

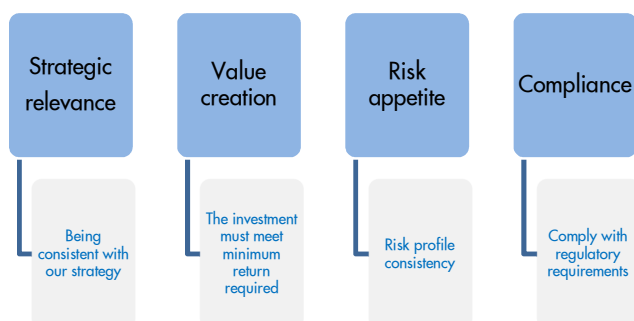
REPORT

Concerning 2020 Investment plan and 2021 investment budget proposal

The report includes the analysis of the investments realized in 2020 by Raiffeisen Bank S.A. („the Bank”) and the investment budget proposal for the upcoming financial period.

I Investment policy – main characteristics

Raiffeisen Bank assesses the investment opportunities and deploys the necessary resources taking into account the following criteria:

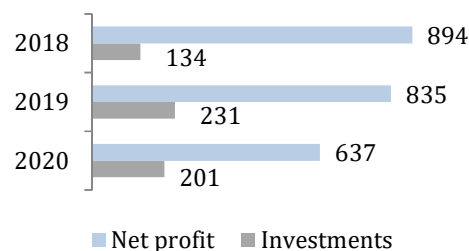


- ✓ We only invest in projects aligned to our long and medium term strategy
- ✓ The investment projects must be value accretive by meeting minimum return requirements
- ✓ The investments must be consistent with our risk appetite
- ✓ The need to stay compliant with all rules and regulations

II The distribution of our past investments

Ron mn, consolidated financial statements

Investments represent a significant component of the Bank's resources and as a result in the past 3 years these capitalized amounts reached around 24% of the profit generated in the same period.

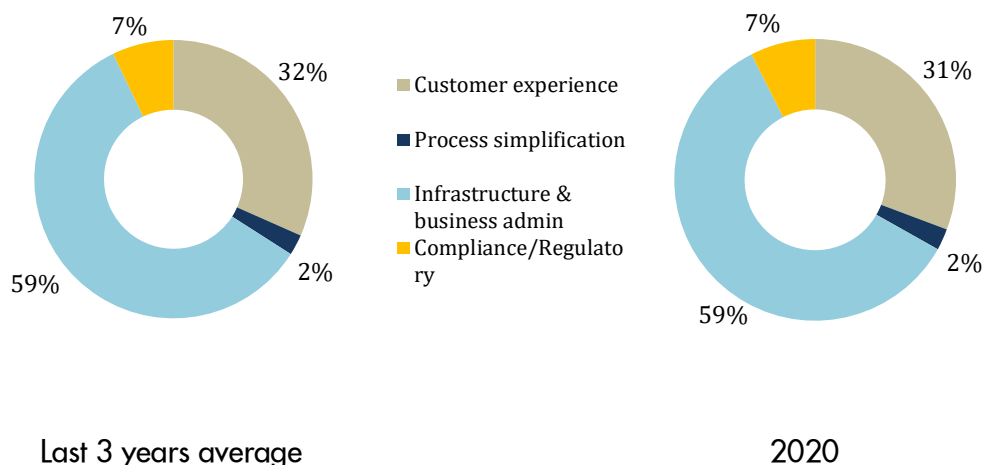


The resource deployment towards our investment programs is highly correlated to the Bank's strategic goals.

As a consequence, the main areas where relevant funds are used comprise:

- **Customer experience and business growth:** an important part of our resources is focused on the activities that allow us to build long lasting relationships with our customers, highly advantageous for both the clients and the bank. Among the Bank's priorities is offering permanently enriched and adapted to market evolutions products and services, in order to satisfy the diversified needs of our customers.
- **Simplification:** simplifying and automation of the processes across the Bank become even more important as our focus relies on identifying the most efficient methods to implement them.
- **Infrastructure and business administration.**
- **Compliance and regulatory:** adjusting the internal systems and processes is necessary in order to line up to legal and other regulatory requirements.

Investments structure according to destination



III 2020 – Highlights and accomplishments for our investment portfolio

- Considering the uncertain and volatile background set by the Covid-19 pandemic, **digital transformation was among our priorities in 2020**, with the investments in digitalization focused especially on Online and Smart Mobile platforms. The number of digital customers overcame the 850 thsd threshold, 18% higher vs. the end of 2019, as the clients needs head more towards speed, accesibility and autonomy.
- We continued to **extend our fleet of multi-function cash machines** in order to meet our clients' self-service requirements. During 2020 more the 70 machines were installed and the fleet reached around 390 machines by the end of the year.
- **Simplification of internal processes.** Automation and continuous optimization of the key processes in the Bank remained among priorities. Among noteworthy initiatives, we can mention applications related to credit origination, client enrollment, efficient data management.
- We focus on offering a pleasant and useful experience to our customers in branches, so the **traditional distribution channel** was still on our priorities list. In 2020 relocations and refurbishments following the next generation model continued and over 90 branches became „cashless” as cash operations moved to multi-function machines. As a result, the number of cashless branches reached 136 by the end of 2020 (40% out of total number of branches of the Bank).
- Significant investments were also dedicated to delivering the **compliance and regulatory requirements** from: MiFID II, PSD 2, Data Privacy Enhancement, New default definition, AML Risk Assessment, etc.

IV 2021 – Investment budget proposal

In 2021 the Bank will continue the sustainable growth strategy, carefully scrutinizing the allocation of available resources. The pandemic background emphasized the importance of an efficient management of the cost base and of prioritizing investments dedicated to the digitalization of services offered to our customers, highly correlated with the development of the IT infrastructure. We will continue to offer our clients high quality solutions through flexible and simplified products that are adapted to their financial needs, in order to obtain profitable growth and high levels of satisfaction for our customers.

| <i>Amounts in Ron thsd</i> | 2020 Actual | 2020 Budget | Actual vs. Budget | 2021 Budget |
|--|--------------------|--------------------|------------------------------|--------------------|
| Customer experience and business growth | 61,870 | 55,239 | 112% | 93,808 |
| Simplification | 4,944 | 14,258 | 35% | 9,526 |
| Infrastructure and business administration | 119,439 | 97,485 | 123% | 124,605 |
| Compliance and regulatory | 15,021 | 9,345 | 161% | 11,769 |
| Total | 201,273 | 176,326 | 114% | 239,708 |

Based upon the above-mentioned, we present the amounts invested during 2020 and we submit for approval the Budget proposal for 2021.

This Report has been analyzed and approved by the Bank's Management Board in its meeting of March 8th, 2021.

Steven Cornelis van Groningen
President of the Management Board of Raiffeisen Bank S.A.