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Raiffeisen Bank International AG

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Raiffeisen Bank International AG

SACP	bbb+	+	Support	0	+	Additional Factors	0

Anchor	bbb+	
Business Position	Adequate	0
Capital and Earnings	Adequate	0
Risk Position	Adequate	0
Funding	Above Average	0
Liquidity	Adequate	

ALAC Support	0
GRE Support	0
Group Support	0
Sovereign Support	0

Issuer Credit Rating
BBB+/Positive/A-2

The scores above relate to the group credit profile of Raiffeisen Banking Group.

Major Rating Factors

Strengths:	Weaknesses:
• Group credit profile based on solidarity support and the sector's domestic joint liability scheme. • Strong presence in Austria, Central and Eastern Europe (CEE), and Southeastern Europe (SEE) in retail and commercial banking operations. • Above-average funding profile, owing to the group's strong retail deposit franchise.	• Because of its complex group structure, in our view, Raiffeisen Banking Group is slower to adapt to the changed operating environment than its main peers. • Tight margins in highly competitive business in Austria and low efficiency of operations. • Vulnerability to economic and political developments in Russia, CEE, and SEE.

Outlook: Positive

S&P Global Ratings' outlook on Raiffeisen Bank International AG (RBI) is positive. It reflects RBI's status as a core group member of Raiffeisen Bank Group (RBG) and our view that RBG's group credit profile may strengthen over the next two years, thanks to:

- Increasing cohesiveness of the group's management, which would support stronger focus on the efficiency and sustainable improvement of internal capital generation capacity;
- Potential issuance of additional Tier 1 instruments, supporting the capital buffer; and
- Further improvement of the funding and liquidity profile.

We also expect that the group will be able to defend its market position and retail franchise in its core markets in CEE and the Commonwealth of Independent States (CIS), which remain highly competitive markets, and that RBI's core role for the group will remain unchanged.

We could consider an upgrade if growth in core operating earnings and potential hybrid capital issuance (qualifying for inclusion in our capital definition) moves our risk-adjusted capital (RAC) ratio for RBG comfortably and sustainably above 10%. However, we would additionally need to see a track record of profit resilience, improved risk metrics, and efficiency in line with peers, and increased cohesiveness and financial transparency in consolidated reporting disclosure by RBG. A cautious growth policy in higher-risk countries would be a pre-condition for an upgrade.

While less likely, we could also consider the upgrade if RBG's funding and liquidity profile continues to improve, underpinned by materially stronger metrics than those of peer groups, and if we gain confidence that consolidated ratios at the RBG level are also representative of RBI's main operating subsidiaries abroad.

We would revise the outlook to stable if RBG deviates from its cautious expansion strategy in foreign operations and proves unable to achieve improved efficiency over the next two years. This, combined with unexpected pronounced credit losses and weaker earnings in higher-risk regions, could result in a deterioration of our RAC projection. We would also revise the outlook to stable if economic conditions in core countries deteriorated markedly. Exposure to geopolitical risk in some of its extended home markets in CEE and Russia create potential downside risk to the group's creditworthiness.

Rationale

The ratings on RBI reflect the bank's importance to RBG and RBG's aggregate creditworthiness.

RBG comprises:

- Its central institution, RBI;
- The Austrian Raiffeisen sector's eight Raiffeisenlandesbanks and Raiffeisenkassen; and
- 434 independent cooperative banks.

We assess the unsupported GCP of RBG at 'bbb+', because we regard the sector as a cohesive economic group and expect solidarity support among member banks in a crisis.

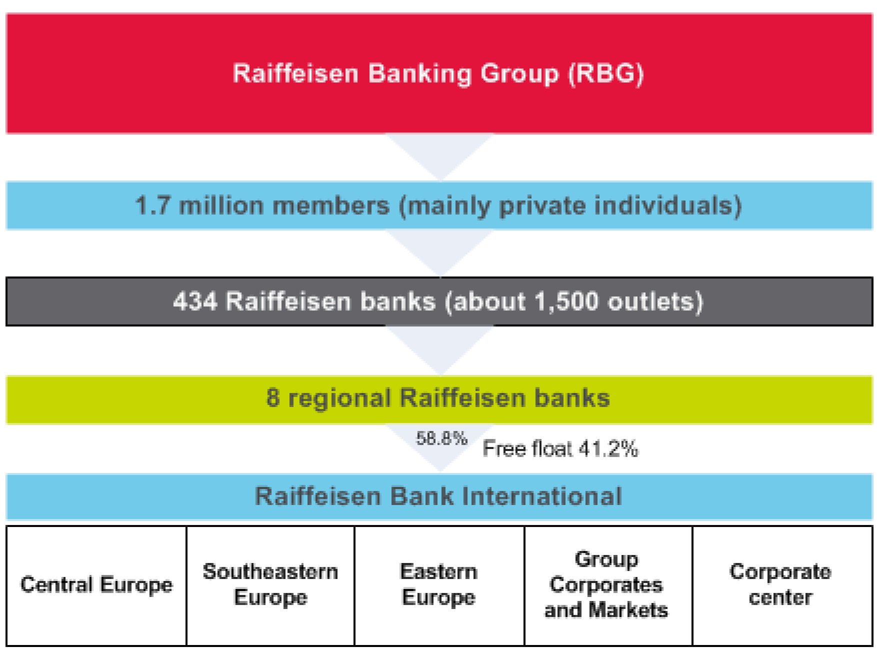
Following the merger with former parent Raiffeisen Zentralbank AG (RZB) in March 2017, RBI is now the group's central institution. We view its role as core for the group's strategy. As such, we equalize our ratings on RBI with the 'bbb+' GCP of RBG. We don't assess a stand-alone credit profile for RBI.

The starting point for our assessment of RBG's unsupported GCP is its 'bbb+' anchor, which is based on our view of economic risk in the countries in which RBG operates.

We see RBG's business position as adequate, reflecting the local Raiffeisen banks' strong domestic retail positions and RBI's strong competitive positions in retail and corporate business in Austria, CEE, and SEE. At the same time, the assessment reflects the group's complex structure, which results in a somewhat slower reaction to a changing operating environment than that of peers. We assess capital and earnings as adequate, since we anticipate that the group's aggregate RAC ratio before diversification will increase to 9%-10% over the next two years. We anticipate the risk position will remain adequate, as RBG's higher quality, granular loan portfolios in Austria balance riskier foreign operations. We believe funding will remain above average and liquidity adequate, thanks to RBG's strong retail deposit franchises in both the domestic and foreign markets, providing funding stability.

We derive our 'A-2' short-term counterparty credit rating by applying the mapping guidelines between long- and short-term ratings described in our criteria "Methodology For Linking Long-Term And Short-Term Ratings," published April 7, 2017, on RatingsDirect.

Raiffeisen Banking Group—Group And Shareholder Structure



Data as of December 2016.

Anchor: Reflects economic risks in the domestic and international operations and industry risk in Austria

Under our bank criteria, we use our Banking Industry Country Risk Assessment (BICRA) economic risk and industry risk scores to determine a bank's anchor, the starting point for further bank analyses. Our anchor for a commercial bank operating only in Austria is 'bbb+', based on an economic risk score of '2' and an industry risk score of '4' (on a scale of '1' to '10', with '1' representing the lowest risk and '10' the highest).

The 'bbb+' anchor for RBG draws on our view of the weighted-average economic risk in countries the group is exposed to. This is based on the distribution of exposure at default for RBG's customer loan portfolio at year-end 2016, spanning Austria (60%), Poland (5%), Czech Republic (5%), Slovakia (5%), Russia (5%), Romania (5%), the rest split across Europe.

Although the group will retain its higher risk profile than purely domestic banks, because of its strong presence in foreign markets, the assessment is still within the threshold of the Austrian banks' anchor. The weighted-average economic risk score was '3.3' as of year-end 2016; we anticipate no material shifts of the operations over the next two years as the group has largely accomplished the restructuring of foreign operations.

The industry risk score for RBG is based solely on its home market of Austria. Combining the economic risk score of '3' and an industry risk score of '4, our anchor for RBG is 'bbb+'.

We note that the group's anchor is very sensitive to lending growth in countries we consider as higher risk or to negative economic developments in these countries.

Table 1

Raiffeisen Banking Group Austria Key Figures					
	--Fiscal year ended Dec. 31--				
(Mil. €)	**2016**	**2015**	**2014**	**2013**	**2012**
Adjusted assets	278,909	278,847	284,688	280,158	290,185
Customer loans (gross)	186,955	185,187	190,475	191,070	193,879
Adjusted common equity	19,059	18,132	16,314	16,110	16,041
Operating revenues	8,701	9,217	9,381	9,849	9,979
Noninterest expenses	5,881	5,997	6,535	6,699	6,794
Core earnings	1,649	1,442	132	1,239	803

Business position: Largest banking group in Austria, with a strong footprint in CEE

We view RBG's business position as adequate, owing to its solid domestic market share in retail and corporate banking, particularly from the dominant and stable client base in the lower-tier Raiffeisen banks, and from RBI's strong position in various countries in CEE and CIS. At the same time, the assessment reflects the group's complex structure, which results in a somewhat slower reaction to the changing operating environment compared with peers.

The Raiffeisen sector in Austria, with consolidated assets of €280 billion as of year-end 2016, is the largest banking group in Austria and operates in a three-tier structure consisting of 434 local Raiffeisenbanks, eight regional central banks (Raiffeisenlandesbanks), and RBI as the central institution and group servicer. The strong operational and organization integration within the group and strong solidarity among RBG banks is underpinned by the Institutional

Protection Scheme at the national level and the sectorwide protection scheme covering 100% of customers' deposits and issued securities.

We regard RBG as a cohesive economic group and expect solidarity support among member banks in a crisis. Even though the two institutional protection schemes cover only selected parts of the RBG, in the end, each domestic member of the group is covered by one of the two schemes, which we consider to contribute to the overall cohesiveness of the group.

Tier 1 and Tier 2 banks are predominately active in Austria, with RBI being the group's gateway to the extended home markets in CEE and CIS. The group has one of the densest and most diverse banking networks in the region, servicing 17 million customers in 15 countries. This geographic diversification enables the group to generate sufficient revenues over the cycle, as demonstrated during the last financial crisis. In Austria, the group has about 30% share in customer deposits; through RBI it also holds top-five market positions in most of the CEE markets, with a focus on bread and butter retail and corporate banking activities.

The balance of a relatively granular portfolio of corporate and retail lending in Austria (which constitutes over two-thirds of the overall RBG's customer lending) with foreign operations provides diversification benefits and business position strength compared with many peers operating in environments with similar risk. The largest foreign markets include Russia, Czech Republic, Slovakia, Romania, and Hungary.

The group has made material progress in deleveraging since 2014, with the repositioning expected to be largely finalized by year-end 2017 (reduction of exposure in Russia and Ukraine, repositioning in Hungary and almost full exit from Asia and the U.S.). In our view, following the restructuring of recent years, RBI is now likely to contribute to the overall group's performance with more resilient earnings.

RBI's investment banking activities are minor and don't materially contribute to the overall results. A focus on traditional banking, on the one hand, adds to stability of the results, but, on the other hand, results in high reliance on interest income generation and sensitivity to the low-interest-rate environment.

Operating revenues have been materially decreasing in recent years, reflecting deleveraging and low interest rates. Cost base improvement has been marginal and could not compensate for the decrease of operating income. Bottom line is currently supported by low risk-costs, but will come under pressure when risk costs normalize--leaving management with the urgent and challenging task of a material cost reduction to prepare for the downside of the business cycle.

Due to the group's complex structure, its reaction to the changed operating environment has been somewhat slower than peers', in our view. Specifics of the loose, three-tier group structure complicate strategic decision-making due to, in some cases, the heterogeneous interests of a high number of independent group members. The pace of transformation is likely to speed up in the longer term, but in our view there is unlikely to be material progress over the next two years.

Table 2

Raiffeisen Banking Group Austria Business Position					
	--Fiscal year ended Dec. 31--				
(%)	**2016**	**2015**	**2014**	**2013**	**2012**
Return on equity	10.63	11.16	0.94	9.21	4.66

Capital and earnings: Adequate risk coverage

We assess RBG's capital and earnings as adequate. We anticipate retained earnings and potential issuance of Tier 1 instruments will outpace growth and lead to further improvement of our RAC ratio for RBG to around 10% by year-end 2018 from 8.5% at year-end 2016. Within this projection, we assume only marginal growth in higher-risk countries and risk costs below our view of normalized losses over the cycle.

We expect that the operating environment in the group's biggest core markets will remain stable, facilitating the generation of steady earnings from its traditional customer-led retail and corporate customer business. We expect the pace of the improvement in efficiency to be slow but steady. In our view, RBG's earnings will continue to be pressured by low interest rates, as being a group with a focus on retail customer business, RBG is particularly sensitive to the prolonged low interest rates. But at the same time, we anticipate that internal earnings accumulation will be sufficient to support the low-single-digit growth that management targets and for further accumulation of the capital buffer in the next two years.

We project RBG's three-year average earnings buffer, which measures the capacity for a bank's earnings to cover normalized losses, at a low 57 basis points (bps). However, reflecting lack of growth, we regard this earnings buffer as sufficient to uphold the current capital buffer, absent tail events.

In our base case, we believe the situation in riskier countries remains manageable and is highly unlikely to lead to losses on the aggregated RBG level. However, RBG's earnings continue to be sensitive to economic and political developments outside Austria. The main risk spot in foreign exposure remains Russia. RBI could take a hit from a material depreciation of the ruble and risk costs could increase. At the same time, the Russian operations have been remarkably resilient in a very difficult Russian operating environment and we believe the Russian banking sector's prospects have stabilized.

Table 3

Raiffeisen Banking Group Austria Capital And Earnings					
	--Fiscal year ended Dec. 31--				
(%)	**2016**	**2015**	**2014**	**2013**	**2012**
S&P RAC ratio before diversification	8.24	7.40	6.44	5.74	5.96
S&P RAC ratio after diversification	9.00	8.61	7.48	6.75	6.99
Adjusted common equity/total adjusted capital	100.00	100.00	100.00	96.99	100.00
Net interest income/operating revenues	68.13	68.63	73.08	62.23	60.69
Fee income/operating revenues	29.12	27.67	27.52	25.33	24.34
Market-sensitive income/operating revenues	2.71	1.55	(0.61)	4.24	6.92
Noninterest expenses/operating revenues	67.59	65.06	69.66	68.02	68.08
Preprovision operating income/average assets	1.01	1.14	1.00	1.10	1.14

Table 3

Raiffeisen Banking Group Austria Capital And Earnings (cont.)					
	--Fiscal year ended Dec. 31--				
(%)	**2016**	**2015**	**2014**	**2013**	**2012**
Core earnings/average managed assets	0.59	0.51	0.05	0.43	0.29

Table 4

Raiffeisen Banking Group Austria Risk-Adjusted Capital Framework Data					
(Mil. €)	**Exposure***	**Basel II RWA**	**Average Basel II RW (%)**	**S&P Global Ratings RWA**	**Average S&P Global Ratings RW (%)**
Credit risk					
Government and central banks	52,796	2,862	5	9,606	18
Institutions	19,195	3,965	21	5,531	29
Corporate	75,362	60,576	80	70,090	93
Retail	94,632	42,927	45	54,991	58
Of which mortgage	53,829	18,905	35	16,683	31
Securitization§	392	80	20	203	52
Other assets	14,009	11,317	81	16,467	118
Total credit risk	256,385	121,726	47	156,888	61
Market risk					
Equity in the banking book†	5,654	7,153	127	47,928	848
Trading book market risk	--	3,646	--	5,470	--
Total market risk	--	10,800	--	53,397	--
Insurance risk					
Total insurance risk	--	--	--	4,410	--
Operational risk					
Total operational risk	--	16,990	--	16,686	--
(Mil. €)		**Basel II RWA**		**S&P Global Ratings RWA**	**% of S&P Global Ratings RWA**
Diversification adjustments					
RWA before diversification		150,924		231,382	100
Total Diversification/Concentration Adjustments		--		(19,540)	(8)
RWA after diversification		150,924		211,842	92
(Mil. €)		**Tier 1 capital**	**Tier 1 ratio (%)**	**Total adjusted capital**	**S&P Global Ratings RAC ratio (%)**
Capital ratio					
Capital ratio before adjustments		17,275	11.4	19,059	8.2
Capital ratio after adjustments‡		17,275	10.5	19,059	9.0

*Exposure at default. §Securitisation exposure includes the securitisation tranches deducted from capital in the regulatory framework. †Exposure and S&P Global Ratings risk-weighted assets for equity in the banking book include minority equity holdings in financial institutions. ‡Adjustments to Tier 1 ratio are additional regulatory requirements (e.g. transitional floor or Pillar 2 add-ons). RWA--Risk-weighted assets. RW--Risk weight. RAC--Risk-adjusted capital. Sources: Company data as of Dec. 31, 2016, S&P Global Ratings.

Risk position: Adequate, as captured by our RAC ratio

We continue to see RBG's overall risk position as adequate, as tail risks to the forecast due to foreign operations and high complexity of the group structure are balanced by the group's very low domestic risk profile, prudent risk management, and increasing focus on asset quality improvement.

We expect the group's domestic operations to stagnate in the next two years. Overall, we anticipate low growth of the loan portfolio, driven by expansion in Czech Republic, Slovakia, and Romania, countries with higher risk profile than Austria. We expect that growth will not be sufficient to trigger a worsening of the group's risk profile or other components of the group credit profile.

The independent tier 1 and tier 2 banks operate generally only in their regions and are constrained by their own limits on single exposures. As a result, the group's exposure concentration by name is mostly driven by RBI's large loans. On an aggregated basis, the single-name and sector concentrations in the loan book are low, leading to a significant positive adjustment to the bank's risk-weighted assets (RWAs) in our RAC model. Reflecting high granularity of traditional banking operations, we think that the loan book will remain widely diversified, geographically, by sector, and single name.

At the same time, our RAC ratio cannot fully capture the complexity of RBG's business model, spread across different countries and different independent tiers. The group operates in some foreign markets that we consider to have materially higher industry risks than Austria, and this exposes RBG not only to credit risk, but to substantial market and political risk.

Also, the group's highly complex structure results in relative complexity in the monitoring of the consolidated overall group risk profile. Risk profiles across sector members differ, given each bank's independent risk strategy. Our concerns are mitigated by the fact that tools for risk monitoring and risk methodology are provided or at least influenced centrally. Within consolidated risk monitoring, each member provides a set of data on a regular basis.

RBG's nonperforming loans (NPLs) represented 7% of the customer loan book at year-end 2016. Asset quality varies substantially between markets and also between independent domestic banks, depending on the economic conditions and the structure of individual portfolios.

RBI's NPL ratio stood at 9% as of year-end 2016. Overall, the NPL ratio was weaker than the peer average, but, reflecting high coverage of NPLs by loan loss provisions in higher risk countries, we think that existing high NPLs do not create a material downside to the bank's capitalization and earnings.

We regard that the group's market and operational risks are contained and adequately managed.

Table 5

Raiffeisen Banking Group Austria Risk Position					
	--Fiscal year ended Dec. 31--				
(%)	**2016**	**2015**	**2014**	**2013**	**2012**
Growth in customer loans	0.95	(2.78)	(0.31)	(1.45)	7.65
Total diversification adjustment / S&P RWA before diversification	(8.44)	(14.12)	(13.99)	(14.94)	(14.81)
Total managed assets/adjusted common equity (x)	14.67	15.42	17.50	17.48	18.17

Table 5

Raiffeisen Banking Group Austria Risk Position (cont.)					
	--Fiscal year ended Dec. 31--				
(%)	**2016**	**2015**	**2014**	**2013**	**2012**
New loan loss provisions/average customer loans	0.36	0.73	1.10	0.83	1.01
Gross nonperforming assets/customer loans + other real estate owned	7.00	6.33	6.59	5.79	5.35
Loan loss reserves/gross nonperforming assets	57.44	84.38	86.02	85.53	91.38

Funding and liquidity: Solid funding thanks to a strong retail deposit franchise

We continue to reflect stability of RBG's granular retail funding base and its moderate reliance on wholesale funding in our assessment of its above-average funding and adequate liquidity.

We base our funding and liquidity assessment on the sizable surplus liquidity of the majority of local Raiffeisen banks; their funding comes chiefly from retail and smaller corporations deposits, and they typically display loan-to-deposit ratios well below 100%, which is supported by a strong franchise and broad branch network. As a central institution, RBI has very good indirect access to granular and stable customer deposits through the Austrian local Raiffeisen banks and CEE retail and corporate deposits.

We also recognize the strong solidarity among the banks in the Raiffeisen sector, underpinned by the sector's cross-guarantee scheme (covering 100% of customer deposits in Austria and issued securities), which adds stability to group members and the funding profile. As short-term bank deposits from intragroup banks are not considered as available stable funding for calculation purposes, the group's stable funding ratio of 111% in 2016 does not fully capture group support. We expect the group to continue benefitting from its solid reputation in both the Austrian and foreign operations, which contributes to the gradual increase of the deposit base and a better deposit pricing power than many competitors.

RBG's loan-to-deposit ratio was a strong 95% as of end-2016, also supported by the self-sufficiency of most foreign operations.

As RBG's central institution, RBI benefits from the group's ongoing placement of excess liquidity. RBG's dependence on wholesale funding (defined as interbank, unsecured, and secured debt issues) is moderate and the needs mainly relate to RBI. RBG's wholesale funding was 23% of total funding as of end-2016. RBI has demonstrated its ability to access wholesale markets and make private placements through the cycle.

RBG's coverage of short-term wholesale funding by broad liquid assets of 2.6x as of year-end 2016 is high and higher than the average in Austria. However, we cannot assume a full fungibility of liquidity within the RBG network, particularly not to and between foreign subsidiaries, which prevents a better liquidity assessment for the group.

Table 6

Raiffeisen Banking Group Austria Funding And Liquidity					
	--Fiscal year ended Dec. 31--				
(%)	**2016**	**2015**	**2014**	**2013**	**2012**
Core deposits/funding base	77.07	74.11	69.20	69.72	67.71
Customer loans (net)/customer deposits	94.73	96.15	103.16	104.81	107.09

Table 6

Raiffeisen Banking Group Austria Funding And Liquidity (cont.)					
	--Fiscal year ended Dec. 31--				
(%)	**2016**	**2015**	**2014**	**2013**	**2012**
Long term funding ratio	91.05	88.92	85.54	86.23	84.74
Stable funding ratio	111.25	109.68	105.19	103.13	101.02
Short-term wholesale funding/funding base	9.65	11.91	15.41	14.71	16.24
Broad liquid assets/short-term wholesale funding (x)	2.62	2.20	1.72	1.59	1.53
Net broad liquid assets/short-term customer deposits	25.34	24.19	20.00	15.62	15.77
Short-term wholesale funding/total wholesale funding	42.09	46.00	50.02	48.26	50.30

Support: Group support drives the ratings on RBI

Following the merger with former parent Raiffeisen Zentralbank AG (RZB) in March 2017, RBI is now the group's central institution. We view its role as core for the group's strategy. The assessment reflects the operational integration, the sector-wide cross-guarantee scheme, and the Institutional Protection Scheme at the national level, including group-based regulatory oversight. As such, we equalize our ratings on RBI with the 'bbb+' GCP of RBG.

Our ratings on RBI are based on the sector's aggregate creditworthiness, given that we consider member banks to be a group of integrated institutions although they are legally independent. We consider the sector as a cohesive economic group despite its decentralized organization. We base our view on the sector's integration and system of solidarity, including its protection scheme.

We assign an unsupported GCP of 'bbb+', considering our major rating factors discussed in previous sections. This assessment incorporates support of group members within the group, as we believe the member banks are likely to support core group members under any foreseeable circumstance.

As for most other European markets, we now see the prospects for extraordinary government support as uncertain in Austria, given the move to use the new bank resolution framework to deal with failing banks and constraints on the conditions under which taxpayer support can be provided. As a systemic banking institution in Austria, we expect that the resolution authorities would want to pursue a bail-in led resolution strategy for RBI that could avoid a default on its senior obligations. However, we do not incorporate any uplift under our additional loss-absorbing capacity (ALAC) methodology to the ratings on RBI. This is because we believe that RBG member banks are likely to support core group members under any foreseeable circumstance and derive our rating on RBI based on group support.

We anticipate that our current rating approach--based on RBG group support--will continue to lead to a higher rating outcome compared with the stand-alone assessment on RBI, even if supported by material ALAC accumulation in the next four years. We consider group support is likely to remain the strongest support element in our ratings on RBI.

We understand that regulators would apply a resolution framework to individual institutions of RBG (which are deemed to be sufficiently significant) and not to the group as a whole. For individual cooperative banks, it is generally unlikely that they would be subject to a well-defined bail-in resolution process, given their small size, limited complexity, and low systemic importance as stand-alone entities.

In the next 12 months, we expect to have more clarity on the resolution strategy for the group, the regulatory bail-in buffer (MREL) requirement, and management's approach for building and downstreaming that MREL at different tier levels within RBG. As this clarity comes, we might adjust our rating approach, if ALAC uplift to the rating on RBI would lead to a rating higher than that based on the group support and if we were comfortable that RBI's ALAC would not be made available to protect senior creditors of other RBG banks.

Additional rating factors:None

No additional factors affect this rating.

RZB Finance (Jersey) IV Ltd. (XS0253262025)

In accordance with our criteria, the 'BB+' rating on RZB Finance (Jersey) IV Ltd. reflects our analysis of the instrument and our 'BBB+' issuer credit rating on RBI, which has entered into legal obligations of RZB (Raiffeisen Zentral Bank AG).

RZB Finance (Jersey) IV Ltd. is a special-purpose vehicle collecting funding on behalf of RBI. We now see nonpayment risks to hybrids issued by the vehicle to be similar to those of RBI's other Tier 2 instruments and rate these hybrids at the same level as we would rate equivalent-ranking debt of RBI.

RBI is RZB's legal successor with regard to the Support Agreement originally extended by RZB to RZB Finance (Jersey) IV Ltd. Our issue credit rating approach reflects our view that RZB Finance (Jersey) IV Ltd. acts as a pass-through vehicle. Its debt obligations are backed by equivalent-ranking obligations issued by RBI, and we view RBI as willing and able to support the vehicle to ensure full and timely payment of interest and principal.

As such, we use our issuer credit rating on RBI as starting point for the notching of RBI subordinated and hybrid instruments issued through the issuance vehicle. We believe that RBG's group support will extend to RBI's subordinated and hybrid issues.

The issue rating stands three notches below the issuer credit rating. We derive this three-notch difference as follows:

- One notch for subordination,
- One notch for ability to suspend coupon,
- One notch due to the temporary principal full or partial write-down.

We classify the instrument as having low equity content.

Related Criteria And Research

Related Criteria

- Methodology For Linking Long-Term And Short-Term Ratings, April 7 2017
- Criteria - Financial Institutions - Banks: Bank Rating Methodology And Assumptions: Additional Loss-Absorbing Capacity, April 27, 2015
- Criteria - Financial Institutions - Banks: Bank Hybrid Capital And Nondeferrable Subordinated Debt Methodology And Assumptions, Jan. 29, 2015
- General Criteria: Group Rating Methodology, Nov. 19, 2013
- Criteria - Financial Institutions - Banks: Quantitative Metrics For Rating Banks Globally: Methodology And Assumptions, July 17, 2013

- Criteria - Financial Institutions - Banks: Revised Market Risk Charges For Banks In Our Risk-Adjusted Capital Framework, June 22, 2012
- Criteria - Financial Institutions - Banks: Banking Industry Country Risk Assessment Methodology And Assumptions, Nov. 9, 2011
- Criteria - Financial Institutions - Banks: Banks: Rating Methodology And Assumptions, Nov. 9, 2011
- Criteria - Financial Institutions - Banks: Bank Capital Methodology And Assumptions, Dec. 6, 2010
- General Criteria: Use Of CreditWatch And Outlooks, Sept. 14, 2009

Related Research

- Austrian Raiffeisen Bank International Upgraded To 'BBB+' On Shareholders' Merger Approval; Outlook Negative, Jan. 26, 2017
- Austrian Raiffeisen Bank International Outlook Revised To Positive On Derisking And Improving Fundamentals, May 30, 2017

Anchor Matrix

Industry Risk	**Economic Risk**									
	1	2	**3**	4	5	6	7	8	9	10
1	a	a	a-	bbb+	bbb+	bbb	-	-	-	-
2	a	a-	a-	bbb+	bbb	bbb	bbb-	-	-	-
3	a-	a-	bbb+	bbb+	bbb	bbb-	bbb-	bb+	-	-
4	bbb+	bbb+	**bbb+**	bbb	bbb	bbb-	bb+	bb	bb	-
5	bbb+	bbb	bbb	bbb	bbb-	bbb-	bb+	bb	bb-	b+
6	bbb	bbb	bbb-	bbb-	bbb-	bb+	bb	bb	bb-	b+
7	-	bbb-	bbb-	bb+	bb+	bb	bb	bb-	b+	b+
8	-	-	bb+	bb	bb	bb	bb-	bb-	b+	b
9	-	-	-	bb	bb-	bb-	b+	b+	b+	b
10	-	-	-	-	b+	b+	b+	b	b	b-

Ratings Detail (As Of June 23, 2017)

Raiffeisen Bank International AG	
Counterparty Credit Rating	BBB+/Positive/A-2
Senior Unsecured	BBB+
Short-Term Debt	A-2
Subordinated	BBB-
Counterparty Credit Ratings History	
30-May-2017	BBB+/Positive/A-2
26-Jan-2017	BBB+/Negative/A-2
02-Jun-2016	BBB/Developing/A-2
09-Jun-2015	BBB/Negative/A-2
03-Feb-2015	A-/Watch Neg/A-2
13-Aug-2014	A-/Negative/A-2
10-Jun-2014	A/Watch Neg/A-1

Ratings Detail (As Of June 23, 2017) (cont.)	
Sovereign Rating	
Austria (Republic of)	AA+/Stable/A-1+
Related Entities	
RZB Finance (Jersey) IV Ltd.	
Junior Subordinated	BB+

*Unless otherwise noted, all ratings in this report are global scale ratings. S&P Global Ratings' credit ratings on the global scale are comparable across countries. S&P Global Ratings' credit ratings on a national scale are relative to obligors or obligations within that specific country. Issue and debt ratings could include debt guaranteed by another entity, and rated debt that an entity guarantees.

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