

To: Bucharest Stock Exchange (BSE)
The Financial Supervisory Authority (FSA) – Financial Investments and Instruments Sector

Raiffeisen Bank: 50% growth in financial planning and strong support for Romanian SMEs in Q1 2024

Bucharest, 02.05.2024 | Raiffeisen Bank Romania continues its growth strategy in personal financial planning, up 50% in the first quarter of the year in the segment of investment plans, voluntary pensions and life insurance with a savings component. At the same time, it continued to support SMEs and accelerated investments to launch new functionalities in the mobile banking application.

In terms of assets, Raiffeisen Bank Romania closes the first quarter of the year with a total of around **RON 72 billion**, up **11%** year-on-year with an upward trend in lending to the SME sector, the engine of the Romanian economy. Loans granted by Raiffeisen Bank to this segment grew by **5%** year-on-year, a positive trend mainly supported by government programs such as IMM Invest.

*"In the first three months of the year, we have continued to grow in the area of personal financial planning, up 50%, and through the guarantee programs of the European Investment Fund, we approved loans worth EUR 46 million. These are results that allow us to look to the future with confidence. In 2024, we continue our bi-dimensional growth in 2024, based on a unique strategy in the Romanian banking landscape. Through Banking 1:1, Romanians have access to the best financial planning solutions and digital banking, simple, secure and at their fingertips. At the same time, we keep our capitalization and liquidity at solid levels, well positioned to accelerate lending and support the financing of the real economy." - **Zdenek Romanek, President & CEO, Raiffeisen Bank Romania.***

The SME segment is showing positive developments in the adoption rate of the RaiPOS card payment collection application, which increased to 40% at the end of Q1 (approximately 8,000 RaiPOS terminals actively used by SME customers).

The first quarter of the year also marked the highest degree of digitalization of SME customers (around 95,000 SME customers actively use the new Raiffeisen Online SME and the Smart Business mobile app).

Record number of applications in factory by Raiffeisen, the program dedicated to Romanian entrepreneurs

The factory by Raiffeisen Bank program, launched 6 years ago to support Romanian start-ups, continues this year with a record number of applications. In Q1 2024, the program gathered about 6 times more applications than in Q1 2023 and granted 2.5 times more loans to participants who qualified.

At the beginning of 2024, more than 430 Romanian businesses were funded by the program with approximately €24 million.

Trends in the lending and savings segment

After a revival in lending at the end of last year, 2024 began with a slight decline. The balance of loans to customers declined by 4% year-on-year, mainly from the corporate customer segment due to the repayment of facilities by energy companies. Lending to individuals was also down 3% year-on-year as demand for loans, particularly mortgages, moderated due to uncertainty, persistent inflation, and a high interest rate environment.

Overall, expectations for credit developments in the coming period point to a moderate pace of growth, in the context of a strengthening of the purchasing power of the population, a possible gradual reduction in monetary policy interest rates, and a substantial volume of investment supported by the funds available under the EU's Next Generation program.

In the first quarter, customer deposits grew 8% year-on-year, with positive results in both the retail and corporate segments.

The bank's gross income increased by 8% in the first three months of the year. A similar percentage increase was seen in operating expenses (+8% year-on-year), reflecting the investment in team development and technological capabilities. Raiffeisen Bank's financial performance in Q1 2024 led to a profit of almost 390 million RON as a result of increased operating expenses, higher personnel costs, IT investments. The good risk profile and the positive revenue development continue to be strengths in the bank's business.

New developments at the beginning of the year include the launch of an innovative AI-based learning tool specializing in personal financial planning. This tool is designed to significantly optimize the learning speed and efficiency of Raiffeisen's expert teams, helping to improve customer experience and increase customer satisfaction.

Raiffeisen Bank supports the transition to a sustainable economy

Out of the EUR 996.8 million of Green and Sustainable Bonds issued to finance eligible projects, until December 31, 2023, Raiffeisen Bank Romania allocated over 9,400 loans totaling EUR 932.7 million. In terms of environmental impact, the financed projects generate annual savings of over 42,000 t CO₂ and through the social loans, Raiffeisen Bank supported around 3,200 SMEs employing over 51,000 individuals in underdeveloped regions in Romania, as well as contributed to the increase in access to essential services.

Digital solutions that make life easier for customers



The number of customers who signed up directly from their phone via the Smart Mobile app has more than doubled compared to the same period last year, and their satisfaction with this stream remains consistently high at over 80 points in the NPS recommendation index.

As of this year, Raiffeisen's product portfolio, including investment funds, can be purchased completely digitally, so that concluding contracts and subscriptions are only a few clicks away.

For the first time on the Romanian market, since mid-March, Raiffeisen Bank customers can view the total amount of interest paid by the bank in the previous and current year for savings products (savings accounts and term deposits) held at Raiffeisen Bank in Smart Mobile. The new functionality allows them to calculate the total annual amount of their non-salary income more easily when they have to file a single tax return for the previous tax year.

Another functionality, available in Smart Mobile since February, addresses the legal requirement to regularly update customer identification data, a process that is essential for maintaining security and compliance in the banking system. Raiffeisen Bank's solution allows personal data to be updated through a convenient and simplified process, and customers who have renewed their ID card can follow the update themselves by simply taking a photo of their ID and following a few steps.

For added security of services, a new functionality is available this year in Smart Mobile that allows the reporting of an irregularity in a card transaction. Users can dispute transactions when they have suspicions about them.

The Smart Market loyalty app saw 100,000 new users in the last quarter, reaching over 700,000 users with cash back, points and discounts from over 135 merchant partners.

+30% in card transactions

The level of card transactions increases year on year. As such, e-commerce remains the fastest growing channel in Q1 2024, with a 30% increase in transactions and a 25% increase in volumes compared to the same period last year.

Payment of contributions and taxes to various state institutions is also becoming easier via card and online platforms, which can be seen in a doubling of transaction amounts.

Global awards for Raiffeisen Bank

Awarded repeatedly by some of the most prestigious international publications, Raiffeisen Private Banking was reconfirmed in March as 'Romania's Best International Private Bank' at the **Euromoney Global Private Banking Awards 2024**.

The Private Banking Division currently manages assets totaling more than EUR 3 billion, giving the clients it serves access to an extensive investment universe, including local investment funds, international investment funds, government bonds and corporate bonds.

In the first quarter of 2024, total assets under management in the Private Banking segment recorded a net increase of EUR 30 million compared to the end of the previous year, and the range of financial instruments offered was expanded with the launch of a new dollar-denominated corporate bond issue, which attracted very strong interest from Private Banking clients.

In the Premium Invest segment, assets under management increased during the first quarter by more than EUR 60 million.

The first quarter of the year also brought several recognitions on the international banking scene. Raiffeisen Bank Romania was named '**Best Bank in Romania for 2024**' by the **Global Finance** publication, a recognition of the bank's performance and business model developed around the Banking 1:1 concept.

EMEA Finance also awarded Raiffeisen Bank the 'Best Bank in Romania' and 'Best Investment Bank in Romania' titles, as well as the 'Green Finance Award' for its contribution to supporting sustainable finance.

1 million euros to support communities

As of March 2024, the 20 winning NGOs of the €1 million grants awarded through the Raiffeisen Comunități NGO Sustainability Accelerator have entered the acceleration and implementation phase, which runs until 31 March 2025.

The 13th edition of the Raiffeisen Comunități program was launched in November 2023, Raiffeisen Bank Romania thus reaffirming its commitment to the development of local communities by supporting innovative, sustainable local projects with real impact.

Beyond funding, Raiffeisen Comunități es also offers an acceleration and mentoring program, including practical courses to increase the implementation capacity of winning projects: financial management, fundraising, communication and developing a support network in the community.

About Raiffeisen Bank Romania

Raiffeisen Bank, a leading universal bank with solid capitalization and liquidity, operates in the Romanian banking market and serves more than 2.2 million retail and corporate customers.

Raiffeisen Bank has been supporting the Romanian economy for more than 25 years, offering products and financial services tailored to the needs of its customers. With responsibility as a guiding principle, we contribute to the development of society by financing the real and sustainable economy. At the same time, we are involved in the community by supporting 5 pillars of development: education, urban ecology, sports as a healthy lifestyle, innovation, arts, and culture.

Since 2023, Raiffeisen Bank brings a new approach and perspective to banking services by launching "Banking 1:1", an interactive way to simulate the creation of a financial plan for our customers using the Smart Finance application developed locally by the team in Romania. www.raiffeisen.ro

Note: All financial figures above are in accordance with International Financial Reporting Standards (IFRS) and RBI Group Management Reporting Standards (MIS).