

## Report

### with regard to the Proposal on the net profit distribution for the year 2019

The macroeconomic assumptions and perspectives changed dramatically to the worse in the context of the recent Covid-19 pandemic. RBRO will also be affected by these developments and the bank's prospects for 2020 point towards a shrinkage in lending and transactional activity due to negative consumer sentiment and severely deteriorated macro environment, leading to lower gross income than originally anticipated. In addition to the negative impact in operational revenues, we also expect a worsening of the risk profile in a hard-tested economy, at a magnitude that is still difficult to be grasped.

In this context, taking into account the possibility of appearing some unexpected shocks which can affect the bank financial position on short term, the General Assembly of Shareholders should take into consideration consolidating own funds through comprisal of net profit achieved by the bank during financial taxable year 2019, in total amount of RON 779,455,558 in the retained earnings.

We like to stress that the bank's proven financial strength built on healthy foundations and a prudent risk strategy, our excellent earning power and solid capital base point towards an optimistic view of our medium-long term perspectives.

This Report has been analyzed and approved by the Management Board of Raiffeisen Bank S.A. in the meeting held on March 23rd, 2020.

Steven van Groningen

President of the Management Board of  
Raiffeisen Bank S.A.