

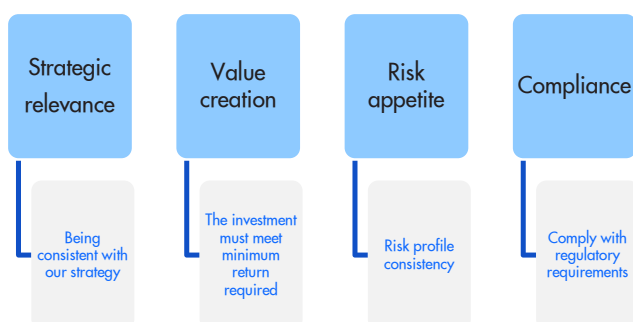
REPORT

Concerning 2018 Investment plan and 2019 budget proposal

The report includes the analysis of the investments realized in 2018 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:

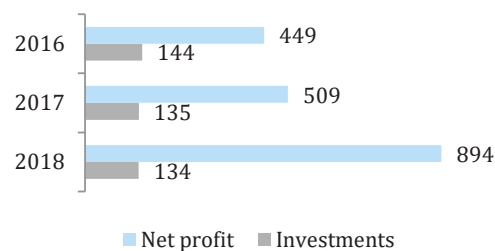


- ✓ We only invest in projects aligned to our long and medium term strategy
- ✓ The investment projects must be value accretive by meeting minimum return requirements
- ✓ The investments must be consistent with our risk appetite
- ✓ The need to stay compliant with all rules and regulations

II The distribution of our past investments

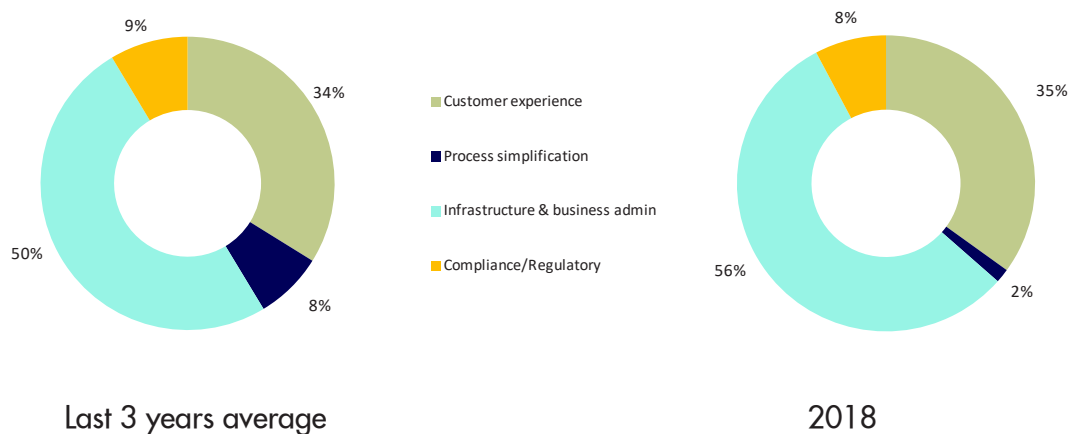
Ron mn, consolidated financial statements

A relevant component of our resources is deployed to the investment area and as a consequence in the last 3 years, these capitalized resources represented 22% of the net profit earned in the same period.



The resource deployment towards our investment programs is highly correlated to the Bank's strategic goals. Therefore, relevant investments go towards the following areas:

- **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. Permanently adapting our products and services to the clients' needs requires considerable investments in specific projects and technologies.
- **Simplification.** We seek to identify and implement those specific methods that allow continuous simplification of our internal processes and activities.
- **Infrastructure and business administration.**
- **Compliance and regulatory.** Adjusting the internal systems and processes to line up to legal and other regulatory requirements.



III 2018 – Highlights and accomplishments for our investment portfolio

- In order to **increase the diversity of the services offered to our clients**, we continued to extend our fleet of multi-function cash machines. 242 multi-function machines (MFM) were available to our customers for cash operations at the end of 2018, 53 more compared to the end of the previous year.
- **Digital transformation.** Digital investments regarding Internet Banking and Smartmobile applications continued, while our clients' orientation towards alternative channels increased significantly, with the number of digital customers increasing by 26% compared to the end of 2017, up to 600 thsd.
- **Simplification of internal processes.** Automation and continuous optimization of the key processes in the Bank remained among priorities, highly correlated with equipping our employees with new modern tools of communication and collaboration. Among noteworthy initiatives, we can mention applications related to credit origination, client enrolment, core system upgrade, new IT service management tool, etc.
- **The traditional distribution channel.** We focus on offering convenience to our customers by being in their proximity and offering them a pleasant interaction in each of our branches. As a result, 5 branches were relocated in 2018 and we continue the refurbishments on the next generation branch model.
- Significant investments were also dedicated to delivering the **compliance and regulatory requirements** from: IFRS 9, MiFID II, GDPR, etc.

IV 2019 – Investment budget proposal

2019 plans refer to continuing our sustainable and responsible growth strategy, carefully scrutinizing how we manage, conserve and use our available resources. The foreseen investments are related to accelerating the digital transformation, in correlation with the increasing openness of our clients towards self-service and alternative channels. We will keep offering our clients high quality and personalized products that will satisfy their financial needs by adapting and optimizing our products and services, in order to seize profitable growth and maximize our clients' satisfaction.

<i>Amounts in Ron thsd</i>	2018 Actual	2018 Budget	Actual vs. Budget	2019 Budget
Customer experience and business growth	47,003	62,474	75%	62,510
Simplification	2,066	20,570	10%	35,063
Infrastructure and business administration	74,999	95,292	79%	143,953
Compliance and regulatory	10,476	22,890	46%	33,231
Total	134,544	201,226	67%	274,758

Based upon the above-mentioned, we present the amounts invested during 2018 and we submit for approval the Budget proposal for 2019.

This Report has been analyzed and approved by the Bank's Management Board in its meeting of 18 March, 2019.

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