

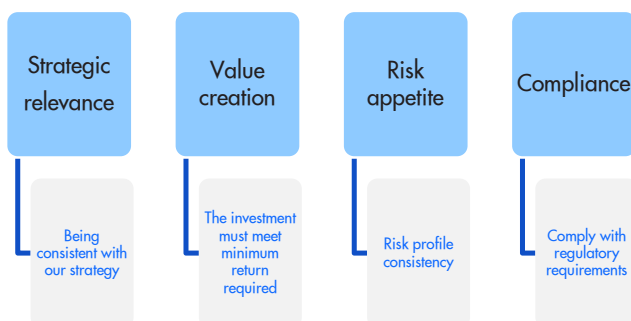
REPORT

Concerning 2019 Investment plan and 2020 budget proposal

The report includes the analysis of the investments realized in 2019 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:

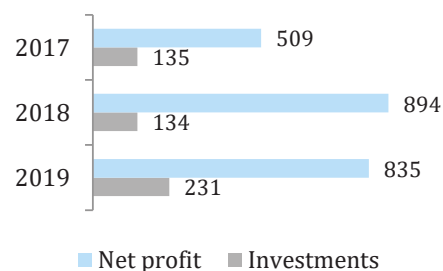


- ✓ We only invest in projects aligned to our long and medium term strategy
- ✓ The investment projects must be value accretive by meeting minimum return requirements
- ✓ The investments must be consistent with our risk appetite
- ✓ The need to stay compliant with all rules and regulations

II. The distribution of our past investments

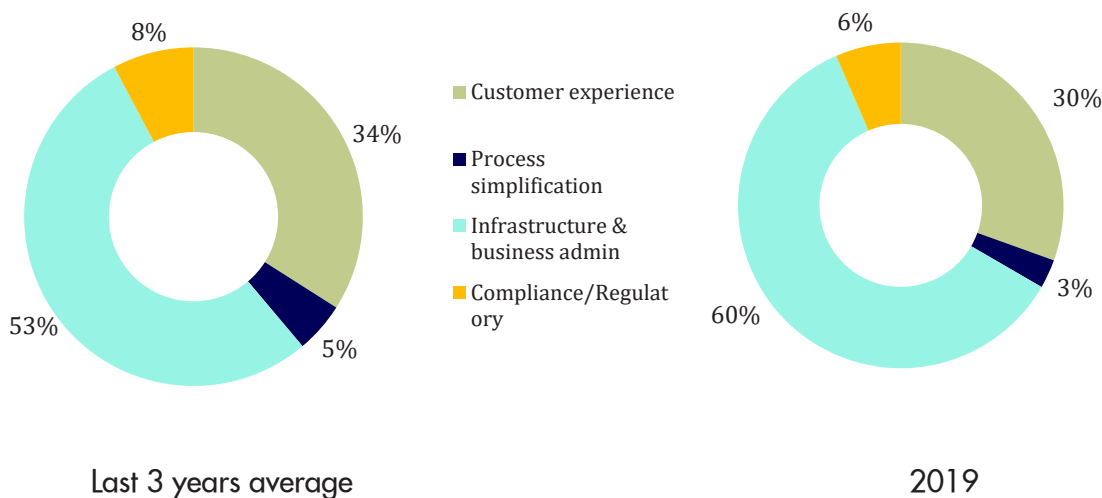
Ron mn, consolidated financial statements

Investments represent a significant component of the Bank's resources and as a result in the past 3 years these capitalized amounts reached around 22% 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 of:

- **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. The Bank's products and services are permanently enriched and adapted to market evolutions in order to satisfy the diversified needs of our customers.
- **Simplification:** simplifying and automating the processes across the Bank became even more important as our focus is set 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.



III. 2019 – Highlights and accomplishments for our investment portfolio

- In order to **increase the diversity and automation of services offered to our clients**, we extended our fleet of multi-function cash machines (MFM) to 328, 90 more compared to the end of the previous year.
- **Digital transformation continued to be the focus in 2019**, as significant amounts were invested in digitalization for the Online and Mobile platforms. The number of digital customers (PI and legal entities) exceeded 700 thsd, 20% higher than the end of the previous year, as the client profile head towards technological innovations, speed, accesibility, simplicity.
- **Simplification of internal processes.** Automation and continuous optimization of the key processes in the Bank remained top priorities. Among noteworthy initiatives, we can mention applications related to credit origination, client enrolment, collateral management, etc.
- **The traditional distribution channel:** we focus on providing our clients with branch locations that are welcoming and efficient, in a new, modern design. In 2019, re-locations and refurbishments following the next generation model continued and over 40 branches became „cashless” as multiple cash operations were directed to multifunction machines (MFM).
- Significant investments were also dedicated to delivering the **compliance and regulatory requirements** from: MiFID, PSD, Data Privacy Enhancement, New default definition, etc.

IV. 2020 – Investment budget proposal

In 2020 the Bank will continue the sustainable and responsible growth strategy, carefully scrutinizing the allocation of available resources. The investments will head mainly towards the digitalization of services offered to our customers through dedicated Online and Smart Mobile platforms, but also on the appropriate development of the IT infrastructure that will successfully sustain the technological evolution. 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>	2019 Actual	2019 Budget	Actual vs. Budget	2020 Budget
Customer experience and business growth	70,466	62,510	113%	55,239
Simplification	6,647	35,063	19%	14,258
Infrastructure and business administration	139,029	143,953	97%	97,485
Compliance and regulatory	15,001	33,231	45%	9,345
Total	231,142	274,758	84%	176,326

Based upon the above-mentioned, we present the amounts invested during 2019 and we submit for approval the Budget proposal for 2020.

This Report has been analyzed and approved by the Bank's Management Board in its meeting of March 23rd, 2020.

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

