

To: Bucharest Stock Exchange (BSE)
The Financial Supervisory Authority (FSA) – Financial Investments and Instruments Sector

Accelerated growth towards democratization of financial planning, solid performance confirmed by Moody's rating

Bucharest, 1.08.2023 | Raiffeisen Bank Romania's financial results for the first half of 2023 indicate a solid capitalization and liquidity of the bank. On May 2nd, 2023, Moody's rating agency has reaffirmed our senior unsecured debt and deposit ratings at Baa1 with stable outlook, two notches above Romania's sovereign rating. In addition, Moody's has also upgraded our rating for senior non-preferred debt by one notch from Baa3 to Baa2.

"Raiffeisen Bank Romania ended the first half of the year with a solid financial position, with intense commercial activity centered on financing the real economy and providing competitive interest rates for the savings products of our clients, in a macro environment dominated by high inflation. Moody's rating action underscores our robust financial position and capacity to continue supporting the financing and development of the Romanian economy" - Zdenek Romanek, President & CEO, Raiffeisen Bank Romania.

Banking assets surpassed **66,17 billion Ron** in the first semester for 2023, on a growing trend, **10%** increase compared YoY and our financial performance was very good, with a registered profit of **874 million Ron**. The bank's revenues increased by 21% year-on-year, due to higher business volumes and a high interest rate environment. The disciplined repayment behavior from the part of our clients was also an important driver for the good profitability: the risk profile remained very good and majority of our clients have come well through a very challenging period, with the aid of the Governmental programs in which Raiffeisen Bank was highly active and also in a context of fixed interest rates for the vast majority of the loans that Raiffeisen provided for the private individuals.

The **bank's operational expenses grew by 16%**, mainly from personnel spendings, IT, logistics, inevitable in an inflationary environment. In 2023, Raiffeisen Bank continued to invest in retaining and keeping talented employees, developing the bank's digital capabilities to offer faster, more accessible and simpler products and solutions.

Solid capitalization and liquidity of the bank in the first half of 2023

The capital adequacy rate (over 20%) and MREL (over 30%) are far above the minimum levels required by the BNR (16.87% and 27.48%, respectively). Non-performing exposures remained at low levels (below 1.7%) and the liquidity position (liquidity coverage ratio, LCR) was at a comfortable level (169%) well above the minimum regulatory requirements (100%).

Accelerated growth toward democratizing financial planning

Investments and efforts focused on financial education translate into over **250% new plans of savings and protection, investments plans and private pensions (voluntary), in the first half of 2023** compared to the first half of the previous year.

*"In 2023, we have launched a new way of doing banking. We are talking 1:1 with our clients and together with them, we are creating a personalized financial plan, adapted to their needs, using the interactive **Smart Finance** tablet, an innovation developed by the Romanian team. Our **Banking 1:1 approach and our new way of doing banking is performing**. Democratizing financial planning is on the right track. Our experts have advised and helped clients to achieve their personal goals.*

*We can proudly say that, **since launching Banking 1:1**, more than **133,000 dreams came to life**. We will systematically continue, step by step, to provide our clients with the best financial expertise" – Zdenek Romanek, President & CEO, Raiffeisen Bank Romania.*

8% growth in savings

Customer liabilities stock grew by 8% YoY on higher appetite for term deposits in all business segments. During the current year, Raiffeisen Bank, gradually, significantly increased the interest rates offered to clients for term deposits and saving accounts in RON and foreign currency, encouraging them to save through our wide range of savings products remunerated with competitive interest rates.

Green and sustainable financing

Out of the EUR 673 million outstanding ESG bonds, issued to finance sustainable projects, until December 31, 2022, we allocated 6,223 eligible green and social credits, **amounting to EUR 500 million**. In terms of environmental impact, the funded projects generate annual savings of approximately 17,635 tCO₂. Through social loans, **Raiffeisen Bank Romania supported 1,700 SMEs employing 28,489 individuals in the underdeveloped regions of Romania** and contributed to increasing access to essential services.

Solid expertise in structured financing for complex projects

Among the most important structured financing projects in the first half of the year are:

- In March 2023, Raiffeisen Bank, as **Sustainability Structuring Agent**, contributed to the signing of the **EUR 200 million syndicated financing** granted to the developer Nepi Rockcastle, the largest investor and developer of shopping centers in Central and Eastern Europe.
- Raiffeisen Bank International and Raiffeisen Bank Romania granted a loan in the amount of **EUR 40.5 million** to a company from the Shikun and Binui Energy group in Israel for the construction of a photovoltaic power plant, with a total installed capacity of approximately 70 MW, in the north-the west of the country.

Financing Romanian entrepreneurs

More than 85% of SME customers actively use **Smart Business** app, and **15%** of new loans granted in the Micro segment were made exclusively through the digital medium. More than **3,000 customers** use the paper-free **RaiPOS product** on mobile phones.

Green financing and supporting entrepreneurs through acceleration programs such as **Empowering Women in Agrifood** or **Romania ClimAccelerator**, dedicated to green startups, are also among Raiffeisen Bank's priorities.

[Factory by Raiffeisen Bank](#) is another initiative aimed at supporting entrepreneurs who have solid business plans to start their business, covering the main development stages of a company, from idea generation to building sustainable and scalable businesses.

New financing solutions for individual customers

Raiffeisen Bank continues to invest in the development of digital financing solutions, thus, increasingly more customers choose to purchase a loan for personal needs through a request initiated through Smart Mobile.

In the segment of sales of real estate loans granted to individuals, S1 of 2023 was characterized by an **increase in the share of Mortgage Green loans**, in total loans for the purchase of homes, compared to S1 of 2022, from 45% in 2022 to **50% in 2023**. In the structure of mortgage sales, the share of fixed-rate mortgages in the first 3 years reached 92%.

Intensification of lending activity

Loans to customers grew by 10% YoY, sustained by good lending activity for all business segments.

- **The corporate customers loan stock registered an excellent advance of 19%**, with focus on financing sustainable projects (renewable energy, energy efficiency and social projects financing).
- **SME loan stock grew by 14% YoY**, with a boost coming from our active participation in Governmental programs like IMM Invest.
- **Loan stock for individual customers increased by 3%**, with the rhythm of growth affected to some extent by the subdued demand; in an environment with high uncertainty, elevated inflation and upward trending market rates, most loans granted by Raiffeisen Bank to our individual customers were at fixed interest rate, thus protecting them from potential shocks in the evolution of market rates.

Positive evolutions in digital banking

The portfolio of customers using mobile/internet banking applications monthly has consolidated to approximately **1,292,000 digitally active individual customers**.

More **than 450,000 customers log into the Smart Mobile application every day**, where they find useful tools and information at their fingertips, such as: view the balance, transaction history, make payments, save according to their needs and plans, access to the account statement, updating data, activating push notifications whenever they have cash in their account or pay by card.

The Raiffeisen Bank Romania team continues to work on the launch of useful functionalities, starting from customer feedback. In June 2023, the **early loan repayment functionality** was launched in **Smart Mobile**. For the moment, it is available for certain types of loans, but it is to be extended to the level of the entire portfolio.

Regarding the digital enrollment flow, directly from the phone in the mobile banking application, it saw an acceleration in the number of customers who accessed it. Thus, compared to the second semester of 2022, in the first semester of this year **Raiffeisen Bank doubled the number of customers** who enjoyed this quick and simple enrollment experience, directly from the phone.

As of April 2023, **Raiffeisen Bank provides instant payments for SMEs**, a service that was previously available to individuals only. The transfer of funds, under 50.000 lei, is ensured at any time (24/7/365), in real time and for SME customers, in the Raiffeisen Online IMM and Raiffeisen Smart Business applications.

Smart Market – digital innovation with a focus on sustainability

The loyalty and reward application Raiffeisen Smart Market diversified its services in April 2023 by adding, for the first time on the Romanian market, the carbon footprint calculator of each user, based on transactions made with the card or through the Raiffeisen Bank account.

Since its launch in June 2022, **Smart Market has gathered over 480,000 users on the platform, rewarded with cashback, points and discounts** from over **80 partner merchants**. Through this new digital channel for the promotion of Raiffeisen services and products, individual customers purchased **over 9,000 credit and savings products in H1**.

Starting July 2023, Smart Market has entered in a new development phase and includes a new section, "[Grijă pentru Mediu](#)", which enables sustainability campaigns.

Consolidated position on the cards market

Raiffeisen Bank continues to be amongst the leaders of the credit card market in Romania, with **a portfolio of over 572,000 cards**.

In the context of digitalization and the accelerated growth of online commerce, the **number of online transactions** made by individuals using Raiffeisen Bank debit cards increased by **approximately 32%** compared to the same period of the year 2022.

Payments with digital wallets have increased by 87% compared to the same period in 2022, showing the desire of customers to make transactions as simply and quickly as possible.

From March 2023, **Raiffeisen Bank Romania's customers can make payments with their phone using Google Pay for Android phones**. Also, Raiffeisen Bank Romania's customers can **make** payments by phone using RaiPay, the Raiffeisen Bank wallet application for Android and Huawei phones, but also through Apple Pay on iOS and Garmin Pay on Garmin watches.

About Raiffeisen Bank Romania

Raiffeisen Bank, a leading universal bank, has been active on the Romanian banking market for over 25 years, serving approx. 2.3 million clients, individuals and legal entities. The bank has 4,919 employees in 291 units, 1,124 ATM&MFMs and 27,760 POSs.

www.raiffeisen.ro

Note: All the above financial figures are in accordance with International Financial Reporting Standards (IFRS) and RBI Group Management Reporting Standards (MIS).