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Independent Auditors' Report

To the shareholder of Raiffeisen Bank Zrt.

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the 2020 consolidated financial statements of Raiffeisen Bank Zrt. and its subsidiaries (collectively, hereinafter referred to as "the Group"), which comprise the consolidated statement of financial position as at 31 December 2020, which shows total assets of MHUF 3,202,846, the consolidated statement of profit or loss , which shows profit for the year of MHUF 12,939, and the consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2020, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU (hereinafter referred to as "EU IFRSs") and those are prepared, in all material respects, in accordance with the provisions applicable to entities preparing consolidated annual financial statements in accordance with EU IFRSs of Act C of 2000 on Accounting in force in Hungary (hereinafter referred to as "the Act on Accounting").

Basis for Opinion

We conducted our audit in accordance with Hungarian National Standards on Auditing and applicable laws and regulations in Hungary. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group for the purposes of our audit of the consolidated financial statements, as provided in applicable laws in force in Hungary, "The Policy on Rules of Conduct (Ethics) of the Audit Profession and on Disciplinary Procedures" of the Chamber of Hungarian Auditors, as well as with respect to issues not covered by these Rules, with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (the IESBA Code) and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Credit losses on loans and advances to clients, loan commitments and financial guarantees

As at 31 December 2020, loss allowance for loans and advances to clients: HUF 51.256 million, provision for loan commitments and financial guarantees: HUF 5.456 million, and

For the year then ended, impairment charge: HUF 7.944 million

See note 6.2 and note 11

Key audit matter	*Our response*
Impairment allowances for loans and advances to clients and provision of the loan commitments and financial guarantees (collectively, “loans”, “exposures”) represent the Group’s best estimate of expected credit losses (“ECLs”) associated with these exposures at the reporting date. Measurement thereof requires the Group to make complex and subjective judgements over the amounts of any such impairment. Impairment losses on individually significant non-performing loans are based on the Group’s estimates of the present value of expected future cash flows, which are inherently uncertain. The present value of such expected future cash flows is often influenced by, among others, the applied discount factor on the value of collateral, the length of the recovery process and the cost of liquidation or sale process. Collective impairment, applied to performing exposures (classified as Stage 1 and Stage 2 exposures in the IFRS 9 hierarchy), as well as to retail Stage 3 (non-performing) exposures, is determined by modelling techniques relying on key parameters such as the client rating, probability of default (“PD”) and loss given default (“LGD”). These modelling techniques also consider historical experience, identification of exposures with a significant increase in credit risk (“SICR”), forward looking information and other areas of judgement. In addition, during 2020, a number of measures were taken by the government to alleviate the	Our audit procedures in the area, performed, where applicable, with the assistance from our own financial risk management, information technology (IT) and property valuation specialists, included the following, among other things: — We inspected the Group’s ECL methods and models and assessed their compliance with the relevant requirements of the financial reporting standards. As part of the above, we challenged the Group on whether the level of the methodology’s sophistication is appropriate based on an assessment of entity-level factors; — We tested the design, implementation and operating effectiveness of selected controls over impairment calculations, client ratings, and monitoring. We also tested selected IT-based controls over the days past due calculation, default and forborne flag settings; — We assessed the completeness and accuracy of data used for ECL estimates and evaluated its relevance and reliability; — We assessed whether the definition of default and the relevant standards’ staging criteria were consistently applied, and in accordance with the requirements of the relevant standards; — We evaluated whether in its loan staging and ECL measurement the Group appropriately considered the effects of the market disruption resulting from the COVID-19 pandemic. As part of the procedure, we assessed the monitoring processes related to clients under moratorium

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effects of the COVID-19 pandemic, including repayment moratoriums. As days-past-due parameter may no longer be an appropriate indicator of changes in credit risk for borrowers benefiting from the moratorium, the Group applied alternative staging indicators based on qualitative factors. Identification of exposures at default in the current economic environment is also associated with increased estimation uncertainty.
 	
In the wake of the above factors and complexities, we considered impairment of loans and advances to clients and provision for loan commitments and financial guarantees to be associated with a significant risk of material misstatement in the consolidated financial statements which required our increased attention in the audit and as such was determined to be a key audit matter.
	and the appropriateness of alternative factors used to measure the significant increase in credit risk;
	
	For expected credit losses calculated individually, for a risk-based sample, we:
	
	— inspected the borrower's loan files, including correspondence with the borrower and its latest available debt service and financial information, loss allowance estimates by credit risk officers, collateral appraisals, problem loan committee minutes, and also considered the resolution period estimated for the credit impaired loans;
	— challenged the key assumptions within the Group's estimates of the present value of expected future cash flows from the borrower, as follows:
	  — future debt recovery scenarios – by reference to problem loan committee analysis and decisions, with different elements and assumptions challenged by reference to the history of the exposure and our experience with the industry and current economic conditions;
	  — collateral values – by reference to asset valuations by experts engaged by the Group, whose experience, competence and objectivity we independently assessed. We also independently challenged the experts' appraisals, on a sample basis;
	
	For expected credit losses calculated collectively, we:
	
	— assessed the underlying model set-up and reperformed the calculation of the model output based on the Group's data and assumptions.
	— obtained the relevant forward-looking information and macroeconomic projections used in the Group's ECL assessment. We independently assessed the information by means of corroborating inquiries of management's experts and inspecting publicly available information;
	— challenged the collective LGD and PD parameters used by the Group, by reference to its historical loan experience, including historical

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	realized losses on defaults, and also considering any required adjustments to reflect expected changes in circumstances; — assessed the appropriateness of any post-model adjustments made to account for risks and uncertainties not captured by the Group's ECL models, including those resulting from the COVID-19 outbreak and related moratorium. As part of the procedure, we also tested the underlying data used for calculation, For expected credit loss related disclosures, we: — examined whether the Group's loan impairment and credit risk-related disclosures in the consolidated financial statements appropriately describe the relevant quantitative and qualitative information required by the applicable financial reporting framework.

Other Information

The other information comprises the 2020 consolidated business report of the Group, which we obtained prior to the date of this auditors' report, and its 2020 annual report, which is expected to be made available to us after that date. Management is responsible for the other information, including the preparation of the consolidated business report in accordance with the Act on Accounting and other applicable legal requirements, if any.
Our opinion on the consolidated financial statements expressed in the Opinion section of our report does not cover the other information. We will not express any form of assurance conclusion on the annual report.

In connection with our audit of the consolidated financial statements, our responsibility is to read the consolidated business report and, in doing so, consider whether the consolidated business report is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

Based on the Act on Accounting, we are also responsible for assessing whether the consolidated business report has been prepared in accordance with the Act on Accounting and other applicable legal requirements and expressing an opinion on this and whether the consolidated business report is consistent with the consolidated financial statements.

With respect to the consolidated business report, based on the Act on Accounting, we are also responsible for checking that the information referred to in Section 95/C and Section 134 (5) of the Act on Accounting has been provided in the consolidated business report.

In our opinion the 2020 consolidated business report of the Group is consistent, in all material respects, with the 2020 consolidated financial statements of the Group and the applicable provisions of the Act on Accounting.

This is an English translation of the Independent Auditors' Report on the 2020 consolidated financial statements of the Raiffeisen Bank Zrt. issued in Hungarian. If there are any differences, the Hungarian language original prevails. This report should be read in conjunction with the complete consolidated financial statements it refers to.

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There are no other legal requirements that are applicable to the consolidated business report of the Group, therefore, we do not express an opinion in this respect.

We confirm that the information referred to in Section 95/C and Section 134 (5) of the Act on Accounting has been provided in the consolidated business report.

In addition, in light of the knowledge and understanding of the Group and its environment obtained in the course of the audit, we are required to report if we have identified material misstatements in the consolidated business report, and if so, the nature of such misstatement. We have nothing to report in this regard.

In connection with our audit of the consolidated financial statements, our responsibility is also to read the annual report identified above when it becomes available and, in doing so, consider whether the annual report is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with EU IFRSs and for the preparation of the financial statements in accordance with provisions applicable to entities preparing consolidated annual financial statements in accordance with EU IFRSs of the Act on Accounting and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Hungarian National Standards on Auditing and applicable laws and regulations in Hungary will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Hungarian National Standards on Auditing and applicable laws and regulations in Hungary, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

• Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a

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material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

• Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

• Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

• Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

• Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

• Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

We were appointed by the shareholder on 31 May 2017 to audit the consolidated financial statements of the Group for the financial year ended 31 December 2020. Our total uninterrupted period of engagement is 27 years, covering the periods ending 31 December 1994 to 31 December 2020.

We confirm that:

• our audit opinion is consistent with the additional report presented to the Audit Committee of the Group dated 7 April 2021;

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• we have not provided to the Group the prohibited non-audit services (NASs) as set out by Article 5(1) of EU Regulation (EU) No 537/2014 and in terms of the member state derogations by the Act LXXV of 2007 on the Chamber of Hungarian Auditors, the Activities of Auditors, and on the Public Oversight of Auditors in force in Hungary. We also remained independent of the audited entity in conducting the audit.

The engagement partner on the audit resulting in this independent auditors' report is the signatory of this report.

Budapest, 23 April 2021

KPMG Hungária Kft.

Registration number: 000202

Digitally signed
by Agócs Gábor
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Gábor Agócs
Partner, Professional Accountant
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This is an English translation of the Independent Auditors' Report on the 2020 consolidated financial statements of the Raiffeisen Bank Zrt. issued in Hungarian. If there are any differences, the Hungarian language original prevails. This report should be read in conjunction with the complete consolidated financial statements it refers to.

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