

Raiffeisenverband Salzburg

Issuer View • 4. February 2025

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Ratings

Raiffeisenverband

Salzburg eGen

	Rating	Outlook
Fitch	-	-
Moody's*	A2	Stable
S&P	-	-

Homepage

www.raiffeisen.at

*Senior Unsecured/LT Bank Deposits

Raiffeisenverband Salzburg eGen (RVS) is the central institution of 33 independent Raiffeisen banks in the province of Salzburg and one of eight regional Raiffeisen banks in Austria. RVS is 92.1% owned by the 33 Raiffeisen banks and holds shares (31 August 2024: 3.6%) in Raiffeisen Bank International (RBI). Structurally, the Raiffeisenverband Salzburg Group is divided into the parent company, Raiffeisenverband Salzburg, and five financial institutions as subsidiaries of RVS. The bank offers its customers products in the financing, investment and insurance business as well as payment transactions and property services in 13 branches and two self-service branches. RVS is also the headquarters of the Salzburger Lagerhausgenossenschaften (an important local supplier in the province of Salzburg). In terms of the Group's loan portfolio, the services (FY/2023: 30.3%), self-employed (14.8%) and tourism (14.1%) segments were the most important. RVS's refinancing structure was made up of customer deposits (H1/2024: 39.1%), deposits from Raiffeisen banks (27.3%), own issues (25.8%) and interbank deposits (7.7%). Collateralised issues made up the majority of the refinancing mix at 52.8% (H1/2024). Here, 30 of the 33 independent Raiffeisen banks in Salzburg contribute assets to the cover pool. In the long term, RVS plans to become climate-neutral in its core business by 2040. In addition, green bonds and sustainable savings products are to be issued in future to support this transformation process. RVS has a green asset ratio based on turnover of 1.2% (FY/2023).

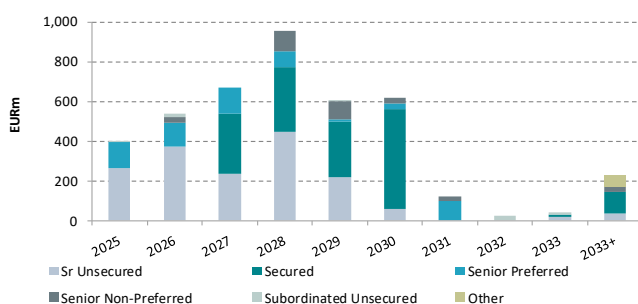
Balance Sheet

(EURm)	2022Y	2023Y	2024H1
Net Loans to Customers	4,392	4,508	4,416
Total Securities	915	910	-
Total Deposits	3,343	3,344	3,520
Tier 1 Common Capital	714	766	765
Total Assets	9,789	10,113	10,382
Total Risk-weighted Assets	4,991	5,288	5,207

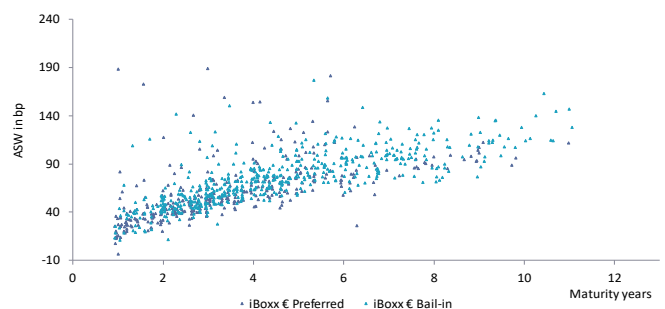
Income Statement

(EURm)	2022Y	2023Y	2024H1
Net Interest Income	98	163	-
Net Fee & Commission Inc.	37	32	-
Net Trading Income	3	3	-
Operating Expense	197	206	-
Credit Commit. Impairment	-	-	-
Pre-tax Profit	53	73	65

Redemption Profile



Senior Unsecured Bonds (EUR BMK)



Company Ratios

	2022Y	2023Y	2024H1		2022Y	2023Y	2024H1
Net Interest Margin	1.09	1.79	-	Liquidity Coverage Ratio	152.10	160.60	197.80
ROAE	5.42	7.81	-	IFRS Tier 1 Leverage Ratio	7.29	7.58	-
Cost-to-Income	77.91	66.85	-	NPL/Loans at Amortised Cost	-	-	-
Core Tier 1 Ratio	14.31	14.49	14.69	Reserves/Loans at Amort. Cost	-	-	-

As of 04.02.2025; Source: Bloomberg, S&P Global Market Intelligence, NORD/LB Floor Research

Strengths / Opportunities

- Access to the Raiffeisen Banking Group
- Improved profitability

Risks / Weaknesses

- Geographical and sectoral concentration risks
- Persistently high proportion of debt financing

Covered Bonds

Authors: Alexander Grenner // Lukas Kühne // Dr. Frederik Kunze

Outstanding Pfandbrief volume totals around EUR 1.5 billion

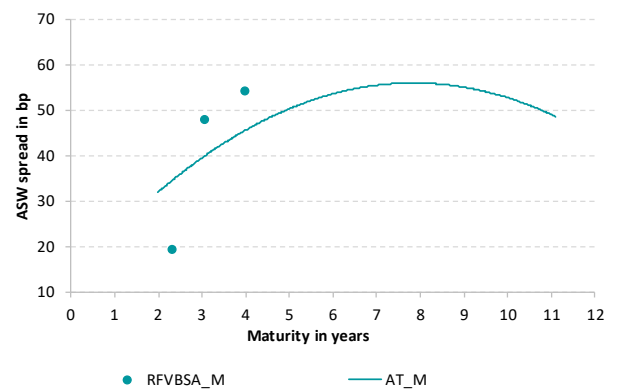
Raiffeisenverband Salzburg only has a programme for issuing mortgage-backed covered bonds, with the cover pool having a volume of around EUR 2.5bn as at the reporting date of 31 December 2024.. This is offset by covered bonds issued in the amount of around EUR 1.5bn, resulting in an arithmetical over-collateralisation ratio of 64.6%. To date, the bank has only been active in the market for covered bonds in the EUR sub-benchmark segment and is currently represented there with three outstanding bonds. The last issue with a volume of EUR 250m dates back to January 2024.

Programme data

31 December 2024	Mortgage
Covered bonds outstanding	EUR 1.526bn
Cover pool volume	EUR 2.511bn
Current OC (nominal / legal)	64.6% / 2.0%
Type primary cover	70.7% Residential
Main country	100% Austria
Main region	84.9% Salzburg
Number of loans	11,466
Share top 10 exposures	2.6%
NPL	0.00%
Fixed interest (Cover Pool / CBs)	33.9% / 67.2%
WAL (Cover Pool / CBs)	12.7y / 4.8y
CB Rating (Fitch / Moody's / S&P)	- / Aaa / -

Source: Rating agencies, Bloomberg, NORD/LB Floor Research

Spread overview (SBMK) – Austria



Cover assets to be located exclusively in Austria

As at 31 December 2024, 99.1% of the cover pool of Raiffeisenverband Salzburg consisted of primary cover pool assets, which are located exclusively in Austria. With a share of 70.7%, the majority of primary cover assets are residential assets, while the share of commercial cover assets is 29.3%. At 91.7%, the dominant share of residential cover assets can be allocated to the "Owner Occupied" category. The distribution of commercial assets is more balanced, with the highest shares in the categories "Hotels/Tourism" (32.6%), "Other" (21.1%) and "Agriculture" (18.5%). Geographically, the majority of the cover pool assets (84.9%) are attributable to the Salzburg region, followed by Upper Austria (5.8%) and Vienna (2.9%). With a 52.3% share of residential assets, the "Up to and including EUR 300,000" category is the largest asset class, which indicates a high granularity of the mortgage cover pool. The cover pool does not include any non-performing loans.

Rating and regulatory treatment

The covered bonds of Raiffeisenverband Salzburg have the highest rating from the rating agency Moody's (Aaa). On this basis, a preferred risk weight of 10% is relevant for the covered bonds in accordance with CRR. In addition, the institution's sub-benchmark transactions are suitable as Level 2A assets in the context of LCR management. The issuer's covered bonds are also suitable as collateral in the context of transactions with the ECB. Covered Bonds placed by the Issuer from 8 July 2022 can bear the "European Covered Bond (Premium)" label.

Appendix

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