

Report of the Supervisory Board

Ladies and Gentlemen,

Raiffeisen Bank ended 2018 with a profit of EUR 189 million, 79 per cent higher compared to 2017. The bank's assets increased by 11 per cent to more than EUR 8.5 billion. Loans to customers increased by 19 per cent to approximately EUR 6 billion, while customer deposits advanced by 11 per cent to EUR 7 billion. The very good development of the bank's results is based on its market share increase regarding loans and on a sustained and balanced organic growth in the main customer segments and products. These are the best financial results ever recorded by Raiffeisen Bank in Romania.

In the 2018 financial year, the members of the Supervisory Board held five meetings. The overall attendance rate for Supervisory Board meetings in the 2018 financial year was 97 per cent.

The Supervisory Board regularly and comprehensively monitored the business performance and risk developments at Raiffeisen Bank. Discussions were regularly held with the Management Board on the adequacy of capital and liquidity as well as on the direction of the bank's business and risk strategies. The Supervisory Board also dealt at length with further development in the area of corporate governance and monitored the implementation of corresponding policies. In the course of its monitoring and advisory activities, the Supervisory Board maintained direct contact with the responsible Management Board members, the auditor and heads of the internal control functions. It also maintained a continuous exchange of information and views with representatives of the banking supervisory authorities on topical issues.

Moreover, the Management Board provided the Supervisory Board with regular and detailed reports on relevant matters concerning performance in the respective business areas. Between meetings, the Supervisory Board also maintained contact with the Chairman of the Management Board and the Management Board members. The Management Board was available where required for bilateral or multilateral discussions with members of the Supervisory Board, where applicable with the involvement of experts on the matters addressed by the Supervisory Board.

The work undertaken together with the Management Board was based on a relationship of mutual trust and conducted in a spirit of efficient and constructive collaboration.

Discussions were open and critical, and the Supervisory Board passed resolutions after considering all aspects. If additional information was required in order to consider individual issues in more depth, this was provided to members of the Supervisory Board without delay and to their satisfaction.

The Supervisory Board was regularly informed regarding the activities carried out in 2018 by its sub-committees.

The Supervisory Board agreed with the Management Board's report on Raiffeisen Bank's audited financial statements for the 2018 financial year, drawn up in compliance with International Financial Reporting Standards.

I would like to take this opportunity to thank our customers for their continued trust and all the employees of Raiffeisen Bank for their hard work and unwavering efforts in 2018, as well as to ask for their continued commitment in tackling any challenges going forward.

On behalf of the Supervisory Board

Johann Strobl
Chairman of the Supervisory Board