

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

## Raiffeisen Bank – loans increased in a sustained rhythm in Q3 2020

- The bank's net loan portfolio reached 28.39 billion lei, 3% higher than the same period last year and 4% compared to December 2019;
- The non-performing loans rate remained at the same level, 3.9% at the end of the third quarter of this year (3.7% Q3 2019);
- The bank reached total assets of 49.61 billion lei on September 30, 2020, an increase of 17%, year on year;
- Customers' deposits reached the value of 40.84 billion lei in Q3, increasing by 17% compared to September 30, 2019;
- Net profit increased by 9% in the first nine months of 2020, compared to the same period last year

**Bucharest, November 12th, 2020** - Raiffeisen Bank closed the first three quarters of 2020 with a good financial performance, obtaining a net profit of 583 million lei, 9% higher than the similar period of 2019, despite the deterioration of the macroeconomic environment and the impact of the pandemic on the bank's activity. It is important to note that the net profit Q3 2019 was affected by several non-recurring events (provisions for litigation, for Aedificium Housing Bank), while the net profit Q3 2020 was without such influentials.

"During this completely atypical year, we changed a lot of things in the bank in a very short time, trying to be as close as possible to customers, partners, the business environment, authorities. We believe that together we can successfully overcome this health crisis. We have treated our activity with care and prudence in order to ensure business continuity, concerned primarily with the health and safety of our employees and customers. We implemented private and public moratoriums in record time to help our customers cope with current difficulties, we temporarily reduced some transaction fees to encourage electronic payments, we sent the bank cards home to customers by courier. At the same time, however, we continued to finance the real economy and population steadily and increased our loan portfolio by 4% this year, compared to the end of last year. Given the conditions - quarantine in the second quarter, declining operating interest income and rising bank provisions - the fact that we are reporting an increase in lending makes me very happy with what we have done," said Steven van Groningen, President & CEO of Raiffeisen Bank.

In the three quarters of this year, Raiffeisen Bank has attracted considerable amounts in current accounts and in customer deposits - individuals, SMEs or large and medium-sized companies - proof that it is a reliable partner, regardless of the happenings. Customer deposits reached 40.84 billion lei in Q3 2020, up 17% from September 30, 2019.

Fees charged by the bank were 13% lower at the end of the third quarter of 2020, year on year, mainly due to the quarantine period, in which the economy slowed significantly, but also due to the bank's efforts to provide customers with convenient and cost-effective transactional services, such as current account packages, with free benefits and transactions, migration of cash operations from branches to multifunctional machines and electronic channels, etc.

The new context generated by the pandemic made the attention to costs to be paramount in the bank's activity this year, and the operational expenses (of approximately 1 billion lei) remained at the same level in the nine months ending on September 30, 2020, compared to the same period of 2019 .

Raiffeisen Bank's investments will continue to be directed mainly at two important vectors for future success - the continuous improvement of digital capabilities and capabilities and the professional development of the team, in order to respond better and faster to customer needs.

### **Raiffeisen Bank supports the Romanian companies with financing, from large corporations to micro-enterprises or startups**

The 4% increase in the loan portfolio in the first 9 months of 2020 confirms that Raiffeisen Bank continued to finance the economy at a steady pace. The bank participates in the SME Invest program and has approved loans worth over 1,2 billion lei. Raiffeisen Bank supports the growth of Romanian micro-enterprises through the European program for employment and social innovation "EaSI" (EU Program for Employment and Social Innovation), facilitating their access to loans of up to 120,000 lei, without guarantees. Launched in September 2020, the new microcredit program targets small companies that have difficulty accessing traditional financing services. Also, small SME farmers benefited from support by pre-financing APIA subsidies, at the end of Q3 there are over 840 beneficiary clients, with a total of over 210 million lei. Through another European program, "COSME" (Competitive Small Medium Enterprise) approximately 200 SMEs have accessed financing of over 50 million lei in 2020. In addition, the bank also participates in the implementation of the government grant program for SMEs, worth almost 1 billion euros.

Raiffeisen Bank launched, immediately after the quarantine period, very beneficial offers for the population, both for consumer loans and for mortgage loans. Thus, in the months of Q3 2020, the bank reached record volumes of loans to individuals, obtaining a 3% increase in loan volumes, year on year.

### **The digitization process - fast and profound changes in the bank**

The number of digital customers of the bank (those who use online and mobile banking applications) reached 800,000 at the end of the third quarter of 2020. In September 2020, one year passed since the "Smart Hour" option was launched, through which Raiffeisen Bank customers can exchange lei-euro or euro-lei at the BNR exchange rate for one hour, from 10:00 to 11:00, in Smart Mobile and Raiffeisen Online applications. Internet banking and mobile banking services are actively used by more than 80% of the bank's portfolio of legal entities and over 90% of payments are made digitally by these customers. In September 2020, the bank also launched the option to pay in installments for Visa Business credit card holders (cards intended for legal entities).

Raiffeisen Bank also launched the new online factoring platform "FlexiBill Factoring" which will allow more efficient interactions with customers, and the electronic signature offered by the bank for transactional service contracts is a new feature that simplifies the process for customers and eliminates paper.

Also in Q3, the Investment Banking department of Raiffeisen Bank was an exclusive financial consultant in the sale of Wirecard Romania S.A. ("Wirecard Romania"), a payment processor with a leading position in Romania, to SIBS, a payment service provider with a leading position in Europe.

Raiffeisen Bank has over 20 years of activity on the Romanian banking market and over 2.1 million customers, individuals and legal entities. Raiffeisen Bank manages the largest portfolio of active credit cards in Romania - 530,000, and the number of active debit cards exceeded 2 million. The bank has over 4,900 employees, 340 (366 Q3 2019) agencies nationwide, 750 ATMs, 362 multifunctional machines (MFMs) and a network of over 23,500 POS.

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The regulated market where the instruments are traded: Bucharest Stock Exchange