

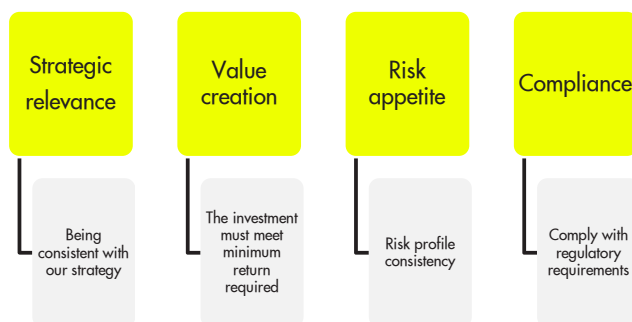
REPORT

Concerning 2021 Investment plan and 2022 budget proposal

The report includes the analysis of the investments realized in 2021 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:

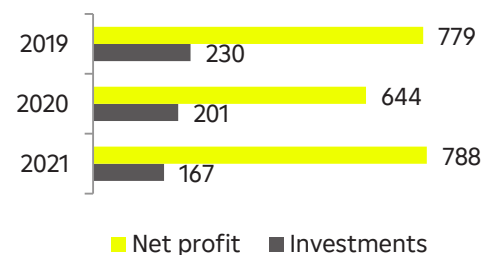


- ✓ We only invest in projects aligned to our long and medium term strategy
- ✓ The investment projects must meet the minimum return requirements
- ✓ The investments must be consistent with our risk appetite
- ✓ The need to stay compliant with all rules and regulations

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 27% 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:

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- **Customer experience and business growth:** we place the clients at the core of our every activity and we focus on developing long-term relationships with them, offering them consultancy tailored to their needs as well as a multitude of distribution channels. Among the Bank's priorities is the continuous improvement of the products and services offered, in close correlation with their adaptation to market developments and to increasingly diversified needs of customers.
- **Simplification and operational efficiency:** digital transformation, optimization of operational processes as well as the reorganization of the way of working remain in the list of our priorities. Previous years have proven that we are ready to adapt quickly to a volatile environment on all major areas. Areas of interest for the future are the digital customer experience, new digital technologies and tools, the implementation of the Agile methodology, investments in data-intensive usage and artificial intelligence.
- **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 2021 – Highlights and accomplishments for our investment portfolio

- **The digital agenda gets our full attention:** clients actively using our digital channels increased by 30% in 2021, exceeding 1 million (50% of our customer base). Our footprint is almost fully migrated to cashless (243 of the total 300 units) in order to make the transfer of cash operations to multifunctional machines. We consistently tried to improve our digital capabilities to bring material improvements in the way we run our business and in the way we are perceived by clients.
- **Simplification of internal processes.** One of the ongoing strategic initiatives is the Agile transformation of our organization; one of the principles we follow is to be adaptive and agile in what we do. New technologies and tools designed to support digital availability, as well as Agile methodology, are based on continuous scale integration, or continuous delivery practice, in order to shorten the system development lifecycle and deliver high software quality. Modernizing our integration platforms and implementing new real-time integration capabilities is one of our main development directions and one of the most important elements for supporting business ideas.
- **Extension of distribution channels.** We have launched the digital onboarding, remote enrollment for private individuals, directly from the smartphone, through the Smart Mobile applications. We have continued to expand the digital e-token experience for all individuals with the digital activation of the Smart Mobile solution. Also, we started the implementation of this concept for SME customers, as well. We have accelerated the digital loans sale, both for private individuals SMEs. Through the new FX trading platform, legal entities customers benefit from advantageous prices differentiated according to the transaction amounts and this give us an competitive advantage. The R-Flex product was awarded by Amazon Web Services for “The Most Innovative Solution”, being the first commercially implemented project to use an event-based approach (EDA) and data streaming technology. The pandemic has also accelerated the implementation of alternative cash solutions, relieving our branches of repetitive work. As a result of increasing number of agencies not carrying out cash operations at the cashier from 136 at the end of 2020 to 243 at the end of 2021, investments have been

made during 2021 to increase the number of multifunctional machines from 379 at the end of 2020 to 455 at the end of 2021 and the number of ATMs from 1,107 at the end of 2020 to 1,119 at the end of 2021.

IV 2022 – Investment budget proposal

In 2022 the Bank will continue the sustainable growth strategy, scrutinizing the allocation of available resources.

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>	2021 Actual	2021 Budget	Actual vs. Budget	2022 Budget
Customer experience and business growth	59,083	93,808	63%	112,530
Simplification and operational efficiency	2,700	9,526	28%	6,376
Infrastructure and business administration	82,834	124,605	66%	151,367
Compliance and regulatory	22,764	11,769	193%	9,356
Total	167,380	239,708	70%	279,629

We present the amounts invested during 2021 and we submit for approval the Budget proposal for 2022.

This Report has been analyzed and approved by the Bank's Management Board in its meeting of March 15th, 2022.

Mihail-Catalin Ion

Vice-president of the Management Board of Raiffeisen Bank S.A.