DISCLOSURE OF DATA AND INFORMATION OF

Raiffeisen *BANK* dd Bosna i Hercegovina
as of the reporting date of 30.06.2024

Sarajevo, September 2024

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0 Executive Summary

The Bank determines and creates the data and information defined by the Banking Law (FBiH Official Gazette 27/17) ("the Law"), Article 111 (Data Disclosure) and Article 248 (Adopting and Disclosing Regulations) and by the Decision on Disclosure of Bank Data and Information (FBiH Official Gazette 39/21) ("the Decision").

According to the Banking Law (FB&H Official Gazette 27/17), Article 111, The Bank shall at least once a year inform the public about its quantitative and qualitative data significant for informing the public on its financial status and operations, but at least data on:

a) the bank's capital and capital adequacy,

b) ownership structure and members of the bank's supervisory board and management board,

c) other facts as required by the FBA's regulations.

Despite the above fact that the Bank assesses the need for disclosure of data and information, the Bank is obliged to publish data and information, more often than once a year, and at least semi-annually if it meets one of the following criteria:

a) the bank's consolidated net balance sheet sum exceeds KM two billion,

b) the 4-year average of the net balance sheet sum exceeds 20% of the 4-year average of GDP of Bosnia and Herzegovina.

The Bank is not obliged to disclose data and information that is immaterial, or such data and information whose public disclosure could have a negative impact on the Bank's competition position in the market, or data that could have a negative impact on the security of its employees or governing bodies.

The Banking Agency ("FBA") has defined in more detail the contents of data and information as well as the conditions, the manner and deadlines for their disclosure by the Decision on Disclosure of Bank Data and Information i.e. by the Instructions for Disclosure of Bank Data and Information.

The decision prescribes the **minimum requirements on the contents of data and information** which it has to disclose according to Law, as well as the **requirements, manners and deadlines for their disclosure.**

In case the disclosed data and information fail to reflect the bank's comprehensive risk profile, the Bank is required by the Decision to disclose additional material information and data that will provide the market participants with a comprehensive overview of the Bank's risk profile, which are nor protected or confidential. The Bank shall regularly, at least once a year, ensure the correct, adequate and timely disclosure of data and information.

In the text below, the Bank is disclosing data and information as at 30.06.2024 (in KM 000, unless stated differently) which is available to the public at the web site www.raiffeisenbank.ba.

1 Contents of disclosed data and information

This report discloses data and information according to the minimum requirements of the Decision.

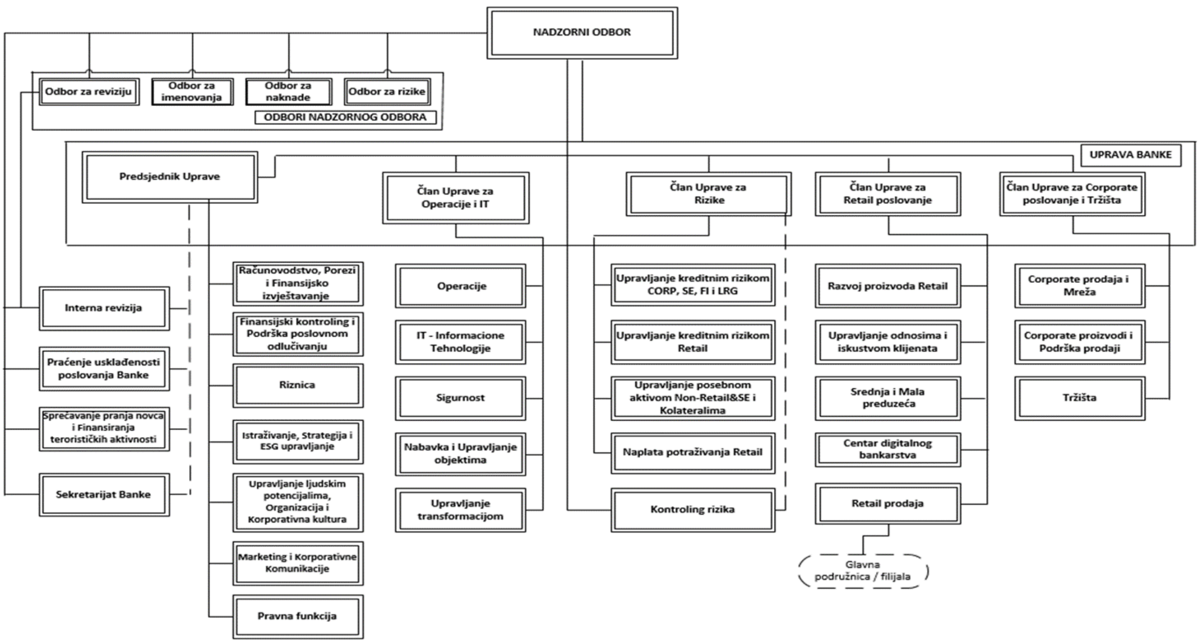
1.1 Name and seat, organisational structure and organisational units of the Bank

RAIFFEISEN BANK DIONIČARSKO DRUŠTVO BOSNA I HERCEGOVINA (hereinafter: the Bank) at Zmaja od Bosne bb, Sarajevo, Novo Sarajevo, is registered for the performance of the following activities:

- 64.19 Other monetary intermediation,
- 64.91 Financial leasing
- 64.92 Other credit intermediation
- 64.99 Other financial service activities, except insurance and pension funding n.e.c.
- 66.12 Security and commodity contracts brokerage,
- 66.19 Other activities auxiliary to financial services, except insurance and pension funding
- 66.22 Activities of insurance agents and intermediaries
- 70.22 Business and other management consultancy activities.

The Bank is subject to the disclosure requirements and following the contents of the Management Summary hereby discloses quantitative and qualitative data that are relevant for informing the public on its financial position and business operations.

Overview of the organisational structure of the Bank as at 30.06.2024:



Overview of the Retail business network units as at 30.06.2024:

Total (FBiH, RS, BD):

Raiffeisen *BANK* Network	Main branches	Branches	Agencies	Total organisational units
Sarajevo	1	6	12	19
Mostar	1	6	6	13
Tuzla	1	4	11	16
Bihać	1	5	2	8
Banja Luka	1	5	13	19
Zenica	1	6	8	15
Total	**6**	**32**	**52**	**90**

FBiH:

Raiffeisen *BANK* Network	Main branches	Bran branches	Agencies	Total organisational units
Sarajevo	1	5	11	17
Mostar	1	5	6	12
Tuzla	1	2	9	12
Bihać	1	5	2	8
Zenica	1	6	7	14
Total	**5**	**23**	**35**	**63**

RS:

Raiffeisen *BANK* Network	Main branches	Branches	Agencies	Total organisational units
Sarajevo	0	1	1	2
Mostar	0	1	0	1
Tuzla	0	1	2	3
Banja Luka	1	5	13	19
Zenica	0	0	1	1
Total	**1**	**8**	**17**	**26**

BD:

Raiffeisen *BANK* Network	Main branches	Branches	Agencies	Total organisational units
MB/B TUZLA BD	0	1	0	1
TOTAL	**0**	**1**	**0**	**1**

Overview of the Retail business network units as at 30.06.2024:

No.	NETWORK	Address	Mjesto	Entity
1	Sarajevo Main Branch	Zmaja od Bosne bb	71000 Sarajevo	F
2	Centar Branch	Zmaja od Bosne bb	71000 Sarajevo	F
3	Skenderija Branch	Valtera Perića 20	71000 Sarajevo	F
4	Agencija Stari Grad	Štrosmajerova 10	71000 Sarajevo	F
5	Titova Agency	Maršala Tita 11	71000 Sarajevo	F
6	Ciglane Agency	Merhemića trg bb	71000 Sarajevo	F

7	Novo Sarajevo Branch	Kolodvorska 12	71000 Sarajevo	F
8	Vogošća Agency	Jošanička br.27 A	71320 Vogošća	F
9	Agencija Ilijaš	126. Ilijaške brigade br.47	71380 Ilijaš	F
10	Novi Grad Agency	Trg međunarodnog prijateljstva bb.	71000 Sarajevo	F
11	Otoka Agency	Gradačačka br.1	71000 Sarajevo	F
12	Hrasno Agency	Azize Šaćirbegović bb	71000 Sarajevo	F
13	Ilidža Branch	Rustempašina bb	71210 Ilidža	F
14	Hrasnica Agency	Halid Bega Hrasnice br.10	71212 Hrasnica	F
15	Istočno Sarajevo Agency	Spasovdanska bb	71123 Istočno Novo Sarajevo	RS
16	Hadžići Agency	Hadželi 115	71240 Hadžići	F
17	Dobrinja Agency	Bulevar Branilaca Dobrinje br.10	71000 Sarajevo	F
18	Pale Branch	4. Juni br.17	71420 Pale	RS
19	Goražde Branch	Titova bb	73000 Goražde	F
20	Mostar Main Branch	Kneza Domagoja bb	88000 Mostar	F
21	Mostar Branch	Kneza Domagoja bb	88000 Mostar	F
22	Mostar Agency 2	Fejićeva bb	88000 Mostar	F
23	Konjic Branch	Suhi do bb	88400 Konjic	F
24	Čitluk Branch	Broćanski trg br.1	88260 Čitluk	F
25	Čapljina Agency	Braće Radića bb	88300 Čapljina	F
26	Široki Brijeg Branch	Ulica pobijenih franjevaca 3	88220 Široki Brijeg	F
27	Grude Agency	Mate Bobana br.2 b	88340 Grude	F
28	Ljubuški Agency	Petra Barbarića br.1	88320 Ljubuški	F
29	Posušje Agency	Fra Grge Martića br.47	88240 Posušje	F
30	Trebinje Branch	Vuka Mićunovića bb	89101 Trebinje	RS
31	Livno Branch	Trg Kralja Tomislava bb	80101 Livno	F
32	Tomislavgrad Agency	Brigade Kralja Tomislava bb	80240 Tomislavgrad	F
33	Tuzla Main Branch	15. Maja bb	75000 Tuzla	F
34	Tuzla Branch	15. Maja bb.	75000 Tuzla	F
35	Živinice Sub-office	Tuzlanskih odreda bb	75270 Živinice	F
36	Lukavac Agency	Armije R BiH bb	75300 Lukavac	F
37	Tuzla 1 Agency	Prve inžinjerske brigade bb	75000 Tuzla	F
38	Banovići Agency	Alije Izetbegovića 54	75290 Banovići	F
39	Tuzla 2 Branch	Univerzitetska br.16	75000 Tuzla	F
40	Gračanica Agency	22. Divizije bb	75320 Gračanica	F
41	Gradačac Agency	Husein Kapetana Gradaščevića bb	76250 Gradačac	F
42	Srebrenik Agency	Radnička bb	75350 Srebrenik	F
43	Bijeljina Branch	Karađorđeva bb	Bijeljina 76300	RS
44	Zvornik Agency	Svetog Save bb	75400 Zvornik	RS
45	Ugljevik Agency	Jednostanka br.20	76330 Ugljevik	RS
46	Brčko Branch	Rejsa Džemaludina Čauševića br.10	76100 Brčko	BD
47	Orašje Agency	III -Treća ulica br.33	76270 Orašje	F
48	Odžak Agency	Titova 44	75290 Odžak	F

49	Bihać Main Branch	Pape Ivana Pavla II 4	77000 Bihać	F
50	Bihać Branch	Pape Ivana Pavla II 4	77000 Bihać	F
51	Cazin Branch	Cazinskih brigada bb	77220 Cazin	F
52	Velika Kladuša Branch	Maršala Tita "Diletacija" C	77230 V. Kladuša	F
53	Sanski Most Branch	Muse Čazima Ćatića br.24	79260 S. Most	F
54	Ključ Agency	Branilaca BIH bb,	79280 Ključ	F
55	Bosanska Krupa Branch	Alije Izetbegovića bb	77240 Bos. Krupa	F
56	Bužim Agency	Generala Izeta Nanića bb	77245 Bužim	F
57	Banja Luka Main Branch	Vase Pelagića 2	78000 Banja Luka	RS
58	Banja Luka Branch	Vase Pelagića 2	78000 Banja Luka	RS
59	Banja Luka Agency	Milana Tepića 11	78000 Banja Luka	RS
60	Derviši Agency	Branka Popovića br.310	78000 Banja Luka	RS
61	Banja Luka Branch	Vojvode Stepe Stepanovića bb	78000 Banja Luka	RS
62	Laktaši Sub-Office	Karađorđeva bb	78250 Laktaši	RS
63	Mrkonjic Grad Agency	Trg kralja Petra I Karađorđevića br.19	Mrkonjic Grad Agency	RS
64	Kotor Varoš Agency	Cara Dušana bb	78220 Kotor Varoš	RS
65	Banja Luka Sub-Office 3	Bulevar Vojvode Stepe Stepanovića 132	78000 Banja Luka	RS
66	Prijedor Branch	Majora Milana Tepića bb	79101 Prijedor	RS
67	Kozarska Dubica Agency	Svetosavska br.7	79240 K. Dubica	RS
68	Novi Grad Agency	Miće Šurlana br.22	79220 N.Grad	RS
69	Gradiška Branch	Vidovdanska bb	78400 Gradiška	RS
70	Prnjavor Sub-Office	Svetog Save 25	78430 Prnjavor	RS
71	Doboj Branch	Svetog Save br.2	74000 Doboj	RS
72	Derventa Agency	Nikole Tesle 28	74400 Derventa	RS
73	Modriča Agency	Cara Lazara 5	74480 Modriča	RS
74	Brod Agency	Svetog Save 27	74450 Brod	RS
75	Šamac Agency	Na uglu ulica Njegoševa i Cara Lazara	76230 Šamac	RS
76	Zenica Main Branch	Maršala Tita bb	72000 Zenica	F
77	Zenica Branch	Maršala Tita bb	72000 Zenica	F
78	Zenica 1 Agency	Londža br.90	72000 Zenica	F
79	Agencija Zenica 2	Kamberovića polje bb	72000 Zenica	F
80	Zavidovići Agency	ugao ulica Dr.Pinkasa Bandta i S.Bega. Bašagića	72220 Zavidovići	F
81	Žepče Sub-Office	Stjepana Tomaševića bb	72230 Žepče	F
82	Kakanj Branch	Alije Izetbegovića bb	72240 Kakanj	F
83	Vitez Branch	Poslovni Centar 96-2	72250 Vitez	F
84	Kiseljak Agency	Josipa Bana Jelačića bb, PC TIBRA	71250 Kiseljak	F
85	Visoko Branch	Alije Izetbegovića 1	71300 Visoko	F
86	Tešanj Branch	Titova 2	74260 Tešanj	F
87	Jelah Agency	Jelah bb	74264 Jelah	F

88	Teslić Agency	Karađorđeva br.1	74270 Teslić	RS
89	Travnik Branch	Konatur bb	72270 Travnik	F
90	Bugojno Agency	Bosanska 4	70230 Bugojno	F

1.2 Ownership structure and members of the Supervisory Board and Management Board

The bank is obliged to disclose the following information:

a) a list of its shareholders holding a share of 5% or more in the bank's capital or voting rights:

b) the members of the bank's supervisory board and management, and their up-to-date CVs;

c) the number of directorships held by the members of the supervisory board and management board which are material considering the size, internal organization, the nature, scope and complexity of the bank's business:

d) the policies for election and assessment of members of the supervisory board and the management board;

e) members of the audit committee and their up-to-date CVs;

f) members of other committees established by the supervisory board according to the law (nomination committee, risk committee, remuneration committee, etc.) and the frequency of their meetings;

g) the manner in which the internal audit function and head of internal audit are organized,

h) the bank's appointed external auditor

Ownership structure			
No.	name of shareholder with a share of 5% or more in the bank's capital (by the size of the shareholding)	% share	
		Common shares	Priority shares
1.	Raiffeisen SEE Region Holding GmbH	100,00	/

Supervisory Board Members:		
No.	Full name	Web locations with short CVs of the Supervisory Board Members
1.	Peter Jacenko	www.raiffeisenbank.ba
2.	Markus Kirchmair	www.raiffeisenbank.ba
3.	Matthias Dekan	www.raiffeisenbank.ba
4.	Elisabeth Geyer - Schall	www.raiffeisenbank.ba
5.	Gerda Lottersberger-Roschitz	www.raiffeisenbank.ba
6.	Zinka Grbo	www.raiffeisenbank.ba
7.	Amila Pilav – Velić	www.raiffeisenbank.ba

Management Board Members		
No.	Full name	Web locations with short CVs of the Management Board Members
1.	Rainer Schnabl, Chairman of the Management Board	www.raiffeisenbank.ba
2.	Edin Hrnjica, Management Board Member	www.raiffeisenbank.ba
3.	Lars Frankemölle, Management Board Member	www.raiffeisenbank.ba
4.	Mirha Krivdic, Management Board Member	www.raiffeisenbank.ba
5.	Kreshnik Halili, Management Board Member	www.raiffeisenbank.ba

No.	Name of the member of the supervisory board or management board	Number of executive functions (absolute)	Number of non-executive functions (absolute)	Thereof number of executive functions in the group	Thereof number of non-executive functions in the group	Number of executive functions in institutions whose core business is non-profit
1.	Peter Jacenko	0	3	0	3	0
2.	Markus Kirchmair	0	4	0	4	0
3.	Matthias Dekan	0	4	0	4	0
4.	Elisabeth Geyer - Schall	0	4	0	4	0
5.	Gerda Lottersberger-Roschitz	7	4	7	4	0
6.	Zinka Grbo	2	1	0	1	0
7.	Amila Pilav – Velić	1	1	0	1	0
8.	Rainer Schnabl	1	0	1	0	0
9.	Edin Hrnjica	2	1	1	1	0
10.	Lars Frankemölle	1	1	1	1	0
11.	Mirha Krivdić	2	1	1	1	1
12.	Kreshnik Halili	1	0	1	0	0

The Bank's Fit & Proper Policy and Procedure for Management Board Members and Key Function Holders define in more detail the matters of initial and continuous suitability assessment of Management Board members and key function holders aimed at successful and efficient implementation of the regulatory framework in the segment of corporate governance for the purpose of obtaining the FBA's previous consent for appointment of the Management Board members.

The Policy and Procedure define properly, corresponding to the size, significance, nature, volume and the complexity of the Bank's business operations:

a) the criteria and procedures for the assessment of fulfilment of conditions of the proposed and elected i.e. nominated Management Board members as to whether they have a good reputation and sufficient experience for performing the Management Board members' functions;

b) the measures taken by the bank if those persons are not fit and proper for their function;

c) the methodology on the basis of which the positions that are to be considered as key functions in the Bank are defined;

d) the criteria and procedures for the assessment of fulfilment of conditions of key function holders in the Bank, as to whether they have a good reputation and sufficient experience for performing the function; and

e) the measures taken by the bank if those persons from point d) are not fit and proper for their function.

The Policy and Procedure defines the following:

a) the procedure applied for the selection, appointment, reappointment and planning replacements of the Management Board members;

b) the Nomination Committee i.e. the Supervisory Board of the Bank shall periodically, and at least annually, assess the knowledge, skills and experience of individual members of the Management Board of the Bank and of the Management Board as a whole, and report the assessments to the Supervisory Board;

c) the internal procedure applied in the assessment and the actions taken after such assessment;

d) internal functions responsible for providing support to the Supervisory Board of the Bank i.e. the Nomination Committee in the procedure for suitability assessment of the Management Board members;

e) knowledge, experience, abilities, skills, independence, readiness and ability to devote sufficient time to work in the Management Board of the Bank, including other conditions necessary to perform the function of a member of the Management Board;

f) the documentation to be provided by the Bank’s Management Board for assessment purposes;

g) the cases requiring a re-assessment, including also actions to identify such cases;

h) the duty of members of the Bank's bodies to duly notify the Bank regarding any changes affecting their suitability for the particular position on an annual basis or immediately, in case of a material change;

i) the terms and conditions of additional training of members of the Bank's Management Board aligned with their needs for professional development;

j) the objectives of the Bank in the diversity of Management Board;

k) financial and human resources for training and professional training of the members of the Management Board;

l) the persons, method and deadlines for notifying the Agency of compliance with the provisions of this Policy and Procedure i.e. on all material information that might have a negative impact on the fulfilment of requirements for the members of the Management Board, and

m) the manner of documenting the assessment procedure of the members of the Management Board.

Additionally, the Bank’s Fit & Proper Policy and Procedure for Supervisory Board Members define in more detail the matters of initial and continuous suitability assessment of Supervisory Board members aimed at successful and efficient implementation of the regulatory framework in the segment of corporate governance for the purpose of obtaining the FBA’s previous consent for appointment of the Supervisory Board members.

The Policy and Procedure define properly, corresponding to the size, significance, nature, volume and the complexity of the Bank's business operations:

a) the criteria and procedures for suitability assessment of the proposed and selected, that is appointed Supervisory Board members as to whether they have a good reputation and sufficient experience for performing the Supervisory Board members' functions, including independent members;

b) the measures taken by the bank if those persons are not fit and proper for their function.

The Policy and Procedure defines the following:

a) the procedure applied for the selection, appointment, reappointment and planning replacements of the Supervisory board members are;
b) the Nomination Committee and the Supervisory Board shall periodically, and at least annually, assess the knowledge, skills and experience of individual members of the Supervisory Board and of the Supervisory Board as a whole , and report the assessments to that body;
c) internal process of assessment and actions taken after such assessment;
d) internal functions responsible for providing support to the Supervisory Board i.e. the Nomination Committee in the procedure for suitability assessment of the Bank's Management Board members;
e) knowledge, experience, abilities, skills, independence, readiness and ability to devote sufficient time to work in the Supervisory Board of the Bank, including other conditions necessary to perform the function of a member of the Bank's Supervisory Board;
f) the documentation to be provided by the Supervisory Board's member for assessment purposes;
g) the activities to be taken regarding the selection of the Supervisory Board's members in order to notify shareholders of the position prerequisites and criteria to be met by such a person prior to any such selection;
h) the cases requiring a re-assessment, including also actions to identify such cases;
i) the duty of members of the Bank's Supervisory Board to duly notify the bank regarding any changes affecting their suitability for the particular position on an annual basis or immediately, in case of a material change;
j) terms and conditions of additional training of members of the Bank's Supervisory Board aligned with their needs for professional development;
k) the objectives of the Bank in the diversity of the Supervisory Board of the Bank;
l) adequate financial and human resources for training and professional development of members of the Supervisory Board of the Bank;
m) persons, method and deadlines for notifying the Agency of compliance with the provisions of this Policy and Procedure i.e. all material information that might have a negative impact on the fulfilment of requirements for members of the Supervisory Board of the Bank; and
n) the manner of documenting the assessment procedure of the members of the Supervisory Board of the Bank.

Audit Board members		
No.	Full name	Web locations with short CVs of the Audit Committee Members
1.	Alda Shehu	www.raiffeisenbank.ba
2.	Meliha Bašić	www.raiffeisenbank.ba
3.	Biljana Ekinović	www.raiffeisenbank.ba

Members of committees of the Supervisory Board if they are established in the Bank		
Nomination Committee		Frequency of meetings
1.	Gerda Lottersberger Roschitz	Whenever it is necessary to pursue the Nomination Committee activities and competencies, but at least once a year.
2.	Matthias Dekan	
3.	Zinka Grbo	
Risk Committee		Frequency of meetings
1.	Markus Kirchmair	The Risk Committee meetings are convened by the chairman whenever it is necessary to pursue the Risk Committee activities and competencies, at least quarterly.
2.	Matthias Dekan	
3.	Peter Jacenko	
Remuneration Committee		Frequency of meetings
1.	Zinka Grbo	Whenever it is necessary to pursue the REMCO's activities and competencies, at least annually.
2.	Markus Kirchmair	
3.	Elisabeth Geyer-Schall	

Manner of organization of the internal audit function and the head of internal audit:

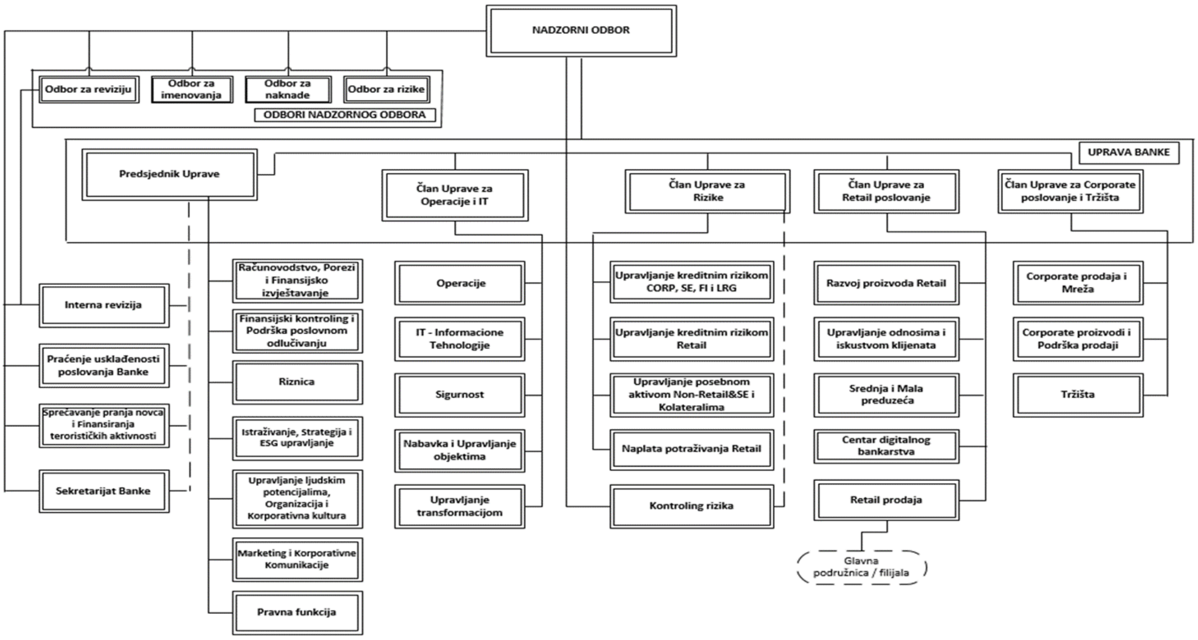


Figure 1 Organisational chart of Raiffeisen *BANK* dd Bosna i Hercegovina as of 30.06.2024

The Internal Audit function is organised as a separate organisational unit that is functionally and organisationally independent of the activities it audits and independent of other organisational units of the Bank.

The Head of Internal Audit (as an independent function of the Bank) directly reports to the Supervisory Board of the Bank and thus their hierarchical status is clearly diversified from the hierarchical status of the management (level B-1) of other functions in the Bank.

The Head of Internal Audit prepares quarterly, semi-annual and annual reports and delivers them to the Supervisory Board and the Audit Committee and at least annually participates in the meetings of the bodies they report to.

The Internal Audit Charter defines the minimum requirements for information flow between local Heads of Internal Audit and the of the Supervisory Board/ Audit Board as follows:

- ✓ bilateral meeting between the Head of Internal Audit with the Supervisory Board Chairman on annual basis;

- ✓ the Head of Internal Audit must be present in person at the Supervisory Board meeting at least once a year;
- ✓ the Head of Internal Audit must be present in person at the Audit Committee meeting at least once a year;

As at 30.06.2024, the Internal Audit Department has, in addition to the head, 8 fully qualified staff members.

Appointed audit company:

The General Meeting of Shareholders of Raiffeisen BANK dd Bosna i Hercegovina, held on 30.06.2021, with the pre-approval granted by the Federal Banking Agency, selected:

- Deloitte d.o.o. for the audit of the Bank's financial statements and its AML/CTF procedures as at 31.12.2021, 31.12.2022, 31.12.2023 and 31.12.2024,
- PRICEWATERHOUSECOOPERS d.o.o. Sarajevo for the audit of the information system of the Bank as of 31.12.2021, 31.12.2022 and 31.12.2023.

1.3 Regulatory capital, capital buffers, capital requirements and regulatory capital adequacy

The Bank publishes data and information on the regulatory capital, capital requirements, regulatory capital adequacy, capital buffers and financial leverage;

Data and information related to the capital include:

a) the amount of regulatory (eligible) capital, and the amounts of common equity tier 1 (CET1), additional tier 1 capital (AT1) and supplementary capital of the bank with an overview of individual elements of capital;

Capital		
No.	**Item**	**Amount**
1.	REGULATORY CAPITAL	600,558
1.1	COMMON EQUITY	555,574
1.1.1	COMMON EQUITY TIER 1 (CET1)	555,574
1.1.1.1	Capital Instruments recognised as CET1	251,640
1.1.1.1.1	Paid capital instruments	247,167
1.1.1.1.2	Share premium	4,473
1.1.1.2	Retained earnings	355,853
1.1.1.3	Recognised profit or loss	
1.1.1.3.1	Profit or loss which belongs to the parent company's owners	82,715
1.1.1.3.2	(–) Part of the profit for the period generated in the business year or profit for the period generated at the end of the business year, that is not recognised	-82,715
1.1.1.3.3	Other accumulated aggregate profit	284
1.1.1.4	Other reserves	1,230
1.1.1.5	(–) Other intangible assets	-32,639
1.1.1.6	(–) Deferred tax assets that may be deducted and which depend on future profitability and arises from temporary differences	-9,420
1.1.1.7	(–) CET1 instruments of financial sector entities if the bank has a significant investment	-11,374
1.1.2	ADDITIONAL TIER 1 CAPITAL (AT1)	-
1.2	TIER 2	44,984
1.2.1	Capital instruments and subordinated debt recognised as Tier 2 capital	44,984

b) description of main characteristics of financial instruments included in calculation of regulatory capital;

description of main characteristics of financial instruments			
No .	**Item**		
1.	Issuer	Raiffeisen SEE Region Holding GmbH, Vienna, Austria with % share of 100,00%	The European Fund for Southeast Europe S.A., SICAV-SIF
1.1.	Uniform sign	BARFSNR00003 ISIN	549300D2UDHX6IFJBJ16

description of main characteristics of financial instruments			
No .	**Item**		
			LEI sign
	Treatment in accordance with the regulatory frame		
2.	Recognised on individual/ consolidated basis	Individual basis	Individual basis
3.	Type of instrument	Ordinary shares	Subordinated debt issued in the form of a financial instrument
4.	Amount recognised for the purpose of calculating regulatory capital in thousands of KM, as at the date of the last reporting	247.167 KM	44.984 KM
5.	Nominal amount of instrument	KM 250.00	NP
5.1.	Issuing price	NP	NP
5.2.	Purchase price	NP	NP
6.	Accounting classification	Share capital	Liability-depreciated value
7.	Instrument issuance date	First Instrument issuance date 07.11.1992; additional subsequent issues after the said date	Initial agreement 14.11.2022.
8.	Instrument with maturity date or instrument without maturity date	Without maturity date	With maturity date
8.1.	Initial maturity date	Without maturity date	18/11/2032
9.	Purchase option by issuer	NO	NO
9.1.	The first date of activating purchase option, conditional date of activating purchase option and purchase value	NP	NP
9.2.	Subsequent date of activating purchase option (if applicable)	NP	NP
	Coupons/dividends		
10.	Fix or variable dividend/coupon	variable	NP
11.	Coupon rate and related indexes	NP	Margin amounts to 5.5 % p.a. Interest rate is a 6M EURIBOR increased by margin amount
12	Mechanism of mandatory dividend cancellation	NP	NP

description of main characteristics of financial instruments			
No .	**Item**		
13	Full discretion right, partial discretion right or without discretion right with respect to time for dividend/coupon payment	Full discretion right	NP
13.1	Full discretion right, partial discretion right or without discretion right with respect to dividend/coupon amount	Full discretion right	NP
14	Possibility to increase yields or other incentives for redemption	NO	NP
15	Non-cumulative or cumulative dividends/coupons	Non-cumulative	NP
16	Convertible or non-convertible instrument	Non-convertible	Non-convertible
17	If convertible, conditions under which conversion can happen	NP	NP
18	If convertible, partially or fully	NP	NP
19	If can be converted, conversion rate	NP	NP
20	If convertible, mandatory or voluntary conversion	NP	NP
21	If convertible, instrument into which it converts	NP	NP
22	If convertible, issuer of the instrument into which it converts	NP	NP
23	Possibility to reduce value	NO	NO
24	If there is a possibility to reduce value, conditions under which value reduction can happen	NP	NP
25	If there is a possibility to reduce value, partly or fully	NP	NP
26	If there is a possibility to reduce value, permanently or temporary	NP	NP
27	If value reduction is temporary, description of mechanism for value increase	NP	NP
28	The type of instrument that will be paid out immediately before the specified instrument in the event of liquidation or bankruptcy	It is paid after the settlement of all other liabilities to creditors	It is paid after the settlement of all other liabilities to non-subordinate creditors
29	Non-adjusted characteristics of converted instruments	NO	NO
30	If any, state non-adjusted characteristics	NP	NP

c) a description of all restrictions applied in the calculation of regulatory (eligible) capital in accordance with the provisions of the Capital Calculation Decision, equity instruments, regulatory adjustments and adjustments to which these restrictions apply.

The Bank's Capital Calculation Decision specifies the minimum capital standards and minimum standards for creating and implementing a capital management programme, requiring the Bank to put it in place, continuously maintain and implement, including additional capital buffers.

Acting in line with the Decision and defined requirements, at any time, the Bank has to meet the above defined capital requirements for common equity Tier 1, CET1 and regulatory capital. The Capital Calculation Decision prescribed the following capital requirements:

a) A common equity Tier 1 (CET1) capital ratio of 6.75%;

b) A Tier 1 capital ratio of 9%;

c) A regulatory capital ratio of 12%;

In addition to legally prescribed minimum capital rates, the Bank maintains the rate in accordance with the SREP request of the Agency.

Article 44 of the Capital Calculation Decision has prescribed a capital buffer, to be maintained in the form of CET1 at 2.5% of total risk exposure. The Bank shall ensure and maintain financial leverage of at least 6% as defined by Article 38 of the Decision.

In accordance with the Capital Calculation Decision, the Bank prepares the reporting form KA 3 - Capital rates and capital levels and the Form FP - Financial leverage ratio calculation (C 47.00), and delivers those on a quarterly basis to the regulator until the next month upon expiry of a quarter. Additionally, the Bank monitors and adjusts its operations on a monthly basis in order to maintain the ratios within the prescribed limits.

In accordance with the Capital Calculation Decision, the Bank recognises regulatory adjustments at the reporting date in the form of intangible assets, deferred tax assets, direct or indirect investments of the Bank in common equity instruments of the financial sector entity or significant investments.

As of the reporting date 30.06.2024, the Bank disposed of the following regulatory adjustments:

- Other intangible assets - rights to innovations, patents and licences and the purchased software; in the overall amount of KM -32.639 thousand. Based on the Capital Calculation decision dated 15.12.2023, as of 30.06.2024 the amount of intangible assets which the Bank refused is applied with the exception of credit-rated assets in the form of software.
- Tax-deferred assets in the overall amount of KM -9.420 ths, of which the largest portion relates to recognised effects based on provisions for credit risk stage 1 and credit risk stage 2.
- direct or indirect investments of the Bank into instruments of common equity of a financial sector entity, or significant investments in the amount of KM -11.374 ths. Significant investments of the Bank in financial sector as amounts to KM 11.374 ths, and were dominated by the significant investment in Raiffeisen Leasing doo Sarajevo worth KM 10.051 ths.

d) Data and information related to the capital requirements and the regulatory capital adequacy;

- *the amount of capital requirement for credit risk (standardised approach) for each category of exposure;*
- *the amount of capital requirement for settlement/delivery risk*
- *the amount of individual capital requirements for market risks, with special disclosure of the amount of capital requirement for specific and general position risk based on debt and equity instruments, additional capital requirement for large exposures exceeding the limits defined by the Decision on Large Exposures, capital requirement for foreign exchange risk and capital requirement for commodity risk;*
- *the amount of the capital requirement for operational risk and the type of approach used to calculate this requirement (basic indicator approach or standardized approach);*
- *additional capital requirements for large exposures from the trading book;*
- *capital rates (a common equity Tier 1 (CET1) rate, a Tier 1 capital rate and regulatory capital rate);*

The Bank uses standardized approach in calculation of the capital adequacy and risk exposure in line with the Decision on Capital Calculation in Bank.

Capital adequacy			
No.	**Item**	**Risk-weighted exposure amount**	**Capital requirements**
1.	Exposures to central governments and central banks	26,964	3,236
2.	Exposures to regional governments or local authorities,	35,614	4,273
3.	Exposures to public sector subjects	9,125	1,095
4.	Exposures to multilateral development banks	-	-
5.	Exposures to international organisations	-	-
6.	Exposures to institutions	158,360	19,003
7.	Exposures to companies	813,283	97,594
8.	Exposures to private individuals	1,507,036	180,844
9.	Exposures secured by real estate	324,805	38,977
10.	Default status exposures	21,336	2,560
11.	High-risk exposures	-	-
12.	Exposures in the form of covered bonds	-	-
13.	Exposures to institutions and companies with short-term credit assessment	-	-
14.	Exposures in the form of units or shares in investment funds	-	-
15.	Exposures based on equity investments	221	27
16.	Other exposures	142,613	17,114
17.	Total capital requirement for credit risk		364,723
18.	Capital requirements for settlement/delivery amount		-
19	Capital requirements for market risks		642
19.1	Capital Requirements for FX Risk		642
20	Capital requirements for operational risk		36,038
21	CET1 ratio		16,61%
22	T1 ratio		16,61%
23	Regulatory capital ratio		17,95%

The Bank publishes the following data and information related to the Bank's credit risk exposure, including the credit risk mitigation techniques and information on external institutions for credit risk assessment - ECAI or export credit agencies - ECA;

e) definitions of default and past due exposures for the accounting needs;

Placements in the status of non-payment of obligations (debtors have encountered significant financial problems or a delay in payment of obligations is expected) require special treatment and are the same in the competence of the Department for Special Asset Management Non-Retail & SE and Collateral and Retail Collection. Business with the previously mentioned group of customers as well as the collection of past due debts plays a significant role in the calculation of ECL.

Timely transfer of customers to the competence of the Special Exposure Management Non-Retail & SE and Collaterals, i.e. early involvement, was provided by the Bank through the function of the Credit Risk Management Unit - Corporate, SE, FI & LRG.

Default is defined as an event where a debtor:

- ✓ is unlikely to pay its credit obligations to the Bank from its own cash flow (unlikely to pay) and not from the cash flow from collateral sold with exception of transactions where primary source of repayment comes from either sale proceeds of the financed commodities or sale proceeds of financed assets;
- ✓ is overdue to the Bank more than 90 days considering the materiality threshold (90+)

Materiality threshold for Corporate is EUR 500,00 and 1% of total agreed loan facilities. The materiality threshold is to be calculated by using the debtor's total overdue amount to the Bank to total balance exposure/liabilities of the debtor.

For Retail portfolio, default definition and levels of statuses of fulfilment of obligations and rules for recovery, i.e. return of customers into the income portfolio are precisely defined in the Instructions for Default Treatment - Retail. Default is defined as an event where a debtor:

- ✓ is unlikely to pay its credit obligations to the Bank from its own cash flow (unlikely to pay) and not from the cash flow from collateral sold;
- ✓ is overdue to the Bank for more than 90 days considering the materiality threshold (90+).

The materiality threshold for private individuals is EUR 100.00 and 1% of total agreed loan facilities. Default status of a single account means default status for accounts with similar characteristics and finally default status at the customer level in case exposure of accounts in default makes 20% or more total customer exposure. Allocation of default statuses is at the level of sub-account/product with implementation of the effects of withdrawal of 20% of so called pulling cross default.

f) description of approaches and methods used to determine value adjustments for credit risks and provisions for losses in off-balance items

The Bank is required to follow the loan loss provisioning methodology under both International Accounting Standards and International Financial Reporting Standards.

From 01.01.2018, the Bank applies the International Financial Reporting Standard - IFRS 9, which prescribes a new model of expected credit losses for recognising and measuring provisions and aims to accelerate the recognition of losses with the requirement of provisions to cover already incurred losses and losses expected in the future.

Loan loss methods and calculation processes are defined for all segments of the Bank's operations to which credit risk relates and are performed on assets subject to credit risk that are classified at amortized cost or at fair value through other comprehensive income. In other cases, assets are declared at fair value through income statement. IFRS 9 calculation of ECL also applies to all off-balance sheet financial instruments that are classified at amortized cost or at fair value through other comprehensive income.

IFRS 9 recognises three levels of ECL depending on the assessment of credit impairment volume vs. initial recognition of financial instrument.

In cases where credit risk of a financial instrument has not increased significantly since initial recognition, the Bank measures the loss of that financial instrument at an amount equal to 12-month expected credit loss. Such instrument belongs to the 1st credit risk stage.

In cases where credit risk of a financial instrument has increased significantly since initial recognition, the Bank measures the loss of that financial instrument at an amount equal to lifetime expected credit loss. Such instrument belongs to the 2nd credit risk stage, as long as it is not in the default status when it moves to the 3rd credit risk stage. Besides these stages, assets which have been purchased or originated credit impaired (POCI assets) have been also defined.

The Non-Retail assets segment encompasses corporates and SMB, sovereigns and regional governments, as well as banks and other financial institutions, and private individuals classified as Non Retail under RBI Group standards.

The assessment if the expected lifetime credit losses are recognised is based on a significant increase of probability or risk of default and it is performed on individual basis. Expected credit losses represent a sum of marginal losses appearing in every time bucket on the balance sheet date.

Whether significant increase of credit risk of a financial instrument happened from the initial recognition is checked on every reporting date. It is being checked against individual account/framework agreement by using quantitative and qualitative information.

Quantitative factor of credit risk increase is PD increase between the reporting date and the date of initial recognition. PD threshold is set at 250%, but it is time dependant.

Qualitative factors of credit risk increase are defined in IFRS 9 Chapter B.5.5.17 and they are mainly included in internal rating of a customer. Additional qualitative factors of credit risk increase are Credit Risk Status (CRS), Forbearance flag and 30 dpd. They are triggers for transferring exposure into credit risk stage 2. Besides rating, qualitative factors of credit risk increase are holistic approach (implementation of special risk factor), significant changes of a contract, external market indicators and other factors.

The ECL calculation is based on four components:

- Exposure at default (EAD) - an assessment of exposure in the event of default as of certain future date, considering therein expected changes to the exposure after the reporting date and including repayment of principal and interest and expected draw-downs of unused funds.
- Probability of default (PD) - an assessment of probability of default in certain time period/bucket.
- Loss-given default (LGD) - an assessment of a loss occurring due to a default. It is based on a difference between contractual cash flows and those that a creditor expects to receive, including collection against collateral. Usually, it is posted as a percentage of EAD.
- Discount rate - it is used for discounting expected losses to present value as of the reporting date using effective interest rate (EIR).

In addition to the balance sheet, off-balance sheet financial instruments are also included in the calculation of expected credit losses. In order to reflect the possible risk stemming from withdrawal of off-balance sheet exposures, the Bank uses models predicting probability of withdrawal of certain off-balance sheet assets and their conversion into on-balance financial instruments. This resulted in EAD ratio (EAD ratio) that was multiplied with off-balance sheet exposure in order to get the portion of off-balance sheet exposure that would further serve for ECL calculation.

The EAD model is developed for higher risk portfolios only (i.e. Corporate and SMB), since other portfolios (PI, LRG, SOV) usually do not have products with off-balance sheet exposures and therefore do not require any EAD modelling (i.e. EAD is equal to the used amount).

Probability of Default - PD

RBI Group has unique and unified approach to rating of all SMB and Corporate customers in all its network banks. Statistical models were developed in accordance with the requirements of Basel II Internal Rating Based Approach (IRB). IRB rating models are the basis for calculating the PD parameters used to calculate expected credit losses according to the IFRS 9 methodology.

PD estimation and calibration is done annually, and for the needs of IFRS 9, PD parameter is basically PD vector which describes PD curve during time, i.e. curve of lifetime probability of default.

Lifetime PDs are built on 12-month PDs. This means that PD curve needs to be formed that would show expected movement of default risk over a lifetime of a financial instrument. This means that with longer maturity of a financial instrument comes bigger default risk. Another thing to consider here is an effect of credit risk improvement as the maturity date of a financial instrument nears.

All models rest on the statistical model and are based on internal Non-retail data.

Macroeconomic factors are applied to the calculated lifetime PD values in order to be adjusted with the expected macroeconomic trends. Information about the future (macroeconomic outlook) should cover the development of the portfolio of expected credit losses between economically good and stressful times.
Research and Consulting anticipates three types of scenarios for macroeconomic adjustments: "Optimistic", "Base" and "Pessimistic".

Loss Given Default - LGD

In the event of default, LGD shows us the extent of exposure that would be lost.

LGD can be calculated on any granularity level, i.e. on the level of customer, product or contract, which depends on availability of data and portfolio characteristics i.e. the type of portfolio, segment and form of relationship between Bank and customer.

Sensitivity of LGD to macroeconomic conditions is modelled through Cure Rate and macro ratio. The idea is to present the long-term average LGD as a weighted average of recovered (return to performing) LGD and closed LGD (closed and not returned to performing).

In accordance with RBI Group standards, the Retail Asset segment includes Micro-Enterprises and private individuals.

On each reporting date, the Bank assesses whether the credit risk of the financial instrument has significantly increased since the date of the initial recognition. Credit risk analysis includes multi-factor and holistic analysis. This means that the assessment is made using qualitative or quantitative inputs or their combination, and whether a certain factor will be relevant depends on the type of product, the characteristics of the financial instruments and the borrower, as well as the geographical region. In cases where some factors or indicators are not available on an individual level, assessments are made on a collective basis.

IFRS 9 explains that a bank may apply various approaches when assessing whether there has been a significant increase in credit risk – including using different approaches for different financial instruments. An approach that does not include an explicit PD as an input, such as a credit loss rate approach, can be used provided that the bank is able to separate the changes in the risk of default occurring from other changes in expected credit losses – e.g. due to collateral. Any approach used considers:

- The change in the risk of default occurring since initial recognition;
- The expected life of the financial instrument; and
- Reasonable and supportable information that is available without undue cost or effort that may affect credit risk

In Retail segment the process of assessment of changes in credit risk has two main elements:

- a qualitative element - one of the qualitative criteria serves as a backstop indicator (over 30 dpd is possible only for technical reasons), and
- a quantitative element (i.e. reflecting a quantitative comparison of PD lifetime at reporting and at initial recognition). Forward looking information is added as macroeconomic overlay.

The quantitative analysis is based on changes in PD lifetime. When developing a PD lifetime model, there are two possible levels:

- Rating Grade level - required for all portfolios where PD estimates are already used in Pillar I or II capital calculation i.e. with annually validated rating system in place.
- Portfolio level - for all other portfolios. Probability of delay during the availability of the facility for the calculation of the expected credit loss is obtained from the analysis of sustainability or standardization.

Qualitative factors are taken into account to complement the assessment of increased credit risk and also in cases where only qualitative factors exist, the assessment will be driven by these factors alone.

Qualitative factors of credit risk increase are defined in IFRS 9 Chapter B.5.5.17 and they are mainly included in internal rating of a customer. Additional qualitative factors of credit risk increase are Forbearance, holistic approach, significant changes of a contract, external market indicators and other factors.

The ECL calculation process includes the following steps:

Step 1: Preparation of appropriate risk estimates - PD, LGD, EAD for every future period, including the macroeconomic excess provisions.

Step 2: Calculation of expected credit losses for each monthly period in each scenario.

Step 3: Discounted calculation of expected credit losses for each period in each scenario.

Step 4: Calculation of total discounted expected credit losses (12-month lifetime of facility) for each scenario.

Step 5: Calculation of final expected credit losses (12-month lifetime of the facility) as expected credit losses weighted by the degree of probability in all scenarios.

In the case of revolving products, changes in the use of the undrawn part of the liabilities are taken into account. For these purposes, the **Credit Conversion Factor (CCF)** has been adjusted according to IFRS 9. As for portfolios with created IRB models, it is regulated that the Basel CCF values can be used, and at the class (pool) level, so that the margins of conservatism are removed.

The values of the credit conversion factors applied in the Retail segment are:

- 20% for undrawn credit facilities (agreements to lend, purchase securities, provide guarantees or acceptance facilities with an original maturity of up to and including one year)
- 50% for undrawn credit facilities (agreements to lend, purchase securities, provide guarantees or acceptance facilities) with an original maturity of more than one year.

For the purposes of determining the original maturity, the same date as the one used for the estimated validity of the revolving exposure, is used.

Credit conversion factor of other products of the Retail segment (e.g. Guarantees) is defined by CRR (Capital Requirement Regulation), Annex 1.

Value adjustments for credit risk and collection of receivables in default status for Non-Retail customers, which are recorded through income statement are calculated in the credit risk stage 3 according to IFRS 9 methodology. These adjustments are specific due to the methodology, where the standard allows application of multiple scenarios of expectations in a particular case, from which the average likelihood of materialisation is taken for the final calculation. Collateral values, cash flows generated by a legal entity or other documented sources of cash flows may be used in scenarios. Specifically, the Bank uses (minimum) 2 scenarios, the probability of which can be 90% and 10%. For certain calculation parameters, annual back testing of data is performed, as well as their adjustments, all for the purpose of better calculation of value adjustments of this category of receivables. The calculation and booking is done monthly on an *individual basis, taking into account the specifics of each individual customer and the product the customer uses,* with prior approval of the Credit Committee for problem loans.

Value adjustments for credit risk and collection of receivables in default status for Retail customers, which are recorded through income statement are calculated in the credit risk Stage 3 according to IFRS 9 methodology. When calculating the expected credit losses for the Retail segment, the Bank does not take into account the value of the collateral, but calculates the best estimate of the expected credit loss instead. Bank believes that the most adequate manner of presenting historical data on losses is precisely the estimation of expected cash flows based on unsecured exposure in default status, and based on the use of the Best Estimate of Expected Loss parameter (so-called BEEL). By definition, this parameter reflects the most likely possibility of loss related to sub-accounts in default status that have similar risk and refund profiles, and provides a statistically estimated level of loss for such sub-accounts. Therefore, BEEL (for the purpose of adjusting the contractual cash flows to their estimated recovery rate) is applied on a homogeneous group of accounts. BEEL's valuation model takes into account discounted rates of return for exposures that are already in default. Since this model is designed to provide the best estimate of the possibility of loss until the end of the workout period, those sub-accounts whose observation period coincides with the end of the workout period are assumed to have a zero return rate, i.e. BEEL is equal to 100%. In order to achieve adequacy for provisioning purposes, it is ensured that during each reporting period each sub-account in default status is associated with an estimate that reflects current data on the rate of refund, in order to thereby determine the expected possibility of recovery of funds for the respective sub-account. BEEL values are updated on a monthly basis.

According to the Decision on Credit Risk Management and Accounting for Expected Credit Losses and the Instructions for Financial Assets Classification and Valuation, RBBH calculates value adjustments for balance sheet assets items and provisions for contingent liabilities (on a monthly level). After the expected credit losses are calculated according to the internally developed IFRS 9 models, they are adjusted for each individual exposure according to the defined conditions for credit risk stages 1, 2 and 3 in terms of the required minimum rates of expected credit losses regulated in Articles, 23, 24, 25 and 26 of the Decision, and ultimately the larger amount of the two afore-mentioned is recorded.

Calculation and posting of expected credit losses is done with the approval of the Bank's Management Board.

g) the total amount of the Bank's exposure after value adjustments and provisions, excluding the effects of credit risk mitigation techniques (net exposure) as well as an average amount of exposure during a period by exposure categories;

Total and average net values of exposure

No.	Exposure class	Net exposure value at the end of a period	Average net exposure during a period
1	Exposures to central governments and central banks	1,224,740	1,091,795
2	Exposures to regional or local governments	60,557	57,489
3	Exposures to public sector subjects	10,335	11,878
4	Exposures to multilateral development banks	49,158	40,696
5	Exposures to international organisations	53,950	13,487
6	Exposures to institutions	702,806	752,141
7	Exposures to companies	1,231,648	1,169,422
8	Exposures to private individuals	2,095,060	2,108,546
9	Exposures secured by real estate	576,285	562,872
10	Default status exposures	21,515	21,655
11	High-risk exposures	-	-
12	Exposures in the form of covered bonds	-	-

No.	Exposure class	Net exposure value at the end of a period	Average net exposure during a period
13	Exposures to institutions and companies with short-term credit assessment	-	-
14	Exposures in the form of units or shares in investment funds	-	-
15	Exposures based on equity investments	221	216
16	Other exposures	505,867	535,976

d) *geographical exposure classification by significant areas, according to exposure categories and including a detailed elaboration as required;*

No.	Type of exposure	BOSNA I HERCEGOVINA	GERMANY	AUSTRIA	CROATIA	LUKXEMBURG	NETHERLANDS	BELGIUM	NORWAY	SWEEDEN	ITALY	POLAND	FRANCE	SAD	SRBIA	REPUBLIC OF NORTH MACEDONIA	OTHER	OTHER EU	Total
1	Exposures to central governments and central banks	983,183	9,578	56,686	25,448	-	38,569	29,373	-	-	-	32,717	28,760	-	10,319	10,100	7	-	1,224,740
2	Exposures to regional or local governments	60,557	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	60,557
3	Exposures to public sector subjects	10,318	17	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10,335
4	Exposures to multilateral development banks	-	-	-	-	40,192	-	-	-	-	-	-	-	8,438	-	-	528	-	49,158
5	Exposures to international organisations	-	-	-	-	26,015	-	27,935	-	-	-	-	-	-	-	-	-	-	53,950
6	Exposures to institutions	9,597	258,251	168,495	87,378	459	23,477	-	54,154	48,103	39,089	-	-	5,562	50	-	6,236	1,955	702,806
7	Exposures to companies	1,226,593	-	1,892	4	-	-	4	-	-	-	-	-	2,254	-	-	595	306	1,231,648

No.	Type of exposure	BOSNA I HERCEGOVINA	GERMANY	AUSTRIA	CROATIA	LUKXEMBURG	NETHERLANDS	BELGIUM	NORWAY	SWEEDEN	ITALY	POLAND	FRANCE	SAD	SRBIA	REPUBLIC OF NORTH MACEDONIA	OTHER	OTHER EU	Total
8	Exposures to private individuals	2,094,349	37	18	196	-	11	2	1	1	15	5	7	2	38	15	230	133	2,095,060
9	Exposures secured by real estate	575,582	211	-	91	-	-	-	-	-	-	37	-	-	18	-	288	58	576,285
10	Default status exposures	21,514	-	-	1	-	-	-	-	-	-	-	-	-	-	-	-	-	21,515
11	High-risk exposures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	Exposures in the form of covered bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13	Exposures to institutions and companies with short-term credit assessment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14	Exposures in the form of units or shares in investment funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15	Exposures based on equity investments	32	-	-	-	-	-	189	-	-	-	-	-	-	-	-	-	-	221
16	Other exposures	505,867	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	505,867

The significance of geographical areas or countries is determined by the materiality threshold, which is set in such a way that the exposure to a country is significant if total net exposure of the Bank to it exceeds 1% of the Bank's regulatory capital as at 30.06.2024.

** Countries that are not considered significant, and which are included in the columns "Other EU countries" are: Slovenia, Romania, Ireland, Lithuania, Czech Republic, Portugal, Slovakia, Greece, Hungary, Denmark, Bulgaria, Spain and Finland.*

*** Countries that are not considered significant, and which are included in the columns "Other countries" are: Switzerland, Great Britain, Australia, Montenegro, Canada, South Africa, Turkey, Libya, China, Korea, Republic of, Egypt, Albania, India, Japan, Iran (Islamic Republic), Kuwait, Saudi Arabia, Ukraine, Russian Federation, Syrian Arab Republic, Qatar, United Arab Emirates, Kosovo, Sri Lanka, Pakistan, Algeria, Malaysia, Chad, Jordan, Georgia, Indonesia, New Zealand, Liechtenstein, Lebanon, Ethiopia, Tunisia, Kenya, Peru, Bangladesh, Iraq, Israel, Palestine , Vietnam, American Samoa, Argentina, Belarus, Ghana, Namibia, Venezuela, Morocco, Bahrain, Moldova, Republic of, Nepal, Mexico, Azerbaijan, Philippines, Sudan, Mali, Mauritius, Colombia, Brazil, Chile, Honduras, Mongolia, Nigeria, Nicaragua, Niue, Rwanda and Singapore.*

Raiffeisen Bank

i) exposure classification by business lines and exposure categories, including a detailed elaboration as required;

Exposures by business lines (net value of exposure)																					
No.	Type of exposure	Agriculture, forestry and fishing	Mining and quarrying	Processing industry	Production and supply of electricity, gas, steam and air conditioning	Water-supply, sewage, waste management and environmental remediation	Construction	Wholesale and retail trade; repair of motor vehicles and motorcycles	Transport and storage	Accommodation, hotels and catering	Information and communication	Financial institutions (financial and insurance business)	Real estate activities	Professional, scientific and technical activities	Administrative and support service activities	Public administration and defence; compulsory social security	Education	Health and social protection	Arts, entertainment and recreation	Other service activities	Total
1	Exposures to central governments and central banks	-	-	-	-	-	-	-	-	-	-	982,703	-	-	-	242,030	-	-	-	7	1,224,740
2	Exposures to regional or local governments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	60,556	-	-	-	1	60,557
3	Exposures to public sector subjects	-	-	-	5,859	-	-	-	-	-	1	79	-	210	-	147	28	3,978	-	33	10,335
4	Exposures to multilateral development banks	-	-	-	-	-	-	-	-	-	-	49,158	-	-	-	-	-	-	-	-	49,158
5	Exposures to international organisations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	53,950	53,950

		Exposures by business lines (net value of exposure)																			
No.	**Type of exposure**	**Agriculture, forestry and fishing**	**Mining and quarrying**	**Processing industry**	**Production and supply of electricity, gas, steam and air conditioning**	**Water-supply, sewage, waste management and environmental remediation**	**Construction**	**Wholesale and retail trade; repair of motor vehicles and motorcycles**	**Transport and storage**	**Accommodation, hotels and catering**	**Information and communication**	**Financial institutions (financial and insurance business)**	**Real estate activities**	**Professional, scientific and technical activities**	**Administrative and support service activities**	**Public administration and defence; compulsory social security**	**Education**	**Health and social protection**	**Arts, entertainment and recreation**	**Other service activities**	**Total**
6	Exposures to institutions	-	-	-	-	-	-	-	-	-	-	702,806	-	-	-	-	-	-	-	-	702,806
7	Exposures to companies	7,184	4,199	295,124	6,922	17,139	80,209	600,749	47,214	217	52,654	101,149	6,593	5,557	4,347	-	1,005	845	70	471	1,231,648
8	Exposures to private individuals	4,998	907	71,522	338	4,366	62,137	175,635	58,393	4,579	11,322	58	709	21,168	4,689	-	850	1,088	508	1,671,793	2,095,060
9	Exposures secured by real estate	534	-	54,053	4,093	788	16,247	185,824	3,195	365	8,352	-	1,514	4,231	239	-	-	191	-	296,659	576,285
10	Default status exposures	15	12	2,093	-	-	62	2,010	235	42	2	-	-	35	22	-	1	-	1	16,985	21,515
11	High-risk exposures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	Exposures in the form of covered bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13	Exposures to institutions and companies with short-term credit assessment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Exposures by business lines (net value of exposure)

No.	Type of exposure	Agriculture, forestry and fishing	Mining and quarrying	Processing industry	Production and supply of electricity, gas, steam and air conditioning	Water-supply, sewage, waste management and environmental remediation	Construction	Wholesale and retail trade; repair of motor vehicles and motorcycles	Transport and storage	Accommodation, hotels and catering	Information and communication	Financial institutions (financial and insurance business)	Real estate activities	Professional, scientific and technical activities	Administrative and support service activities	Public administration and defence; compulsory social security	Education	Health and social protection	Arts, entertainment and recreation	Other service activities	Total
14	Exposures in the form of units or shares in investment funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15	Exposures based on equity investments	-	-	-	-	-	-	-	-	-	-	221	-	-	-	-	-	-	-	-	221
16	Other exposures	-	-	-	-	-	-	69,129	-	-	-	423,779	-	-	-	-	-	-	-	12,959	505,867

j) Exposure classification by remaining maturity of all exposures, by exposure categories, and a more detailed classification if applicable;

Remaining period to maturity of all exposures (net value of exposure)						
No.	**Exposure class**	**≤ 1 year**	**> 1 ≤ 5 years**	**> 5 years**	**Maturity not stated**	**Total**
1	Exposures to central governments and central banks	121,342	120,209	-	983,189	1,224,740
2	Exposures to regional or local governments	10,099	10,814	36,843	2,801	60,557
3	Exposures to public sector subjects	3,581	6,438	-	316	10,335
4	Exposures to multilateral development banks	6	49,079	-	73	49,158
5	Exposures to international organisations	-	53,950	-	-	53,950
6	Exposures to institutions	588,966	44,486	7,391	61,963	702,806
7	Exposures to companies	734,059	308,224	41,804	147,561	1,231,648
8	Exposures to private individuals	237,923	650,354	809,109	397,674	2,095,060
9	Exposures secured by real estate	133,687	142,111	299,961	526	576,285
10	Default status exposures	1,088	10,708	8,342	1,377	21,515
11	High-risk exposures	-	-	-	-	-
12	Exposures in the form of covered bonds	-	-	-	-	-
13	Exposures to institutions and companies with short-term credit assessment	-	-	-	-	-
14	Exposures in the form of units or shares in investment funds	-	-	-	-	-
15	Exposures based on equity investments	-	-	-	221	221
16	Other exposures	-	-	-	505,867	505,867

k) by significant business line, the amount of gross exposure in default status, gross amount of past due receivables and gross amount of other exposures with related value adjustments (provisions for expected credit losses)

Raiffeisen Bank

Exposure by significant business line							
No.	**Business line**	**Default exposures**	**Value adjustments for default exposures**	**Amount of past due receivables**	**Value adjustments for past due receivables**	**Exposures which are not in default status**	**Value adjustments for exposures which are not in default status**
1	Agriculture, forestry and fishing	153	138	248	66	12,915	200
2	Mining and quarrying	50	38	45	34	5,146	40
3	Processing industry	7,356	5,263	3,851	2,179	425,118	4,419
4	Production and supply of electricity, gas, steam and air conditioning	6	6	-	-	17,431	218
5	Water-supply, sewage, waste management and environmental remediation	9	9	30	-	22,458	166
6	Construction	463	401	412	216	160,054	1,461
7	Wholesale and retail trade; repair of motor vehicles and motorcycles	13,418	11,408	11,573	6,863	1,039,123	7,786
8	Transport and storage	1,324	1,089	1,065	672	110,763	1,960
9	Accommodation, hotels and catering	454	412	210	155	5,287	126
10	Information and communication	112	109	100	66	72,896	567
11	Financial institutions (financial and insurance business)	104	104	-	-	2,263,063	3,108
12	Real estate activities	92	92	89	73	8,886	71
13	Professional, scientific and technical activities	472	436	442	338	31,690	524
14	Administrative and support service activities	471	449	425	347	9,440	165
15	Public administration and defence; compulsory social security	-	-	80	1	305,486	2,754
16	Education	115	115	106	97	1,903	20
17	Health and social protection	20	19	8	5	6,185	82
18	Arts, entertainment and recreation	19	19	-	-	592	14
19	Other activities	96,869	79,885	64,383	56,645	2,070,931	35,059
20	Total	121,507	99,992	83,067	67,757	6,569,367	58,740

l) presentation of changes in value adjustments (provisions for expected credit losses) from item g) hereof during the reporting period, which includes the initial balance, changes during the reporting period and the final balance;

	Value adjustments for default exposures	Value adjustments for exposures which are not in default status
Initial balance	107.200	63.260
New value adjustments during the period	20.618	26.156
Amount of value adjustment	27.826	30.676
Final balance	99.992	58.740

m) for each category of exposure:

1) name of selected ECAI or ECA, including the reasons for any change in their selection;

2) exposure classes for which the ECAI or ECA credit rating assessment is used;

3) description of procedures for the application of credit rating of an issuer or issued financial instruments of an issuer to individual positions in the banking book;

4) allocation of credit ratings of the selected ECAI or ECA to appropriate credit risk stages;

5) amounts of exposures before and after the use of credit protection for exposures that are not in default status and for exposures in default status

Since the date of entry into force of the FBA Capital Calculation Decision, the Bank has been using the loan quality assessments by the following ECAI, external credit risk assessment institutions:

- ✓ Standard & Poor's;
- ✓ Moody's;
- ✓ Fitch.

The ECAI ratings are used for the exposures to: central governments and central banks, regional governments, public sector, companies and institutions. Credit ratings of the selected ECAI or ECA are assigned to the relevant credit quality grades based on the credit quality level in relation to the rating assigned by ECAI.

Overview of credit ratings of external institutions for credit risk assessment by credit quality level is shown in the table below:

Credit quality level	Fitch's	Moody's	S&P's
1	AAA to AA-	Aaa to Aa3	AAA to AA-
2	A+ to A-	A1 to A3	A+ to A-
3	BBB+ to BBB-	Baa1 to Baa3	BBB+ to BBB-
4	BB+ to BB-	Ba1 to Ba3	BB+ to BB-
5	B+ to B-	B1 to B3	B+ to B-
6	CCC + and below	Caa1 and below	CCC + and below

The Bank determines credit quality level in the following way:

- ✓ If different assessments of the credit quality level are given for a certain customer by the selected ECAIs, then the assessment that has a lower credit quality level is selected and the exposure is continuously assigned the risk weight of that lower quality level (which is actually a higher risk weight, i.e. a more cautious treatment of the exposure);
- ✓ External customer rating is analysed as priority. If it does not exist, then country rating of the customer's origin is observed. For exposures to customers, for which there is no credit assessment of the selected ECAI, credit assessment assigned to central government (in which the customer's seat exists) is used.

Exposure amounts before and after using credit protection as of 30.06.2024 are shown in the table below:

Before and after the use of credit protection					
No.	Exposure class	Value of net exposure before the use of credit protection		Value of net exposure after the use of credit protection	
		Exposures which are not in default status	Default exposures	Exposures which are not in default status	Default exposures
1	Exposures to central governments and central banks	1,224,740	-	1,224,734	-
2	Exposures to regional or local governments	60,557	-	60,556	-
3	Exposures to public sector subjects	10,335	-	10,247	-
4	Exposures to multilateral development banks	49,158	-	49,158	-
5	Exposures to international organisations	53,950	-	53,950	-
6	Exposures to institutions	702,806	-	702,806	-
7	Exposures to companies	1,231,648	3,405	1,227,326	3,372
8	Exposures to private individuals	2,095,060	18,110	2,087,711	18,014

Before and after the use of credit protection					
No.	**Exposure class**	**Value of net exposure before the use of credit protection**		**Value of net exposure after the use of credit protection**	
		Exposures which are not in default status	**Default exposures**	**Exposures which are not in default status**	**Default exposures**
9	Exposures secured by real estate	576,285	-	576,061	-
10	High-risk exposures	-	-	-	-
11	Exposures in the form of covered bonds	-	-	-	-
12	Exposures to institutions and companies with short-term credit assessment	-	-	-	-
13	Exposures in the form of units or shares in investment funds	-	-	-	-
14	Exposures based on equity investments	221	-	221	-
15	Other exposures	505,867	-	505,867	-

The Bank shall publish data i.e. information related to the countercyclical capital buffer:

a) geographical distribution of exposures significant for the calculation of countercyclical capital buffer;

b) total amount of the countercyclical protective layer of the bank's capital.

The FBA Capital Calculation Decision, Article 45, paragraph (6), defines the following: The countercyclical protective layer of capital as well as the protective layer of capital for systemic risk, if necessary, will be prescribed by a separate document.

1.4 Financial leverage ratio

a) Financial leverage rate calculated in accordance with the provisions of the Capital Calculation Decision as of 30.06.2024 was 9.78 %.

b) Overview of items included in determining the total exposure of bank, which is the denominator when calculating the financial leverage rate:

Exposure values	Amount
Off-balance items with the 10 % conversion factor (CCF) in line with the Capital Calculation Decision	20,906
Off-balance items with the 20 % conversion factor (CCF) in line with the Capital Calculation Decision	137,152
Off-balance items with the 50 % conversion factor (CCF) in line with the Capital Calculation Decision	112,031
Off-balance items with the 100 % conversion factor (CCF) in line with the Capital Calculation Decision	14,751
Other assets	5,451,942
(-) Amount of the assets deductible items – CET1 capital - in line with the Capital Calculation Decision	-53,433
(-) Exposure of the financial leverage ratio – in line with the Capital Calculation Decision	5,683,349
Capital	
CET1 capital – in line with the Capital Calculation Decision	555,574
Financial leverage ratio	
Financial leverage ratio in line with the Capital Calculation Decision	**9,78%**

c) description of the most significant factors that influenced the change of the financial leverage ratio compared to the previous announcement are:

- Increase in core capital - posting of retained earnings. According to the Decision on the distribution of retained earnings from 2023 available for distribution, according to the final account of Raiffeisen Bank dd BiH dated 27.05.2024, part of the retained earnings in the amount of KM 60,980 thousand was retained by the Bank unconditionally, completely and indefinitely.
- Increase in total assets - increase in the position of Cash and cash equivalents (increase in the amount of KM 311,997 thousand compared to the previous period – 31.12.2023). The majority of the amount of the mentioned increase is on the account of term deposits in the current accounts of non-resident banks (increase of KM 230,788 thousand) and the money account with the monetary authorities above the mandatory reserve in currency and the currency clause (increase of KM 128,170 thousand)

d) a description of the procedures used by the bank to manage excessive financial leverage risk

Leverage rate is calculated in a way that capital measure is divided by total exposure and is expressed in percentages. The Bank calculates financial leverage rate on the reference reporting date.

The capital measure is its core capital, while the measure of total exposure of a bank is the sum of exposures:

a) assets in paragraph (5) Article 41 of the Decision on Capital Calculation, except for items that are deducted when determining capital measure

b) financial derivatives in Paragraph (10) Article 41 of the Decision on Capital Calculation

c) increase by credit risk of other contractual party on transactions of financing securities from paragraph (11) Article 41.;

d) off-balance items in Paragraph (12) Article 41

The Bank's strategy for managing the risk of excessive financial leverage is to maintain the level of financial leverage by aligning the level of total exposure with the business plan and aligning the structure and level of capital with the one planned in the Capital Plan and Program for a period of three years.

The leverage risk management strategy is closely related to the capital risk management strategy, i.e. the strategy of taking over and managing any other risks to which the bank is exposed or might be exposed. One of the main objectives is protection against capital erosion due to losses associated with risks to which the bank is exposed or might be exposed (expected or realized).

In order to meet the leverage risk management strategy, the Bank determines:

- Planned financial leverage rate that reflects budgeted growth of exposure and structure and capital plan
- Rates of minimum match between the Bank's assets and liabilities

to prevent unwanted changes to the business plan in case of capital erosion or in case of unplanned increase in total risk exposure and forced sale of assets that may result in losses on sale and/or value adjustment of its remaining assets, which may also lead to losses or negative effects on capital.

The planned leverage rates are an integral part of the Capital Program and Plan and the risk appetite framework, which defines the Bank's appetite, tolerance and capacity for leverage rates as an indicator of the risk of excessive leverage.

Excessive leverage risk management is the responsibility of the Accounting, Taxes and Financial Reporting Unit, which coordinates management for all organisational units that manage risks or organizational units that affect the financial result through the achievement of business objectives and consequently through capital at the Bank's leverage rate. This unit monitors and reports to the Bank's bodies on the leverage ratio.

The financial leverage report that is sent to the Banking Agency is created on a quarterly basis. Additionally, the Bank calculates and monitors the financial leverage rate on a monthly basis. Creating reports is within the competence of Accounting, Taxes and Financial Reporting.

The Bank continuously monitors indicators of the excessive financial leverage risk that include the financial leverage rate and mismatch between assets and liabilities of the Bank.

1.5 Liquidity requirements

The Bank shall publish data i.e. information related to qualitative and quantitative requirements for liquidity risk management in accordance with the Liquidity Risk Management Decision for Banks, and at least:

a) liquidity risk management strategies and procedures;

b) the manner of organizing the liquidity risk management function in the bank, including the system of reporting and measuring liquidity risk;

c) policies and procedures for monitoring permanent efficiency of liquidity risk protection and liquidity risk reduction;

d) description of liquidity risk exposure and compliance with the strategy referred to in item a) hereof, and

e) Liquidity coverage ratio (LCR) data, including an overview of the items included in the calculation of that ratio.

f) net stable funding sources data (NSFR), including an overview of the items included in the calculation of that ratio.

Liquidity risk management strategies and procedures

Strategic framework for liquidity management includes harmonized liquidity management, asset liquidity management and borrowed liquidity (liabilities) management, respecting the key principles of liquidity management as well as ILAAP principles in planning liquidity and funding sources (accountability, proportionality, continuity, risk significance, comprehensiveness and the "forward-looking" principle).

The management of liquidity and liquidity risk is embedded in the strategies, policies and procedures, which ensure an efficient diversification from the viewpoints of both funding and its maturity.

Under the Law, Liquidity risk is the risk of loss that arises from the existing or expected inability of the Bank to settle all due cash payables. Significant liquidity risk sub-classes are:

- Liquidity financing risk
- ST liquidity risk
- Concentration of funding risk

The selection of significant liquidity risk factors depends on degree of their influence on the liquidity position. Depending on the manner of measuring, there are:

✓ Quantitative risk factors are measured:

  - for short-term liquidity risk based on: management of intraday liquidity needs through maintenance of the daily minimum liquidity buffer, management of assets above the mandatory reserve and maintenance of the daily mandatory reserve, TTW stress test by currency and based on the LCR report;
  - for liquidity funding risk, based on the developments of CDS rates, the NSFR report (RBI and local FBA methodology), credit line costs, concentration of funding sources, loans and deposits

- for funding sources concentration risk, based on the participation of all customers (considering GCC or customers) who individually exceed 5% of balance sheet total - indicator of the concentration of large funding sources according to the remaining maturity, indicators of significant concentrations according to the type of product (a vista and time deposits).

✓ Quantitative risk factors are measured:

- for the short-term liquidity risk based on the short-term funding risk
- for the liquidity funding risk based on the rating

Short-term liquidity risk is defined as the risk that a bank will not be able to meet its obligations when they are due.
The Bank's management of this risk is based on active planning and monitoring of trends of balance sheet items, plans and implementation of depositing and lending activities, where the Bank's priority is to maintain liquidity levels within optimal frameworks that ensure timely and continuous execution of payment obligations, both in regular operations and stressful situations, without jeopardizing its position in the financial market.

Liquidity financing risk is the risk that the bank will not be able to successfully meet expected and unexpected present and future needs for cash funds and needs for security instruments without impacting its regular business operations or financial result.

Funding concentration risk occurs when the bank largely relies on liquidity from a single customer or limited number of customers.

When forecasting and planning cash flows, special attention is paid to monitoring the local market environment, primarily from the aspect of the customers' needs by monitoring the maturity of large deposits and planning their re-negotiation. In planning its liquidity needs, the Bank includes planning outflows regarding off-balance liabilities (letters of credit, guarantees, agreed credit lines), and for deposits without maturity it estimates potential outflows based on previous observations (experience) on the ground of annual trends and internally developed models.

In defining and maintaining an adequate level of liquidity, the Bank pays special attention to providing sufficient capacity of liquidity reserves that will be used for short-term intervention in a liquidity shock situation.

The Bank creates the amount of required and reserve liquidity based on current and projected liquidity position and liquidity ratios, taking into account the general goals set by the Bank’s annual budget. In this way, n appropriate portfolio of liquid assets is planned, which can always:

(1) meet current and expected liquidity needs,

(2) meet regulatory requirements regarding liquid funds.

In order to maintain the capacity of liquidity reserve, the Bank plans and provides a portfolio of liquid unencumbered (unpledged) securities on an annual basis, taking into account possible reductions in the market value in order to avoid overestimation of the liquidity buffer.

Within the investment portfolio of Treasury, securities positions are planned according to available limits and investment plans, primarily considering the following basic principles: security, liquidity and yield, as well as restrictions regarding purchases (availability in foreign markets, currency, maturities, securities types and issuer rating). In order to provide potentially necessary additional liquidity, the planned new purchases of securities are guided by the principle of acceptance in order to secure potential future credit lines with the pledging/pledge of securities and the possibility of entering into repo transactions.

For providing intraday liquidity, the Bank has established a methodology for calculating dMLB - daily Minimum liquidity buffer, and its fulfilment is mandatory in highly liquid cash, as follows: KAM funds held with the CBBH through legal reserves and in foreign currencies on a vista accounts with foreign banks and cash in all currencies in the Bank's vaults. In addition to dMLB, the Bank has to maintain the minimum legal reserves according to valid local regulations, on a daily basis.

At least once a day, Liquidity Management Group must perform the following control of intraday values:

- Current value of dHQLA;
- Ratio between intraday dHQLA and dMLB (ratio);
- Control (backtesting) of the ratio of expected/announced outflows for the day and dMLB amount.

Financing risk occurs when funding costs change and the bank's assets are not financed by liabilities with a similar maturity structure. To avoid this risk, within the process of planning business activities of the Bank, it also plans the funding sources, both from local depositors and external lenders. The strategic funding framework is based on obtaining funding by purpose and maturities that will provide funds for the business functions' budgeted lending activities while maintaining a cost-effective, risk-free liquidity level.

The process of developing funding plans for a business year is primarily focused on the principle of diversification of risk of funding sources and includes the following key activities:

a) ensuring a stable deposit base of local customers, private individuals;
b) maintaining the deposit base of large depositors/legal entities, continuous monitoring and analysis of maturities and monitoring the cash flows;
c) planning to negotiate short-term lines in the money market;
d) Planning to contract additional, LT credit lines within the programme of supranational financial institutions acceptable by purpose and maturities for supporting placements of new loan volumes to the customers of the Bank or by Group members.

The manner of organizing the liquidity risk management function in the bank, including the system of reporting and measuring liquidity risk;

Liquidity risk management is defined in the following strategic documents of the Bank:

Liquidity Risk Management Rulebook and Procedure, ILAAP Policy, Risk Acquisition and Management Strategy, Risk Acquisition and Management Policy, Liquidity and Funding Strategy and Plan, Liquidity and Long-Term Funding Management Program, Liquidity Contingency Plan.

The Bank has separated the responsibilities of the liquidity risk management function from the responsibilities of the liquidity risk control function and thus established a system of responsibilities in liquidity risk management, reporting and measurement.

The Bank's Supervisory Board annually adopts the Strategic Framework for Liquidity and Funding Sources Management, which defines quantitative measures for liquidity monitoring, assets structure and funding sources, external funding plans and dynamics, as well as lines of responsibilities in monitoring and reporting these positions.

The Management Board is responsible for defining goals and adopting measures through which it manages liquidity risk.

ALCO, to which the Management Board has transferred powers to manage liquidity risk, is responsible for monitoring and analysing balance sheet and liquidity positions on a static and dynamic basis every month, and make appropriate decisions to maintain the Bank's liquidity position in accordance with the local and Group limits.

The Liquidity management group is responsible for the strategic management of short-term liquidity (intraday, monthly, quarterly) and structuring of liquidity reserves (bonds portfolio) and it is responsible to periodically (monthly or quarterly) report ALCO, MB and SB of the Bank. Liquidity management at the operational level is a daily responsibility of this unit. In addition to managing liquid funds, it also monitors and analyses the structure of the deposit base, concentration of large depositors, periodicity of a vista inflows/outflows, trend of loan and deposit portfolio by segments and maturity, anticipates short-term liquidity flows and long-term funding needs according to dynamics and plans of business segments.

The Funding Management Group is responsible for managing long-term liquidity by obtaining deposits and credit lines from local and foreign financial institutions.

In terms of established control functions, the organizational structure of the Bank is established in such a way that control functions are functionally and organizationally segregated from the risk-taking function, and a clearly defined division of tasks and duties of employees prevents possible conflict of interest. The Risk Controlling unit, as a control function of risk management, is primarily responsible for establishing limits, monitoring exposures and internal reporting on limits established for the purpose of liquidity risk management. It is also responsible for development of methodologies for measuring liquidity risk in normal and stressful conditions, and for participating in the establishment of measures for stressful events. Creating LCR; NSFR and net cash flow report and the preparation of internally established reports on risk monitoring for ALCO is also a task of this unit.

Preparation of other reports in accordance with regulatory requirements (Report on Maturity Match of Financial Assets and Financial Liabilities, Legal Reserves, Daily Liquidity) is the responsibility of the Accounting, Taxes and Financial Reporting Division.

Internal Audit is an independent organizational unit, completely independent from other organizational units of the Bank, which performs an independent and objective audit function in accordance with the professional principles and standards of internal audit, as well as internal rules of internal audit's activities. In doing so, it adheres to the relevant laws and regulations, as well as internal regulations governing the operations of the areas that are audited.

Risk Controlling, Treasury, Liquidity Management Group and Funding Management Group are responsible for updating documents in the scope of liquidity policies, their implementation, defining short-term and structural liquidity limits, and monitoring compliance with approved limits and target ratios.

Policies and procedures for monitoring permanent efficiency of liquidity risk protection and liquidity risk reduction

The system of regular (daily / monthly) monitoring of liquidity risk exposure provides all relevant levels of management in the Bank with timely information necessary for making business decisions i.e. safe and stable operations of the Bank. A comprehensive framework of policies and procedures that provide continuous effective protection against liquidity risk as well as its reduction is defined by a set of internal documents.

Liquidity risk monitoring includes:

- monitoring of current liquidity risk exposure - continuous monitoring of compliance with defined regulatory, intragroup and internal liquidity risk limits (both in normal (Going concern scenario) and in stressful business conditions (Time-To-Wall (TTW)) on a daily and monthly basis.

- monitoring future liquidity risk exposure - the process of projecting liquidity risk positions using the stress test method and simulation method.

ALCO analyses positions on a monthly basis and adopts strategic measures for future activities.

Description of liquidity risk exposure and compliance with the strategy

Indicators of liquidity risk exposure and its compliance with the strategy are established through monitoring the compliance of quantitative indicators, which includes regulatory limits and internal target ratios.

- Regulatory limits refer to:

a) Maintenance of legal reserve according to CBBH regulations - obligation to hold BAM cash funds on the account with the CBBH in the amount of 10% of the base which is consisted of deposits and borrowed funds, regardless of the currency of the base. Meeting obligations is on a daily basis.

As of 30.06.2024 the Bank had the amount of KM 846,550,745.95 on the account with CBBH Legal reserves for the last decade of June 2024 was KM 438,068,204.46.[1]

b) Maintenance of maturity match of financial instruments of assets and liabilities up to 30 days is in accordance with the Bank's risk appetite.

c) Ensure a continuous minimum liquidity coverage ratio (LCR) to be larger than or equal to 100% - this represents the ratio between the liquidity buffer and total net liquidity outflows during a stressful period of 30 calendar days.

d) Ensure that Net Stable Funding Ratio (NSFR) is continuously higher or equal to 100% – it is a ratio between available stable funding and required stable funding

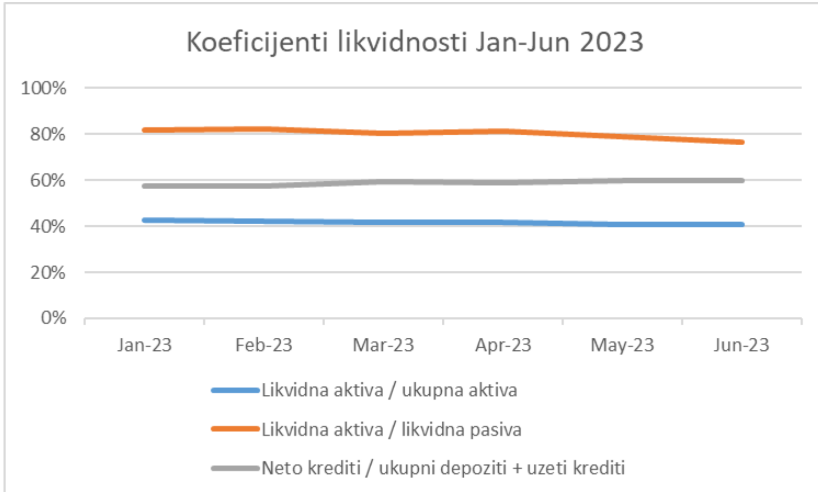
As of 30.06.2024, LCR is 288.74%.

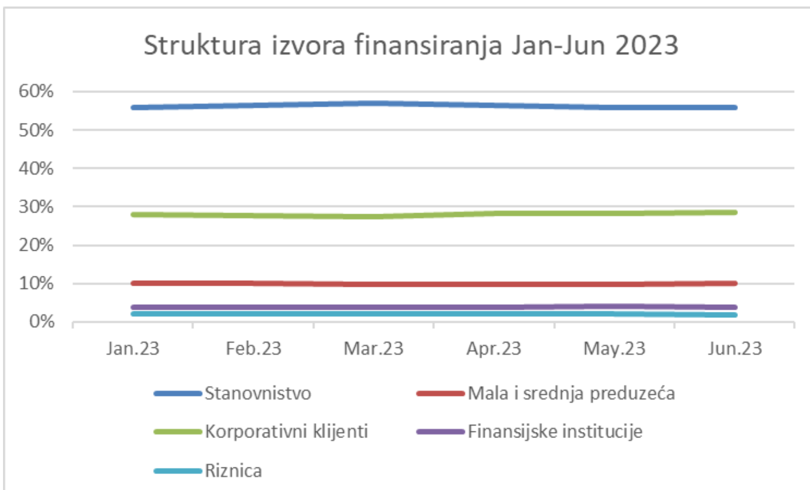
As of 30.06.2024, NSFR is 166.51%.

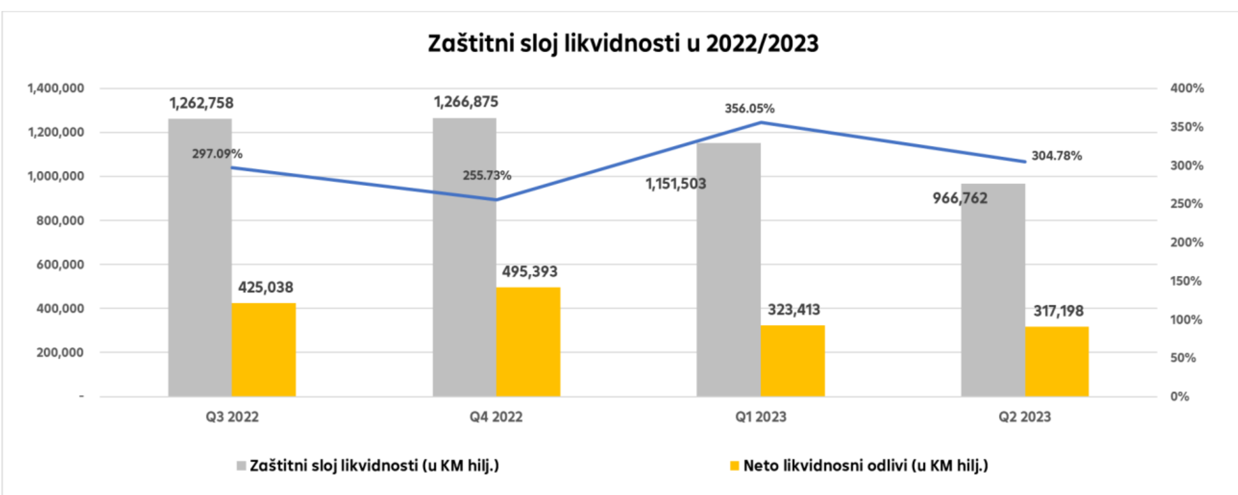
An additional set of internal liquidity limits is used for monitoring and analysing liquidity, and relates to:

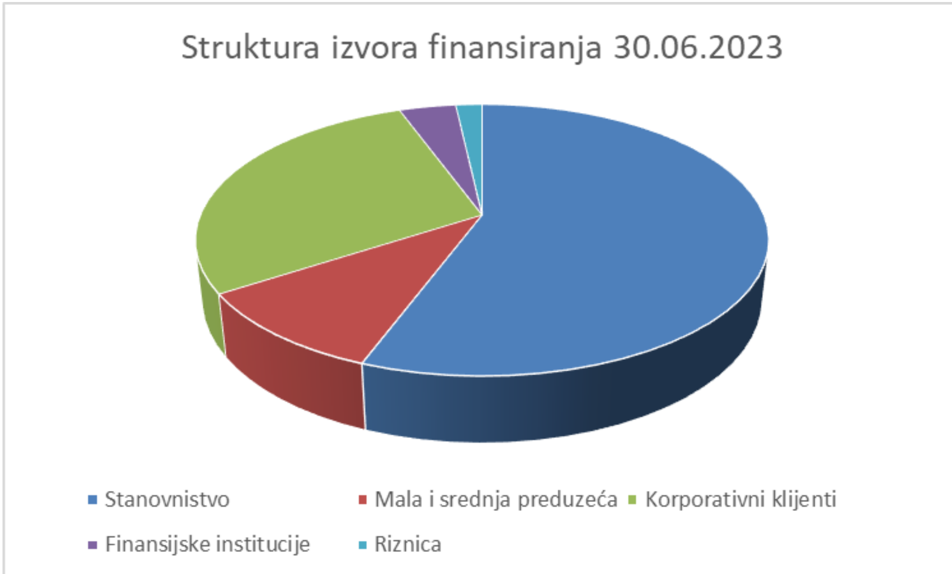
- maintenance of daily minimum liquidity buffer (dMLB);
- monitoring of ratios: liquid assets/total assets, liquid assets/liquid liabilities, loans/deposits+taken loans.

[1] Amount in nominal value.


Koeficijenti likvidnosti Jan-Jun 2023
100%
80%
60%
40%
20%
0%
Jan-23
Feb-23
Mar-23
Apr-23
May-23
Jun-23
Likvidna aktiva / ukupna aktiva
Likvidna aktiva / likvidna pasiva
Neto krediti / ukupni depoziti + uzeti krediti


Struktura izvora finansiranja Jan-Jun 2023
60%
50%
40%
30%
20%
10%
0%
Jan.23
Feb.23
Mar.23
Apr.23
May.23
Jun.23
Stanovnistvo
Mala i srednja preduzeća
Korporativni klijenti
Finansijske institucije
Riznica


Zaštitni sloj likvidnosti u 2022/2023
1,400,000
1,200,000
1,000,000
800,000
600,000
400,000
200,000
-
400%
350%
300%
250%
200%
150%
100%
50%
0%
1,262,758
297.09%
425,038
1,266,875
255.73%
495,393
356.05%
1,151,503
323,413
304.78%
966,762
317,198
Q3 2022
Q4 2022
Q1 2023
Q2 2023
Zaštitni sloj likvidnosti (u KM hilj.)
Neto likvidnosni odlivi (u KM hilj.)



Taking into account the bank's assets and liabilities structure as well as its liquidity and funding sources plans, the liquidity stress testing outcomes, the stability of funding sources, as well as the bank's business plan from the view-point of liquidity risk management, the bank has assessed its liquidity buffer as sustainable and stable. Additionally, the Bank maintains a sufficient level of liquidity protection layer in order to meet internal liquidity requirements in accordance with the provisions of the Decision on Liquidity Risk Management, meet internally defined limits and ultimately ensure smooth operations of the Bank.

Liquidity Contingency Plan

In order to effectively monitor liquidity risk management and overcome emergencies, the Bank has developed and maintains a set of instruments for early identification of possible liquidity crises and has defined a crisis management model in an internal document - RBBH Liquidity Contingency Plan.

A liquidity crisis occurs if there is a reasonable assumption that the Bank is not able to meet its obligations or if the Bank's asset growth outpaces potential funding capacity.

Factors from the environment can be an indicator of a liquidity crisis in the future. Generally, it should be linked with a general worsening of the standing of BH funds or a liquidity crisis in the local market and/or disruptions in the neighbouring financial markets. If there is a chance that there will be a major uncertainty regarding the liquidity costs and increased interest rate risk and dislocation of commercial activities, it is important to monitor these signals and analyse whether the available liquidity funds can satisfy the market test.

On the other hand, a possible liquidity crisis warning may also be related to factors specific for the Bank such as:

- Excessive ST financing;
- Excessive LT lending;
- Breach of liquidity gap limits at Group level;
- Illiquid assets growth outpaces available alternative funding potentials;
- Short or long term rating downgrade(s) (effective or market rumours);
- Reduction of available interbank facilities in the money market by the main fund providers;

- Large loan defaults;
- Poor or deteriorating quality of loan portfolio;
- Reduction of total volume of customer deposits;
- Non-diversified short-term customer funds - large concentrations of deposits;
- Significant reduction of liquid assets acceptable by local regulations;
- FX mismatch of assets/liabilities - internal limit breach;
- Utilisation of approved account overdrafts >or=75% within a single month.

Intensive monitoring of these factors focuses on the harmonious functioning of the process of early identification of potential signs of vulnerability to adverse events, initiating the escalation process and implementing the action plan.

Early warning indicators of possible liquidity crisis are instruments for timely detection of the first signs of liquidity deterioration due to negative impacts, which are defined in two levels:

a) Key indicators - a group of liquidity ratios that ALCO adopts annually and monitors monthly (defined in the section Description of liquidity risk exposure and compliance with the strategy as internal limits);

b) Additional indicators for early warning regarding a potential liquidity crisis - EWI. These indicators have three sub-groups of indicators covering various aspects of factors influencing the Bank's liquidity (market price indicator, liquidity indicator and counterbalancing capacity indicator). They are monitored by ALCO on a monthly basis.

Due to a need for quick reaction, the Liquidity Contingency plan defines possible actions in advance, with

- Precisely defined strategy of the Bank in case of lack of liquidity due to unfavourable events;
- Business areas, responsible persons, responsibilities, actions steps defined;
- communication and reporting actions defined aiming at an important increase in probability of successful overcoming of extraordinary events referring to liquidity.

The purpose of the Liquidity Contingency Plan is providing efficient intervention from the very beginning of a crisis and aims at providing minimal liquidity for a period of at least 30 days in any stage of the crisis.

Liquidity coverage ratio (LCR) data, including an overview of the items included in the calculation of that ratio.

To provide short term-resilience of its liquidity risk profile, the Bank is required to continuously ensure that minimum Liquidity Coverage Ratio (LCR) is greater or equal to 100%. This is the ratio between liquidity buffer and total net liquidity outflows over a stress period of 30 calendar days.

LCR template		
No.	**Item**	**Amount**
1.	Liquidity buffer	1,170,197
2.	Net liquidity outflow	405,284
3.	Liquidity coverage ratio (%)	288,74%
Liquidity buffer		
4.	The liquidity buffer in the form of level-1 assets, excluding the high-quality covered bonds (in line with Article 23 of the Decision): unadjusted	1,170,197
5.	Collateral outflow in the form of level-1a liquid assets, excluding high-quality covered bonds maturing within 30 days	
6.	Collateral inflow in the form of level 1 liquid assets, excluding high-quality covered bonds maturing within 30 days	
7.	Secured cash outflows	
8.	Secured cash inflows	
9.	Adjusted amount of the level 1 liquid assets excluding the covered high-quality bonds "before application of the cap value"	1,170,197
10.	Value of the level 1 liquid assets in the form of covered bonds of high quality in line with Article 23 of the Decision: unadjusted	
11.	Collateral outflows in the level-1 assets in the form of high-quality covered bonds maturing within 30 days	
12.	Collateral inflows in the level-1 assets in the form of high-quality covered bonds maturing within 30 days	
13.	Adjusted amount of the level 1 liquid assets in the form of covered high-quality bonds "before application of the cap value"	
14.	Adjusted amount of the level 1 liquid assets in the form of covered high-quality bonds "after application of the cap value"	
15.	"Amount of liquid assets surplus" of level 1 in the form of covered high-quality bonds	
16.	Value of level 2a liquid assets in line with Article 23 of the Decision: unadjusted	

17.	Collateral outflows in the level 2a liquid assets maturing within 30 days	
18.	Collateral inflows in the level 2a liquid assets maturing within 30 days	
19.	Adjusted amount of the level 2a liquid assets "before application of the cap"	
20.	Adjusted amount of the level 2a liquid assets "after application of the cap"	
21.	"Amount of liquid assets surplus" of level 2a	
22.	Value of level 2b liquid assets in line with Article 23 of the Decision: unadjusted	
23.	Collateral outflows in the level 2b assets maturing within 30 days	
24.	Collateral inflows in the level 2b assets maturing within 30 days	
25.	Adjusted amount of the level 2b liquid assets "before application of the cap"	
26.	Adjusted amount of the level 2b liquid assets "after application of the cap"	
27.	"Amount of liquid assets surplus" of level 2b	
28.	Amount of liquid assets surplus	
29.	Liquidity buffer	1,170,197
Net liquidity outflow		
30.	Total outflows	1,085,853
31.	Entirely exempt inflows	
32.	The inflows to which the 90% limit is applied	
33.	The inflows to which the 75% limit is applied	680,569
34.	Reduction by "entirely exempt inflows"	
35	Reduction by inflows to which the 90% limit is applied	
36.	Reduction by inflows to which the 75% limit is applied	680,569
37.	Net liquidity outflow	405,284

Pillar 2		
38.	Request from Pillar 2	

Data on Net Stable Funding Ratio (NSFRLCR), including an overview of the items included in the calculation of that ratio.

The Bank must ensure a minimum NSFR, that represents a ratio between ASF (Available Stable Funding) and RSF (Required Stable Funding) expressed in form of a percentage. Thus, the Bank must continuously maintain NSFR of at least 100% in the reporting currency, regardless of the actual denomination in the currency. Net stable funding ratio (NSFR) is aimed at promoting longer term resilience by encouraging banks to continuously finance their activities with stable funding sources.

	Net stable funding ratio (NSFR)	Amount	RSF (Required Stable Funding)	ASF (Available stable funding)	Ratio
		0010	0020	0030	0040
0010	**REQUIRED STABLE FUNDING**	6,585,578	2,473,976		
0020	RSF of Central Bank assets	1,336,005			
0030	RSF of liquid assets	332,779	27,983		
0040	RSF of the value of securities that are not liquid assets	55,494	46,811		
0050	RSF of loans	3,474,163	2,112,975		
0060	RSF of inter-dependant assets				
0070	RSF of assets within the group or institutional protection system if it is a subject of preferred treatment				
0090	RSF of contribution to the guarantee fund of central other contractual party				
0100	RSF of other assets	253,503	228,704		
0110	RSF of OB items	1,133,634	57,503		
0120	**AVAILABLE STABLE FUNDING**	5,359,239		4,119,440	
0130	ASF of capital items and instruments	654,184		654,184	
0140	ASF of retail deposits	2,696,539		2,502,481	
0150	ASF of other non-financial customers (except central banks)	1,686,434		866,448	
0160	ASF of operating deposits				
0170	ASF of obligations and mandatory lines within the group or institutional system of protection to which a preferred treatment applies				
0180	ASF of financial customers and central banks	234,494		85,346	
0190	ASF of obligations to another contractual party that cannot be determined				

0200	ASF of inter-dependant obligations with Agency approval				
0210	ASF of other liabilities	87,588		10,981	
0220	NSFR				166,51%

1.6 IRR in the banking book

The Bank discloses the following data and/ or information on its exposure to interest risk based on the banking book position as well as data on the approach to the interest risk measurement i.e. its assessment:

a) the sources of this risk and frequency of its assessment;

b) basic assumptions for measurements and assessments of interest risk exposure, including the assumptions on loan prepayments and a vista deposits trends;

c) changes in income, economic value or other factors due to interest rate shocks in accordance with the method established for measuring interest rate risk inherent to major currencies.

Sources of interest rate risk and frequency of its measurement

Interest Rate Risk in the banking book is the risk of possible negative effects on the financial result and capital of the bank based on positions from the banking book due to changes in interest rates.

Interest rate risk is the possibility of interest rate change in the future which will cause an economic loss i.e. it can pose a significant threat to the Bank's earnings and its CET1 capital, through a decrease of interest income or increase of interest costs. The risk of interest rate risk change affects the present value of future cash flows, thus also the net interest income and other cash flows sensitive to such change.

The Bank defines a framework for identification, measurement, monitoring and reporting through the Risk Taking and Management Strategy and Policy, Rulebook with a Special Part on Market Risk Management as well as the Program for Interest Rate Risk Management in the Banking Book. It is based on the existing assets and liabilities products and limited by both group and internal restrictions (appetite and tolerance) and restrictions defined by the local regulator.

The primary sources of interest rate risk are:

- Maturity mismatch risk of redetermination of interest rates is the risk to which the bank is exposed due to maturity mismatch (for fixed interest rates) and revaluation (for variable interest rates) of asset positions, liabilities, and long and short off-balance sheet positions in the banking book.
-
- Yield curve risk is the risk that results from changes in the shape and slope of the yield curve.
- Base risk is a risk to which a bank is exposed to due to a difference between reference interest rates for instruments with similar features vs. maturity or time until the next IR change.
- Option risk arises from options, including embedded options in interest-sensitive positions (e.g. loans with early repayment option, deposits with early withdrawal option).

According to local regulations, the Bank measures exposures to IRR in the banking book according to simple calculation when assessing economic value of the banking book, and it can be maximum 20% of regulatory capital, thus applying standard interest rate shock of 200 basis points to the banking book positions across all key currencies individually and for other currencies aggregately.

Additionally, the Bank established the internal limits where the exposure to IRR of the banking book is measured as follows:

- Potential changes of economic value are measured on daily through BPV and VaR reports
- Expected changes in net interest income (Earnings at risk) measure the effects of re-pricing according to the group methodology. Calculations are done quarterly.

- Expected changes in net interest income (Earnings at risk) measure the effects of re-pricing according to local/internal assumptions defined by ALCO. Calculations are done quarterly.

Control of interest risk through monitoring the use of BPV and VaR limits for the total position as well as major currencies (BAM, EUR, USD) is monitored daily, and reported monthly to ALCO, and quarterly to the Management Board and Supervisory Board. Reports on interest risk exposure defined according to local regulations are prepared on a monthly basis and submitted to ALCO, the Management Board, Supervisory Board and Risk Committee, as well as to the FBiH Banking Agency on a quarterly basis.

Basic assumptions for measurements and assessments of interest risk exposure, including the assumptions on loan prepayments and a vista deposits trends

Measurement of interest rate risk is based on measuring potential changes of economic value (BPV) as well as expected changes of net interest income (ISI) according to the internal methodology, and measuring the ratio of changes in the economic value of the banking book to regulatory capital according to regulations and methodology of the local regulator. For the calculation of the banking book's economic value within the measurements for regulatory purposes, a simplified calculation is used i.e. standard interest shock approach as parallel positive and negative movement of interest rates on the reference yield curve by 200 basis points.

In accordance with the internal methodology, identification of interest-sensitive products means establishing whether the products relate to categories of assets or liabilities, establishing their granularity, type of interest rate (fixed or variable), next IR determination date, currency, term and options (e.g. loans with a possibility of prepayment, deposits with an option of automatic prolongation, deposits with a possibility of preliminary withdrawal of funds and amendments, all products with floors and caps defined).

Pursuant to the "FBA Instructions for Interest Risk in the Banking Book", the settings for the treatment of interest risk positions which are reported are defined as follows:

- ✓ received/given a vista funds of the money market participants: transaction accounts and a vista deposits are allocated to the time zone up to 1 month;
- ✓ received/given a vista funds against transaction accounts and revolving loans are allocated to the time zone from 6 to 12 months; legal reserves with the CBBH are included in the form BA 01.00 in the time zone from 6 to 12 months, and the surplus above legal reserve is not considered interest sensitive;
- ✓ financial derivatives from Article 8 of the Decision shall be included according to the requirements of the Capital Calculation Decision related to credit risk mitigation techniques;
- ✓ Investments into debt securities are allocated into time zones in nominal principal amounts according to the agreed schedule;
- ✓ investments in other debt securities include securities held in loan and receivables portfolio;
- ✓ investments in investment funds are allocated depending on the structure of the fund's investments in interest sensitive instruments; if the bank is not familiar with the investment structure of the fund the share and structure of interest sensitive positions are assessed based on the investment fund's prospectus;
  assets and liabilities with repayment in annuities are allocated into time zones in accordance with agreed repayment schedule in the amount of principal or annuity of principal;
- ✓ repo/reverse repo deals and security lending to/borrowing from another counterparty are included as positions in loans given/taken;

- ✓ non-performing exposures are treated as interest rate sensitive positions on a net basis, after deduction for expected credit losses, the allocation of which to appropriate time zones should reflect the planned amount and period of inflow of expected cash flows;
- ✓ common off-balance sheet items: guarantees, letters of credit, issued bills of exchange and other guarantees, framework loans, financing obligations and other classic off-balance sheet items are not considered interest
sensitive items;
- ✓ matured positions shall not be treated as interest sensitive.

Changes in income, economic value or other factors due to interest rate shocks in accordance with the method established for measuring interest rate risk in significant currencies

In June 2024, the Bank was within the regulatory and internal limits. At the end of Q2, the Bank recorded utilisation of an internal BPV limit for ALM segment in the amount of KM 182.14 ths out of the total limit of KM 342.27 ths, which is total limit utilisation for all currencies of 53.22%, while within CM segment in the amount of KM 4.36 ths out of the total limit of KM 52.8 ths, which is a total limit utilisation for all currencies of 8.26%.

IRR Report based on local regulations shows the result of a change in economic value regarding regulatory capital of 9.36% as of 30.06.2024.

The utilization of RBBH StdVarHistAllEC limit amounted to KM 1,633 ths out of the total limit of KM 13,691 ths, which is the total utilization of the limit of 11.93%.

1.7 The bank's unencumbered (unpledged) and encumbered (pledged) assets

The Bank publishes the following data i.e. information referring to the following:

a) Bookkeeping amount of unencumbered (pledged) and encumbered (pledged) assets

If we look at the Bank's total securities portfolio, we recognize that at the reporting date, part of the portfolio was encumbered, i.e. used as collateral for the funding source, two credit lines of supranational financial institutions: European Investment Bank (hereinafter: EIB) and European Bank for Reconstruction and Development - EBRD).

Out of the total portfolio of the Bank's securities (Treasury and Markets segments), the total nominal value of BAM is 379.97 million, the value of the encumbered part is BAM 127.68 million (7.28% of the total portfolio). The stated amount of the encumbered assets includes BAM 880 thousand of the Government of Poland issue as a collateral in favour of EIB and the total of BAM 26.79 million is the issue of the Government of the Kingdom of the Netherlands, France and Austria in favour of EBRD, which is the basis for securing the outstanding amount of the stated credit lines (one EIB credit line with a debt balance of BAM 397 thousand and two EBRD credit lines, the EBRD Go Digital credit line with a total remaining balance of BAM 15.32 million, and for the EBRD Go Green credit line with a total remaining balance debt balance BAM 3.91 million) as of 30.06.2024.

Type of assets	Gross book value of encumbered assets	Gross book value of unencumbered assets
Loans granted		
Investments in debt instruments	27,675	
Investments in equity instruments		
Other		

b) the composition of encumbered (pledged) assets, by the asset types, indicating separately changes after the last public disclosure;

The part of the securities portfolio that is the subject of the EIB credit line is represented by the issue of the Government of Poland, with a nominal value of BAM 880 thousand (EUR 450 thousand). The issue is denominated in EUR, classified in the portfolio of the Treasury function as hold to collect i.e. hold to maturity position (investments hold to maturity). In addition, the issue is marketable by the European Central Bank.

Part of the portfolio of securities that is subject of securing the EBRD credit line are issues of the government of the Kingdom of the Netherlands, nominal value BAM 9.78 million (EUR 5.0 million) as well as issues of Austria, nominal value BAM 12.32 million (EUR 6.3 million), and French issues, nominal value BAM 4.69 mn (EUR 2.4 mn). All issues are denominated in EUR currency and classified in the portfolio of the Treasury function as hold to collect, i.e. hold to maturity positions (investments that are held until maturity). Both issues are also marketable by the European Central Bank.

In relation to the previous period, the change in the amount of assets that are the subject of collateral for credit lines is the result of additional withdrawal of funds from them and regular repayments.

c) the structure of encumbered (pledged) assets within the banking group;

At the reporting date, the Bank had no encumbered, pledged securities with any other member bank of the Group.

d) descriptive information on the impact of its business model on the level of encumbrance and importance of encumbrance for its financing model;

The Bank's business model anticipates a possibility to ensure alternative, additional funding sources:

- Contracting Repo deals
- arranging credit lines with securities pledging

The Bank has a stable structure of its funding sources, primarily the deposit base, on which it mostly bases its business plans. By planning a portfolio of securities that represents an additional liquidity buffer, primarily in the Treasury segment, the Bank ensures an adequate basis for providing additional funding sources by pledging them (from creditors and other members of the group).

The level of encumbrance of the securities portfolio is directly proportional to the Bank's business plans and needs, but to a lesser extent to the issuer and the type of security (in order to define the correction factor). The encumbrance of a part of the securities portfolio at the reporting date is in line with the business plan and expected values.

e) on excessive collateral, i.e. on cases when the value of the pledged property is higher than the book value of the assets;

The book value of encumbered, pledged securities on the reporting date is higher than the amount of required collateral, which is a result of decrease in outstanding amount of the credit line due to regular repayments and haircut (correction factor) that is calculated by the clearing company on the market of pledged securities. At the same time, the book value of encumbered securities does not deviate from their market value.

f) a description of the general terms and conditions of the collateral insurance agreements concluded to secure the bank 's liabilities and

On the basis of the three credit lines, a pledge of securities was agreed as a security instrument. It is a credit line with the European Investment Bank (signed on 03.05.2016) and two credit lines of the European Bank for Reconstruction and Development (signed on 19.10.2022 i.e. 04.12.2023).

In addition to the Financing Agreement, the Framework Pledge Agreement was signed with the European Investment Bank. The agreement defines the details of pledging securities, keeping them, replacing them, as well as the rights and obligations of both the pledgor and the pledgee, and the institution - clearing house where the pledged securities are kept. The costs of keeping pledged securities are also defined.

In addition to the Framework Pledge Agreement with the Creditor, a Collateral Management Agreement (pledged securities) was signed between the Bank and the clearing house where the securities are kept (Clearstream).

With the European Bank for Reconstruction and Development, the details of the pledge of securities, their preservation, their exchange, and the rights and obligations of the parties regarding the pledge and holding of securities are defined by a special clause of the financing agreement. According to the financing agreement, the pledged securities are held with the European Bank for Reconstruction and Development.

g) other information relevant to the assessment of its encumbered assets.

In the above text, the Bank provided all the information it considered important regarding the encumbered assets.

1.8 Non-performing and restructured exposures and repossessed collaterals.

a) *Quality of exposures is distributed into the credit risk levels with the relevant amounts of ECL;*

Pregled izloženosti razvrstanih u nivoe kreditnog riziika sa pripadajućim iznosima očekivanih kreditnih gubitaka	Nivo kreditnog rizika 1	Nivo kreditnog rizika 2	Nivo kreditnog rizika 3	Ispravka vrijednosti za Nivo 1 kreditnog rizika	Ispravka vrijednosti za Nivo 2 kreditnog rizika	Ispravka vrijednosti za Nivo 3 kreditnog rizika
1. Gotovina i gotovinski ekvivalenti (1.1 + 1.2 + 1.3 + 1.4)	1,494,623	-	-	1,517	-	-
2. Finansijska imovina po amortizovanom trošku (2.1 + 2.2 + 2.3. + 2.4. + 2.5)	3,555,849	233,858	120,365	23,366	24,651	99,211
3. Finansijska imovina po fer vrijednosti kroz bilans uspjeha (3.1 + 3.2 + 3.3 + 3.4)	9,066	1,770	123	-	-	-
4. Finansijska imovina po fer vrijednosti kroz ostalu sveobuhvatnu dobit (4.1 + 4.2 + 4	543	-	1	-	-	-
5. Potraživanja po finansijskim najmovima	-	-	-	-	-	-
6. Derivatni finansijski instrumenti	-	-	-	-	-	-

b) *Credit quality of loans according to their sector structures;*

Pregled kreditnog kvaliteta kredita prema sektorskoj strukturi kredita	Nivo kreditnog rizika 1		Nivo kreditnog rizika 2		Nivo kreditnog rizika 3	
		Od čega: restrukturirani krediti		Od čega: restrukturirani krediti		Od čega: restrukturirani krediti
1. Ukupni krediti pravna lica (1.1. do 1.21.)	**1,021,850**	**51**	**60,151**	**1,090**	**3,977**	**1,541**
1.1. A Poljoprivreda, šumarstvo i ribolov	7,802	-	1,428	23	15	-
1.2. B Vađenje ruda i kamena	347	-	-	-	11	-
1.3. C Prerađivačka industrija	244,680	-	14,908	142	1,652	1,205
1.4. D Proizvodnja i opskrba električnom energijom, plinom, parom i kli	9,990	-	80	-	-	-
1.5. E Opskrba vodom, uklanjanje otpadnih voda, gospodaranjem otpadom te djelatnosti sanacije okoliša	10,712	1	441	94	-	-
1.6. F Građevinarstvo	25,413	22	2,060	-	44	-
1.7. G Trgovina na veliko i malo; popravak motornih vozila i motocikala	480,958	21	29,209	739	1,944	140
1.8. H Prijevoz i skladištenje	41,600	7	4,320	27	225	159
1.9. I Djelatnosti pružanja smještaja te pripreme i usluživanja hrane (hotelijerstvo i ugostiteljstvo)	1,757	-	397	20	-	-
1.10. J Informacije i komunikacije	51,368	-	53	-	-	-
1.11. K Finansijske djelatnosti i djelatnosti osiguranja	73,551	-	3,641	-	-	-
1.12. L Poslovanje nekretninama	8,095	-	444	-	-	-
1.13. M Stručne, znanstvene i tehničke djelatnosti	8,942	-	1,605	29	63	24
1.14. N Administrativne i pomoćne uslužne djelatnosti	4,052	-	1,158	7	23	13
1.15. O Javna uprava i obrana; obvezno socijalno osiguranje	45,784	-	246	-	-	-
1.16. P Obrazovanje	1,470	-	22	-	-	-
1.17. Q Djelatnosti zdravstvene zaštite i socijalne skrbi	4,227	-	61	-	-	-
1.18. R Umjetnost, zabava i rekreacija	385	-	3	-	-	-
1.19. S Ostale uslužne djelatnosti	716	-	75	9	-	-
1.20. T Djelatnosti kućanstva kao poslodavca; djelatnosti kućanstva koja proizvode različita dobra i obavljaju različite usluge za vlastite potrebe	-	-	-	-	-	-
1.21. U Djelatnosti izvanteritorijalnih organizacija i tijela	1	-	-	-	-	-
2. Ukupno stanovništvo (2.1 + 2.2 + 2.3)	**1,635,652**	**4,944**	**149,832**	**3,729**	**17,158**	**1,144**
2.1. Opća potrošnja	1,329,073	4,786	125,511	3,596	15,904	1,134
2.2. Stambena izgradnja	285,987	141	22,313	62	1,170	-
2.3. Obavljanje djelatnosti (obrtnici)	20,592	17	2,008	71	84	10
3. Ukupni krediti (1. + 2.)	**2,657,502**	**4,995**	**209,983**	**4,819**	**21,135**	**2,685**

c) *Credit quality of restructured exposures;*

Pregled kreditnog kvaliteta restrukturiranih izloženosti	Nivo kreditnog rizika 1 - restruktuirane izloženosti	Nivo kreditnog rizika 2 - restruktuirane izloženosti	Nivo kreditnog rizika 3 - restruktuirane izloženosti
Finansijska imovina po amortizovanom trošku	5,016	4,844	2,686

d) *Change in status of non-performing exposures and relevant ECL during the reporting period, which includes an initial balance, changes during reporting period and final balance;*

Promjene stanja nekvalitetnih izloženosti	Početno stanje	Novi nekvalitetni krediti u izvještajnom periodu (+)	Oporavak (-)	Naplata (-)	Računovodstveni otpis (-)	Trajni otpis (-)	Ostalo (+/-)	Krajnje stanje
Pravna lica	5,534	1,190	(4)	(3,225)	-	-	482	3,977
Stanovništvo	17,100	11,040	(3,591)	(6,337)	-	-	(1,055)	17,157
Ukupno	**22,634**	**12,230**	**(3,595)**	**(9,562)**	-	-	**(573)**	**21,134**

e) *Data on the total amount of collateral repossessed by takeover and implementation of enforcement proceedings.*[2]

In the corporate segment, Raiffeisen Bank dd Bosna i Hercegovina had eleven items of acquired tangible assets in the bank's books as of 30.06.2024. These are ten real estates with a book value of 1 KM per registered real estate and one real estate with a book value of KM 1,089.00.

In the retail segment, three items of acquired tangible assets were recorded in the bank's books as of 30.06.2024. These are two real estates recorded at a book value of 1 KM and one at a book value of KM 12,726.48.

Peter Jacenko
Chairman of the Supervisory Board

Raiffeisen BANK DD BOSNA I HERCEGOVINA

No: 1-9-34525-G3a-NO/2025
Date: 24.09.2024

[2] Amount in nominal value.