

Prospectus Supplement No. 1
2 August 2022



RAIFFEISEN BANK S.A.

(a joint-stock company organized and functioning in accordance with the laws of Romania, administrated in dualist system, with its registered office at 246C Calea Floreasca, Sky Tower Building, floors 2nd – 7th, 10th and 15th, Bucharest 1st District, Romania, registered with the Trade Registry under no. J40/44/1991 EUID ROONRC J40/44/1991, sole registration code 361820, registered with the Credit Institutions Registry held by National Bank of Romania under number RB-PJR-40-009 as of 18 February 1999, subscribed and paid-in share capital of RON 1,200,000,000)

relating to the

€1,500,000,000 EURO MEDIUM TERM NOTE PROGRAMME

FOR THE ISSUE OF NOTES

This supplement (the "**Supplement**") constitutes a prospectus supplement pursuant to Article 23 of Regulation (EU) 2017/1129 of the European Parliament and the Council of 14 June 2017, as amended (the "**Prospectus Regulation**") and is supplemental to, and should be read in conjunction with, the base prospectus dated 27 April 2022 (the "**Prospectus**") relating to a €1,500,000,000 Euro Medium Term Note Programme (the "**Programme**") of Raiffeisen Bank S.A. (the "**Issuer**" or "**Raiffeisen Bank**").

The Prospectus was approved on 27 April 2022 by the Commission de Surveillance du Secteur Financier ("**CSSF**") and published on 27 April 2022 by making it available in electronic form on the website of the Luxembourg Stock Exchange (www.bourse.lu) and on the website of Raiffeisen Bank (www.raiffeisen.ro).

This Supplement has been filed for approval with the CSSF in its capacity as competent authority in Luxembourg for approving this Supplement and to provide the competent authorities in Romania with a certificate of approval attesting that this Supplement has been drawn up in accordance with the Prospectus Regulation. This Supplement has been filed with and approved by the CSSF on the date first above written and has been published on or about such date by making it available in electronic form on the website of the Luxembourg Stock Exchange (www.bourse.lu) and on the website of Raiffeisen Bank (www.raiffeisen.ro).

The CSSF only approves this Supplement as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the Issuer that is subject of this Supplement.

Terms defined in the Prospectus shall have the same meaning when used in this Supplement.

This Supplement does not constitute an offer of, or an invitation by or on behalf of any of the Issuer, the Dealers or the Arranger to subscribe for, or purchase, any Notes.

To the extent that there is any inconsistency between a) any statement in this Supplement and b) any other statement in or incorporated by reference in the Prospectus, the statements in a) above will prevail.

Save as disclosed in this Supplement, no other significant new factor, material mistake or inaccuracy relating to information in the Prospectus has arisen or been noted, as the case may be, since the publication of the Prospectus.

The Issuer accepts responsibility for the information contained in this Supplement. Having taken all reasonable care to ensure that such is the case, the information contained in this Supplement is, to the best of the knowledge of the Issuer, in accordance with the facts and contains no omission likely to affect its import.

No person has been authorised to give any information or to make any representation other than those contained in this Supplement in connection with the issue or sale of the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, Raiffeisen Bank International AG in its capacity as arranger (the "Arranger") or any of Raiffeisen Bank International AG and Raiffeisen Bank S.A. in their capacity as dealers (the "Dealers"). Neither the delivery of this Supplement nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer or the RBI Group since the date hereof or that there has been no adverse change in the financial position of the Issuer or the RBI Group since the date hereof or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

The distribution of this Supplement and the offering or sale of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Supplement comes are required by the Issuer, the Arranger and the Dealers to inform themselves about and to observe any such restrictions. The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended, and may include Notes in bearer form that are subject to US tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to US persons. For a description of certain restrictions on offers and sales of Notes and on distribution of this Supplement, see "Subscription and Sale" of the Prospectus.

The Arranger and the Dealers have not separately verified the information contained in this Supplement. None of the Arranger and the Dealers makes any representation, express or implied, or accepts any responsibility, with respect to the accuracy or completeness of any of the information in this Supplement. Neither this Supplement nor any financial statements supplied in connection with the Programme or any Notes are intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Issuer, the Arranger, and the Dealers that any recipient of this Supplement or any financial statements should purchase the Notes. Each potential purchaser of Notes should determine for itself the relevance of the information contained in this Supplement or any financial statements and its purchase of Notes should be based upon any such investigation as it deems necessary. None of the Arranger and the Dealers undertakes to review the financial condition or affairs of the Issuer or the RBI Group during the life of the arrangements contemplated by this Supplement or to advise any investor or potential investor in the Notes of any information coming to the attention of any of the Arranger and the Dealers.

The following significant new factors (Article 23 of the Prospectus Regulation) relating to the information included in the Prospectus which is capable of affecting the assessment of the Notes, have arisen:

- I. In June 2022, the Issuer has received new MREL requirements from the NBR in its role of Romanian Resolution Authority.

Consequently, the following change to the Prospectus shall be made:

1. On page 23 of the Prospectus, after the fifth paragraph of the Risk Factor "*The Issuer is subject to substantial regulation and supervision. Any new governmental or regulatory requirement and/ or any change in perceived levels of adequate capitalisation and leverage could subject the Issuer to increased capital and MREL requirements and require the Issuer to obtain additional capital or liquidity in the future.*" the sixth and the seventh paragraphs shall be replaced in their entirety by the following:

"In June 2022, the NBR, in its role as Romanian Resolution Authority, has communicated to the Issuer the new MREL targets in accordance with BRRD2 provisions, set in a joint decision with the Single Resolution Board in its capacity of Resolution Authority of the RBI Group.

Based on the joint decision, it was determined that the Issuer shall comply on a consolidated basis at the level of the resolution group with an MREL target of 26.37% in terms of Total Risk Exposure Amount ("**TREA**") and 5.9% in terms of Leverage Ratio Exposure Measure ("**LRE**") as of 1 January 2024. On a fully loaded basis, the subordinated requirements are set at the levels of 22.87% in terms of TREA and 5.9% of LRE, effective from 1 January 2024. The first intermediate binding MREL levels shall be met starting with 1 July 2022 and shall be equal to 21.1% of TREA and 5.9% of LRE. The minimum interim subordination requirement for the first target is set at 19.88% of TREA and 5.9% of LRE. Moreover, in order to ensure a gradual build-up of the MREL capacity, the NBR has communicated an informative MREL target to be fulfilled by the Issuer starting with 1 January 2023: 23.48% in terms of TREA and 5.9% in terms of LRE. The corresponding subordination target for 1 January 2023 is set at 21.71% in terms of TREA and 5.90% in terms of LRE."

- II. On 2 August 2022, the Issuer published on its website (www.raiffeisen.ro) preliminary selected unaudited financial information for the six months period ended 30 June 2022 prepared in accordance with IFRS.

Consequently, the following changes to the Prospectus shall be made:

1. On page 65 of the Prospectus, in the chapter "**FINANCIAL INFORMATION**", the following information shall be included after the existing table:

The Issuer recorded a net profit of RON 602 million in the first half of 2022, more than 50% higher than in the first half of 2021, based on strong loan growth (+25% year-over-year ("**yoy**")) and an improved customer risk profile (cost of risk down 50% yoy). As of 30 June 2022, total assets exceeded RON 60 billion, an increase by 11% yoy, while the Issuer's revenues stood at almost RON 1.5 billion, an increase of 14% yoy. Net interest income experienced a significant growth of 22% yoy, fuelled by an excellent lending result, but also based on the increase in market interest rates. Net commission revenues increased by 10% compared to the first 6 months of 2021, supported by the intensified transactional and lending activity (FX business, lending products, but also insurance products accompanying them). This preliminary unaudited financial information has been extracted from the announcement regarding preliminary selected unaudited financial information for the six months period ended 30 June 2022 prepared in accordance with IFRS, which has been published on the Issuer's website. The Issuer's Unaudited Interim Condensed Consolidated and Separate Financial Statements Prepared in Accordance with International Financial Reporting Standards as endorsed by the European Union for the six months period ended 30 June 2022 are expected to be published on 30 September 2022.

- III. Furthermore, there have recently been certain developments relating to legal, governmental or arbitration proceedings before various courts and governmental agencies.

Consequently, the following changes to the Prospectus shall be made:

1. On page 61 of the Prospectus, paragraphs (a) and (b) in subchapter "**7. LEGAL AND ARBITRATION PROCEEDINGS**" in the chapter "**DESCRIPTION OF THE ISSUER**" shall be replaced in their entirety to read as follows:

- (a) "The litigation between ABL and the Romanian Court of Auditors.

Following an audit review of the Romanian Court of Auditors regarding the activity of ABL, finalised in 2016, the Romanian Court of Auditors claimed that several deficiencies were identified and that conditions for payment by ABL of state premiums on savings had not been met. Thus, allegedly, such premiums may have to be repaid. Should ABL not succeed in reclaiming said amounts from its customers or providing satisfactory documentation, ABL would be liable for the payment of such funds. ABL initiated court proceedings to contest the position of the Romanian Court of Auditors and won on the merits with regard to the most significant alleged deficiencies. However, the case was appealed at the High Court of Cassation and Justice of Romania. In November 2020, the High Court of Cassation and Justice overturned the previous court decision and confirmed the view of the Romanian Court of Auditors. Upon the application of ABL, the High Court of Cassation and Justice requested the Constitutional Court to decide whether the Court of Auditors was, in principle, entitled to scrutinize ABL. The proceeding at the Constitutional Court is still pending and could – depending on its outcome – enable ABL to file an extraordinary recourse against the decision of the High Court of Cassation and Justice. At the end of June 2022, ABL took advantage of a legal provision allowing entities to pay debts towards the state (the principal debt – in this case the state premiums) and be exonerated from payment of accessories (the penalty interest). ABL has paid the principal of RON 114.8 million and requested to be exonerated to pay accessories of RON 151 million. As of June 2022 the provisions previously booked (RON 113 million) have been utilized in full for debts principal payment. Very recently, ABL received an answer according to which ABL does not qualify for the exoneration of payment of accessories. Given that ABL considers this refusal as not grounded, ABL will dispute the state authority's refusal to exonerate ABL from payment of accessories. Based on the external legal opinion in respect of the further dispute outcome there are no provisions recognised.

- (b) Order no. 837 dated 20 October 2017 received from the ANPC.

In October 2017, the Issuer received an order from ANPC which requires the Issuer to stop its alleged practice of not informing its customers about future changes in the interest rate charged to the customers ("**Order no. 837**"). The order did not expressly provide for any direct monetary restitution or payment from the Issuer. The Issuer challenged Order no. 837 in court, as it believed it was not justified, but finally lost. So far, the reasoning for the court's decision has not yet been provided in writing. A provision of RON 90.5 million (previous year: RON 134.5 million) has been recognized in connection to Order no. 837. Given current uncertainties as to the implementation of the order (in the absence of the actual written reasoning for the decision of the court), an exact quantification of the negative financial impact resulting from potential repayments to customers is still not possible at this point of time. However, based on an external legal opinion, the most likely estimation of losses is RON 90.5 million."