, the **market concentration ratios** (top-5 banks) have **trended up** across the largest CE/SEE markets, which, in turn, means that there are now fewer “easy” options to pick up business scale, so a more prudent approach to choose future M&A targets will be warranted.

### Russian & Ukrainian banking sector plus geopolitics

**Russian lenders** faced a **much stricter-than-expected sanctions** environment in 22, which triggered **unseen losses** for the sector on aggregate. Currently some **60 %** of the Russian banking sector is **“De-Swifted”**. **Asset freezes** imposed by the US, EU or UK embraced nearly **80%** of the Russian banking sector and triggered a large loss of RUB 1.5 tn (~EUR 18 bn) in H1 2022 driven, inter alia, by forced liquidation of derivative positions. According to the CBR comments, the loss has narrowed to RUB 400 bn (~EUR 5.6 bn) as of 10M 2022, but we think for the full year the sector may stay in the red. In **Ukraine, non-performing loans are going up**, but here, too, reforms of recent years are paying off. It is no surprise that credit quality is deteriorating due to the war. The share of non-performing loans in the banking sector increased from 31.5% to 37.5% in the corporate sector and from 15.9% to 27.6% in the household sector in seven months of war. We assume that non-performing loans will continue to rise due to the war. But they are **unlikely to exceed the peak of 55%** recorded **after the last crisis in 2014-15**, as the central bank has since determinedly and successfully implemented comprehensive reforms in the banking sector.

### Regional breakdown CEE exposures Western banks % of total

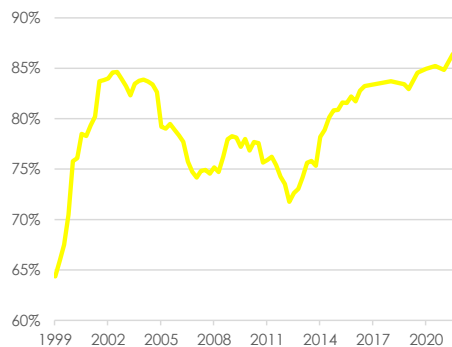


CE: PL, HU, CZ, SK, SI; SEE: RO, HR, BG, RS, AL, BA; EE: RU, UA, BY

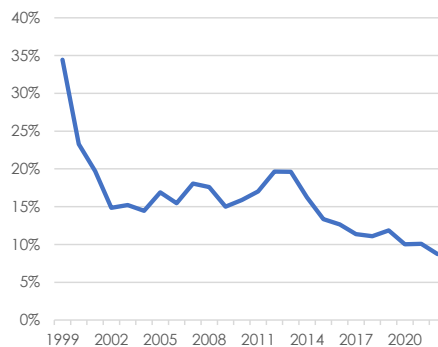
Source: BIS, company data, RBI/Raiffeisen Research

On a positive note, **geopolitical upheavals** in the context of the Ukraine war do **not pose an existential threat to the large Western CEE banks**, some of which are also active in Russia. We attribute this to **cautious regional market strategies** that have been in place since 2014/2015. Since **2014/2015**, the **share of Russia and Eastern Europe** in the portfolios of Western CEE banks has fallen from **just over 20% to below 10%**. Geopolitical naivety is not evident here. Since 2013/2014, major Western banks have adjusted their regional portfolio allocation in such a way that a significant geopolitical escalation in the Eastern European region does not endanger the existence of regional CEE business strategies.

### Share EU markets (% of total)\* Exposures Western CEE banks



### Share Russia (% of total) Exposures Western CEE banks



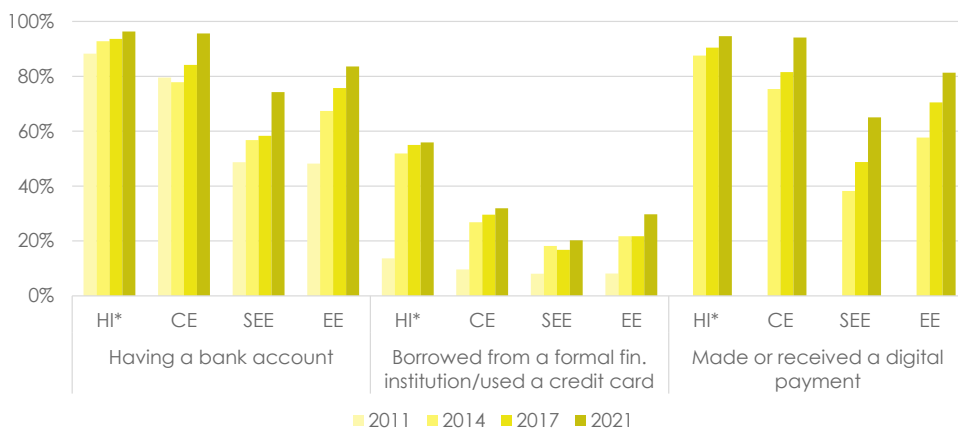
\* current EU members: PL, HU, CZ, SK, SI, RO, BG, HR  
Source: BIS, company data, RBI/Raiffeisen Research

Source: BIS, company data, RBI/Raiffeisen Research

### Market maturity continues its positive trends – also during COVID-19 times

Without downplaying the importance of the regulatory and other fundamental topics or geopolitics, it would be very remiss of us to lose sight of the broader picture for CEE banking, which shows the **steady improvement** in **financial inclusion** in the region. Referring to the latest (post-pandemic) World Bank Findex data based on nationally representative surveys, the rate of account ownership in CE has largely converged to the level of high-income countries since 2011 (2021: ~96%) and also increased notably in SEE (74%) and EE (84%). A similar positive trend can be observed in penetration of **digital payments** (spurred by the COVID-19 pandemic), while there seems to be still a gap to close in terms of borrowings from financial institutions and credit cards use. We think CEE banks deserve recognition for their key role in these accomplishments underpinned by the effort and dedicated investment in innovation and financial infrastructure.

### World Bank population financial inclusion index (Findex)



Median values: CE: PL,CZ,HU,SK,SI; SEE: RO,BG,HR,BH,AL,KO; EE: RU,UA,BY

\* (HI) High-income countries

Source: World Bank, RBI/Raiffeisen Research

The **CEE Banking Sector Report** (available for registered users) is a well-established co-creation and annual flagship study of Raiffeisen Research. Once a year the entire Raiffeisen Research teams in CEE and Vienna analyze banking sector dynamics in the CEE region in detail. In addition to a granular country coverage with local flavour, we once again documented market shares, balance sheet totals and financials of the leading (Western) cross-border CEE banks. The same holds true for cross-country trends for market shares, business dynamics, asset quality and profitability.

This report is intended for replaceme@bluematrix.com. Unauthorized distribution of this report is prohibited.



### Disclosure

Croatia:

12. RBI performed investment services and activities according Annex I Section A (investment services and activities) and B (ancillary services) of the Directive 2014/65/EU of the European Parliament and of the Council in the past 12 months.

Czech Republic:

7. The responsible analyst or a person involved in the production of the financial analysis or a natural person from Raiffeisen Research owns financial instruments of the issuer which she/he analyses.

12. RBI performed investment services and activities according Annex I Section A (investment services and activities) and B (ancillary services) of the Directive 2014/65/EU of the European Parliament and of the Council in the past 12 months.

Erste Group:

3. RBI or one of its affiliated legal entities is a market maker or specialist or a designated sponsor or stabilisation manager or liquidity provider in financial instruments of the issuer.

5. An agreement relating to the provision of services of investment firms set out in Sections A (investment services and activities) and B (ancillary services) of Annex I of Directive 2014/65/EU of the European Parliament and of the Council has been in effect during the previous 12 months between RBI or one of its affiliated legal entities and the issuer or such agreement has given rise during the same time period to the payment of a compensation or to the promise to get compensation paid for such services; in such cases, a disclosure will only be made if it would not entail the disclosure of confidential commercial information.

7. The responsible analyst or a person involved in the production of the financial analysis or a natural person from Raiffeisen Research owns financial instruments of the issuer which she/he analyses.

12. RBI performed investment services and activities according Annex I Section A (investment services and activities) and B (ancillary services) of the Directive 2014/65/EU of the European Parliament and of the Council in the past 12 months.

Hungary:

7. The responsible analyst or a person involved in the production of the financial analysis or a natural person from Raiffeisen Research owns financial instruments of the issuer which she/he analyses.

12. RBI performed investment services and activities according Annex I Section A (investment services and activities) and B (ancillary services) of the Directive 2014/65/EU of the European Parliament and of the Council in the past 12 months.

ING Groep:

7. The responsible analyst or a person involved in the production of the financial analysis or a natural person from Raiffeisen Research owns financial instruments of the issuer which she/he analyses.

OTP:

3. RBI or one of its affiliated legal entities is a market maker or specialist or a designated sponsor or stabilisation manager or liquidity provider in financial instruments of the issuer.

12. RBI performed investment services and activities according Annex I Section A (investment services and activities) and B (ancillary services) of the Directive 2014/65/EU of the European Parliament and of the Council in the past 12 months.

Poland:

12. RBI performed investment services and activities according Annex I Section A (investment services and activities) and B (ancillary services) of the Directive 2014/65/EU of the European Parliament and of the Council in the past 12 months.

Raiffeisen Bank International:

3. RBI or one of its affiliated legal entities is a market maker or specialist or a designated sponsor or stabilisation manager or liquidity provider in financial instruments of the issuer.
7. The responsible analyst or a person involved in the production of the financial analysis or a natural person from Raiffeisen Research owns financial instruments of the issuer which she/he analyses.

Romania:

4. During the previous 12 months, RBI or one of its affiliated legal entities played a major role (e.g. as lead manager or co-lead manager) in any publicly disclosed offer of financial instruments of the issuer.
12. RBI performed investment services and activities according Annex I Section A (investment services and activities) and B (ancillary services) of the Directive 2014/65/EU of the European Parliament and of the Council in the past 12 months.

Russia:

7. The responsible analyst or a person involved in the production of the financial analysis or a natural person from Raiffeisen Research owns financial instruments of the issuer which she/he analyses.
12. RBI performed investment services and activities according Annex I Section A (investment services and activities) and B (ancillary services) of the Directive 2014/65/EU of the European Parliament and of the Council in the past 12 months.

Societe Generale:

4. During the previous 12 months, RBI or one of its affiliated legal entities played a major role (e.g. as lead manager or co-lead manager) in any publicly disclosed offer of financial instruments of the issuer.
7. The responsible analyst or a person involved in the production of the financial analysis or a natural person from Raiffeisen Research owns financial instruments of the issuer which she/he analyses.
12. RBI performed investment services and activities according Annex I Section A (investment services and activities) and B (ancillary services) of the Directive 2014/65/EU of the European Parliament and of the Council in the past 12 months.

UniCredit:

3. RBI or one of its affiliated legal entities is a market maker or specialist or a designated sponsor or stabilisation manager or liquidity provider in financial instruments of the issuer.
12. RBI performed investment services and activities according Annex I Section A (investment services and activities) and B (ancillary services) of the Directive 2014/65/EU of the European Parliament and of the Council in the past 12 months.

## **Risk notifications and explanations**

### **Warnings:**

- Figures on performance refer to the past. Past performance is not a reliable indicator for future results and the development of a financial instrument, a financial index or a securities service. This is particularly true in cases when the financial instrument, financial index or securities service has been offered for less than 12 months. In particular, this very short comparison period is not a reliable indicator for future results.
- Performance of a financial instrument, a financial index or a securities service is reduced by commissions, fees and other charges, which depend on the individual circumstances of the investor.
- The return on an investment in a financial instrument, a financial or securities service 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 a financial instrument, a financial index or a securities service.

A description of the concepts and methods used in the preparation of financial analyses is available under: [www.raiffeisenresearch.com/concept\\_and\\_methods](http://www.raiffeisenresearch.com/concept_and_methods).

Detailed information on sensitivity analyses (procedure for checking the stability of potential assumptions made in the context of financial analyses) is available under: [www.raiffeisenresearch.com/sensitivity\\_analysis](http://www.raiffeisenresearch.com/sensitivity_analysis).

Disclosure of circumstances and interests which may jeopardise the objectivity of RBI: [www.raiffeisenresearch.com/disclosuresobjectivity](http://www.raiffeisenresearch.com/disclosuresobjectivity).

Detailed information on recommendations concerning financial instruments or issuers disseminated during a period of 12 month prior to this publication (acc. to Art. 4 (1) i) Commission Delegated Regulation (EU) 2016/958 of 9.3.2016) is available under: [https://raiffeisenresearch.com/web/rbi-research-portal/recommendation\\_history](https://raiffeisenresearch.com/web/rbi-research-portal/recommendation_history).

#### History of short term recommendations

Symbol	Date	Recommendation	Company
PL	29.04.2022	Under Revision	Poland
CZ	07.06.2022	Under Revision	Czech Republic
SK	27.10.2022	Under Revision	Slovakia
SK	14.04.2022	Under Revision	Slovakia
SK	14.01.2022	Under Revision	Slovakia
RO	29.11.2022	Under Revision	Romania
RO	19.04.2022	Under Revision	Romania
RO	07.02.2022	Under Revision	Romania
HR	04.10.2022	Under Revision	Croatia
HR	06.04.2022	Under Revision	Croatia
BA	27.04.2022	Under Revision	Bosnia and Herzegovina
AL	24.11.2022	Under Revision	Albania
AL	07.07.2022	Under Revision	Albania
AL	24.01.2022	Under Revision	Albania
XK	13.10.2022	Under Revision	Kosovo
XK	25.04.2022	Under Revision	Kosovo
UA	05.04.2022	Under Revision	Ukraine
UA	08.03.2022	Under Revision	Ukraine
BY	30.11.2022	Under Revision	Belarus
BY	17.08.2022	Under Revision	Belarus
BY	19.05.2022	Under Revision	Belarus
BY	01.04.2022	Under Revision	Belarus
BY	11.02.2022	Under Revision	Belarus

#### History of long term recommendations

Symbol	Date	Recommendation	Company
PL	29.04.2022	Not rated	Poland
CZ	07.06.2022	Not rated	Czech Republic
SK	27.10.2022	Not rated	Slovakia
SK	14.04.2022	Not rated	Slovakia
SK	14.01.2022	Not rated	Slovakia
RO	29.11.2022	Not rated	Romania
RO	19.04.2022	Not rated	Romania
RO	07.02.2022	Not rated	Romania
HR	04.10.2022	Not rated	Croatia
HR	06.04.2022	Not rated	Croatia
BA	27.04.2022	Not rated	Bosnia and Herzegovina

AL	24.11.2022	Not rated	Albania
AL	07.07.2022	Not rated	Albania
AL	24.01.2022	Not rated	Albania
XK	13.10.2022	Not rated	Kosovo
XK	25.04.2022	Not rated	Kosovo
UA	05.04.2022	Not rated	Ukraine
UA	08.03.2022	Not rated	Ukraine
BY	30.11.2022	Not rated	Belarus
BY	17.08.2022	Not rated	Belarus
BY	19.05.2022	Not rated	Belarus
BY	01.04.2022	Not rated	Belarus
BY	11.02.2022	Not rated	Belarus
ERST.VI	20.09.2022	Buy	Erste Group
ERST.VI	24.03.2022	Buy	Erste Group
ERST.VI	19.01.2022	Hold	Erste Group
ERST.VI	23.09.2022	Buy	Erste Group
ERST.VI	25.03.2022	Buy	Erste Group
ERST.VI	21.01.2022	Hold	Erste Group
RBIV.VI	13.09.2022	Not rated	Raiffeisen Bank International
RBIV.VI	07.02.2022	Not rated	Raiffeisen Bank International
CRDI.MI	07.11.2022	Hold	UniCredit
CRDI.MI	02.08.2022	Hold	UniCredit
CRDI.MI	18.05.2022	Buy	UniCredit
CRDI.MI	21.02.2022	Buy	UniCredit
OTPB.BU	27.10.2022	Buy	OTP
OTPB.BU	23.05.2022	Buy	OTP
SOGN.PA	04.08.2022	Hold	Societe Generale
SOGN.PA	17.05.2022	Buy	Societe Generale
SOGN.PA	12.04.2022	Buy	Societe Generale
INGA.AS	08.11.2022	Buy	ING Groep
INGA.AS	09.08.2022	Buy	ING Groep
INGA.AS	16.05.2022	Buy	ING Groep
INGA.AS	08.02.2022	Buy	ING Groep

The distribution of all recommendations relating to the 12 months prior to the publications date (column A), as well as the distribution of recommendations in the context of which services of investment firms set out in Sections A (investment services and activities) and B (ancillary services) of Annex I of Directive 2014/65/EU of the European Parliament and of the Council ("special services") have been provided in the past 12 months (column B).

	Column A	Column B
Investment recommendation	Basis: All recommendations for all financial instruments (last 12 months)	Basis: Recommendations for financial instruments of all issuers, for which special services were rendered in the last 12 months
Buy recommendations	62.5%	59.4%
Hold recommendations	23.2%	25.0%
Sell recommendations	14.3%	15.6%

The distribution of all recommendations relating to the 3 months prior to the publications date (column A), as well as the distribution of recommendations in the context of which services of investment firms set out in Sections A (investment services and activities)

and B (ancillary services) of Annex I of Directive 2014/65/EU of the European Parliament and of the Council (“special services”) have been provided in the past 3 months (column B).

	Column A	Column B
Investment recommendation	Basis: All recommendations for all financial instruments (last 3 months)	Basis: Recommendations for financial instruments of all issuers, for which special services were rendered in the last 3 months
Buy recommendations	30.0%	29.6%
Hold recommendations	52.5%	48.1%
Sell recommendations	17.5%	22.2%

## IMPORTANT LEGAL NOTICE

By opening and/or using the information, services, links, functions, applications or programmes (hereinafter: "contents") offered on this website, the user hereby agrees to be bound by the terms and conditions set out below:

### Copyright law

The contents offered on this website and subsites (hereinafter: the “RBI Research-Website”) are protected by copyright law. The downloading or storage of applications or programmes contained on the RBI Research-Website and the (complete or partial) reproduction, transmission, modification or linking of the contents of the RBI Research-Website shall only be permitted with the express and written consent of Raiffeisen Bank International AG (“RBI”).

### Information content, timeliness of information

The contents of the RBI Research-Website you are seeking to access is for information only and does neither qualify as investment advice nor constitute or form part of any offer to buy or sell any securities or other financial instruments as defined in Article 5 para 1 number 15 of EU Directive 2014/65 (“MiFID II”) in any jurisdiction or jurisdictions, (and must not be considered in any way as an offer or sale in relation to any securities or other financial instrument). In particular, no securities have been or will be registered under the United States Securities Act of 1933, as amended (the “Securities Act”), and no such securities may be offered or sold in the United States absent registration or exemption from registration under the Securities Act.

RBI has made every effort to ensure reliability in researching the information published on the RBI Research-Website or sent via RBI Research-Website as well as in selecting the source of information used. Nonetheless, RBI does not assume any liability whatsoever for the correctness, completeness, timeliness or uninterrupted availability of the information made available on the RBI Research-Website or as regards the sources of information used.

The information contained on the RBI Research-Website as well as forecasts published on the RBI Research-Website are based on the information available and the market assessment at the point in time stated in the respective publications. Certain information on this website constitutes forward-looking statements. RBI does not assume and hereby as far as possible expressly excludes any liability for the correctness, completeness or actual occurrence of the events described in the forward-looking statements. Such statements are not guarantees of future performance and involve a number of risks, uncertainties and assumptions. Certain financial data (e.g. stock exchange prices) may in some cases only be published after a certain interval of time has lapsed as defined by the data vendor (usually about 15 minutes or previous day end-of-day quotes). Furthermore, please note that many of the times are given in Greenwich Mean Time (GMT).

You agree and acknowledge that the information and statements contained in the materials you are accessing on the RBI Research-Website speak only as of the date of such document and such information and statements will become inaccurate, stale and/or out-of-date thereafter. These materials should not be relied upon at any time for any investment decision.

RBI assumes no responsibility to maintain documents posted on the RBI Research-Website or to update any documents. Therefore, users of the RBI Research-Website acknowledge that the content of documents available on the RBI Research-Website may not show the most recent scenarios, analysis or conclusions.

### **Restricted access due to local regulations**

Users of the RBI Research-Website can access some documents and information without registration requirements and without further barriers (the respective area on the RBI Research-Website is hereinafter referred to as “Unrestricted Area”). By accessing the Unrestricted Area, you agree and acknowledge that the materials on the RBI Research-Website may lawfully be made available in accordance with the laws of the jurisdiction in which you are located.

Other documents are only available to persons who have registered themselves in accordance with the required procedure. The part of the RBI Research-Website which can only be accessed by way of registration is hereinafter referred to as “Restricted Area”).

Due to the laws applicable in some jurisdictions or regulations imposed by capital market or securities authorities, some of the information published on the RBI Research-Website (e.g. stock analyses) is not addressed to private individuals. In order to ensure the enforcement of such local access restrictions, RBI retains the right to take any (technical) measures it may deem suitable for restricting such information or segments of information subject to the aforementioned restrictions. The passing on of information contained on the RBI Research-Website, which is subject to local access restrictions valid in certain countries, to the persons stated in the relevant restrictions may constitute a breach of securities law or of other laws of said countries.

The distribution or dissemination of information published on the RBI Research-Website as well as the purchase and offering of the respective products in certain jurisdictions may be subject to restrictions or additional requirements. Persons who retrieve such information from the RBI Research-Website or into whose possession such information comes are required to inform themselves about and to observe such restrictions. In particular, the products to which such information published on the RBI Research-Website refers, may generally not be purchased or held by U.S. persons (the term “U.S. person” refers to any legal/natural person having its seat/residence in the U.S.A and any other person within the meaning given to it by Regulation S under the Securities Act 1933 as amended).

Users of the Unrestricted Area should be aware that the documents available on this part of the RBI Research-Website are not made available on the basis that any customer relationship is created between RBI and such user solely on the basis of such user having access to the respective documents. The documents available in the Unrestricted Area are intended to be available to users in the European Economic Area and in the United Kingdom.

### **Links to websites or URLs of third-party providers**

With the exception of the cases regulated under § 17 of the Austrian E-Commerce Act, RBI does not assume any liability for the content of websites or URLs of other providers to which links are provided. Neither does RBI assume any liability for the uninterrupted availability or full functionality of the links to websites or URLs of third parties.

### **Exclusion of liability**

RBI makes no warranty and will accept no liability for any damages whatsoever (including consequential or indirect damages, or lost profits) relating to the access to the RBI Research-Website, the opening, use or querying of the contents on the RBI Research-Website or relating to the links set up on the RBI Research-Website to websites or URLs of third parties. This applies also in cases in which RBI points out the possibility of incurring such damages.

Furthermore, RBI shall not be liable for technical disruptions such as server breakdowns, operating disruptions or failures of the telecommunications links and other similar events, which could lead to the (temporary) unavailability of the RBI Research-Website as a whole or parts of it.

### **Storage of registration data**

The content in the Restricted Area of the RBI Research-Website is only available to registered users. By sending the completed online registration form, the user confirms the completeness and correctness of the data given and also confirms having truthfully answered the questions asked. Furthermore, by sending the completed online form, the user hereby declares his or her consent to the electronic processing of his or her registration data by RBI for both internal banking organisational purposes and for

transmission to other credit institutions within the Raiffeisen Banking Group, which may in turn also process, pass on or use such data.

### **Changes to the RBI Research-Website**

RBI retains the right to change and to remove the RBI Research-Website at any time (if necessary also without prior notice), in particular as regards changing existing contents (in full or in part) and adding new contents.

### **General terms and conditions of business**

For (authorised) users who use the services of RBI provided on the RBI Research-Website, the General Terms and Conditions of Business, as amended, of RBI shall apply in addition to the terms and conditions of this Disclaimer.


Please also take note of the general information provided pursuant to § 5 of the E-Commerce Act!

Thomas Sternbach  
Legal and Compliance  
Raiffeisen Bank International AG  
Am Stadtpark 9, 1030 Wien  
Tel: +43-1-71707-1541  
Fax: +43-1-71707-761541  
thomas.sternbach@rbinternational.com


**IF YOU CANNOT SO CERTIFY, YOU MUST CLICK THE BUTTON LABELLED "I DECLINE" OR OTHERWISE EXIT THIS WEBSITE.**

**BY ACCESSING THE MATERIALS ON THIS WEBSITE, YOU SHALL BE DEEMED TO HAVE MADE THE ABOVE REPRESENTATIONS AND CONSENTED TO DELIVERY BY ELECTRONIC TRANSMISSION.**

**JÖRG BAYER**

📍 Austria  ,  
 ✉ [joerg.bayer@rbinternational.com](mailto:joerg.bayer@rbinternational.com)

**GUNTER DEUBER**

📍 Austria  ,  
 ✉ [gunter.deuber@rbinternational.com](mailto:gunter.deuber@rbinternational.com)


**RUSLAN GADEEV**

📍 Austria  ,  
 ✉ [ruslan.gadeev@rbinternational.com](mailto:ruslan.gadeev@rbinternational.com)


**MARTIN KUTNY**

📍 Austria  ,  
 ✉ [martin.kutny@rbinternational.com](mailto:martin.kutny@rbinternational.com)


**OLIVER MARX**

📍 Austria  ,  
 ✉ [oliver.marx@rbinternational.com](mailto:oliver.marx@rbinternational.com)

**GOTTFRIED STEINDL**

📍 Austria  ,  
 ✉ [gottfried.steindl@rbinternational.com](mailto:gottfried.steindl@rbinternational.com)

**GEORG ZACCARIA**

📍 Austria  ,  
 ✉ [georg.zaccaria@rbinternational.com](mailto:georg.zaccaria@rbinternational.com)


**VALBONA GJEKA**

📍 Albania  ,  
 ✉ [valbona.gjeka@raiffeisen.al](mailto:valbona.gjeka@raiffeisen.al)


**OLGA ZHEGULO**

📍 Belarus  ,  
 ✉ [olga.zhegulo@priorbank.by](mailto:olga.zhegulo@priorbank.by)


**ANA LESAR**

📍 Croatia  ,  
 ✉ [ana.lesar@rba.hr](mailto:ana.lesar@rba.hr)

**HELENA HORSKA**

📍 Czech Republic  ,  
 ✉ [Helena.Horska@rb.cz](mailto:Helena.Horska@rb.cz)

**ZOLTÁN TÖRÖK**

📍 Hungary  ,  
 ✉ [torok.zoltan@raiffeisen.hu](mailto:torok.zoltan@raiffeisen.hu)


**ANDREEA-ELENA DRAGHIA**

📍 Romania  ,  
 ✉ [Andreea-Elena.DRAGHIA@raiffeisen.ro](mailto:Andreea-Elena.DRAGHIA@raiffeisen.ro)


**FABIAN BLASCH**

📍 Austria  ,  
 ✉ [fabian.blasch@rbinternational.com](mailto:fabian.blasch@rbinternational.com)


**CASPER ENGELEN**

📍 Austria  ,  
 ✉ [casper.engelen@rbinternational.com](mailto:casper.engelen@rbinternational.com)

**AMADEA HIESS**

📍 Austria  ,  
 ✉ [amadea.hiess@rbinternational.com](mailto:amadea.hiess@rbinternational.com)

**FABIAN LAMINGER**

📍 Austria  ,  
 ✉ [fabian.laminger@rbinternational.com](mailto:fabian.laminger@rbinternational.com)

**MATTHIAS REITH**

📍 Austria  ,  
 ✉ [matthias.reith@rbinternational.com](mailto:matthias.reith@rbinternational.com)


**MARKUS TSCHAPECK**

📍 Austria  ,  
 ✉ [markus.tschapeck@rbinternational.com](mailto:markus.tschapeck@rbinternational.com)


**FRANZ ZOBL**

📍 Austria  ,  
 ✉ [franz.zobl@rbinternational.com](mailto:franz.zobl@rbinternational.com)

**FJORENT RRUSHI**

📍 Albania  ,  
 ✉ [Fjorent.Rrushi@raiffeisen.al](mailto:Fjorent.Rrushi@raiffeisen.al)


**ASJA GRDJO**

📍 Bosnia Herzegovina  ,  
 ✉ [asja.grdjo@raiffeisengroup.ba](mailto:asja.grdjo@raiffeisengroup.ba)


**ELIZABETA SABOLEK-RESANOVIC**

📍 Croatia  ,  
 ✉ [elizabeta.sabolek-resanovic@rba.hr](mailto:elizabeta.sabolek-resanovic@rba.hr)

**DAVID VAGENKNECHT**

📍 Czech Republic  ,  
 ✉ [david.vagenknecht@rb.cz](mailto:david.vagenknecht@rb.cz)


**DOROTA STRAUCH**

📍 Poland  ,  
 ✉ [dorota.strauch@raiffeisen.pl](mailto:dorota.strauch@raiffeisen.pl)


**IONUT DUMITRU**

📍 Romania  ,  
 ✉ [Ionut.Dumitru@raiffeisen.ro](mailto:Ionut.Dumitru@raiffeisen.ro)


**PETER BREZINSCHKE**

📍 Austria  ,  
 ✉ [peter.brezinschek@rbinternational.com](mailto:peter.brezinschek@rbinternational.com)

**ALEXANDER FRANK**

📍 Austria  ,  
 ✉ [alexander.frank@rbinternational.com](mailto:alexander.frank@rbinternational.com)

**STEPHAN IMRE**

📍 Austria  ,  
 ✉ [stephan.imre@rbinternational.com](mailto:stephan.imre@rbinternational.com)

**THOMAS LEIRER**

📍 Austria  ,  
 ✉ [thomas.leirer@rbinternational.com](mailto:thomas.leirer@rbinternational.com)


**WERNER SCHMITZER**

📍 Austria  ,  
 ✉ [werner.schmitzer@rbinternational.com](mailto:werner.schmitzer@rbinternational.com)

**JÜRGEN WALTER**

📍 Austria  ,  
 ✉ [juergen.walter@rbinternational.com](mailto:juergen.walter@rbinternational.com)


**BRISIDA BUZI**

📍 Albania  ,  
 ✉ [Brisida.BUZI@raiffeisen.al](mailto:Brisida.BUZI@raiffeisen.al)

**ARISTEA VLLAHU**

📍 Albania  ,  
 ✉ [Aristea.Vllahu@raiffeisen.al](mailto:Aristea.Vllahu@raiffeisen.al)


**IVONA ZAMETICA**

📍 Bosnia Herzegovina  ,  
 ✉ [ivona.zametica@raiffeisengroup.ba](mailto:ivona.zametica@raiffeisengroup.ba)

**ZRINKA ZIVKOVIC-MATIJEVIC**

📍 Croatia  ,  
 ✉ [zrinka.zivkovic-matijevic@rba.hr](mailto:zrinka.zivkovic-matijevic@rba.hr)


**GERGELY PÁLFFY**

📍 Hungary  ,  
 ✉ [gergely.palffy@raiffeisen.hu](mailto:gergely.palffy@raiffeisen.hu)

**NICOLAE COVRIG**

📍 Romania  ,  
 ✉ [Nicolae.Covrig@raiffeisen.ro](mailto:Nicolae.Covrig@raiffeisen.ro)


**ANASTASIA BAYKOVA**

📍 Russia  ,  
 ✉ [ABAIKOVA@raiffeisen.ru](mailto:ABAIKOVA@raiffeisen.ru)


This report is intended for replaceme@bluematrix.com. Unauthorized distribution of this report is prohibited.




### GREGORY CHEPKOV

📍 Russia   
✉ [grigory.chepkov@raiffeisen.ru](mailto:grigory.chepkov@raiffeisen.ru)


### STANISLAV MURASHOV

📍 Russia   
✉ [stanislav.murashov@raiffeisen.ru](mailto:stanislav.murashov@raiffeisen.ru)


### LJILJANA GRUBIC

📍 Serbia   
✉ [ljiljana.grubic@raiffeisenbank.rs](mailto:ljiljana.grubic@raiffeisenbank.rs)


### TIBOR LORINCZ

📍 Slovakia   
✉ [tibor\\_lorincz@tatrabanka.sk](mailto:tibor_lorincz@tatrabanka.sk)

### SERHII KOLODII

📍 Ukraine   
✉ [serhii.kolodii@raiffeisen.ua](mailto:serhii.kolodii@raiffeisen.ua)

### OLEKSANDR PECHERYTSYN

📍 Ukraine   
✉ [oleksandr.pecherytsyn@raiffeisen.ua](mailto:oleksandr.pecherytsyn@raiffeisen.ua)

## Imprint

### Imprint

#### Information requirements pursuant to the Austrian E-Commerce Act

**Raiffeisen Bank International AG** Registered Office: Am Stadtpark 9, 1030 Vienna Postal address: 1010 Vienna, Postfach 50 Phone: +43-1-71707-1846 Fax: +43-1-71707-1848 Company Register Number: FN 122119m at the Commercial Court of Vienna VAT Identification Number: UID ATU 57531200 Austrian Data Processing Register: Data processing register number (DVR): 4002771S.W.I.F.T.-Code: RZBAAT WW Supervisory 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 AG Am Stadtpark 9, A-1030 Vienna **Media Owner of this publication** Raiffeisen RESEARCH – Verein zur Verbreitung von volkswirtschaftlichen Analysen und Finanzmarktanalysen Am 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 AG Am Stadtpark 9, A-1030 Vienna

Creation time of this publication: 19/12/2022 12:15 P.M. (CET);

First Dissemination of this publication: 19/12/2022 12:15 P.M. (CET)