

Financing increased consistently at Raiffeisen Bank in the first semester of 2022 and reflects the focus on supporting both our customers and the Romanian economy

Bucharest, August 2, 2022 - Raiffeisen Bank achieved a very good financial performance in the first half of 2022 with a net profit of RON 602 million, an increase of over 50% compared to the first half of the previous year, based on a strong loan growth and an improved risk profile.

Loan stock, over RON 37.4 billion, gained a significant advance of around 25% vs H1 2021 sustained by an excellent lending evolution, largely for Corporate clients whose loan book grew by 46% yoy, in a market context where companies have increased financing needs both to ensure the working capital and to start investments. The bank consolidated stock for SME clients by 13%, grounded also on participation to the governmental programs while our PI stock increased by 10%, evenly from unsecured and mortgage loans. More and more clients of the bank live in energy efficient houses. In the first half of 2022, loans in the Green Mortgage category reached a weight of 41% from volumes of loans guaranteed by mortgage.

Regarding savings in the first half of this year, the context created by the war in Ukraine has determined changes in customer behavior, but the bank has kept its pace of attracting the economies of the population and companies. In the current context, we make significant efforts to offer a diversified range of saving products to our customers, in line with their needs and also at competitive interest rates. Starting in March, as a result of market developments and inflation, Raiffeisen Bank gradually increased interest rates on savings products in lei, up to a maximum of 7% per year, for deposits in lei, for two years. Savings products for individuals are available exclusively via digital applications - Raiffeisen Smart Mobile and Raiffeisen Online. Customer deposits reached the threshold of RON 48.8 billion on June 30, 2022, an increase of 11% compared to the H1 2021.

"Our results reflect our focus on supporting both our customers and the Romanian economy. Net loans registered a significant advance of approximately 25% compared to S1 2021, supported by a large increase in lending mainly to Corporate customers (+46%), taking into consideration that companies have increased financing needs both for working capital, as well as for starting substantial projects and investments, some of them of strategic importance at the national level, e.g. Romgaz deal. The growth trend is also visible for SMEs at 13%, also based on our participation in government programs, while our PI stock increased by 10%, above our expectations for this period, given the uncertainty of the macroeconomic environment." said Zdenek Romanek, President and CEO Raiffeisen Bank.

The sustainable financing of corporations, but also of SMEs recorded a period of effervescence, especially in May and June of this year, with the closure of government programs that worked under the umbrella of IMM INVEST. The bank was a responsible and

active partner in the government guarantee programs: IMM PROD, GARANT CONSTRUCT and RURAL INVEST, succeeding in a very short period their implementation and the granting of consistent financing that significantly contributed to supporting the companies' activity and their investments.

In June 2022, Raiffeisen Bank successfully placed the bank's third green bond issue and a second series of non-preferential senior bonds. The bond issue was addressed to institutional investors and attracted RON 525 million with a maturity of 5 years. Thus, the bank has issued so far over 2 billion lei "green notes", contributing to the development of the local capital market, and mobilizing financial resources towards sustainable investments, thereby reaffirming its leadership role in the development of the sustainable finance market in Romania.

On June 30, 2022, the bank's total assets exceeded RON 60 billion, an increase of 11%, yoy, and the bank's revenues, of almost RON 1.5 billion, increased by 14%, compared to the same period last year. Our net interest income experienced a significant growth of 22% yoy, fueled by an excellent lending result, but also based of the increase interest rates on the market. Net commission revenues increased by 10% vs the first 6 months of 2021, supported by the intensified transactional and lending activity (FX business, lending products, but also insurance products accompanying them).

Operating expenses increased slightly, by 2%, compared to H1 2021, and the increases come from the area of salary costs and IT expenses, confirming the bank's target to have talented and well-trained people in the team, and to invest in the digital area, on the long term.

"The cost of provisions is half of what we recorded on the same period last year, due to the very good payment behavior of our customers. It should be noted that this is happening despite the economic environment characterized by uncertainty and high inflation. We will continue to stand by to our clients both in good times and in difficult ones, to offer them the best financial advice, adapted to their needs." said Zdenek Romanek.

On July 5th, 2022, Moody's reaffirmed Raiffeisen Bank's long term deposit rating at Baa1 with stable outlook, two notches above Romania's sovereign rating. Key strengths highlighted by Moody's in its report (full report [here](#)) were the strong earnings generation capacity, strong liquid resources and sound capitalization. "It [Moody's rating] is a reconfirmation of our solid financial standing, enabling us to continue supporting our customers in their journey towards achieving their financial goals and developing sustainable, competitive and resilient business models", added Zdenek Romanek, President and CEO Raiffeisen Bank.

Digitalization for the benefit of the bank's customers

In mid- 2022, the number of active digital customers of Raiffeisen Bank exceeded 50% of the portfolio (out of 2.28 million PI customers), amounting approximately 1.15 million. Our efforts in recent years have been directed towards digital banking, accessible to all customers - from opening the relationship with the bank through a 100% digital flow, to accessing a Flexicredit personal loan, directly from the Smart Mobile, with the possibility of disbursement in maximum 10 minutes (if all the eligibility criteria are met). Regarding the corporate clients, over 99% of them trade with the bank exclusively through electronic channels.

Raiffeisen Bank continues to be one of the leaders of the credit card market in Romania, with a portfolio of over 550,000 active cards. The number of online transactions carried out by customers using Raiffeisen Bank debit cards increased by almost 40% compared to the first 6 months of last year. Also, in the first half of 2022, customers continued to revert to their pre-pandemic behavior. Payments with Raiffeisen Bank debit cards for the online purchase of airline tickets almost tripled compared to the first half of 2021, and holiday purchases doubled. A doubling was also recorded in the number of card payments made by Raiffeisen Bank customers via phone or watch, in the same period. RaiPay users can activate a single-use card from the app, attached to the shopping card, which changes its data after each payment and is useful for making secure payments on rarely visited sites.

In June, the bank launched Raiffeisen Smart Market, the latest digital innovation, a digital loyalty ecosystem, in an application that brings together digital active PI clients, partners and SMEs and corporate clients, based on "advanced analytics" capabilities. Digital PI customers are rewarded with offers from both Raiffeisen and partner merchants. The app can be downloaded for free from the Play Store or App Store. Just 2 months after the launch, the app has more than 70.000 users enrolled and has offered more than 43.000 rewards.

In the first half of this year, the multi-users version of the Smart Business/New Raiffeisen Online SME application was launched. Customers can set themselves, in a digital flow incorporating electronic signature, user rights, trading limits or access to accounts. Improvements to the activation flow application have also been implemented for increased protection against phishing attacks.

Raiffeisen Bank is a top 5 universal bank in Romania and services 2.28 million customers, individuals, and legal entities. The bank has over 4,700 employees, 300 branches across the country, 1,131 ATMs and MFMs and a network of over 27,900 POS. The bank has met the needs of customers for large cash deposits and has already installed Smart DropBox devices. From February 2022, Raiffeisen Bank's 300 units operated digital cash registers, so that agency employees could provide counseling for digital education and service to our clients' needs.

For additional information: comunicare.externa@raiffeisen.ro;