

Raiffeisen Bank recorded a 19 per cent increase in the loan portfolio in 2018

- Net profit increased by 79 per cent to RON 881 million;
- Total assets of the bank increased by 11 per cent, exceeding RON 40 billion;
- The bank's loan portfolio increased by 19 per cent to RON 26.73 billion;
- Lending growth is largely based on the financing of Romanian companies;
- Customer deposits increased by 11 per cent to RON 33.09 billion;
- The rate of non-performing loans was 4.1 per cent at the end of 2018;
- The direct and indirect taxes and charges borne by the bank exceeded RON 476 million.

Bucharest, March 13, 2019 – Raiffeisen Bank Romania ended 2018 with a profit of RON 881 million lei (EUR 189 million in equivalent), 79 per cent higher than 2017, when it amounted to RON 491 million. The bank's assets increased by 11 per cent, to RON 40.04 billion. Loans to customers increased by 19 per cent, to RON 26.73 billion in 2018, while customer deposits advanced by 11 per cent, reaching RON 33.09 billion. The bank's revenues amounted to RON 2,522 million at the end of last year, 23 per cent higher than 2017. The very good development of the bank's results is based on the market share increase for loans and on a sustained and balanced organic growth for the main customer segments and products. These are the best financial results ever recorded by Raiffeisen Bank in Romania.

"I have always said that success does not come fast or suddenly. The exceptional results of today have years of efforts, trials, failures and achievement behind them. 2018 marks the best results of the bank so far, and this translates into the following: we are a responsible supporter of the Romanian economy, the loans to customers are close to EUR 6 billion, we have approximately 5,000 employees and we are one of the most important contributors to the state budget", said Steven van Groningen, President & CEO of Raiffeisen Bank.

At the end of 2018, the bank's net loan volume increased by 20 per cent: the growth was 23 per cent for large and medium-sized companies, 13 per cent for SMEs and 10 per cent for individuals.

At the same time, the cost of risk dropped by half in 2018 compared to 2017, based on the improvement in customers' payment behavior. The rate of non-performing loans declined by 2 percentage points, to 4.1 per cent.

The direct and indirect taxes and charges borne by the bank in 2018 amounted to more than RON 476 million.

2018 marked an increase in operating expenses by 6 per cent compared to 2017, up to RON 1.28 billion, due to salary increases, inflationary pressures, as well as important investments in IT, digitization and infrastructure.

The year also brought two major changes to the bank's IT infrastructure, which will help the bank be more flexible and respond more quickly to customer requirements and all regulations. The central system of the bank was upgraded to a new solution, Signature, and the new mobile and online banking applications were launched to

5,000 Raiffeisen Bank employees in November 2018. The applications will soon be available for use to all the bank's individual customers, and they will integrate the PSD2 regulatory requirements.

The digital client portfolio recorded new increases in 2018, and Raiffeisen Online and Smart Mobile users have used the apps 65 per cent more than the previous year. The number of digital active clients has reached 600,000, and the number of Smart Mobile users has increased by 47 per cent compared to 2017.

Raiffeisen Bank launched the "cashless" agencies (37 agencies) in 2018 and invested in the new generation of branches, with the first units already open in Bucharest (AFI Cotroceni Mall) and Oradea (Lotus Mall). Since November 2018, Raiffeisen Bank is among the first banks in Romania able to instantly issue cards for individuals. The bank retains its first place on the credit card market in Romania, with 500,000 active cards.

Raiffeisen Bank marked a record increase in terms of Premium customers of more than 16 per cent compared to 2017 and ranks first in customer preferences based on the quality of the experience offered by the personal banker and the dedicated benefits.

The bank also has one of the best private banking services on the market* and manages assets in excess of RON 5 billion for its clients who use advisory services, financial instruments and related services. In 2018, it continued to improve the quality of its private banking services by investing in digitization and the training of specialists.

As regards the number of customers in 2018, the bank has over 2 million individuals, approximately 91,000 SMEs and 5,700 large and medium-sized companies. At the end of 2018, the bank had 4,966 employees (5,190 employees in 2017), 419 units (451 in 2017), more than 900 ATMs, nearly 20,000 POS and 220 multifunctional machines (MFMs).

For additional information: comunicare.externa@raiffeisen.ro

**According to international specialized publications, <https://www.fwrbanking.ro/>*

All figures in this press release are audited and consistent with the International Accounting Standards (IFRS). Figures refer exclusively to the results of Raiffeisen Bank S.A. and may be different from those announced by Raiffeisen Bank International AG (RBI) for its operations in Romania when it publishes its 2018 report on March 13, 2019.