

Annual Report 2009

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Survey of Key Data

in accordance with the IFRS/IAS

in TCZK	2009	2008	Change
Statement of Comprehensive Income			
Net interest income after provisioning	4,538,699	3,838,767	18.2%
Net commission income	1,589,033	1,398,759	13.6%
Trading profit	839,310	935,277	(10.3)%
General administrative expenses	(4,577,985)	(4,549,129)	0.6%
Profit before tax	2,522,408	1,750,836	44.1%
Profit after tax	1,985,777	1,400,790	41.8%
Earnings per share	3.03	2.13	42.0%
Balance Sheet			
Loans and advances to banks	23,803,475	27,060,929	(12.0)%
Loans and advances to customers	142,816,370	138,705,147	3.0%
Deposits from banks	25,037,385	27,361,733	(8.5)%
Deposits from customers	130,092,679	112,283,168	15.9%
Equity	13,158,998	11,605,192	13.4%
Balance-sheet total	193,213,455	181,761,814	6.3%
Regulatory information			
Risk-weighted assets, incl. market risk	117,818,025	117,444,838	0.3%
Total own funds	14,162,933	13,925,831	1.7%
Total own funds requirement	9,425,442	9,395,587	0.3%
Excess cover ratio	50.3%	48.2%	2.1 PB
Core capital ratio (Tier 1), banking book	8.5%	8.1%	0.4 PB
Core capital ratio (Tier 1), incl. market risk	8.5%	8.0%	0.5 PB
Own funds ratio	11.0%	11.0%	0 PB
Performance			
Return on equity (Tier 1) (ROE) before tax	25.3%	18.7%	6.6 PB
Return on equity (Tier 1) (ROE) after tax	19.9%	15.0%	4.9 PB
Cost/income ratio	52.5%	61.2%	(7.9) PB
Return on assets (ROA) before tax	1.3%	1.0%	0.3 PB
Net provisioning ratio	0.9%	0.9%	0 PB
Risk/earnings ratio	20.1%	18.0%	2.1 PB
Resources			
Number of staff	2,590	2,202	17.6%
Business outlets	104	100	4.0%

* 2008 data were reclassified - for more detail see chapter 4n of Notes to the 2009 unconsolidated financial statements.

Introducing Raiffeisenbank

Raiffeisenbank a.s. is an important banking institution that provides a wide range of banking services to private and corporate clientele in the Czech Republic. Raiffeisenbank is a member of the Austrian Raiffeisen Financial Group that also offers products and services in the Czech Republic in the area of building savings (Raiffeisen stavební spořitelna), insurance (UNIQA pojišťovna) and leasing (Raiffeisen-Leasing, Raiffeisen-Leasing Real Estate). In 2008, Raiffeisenbank successfully merged with eBanka, a.s., which has been operating on the Czech market since 1998. From this time, eBanka has focused on quality Internet banking services.

Raiffeisenbank serves clients at more than 100 branch offices and client centres throughout the Czech Republic. The total assets of the bank exceed CZK 180 billion, and there are more than 2,500 employees. The core capital of the bank reaches CZK 6,564 billion CZK.

The bank's range of outstanding services is awarded by many prizes both in the Czech Republic and abroad. In 2009 Bank of the Year competition Raiffeisenbank was the "Most Dynamic Bank of the Year" for the third time in the last four years. eKonto defended its position as best account, and Raiffeisenbank became third in the main category. In 2009, Raiffeisenbank was also awarded the title of Best Bank in the Czech Republic by the magazine Global Finance. Golden Crown competition the bank took 1st place in the categories of direct banking, mortgages and corporate accounts.

The majority shareholder of both banks with 51 per cent of the shares is the Austrian financial institution, Raiffeisen International Bank Holding AG, whose parent company is Raiffeisen Zentralbank (RZB). Additional shareholders include Raiffeisenlandesbank Niederösterreich – Wien AG with 24 per cent and RB Prag-Beteiligungs GmbH with 25 per cent.

The Austrian banking group Raiffeisen has been providing financial services for more than 140 years and is one of the strongest financial institutions for commercial and investment banking in all of Central and Eastern Europe. Raiffeisen International operates on 17 markets in Central and Eastern Europe and serves almost 15 million clients at 3,200 business sites.

From the very beginning, Raiffeisenbank has offered its services with emphasis on the particular needs of clients in the various regions. Besides its business activities, Raiffeisenbank is also involved in a number of community service activities related to culture, education and charity, reflecting Raiffeisen's 140-year tradition.

Important Events in 2009

January

Raiffeisenbank kicks off the Exklusive loyalty program for its credit cards. For every purchase the client earns points which can be exchanged for goods and services from our partners.

February

Commencement of the ePůjčka (eLoan) public internet application, used to apply for loans or credit cards. The application is simple to fill out and the client receives a response from the bank within five minutes regarding pre-approval of loan or credit card offers.



March

As part of our increased emphasis on corporate social responsibility, Raiffeisenbank becomes the banking partner of the Help the Children! fund, organized by the Foundation for the Development of Civil Society and Czech Television. A new fundraising account (505 333 505/5500) is established to collect gifts and donations for the project.

World-renowned magazine Global Finance declares Raiffeisenbank the „Best bank in the Czech Republic“. The magazine based its decision on the following criteria: asset growth, customer service, price policy, and product innovation.

April

The General Meeting allocates bank profit for 2008. Roughly two-thirds of profit from 2008 remain in the bank in the form of retained earnings, further strengthening the bank's stability and capital adequacy.

June

The Zlatá koruna (Golden crown) competition: Raiffeisenbank receives three first place awards for the best direct banking, mortgages, and business accounts.

July

On July 1st the bank's new price list takes effect. The new price list is prepared with the aim of ensuring even greater benefits for our loyal customers. Owners of eKonta accounts have their monthly bonuses doubled, and certain fees are dropped, such as the fee for large cash deposits or blocking credit cards.

August

Bank employees become even more involved with charity work. More than 50 people give two free weekends to paint for the Klokánek asylum home. Volunteer work for Klokánek continues throughout the rest of the year, as bank employees make Christmas wishes come true for Klokánek children.

October

Thanks to eKonto over a quarter of a million crowns is given to charity. eKonto is the only account in the Czech Republic where the bank pays the client for keeping the account. The bonus also has a charitable dimension, as the client has the option of donating twenty crowns each month to one of four charities. By the end of October, a quarter of a million crowns is donated in this manner. Raiffeisenbank carries out this program in cooperation with four foundations: Konto Bariéry, Help the Children!, the Czech Red Cross, and the H. Stepic CEE charity.

More success in the Bank of the Year competition: for the third time in the past four years, Raiffeisenbank is declared the most dynamic bank in the Czech Republic. eKonto defends its title as Account of the Year, and in the main category of Bank of the Year Raiffeisenbank finishes in 3rd place.

November

Raiffeisenbank prepares several new features for its flagship eKonto account. A new savings account is introduced and certain internet banking functions are expanded. Over the past year, the number of individual account holders nearly doubles, with 130,000 bank clients using the account by the end of September. Also enjoying success is the Business eKonto, with nearly 15,000 businesses now signed up.





Chairman of the Board of Directors Statement

One year ago I wrote here that 2008 was without a doubt the most successful and demanding year in the history of the bank. In all respects, the same can be said and even more so of 2009! In a time of global economic crisis, Raiffeisenbank has continued its strong growth, has significantly increased profits, and its clients are the most satisfied on the Czech market.

A decisive factor in the successful year was the ability of the bank to make excellent preparations for the crisis. Back at the very beginning of 2009, we established three fundamental priorities: cost reduction, effective risk management, and thorough debt collection. Thanks to our quick reactions and emphasis of these priorities, I daresay that Raiffeisenbank has emerged from the crisis even stronger than it was at its outset.

The strong position of the bank and its successful struggle with the crisis was also confirmed by a number of awards in 2009.

Awards in 2009

World-renowned magazine Global Finance declared Raiffeisenbank the „Best bank in the Czech Republic“. The magazine based its decision on the following criteria: asset growth, customer service, price policy, and product innovation.

The bank also received a number of awards in domestic competitions. In the Bank of the Year survey, for the third time in the past four years Raiffeisenbank was declared the most dynamic bank in the Czech Republic. The eKonto account defended its title as Account of the Year. The bank also performed well in the main category, where after winning in 2008 we were awarded third place.



As from left: Jakub Puchalský – Head of Communication, Jan Kubín – Board Member and Executive Director, Rudolf Rabiňák – Board Member and Executive Director, Tomáš Kofroň – Spokesperson, Alexandr Borecký – Board Member and Executive Director, Lubor Žalman – CEO

Building upon tradition, we were also successful in the Zlatá koruna (Golden Crown) competition. Our internet banking again defended its title as best internet banking on the Czech market, and our Business eKonto and mortgages were designated best products. We were also successful in voting by the business community.

Corporate banking

A challenging year for all, corporate banking included

The segment of corporate banking saw a challenging year. Yet we are proud to say that it went through with great success. The aggravated situation in the interbank market of the year 2008 persisted, accompanied in 2009 with a significant decline of the economy, affecting many of our clients. All of the above lead to an increase in the price of mostly long-term resources in the interbank market, also increasing the credit risk of financed entities. The corporate segment responded to these structural changes by revaluating most of its financing relationships and by adopting more prudent measures in the provision of new loans, particularly to non-clients.

Sales results

The area of client financing has seen an annual drop of 13 percent, thus reaching the figures of 2007. The bank's market share in the corporate segment remained unchanged. The annual decrease of economic activity in certain industries by up to thirty percent largely affected the area of financing of operations. The demand for investment loans decreased due to suspended investment projects of our clients and implemented cost-cutting measures. In trade financing, the segment maintained its position of the past years; structured financing registered good results. Development financing benefited from the portfolio's good structure and growing trading volume by 15 percent. In the case of factoring services, the bank has reached an annual drop of financed receivables by 24 percent, which was however a better result than that of the entire factoring market in the Czech Republic. In deposits, the bank got another proof of its credibility and increased its market share by one half of a percentage point.

Subsidy consulting

Last year we continued expanding the range of offered services by introducing consulting services in the area of European funds and financing of subsidized projects. Currently, the bank provides subsidy applicants with services ranging from consultations concerning the investment plan, to searching suitable support titles, to preliminary assessment of the requisites for reaching for the support, assistance in preparing the application, to provision of financing.

Adaptability proved fruitful

Cutting cost was the segment's answer to declining new sales caused by decreased business activity of our clients, logically resulting in revenues below the plan. After adopting appropriate measures, the cost is more than 15 percent down in annual comparison. Adding good management of the loan portfolio and minimized losses from bad debts, we can sum up that the entire segment has reached the best results in the 16 years of history of rendering services to corporate clients in the Czech Republic.

Private individuals - TMM numbers

In 2009 private individuals were above all seeking security and stability. I am very pleased to say that we were able this year to significantly increase deposit volume of clients, who in this manner expressed their confidence in our bank. On the other hand, there was a logical drop in loan demand; in such uncertain times people behaved accordingly and only took out loans if they were truly necessary.

eKonto: double the number of clients and increased charity work

Our flagship product for current accounts remains eKonto. eKonto is regularly declared the best account in the Czech Republic, having been awarded this title in the prestigious Bank of the Year competition for the past two years. The account boasts a unique combination of high quality and low costs when meeting the account terms. It offers an entire range of unique services, such as blocking credit cards or multi-currency accounts. We are delighted that interest in eKonto continues to rise, increasing last year by several tens of thousands of users, with nearly 140,000 clients using the account by the end of the year and an additional 15,000 businesses using Podnikatelské eKonto (Business eAccount).



eKonto is also the only account in the Czech Republic where the bank pays the client for managing their account. If clients meet certain conditions, they receive 20 crowns each month from the bank. This bonus also has a charitable dimension, as clients may donate this amount through internet banking to a select charity. Presently, the bank is working with four different charities which together have received roughly 470,000 CZK through eKonta.

Interest in security reflected in increased savings account deposits

In a time of uncertainty and fear for the future, clients preferred security in the management of their savings. They also desired to have their money available quickly in the event of unforeseen expenditures. This was reflected in a strong increase of interest in products with minimal risk. Raiffeisenbank primarily saw increased interest in savings accounts, with the volume of managed funds practically

doubling over the previous year. There was also increased interest in term deposits, while popular investment products proved to be those with a guaranteed yield, such as premium deposits and bonds.

Inspired by clients, the bank continued to reduce fees

As a bank inspired by our clients, in 2009 we continued to reduce or eliminate certain fees, particularly those which were most frequently criticized. In February the bank eliminated the fee for sending e-mail reports, i.e. reports showing account activity and recent transactions. Other significant changes occurred on July 1st, when the bank cancelled fees for large cash deposits and card blocking. The bank also increased the bonus paid to eKonto clients to 20 CZK per month.

Continuing development of new products

In 2009 we continued to develop and introduce new products to the market. In doing so, we responded to the needs of our clients, with innovation being applied primarily in the areas of savings and secured investment.



Since the autumn, for eKonto we have offered a new type of savings account called eKonto Flexi. This savings account offers the client the option of term deposits for higher interest rates. Mortgage holders can now go online to see basic information about their mortgage. We have also introduced a new term deposit called eKonto Garant, which allows clients to withdraw a portion of the deposit before maturity without sanction.

In the area of credit, we focused primarily on credit cards, commencing a loyalty program at the beginning of the year called Visa Exclusive, in which clients can obtain discounts and prizes from select partners.

Small and medium enterprises

Furthermore, we were successful in fostering our business with small and medium enterprises as well. The number of clients rose by 12 percent in 2009; our loan portfolio went 13 percent up; most of all, the volume of deposits is 17 percent higher, which serves a proof of the strong confidence our clients have in Raiffeisenbank in this segment and a proof of the highly competitive nature of our deposit products.

Continuing optimization of crediting processes

The bank's stability and our sound loan portfolio, along with well-defined processes and criteria for granting loans allowed us continuing our loan expansion despite the turmoil on the markets. We keep optimizing our loan processes, aimed at satisfying standard needs of clients in an efficient and prompt way, while keeping enough capacity for providing individual solutions to complex cases. In loans, we have launched cooperation with ČMZRB (Czech-Moravian Guarantee and Development Bank) in granting guarantees in a simplified manner, allowing our clients to reach for additional operational loans for inventories, benefiting from collateral through CMZRB's M guarantee.

eKonto still on a roll

The successful model of business eKonto accounts now includes its Premium version. The Premium version allows businesses actively using the account to cut their cost of banking services further by means of a certain number of free transactions. Last year, our clients also admired our offer of savings accounts, providing clients with an attractive yield while maintaining high liquidity of deposited funds.

Yet more emphasis on consulting

Logically, most companies suspended new investments and experienced increased uncertainty due to the declining economy. Therefore we continued in the series of professional seminars on forecasted development of the economy and on the ways to protect oneself against its adverse impacts. Furthermore, we advanced in developing our concept of consulting services in mediation of subsidies from European funds. We also partnered the Company and Entrepreneur of the Year contest, aimed at, among other, improving the quality of the Czech business environment.

Goals for 2010

Our current strategy has proved fruitful and therefore we intend to continue with it in 2010. We will continue to focus on clients with higher incomes, businesses, and large firms. We would like to offer these key groups the best services on the market, and we count on the continued growth of our market share in products intended for these clients.

We firmly believe that the Czech economy will gradually begin to revive in 2010. We would like to take advantage of this recovery by renewing and increasing our loan activities. For firm clients we want to place greater emphasis on the future prospects of their business, we do not want to be looking back. At the same time however, we will continue to thoroughly screen clients and remain careful in selecting our loan clients.

In spite of the anticipated recovery of the domestic economy, we are sure that 2010 will be a challenging year for the bank. Particularly in the first half of the year, we can expect a further rise in unemployment and with it, a corresponding growth in unpaid loans, especially for households. The success of individual banks in 2010 will be measured by how they prepare for this increase in bad loans.



Therefore, in addition to developing trade we will continue in 2010 to concentrate on the priorities of 2009: effective cost management, thorough debt collection, and risk management.

We will continue to expand our branch network and intend to open several new branches in cities of over 50,000 inhabitants. In doing so, we shall strive to increase the quality of operations so that there is no decline in service, as has presently been the case with the recent significant increase in customers. We will continue to expand our network of commercial, mortgage, and personal consultants, as our business model is founded on quality consulting and an individual approach for each client.

Client satisfaction remains for us the key. In keeping with our slogan of client inspired banking, we want to continue to develop new products and improve services so that our customers remain the most satisfied on the Czech market. More than ever before, we want to focus on the quality of client services and client satisfaction.

Thanks to clients, employees, and shareholders

In a time of strong economic growth it is very easy to acquire new clients and build long-term relationships with them. Client trust however, is primarily tested in harder times. Looking back on 2009, we see the fruits of client relationships truly founded on mutual trust. It is a great honour for us to have the most satisfied clients on the market.

Client satisfaction at Raiffeisenbank has continually been among the highest in the CR, last year registering a TRIM index of 889 points. The TRIM index is a recognized indicator measuring client satisfaction and loyalty, according to which not only are we the best in the Czech Republic but also the only Czech bank among the top 10% in Europe. I would hereby like to thank our clients for their successful cooperation, trust, and loyalty. In the coming year we will do everything to maintain client trust and, even amid the Czech economic recession, to remain a trustworthy and stable partner for our clients.



We would not have experienced the quick growth and success on the Czech market without the support of our shareholders. Raiffeisenbank is a member of the strongest banking group in Central and Eastern Europe. The strength and stability of the Raiffeisen financial group also enables our growth here in the Czech Republic.

The main thanks however go to each of our employees, all of our employees have carried out wonderful work! In the name of the entire Board of Directors, I would like to thank you all for your effort and support. It is great honour for me to be a part of this team and work with such colleagues.

The traditional emblem and trademark of the Raiffeisen Group is the Giebelkreuz – crossed horse heads. For hundreds of years, the Giebelkreuz has adorned the facades of buildings throughout Europe and is a symbol of protection for families gathered under one roof against evil and life-threatening situations. Even in times of economic downturn, we would like Raiffeisenbank to represent security and stability for our clients, while at the same time we wish to further strengthen our position, continue in our development, and above all further improve the quality of service for our clients.

A handwritten signature in black ink, appearing to read 'Lubor Žalman'.

Lubor Žalman
Chairman of the Board of Directors
Raiffeisenbank a.s.

Corporate Social Responsibility Report

Raiffeisenbank a.s. is a dynamic and developing bank, and one of the most important Czech financial institutions. As such, it not only desires to provide its clients with high quality and unique services, but is also aware of its social responsibility.

The traditional emblem and trademark of the Raiffeisen Group is the Giebelkreuz – crossed horse heads. For hundreds of years, the Giebelkreuz has adorned the facades of buildings throughout Europe and is a symbol of protection for families gathered under one roof against evil and life-threatening situations. Raiffeisenbank thus represents security and stability for its clients.

Raiffeisenbank's activities in the area of corporate social responsibility may be divided into four basic groups:

- 1) charitable donations connected with the eKonto account
- 2) social responsibility projects for employees
- 3) sponsorship
- 4) the Herbert Stepice charity organisation

1) Raiffeisenbank offers its clients the eKonto account

Clients which fulfil the terms for the account are given a monthly bonus of 20 crowns. This symbolic amount is merely intended to emphasize our client-oriented approach. That is why we have decided to add a charitable dimension to this offer – the client has the option of donating this sum to charity. The bank is presently cooperating with four large foundations (Konto Bariéry, the Czech Red Cross, Help the Children and the H. Stepic CEE Charity) – via Internet banking, clients may choose which charity organisations they would like to donate to, and the bank will send this amount to the account of the selected charity organisations.

As of the end of 2009, the bank has made charitable donations in this manner exceeding 470,000 crowns. We thank all clients who in this way have made it possible for the bank to contribute to charitable projects.

Czech Red Cross

The Czech Red Cross is an independent, non-governmental organisation operating throughout the Czech Republic. The Czech Red Cross operates social service centres, geriatric centres, canteens for retired citizens and underprivileged citizens, clothing centres, nursing homes and hospices for senior citizens and handicapped citizens, asylums for mothers with children, residences for the homeless, etc. The organisation also focuses on first aid training and administration, non-remunerated blood donation, humanitarian activities and healthcare.

www.cervenykriz.eu

Konto Bariéry

A project of Charter 77, Konto BARIÉRY has been in existence for over 16 years. Its dozens of thousand donors help to finance the Konto BARIÉRY programme with their regular monthly donations. During its 16 years of existence, Konto BARIÉRY has allocated more than CZK 200 million and supported thousands of projects geared to improving the lives of handicapped citizens and fully integrating them into society. The government pitches in where this assistance is not sufficient. Its work focuses less on standard assistance, such as rehabilitation and compensation aids, barrier-free residences, schools and other public buildings and increasingly on projects relating to employment and social integration.

www.kontobariery.cz

Help the Children

A long-term charity project organised by Czech Television and the Civil Society Development Foundation, associated with a nationwide public charity collection. The collection has raised and allocated more than CZK 131 million during the eleven years of its existence from the autumn of 1998 to mid-May 2009. During these ten years, financial resources for 910 projects by public non-profit organisations have been provided to help children. The spring media campaign ends on Easter Monday every year with a telethon broadcast live on Czech TV. During these ten years, Czech TV has prepared and broadcast a total of 49 hours of shows and documents relating to Help the Children.

The main objectives of the project are:

- increasing the quality of life for children
- creating equal opportunities for all children and various children's groups
- supporting the rights of children to live with a family or in a foster family environment

www.pomoztedetem.cz

H. Stepic CEE charity

Raiffeisen International CEO Herbert Stepic has founded his own charity organization, the Herbert Stepic CEE Charity, which helps children, adolescents, and young women in the less developed countries of Central and Eastern Europe.

<http://www.stepicceecharity.org/Home/tabid/36/language/en-US/Default.aspx>

2) Raiffeisenbank also wants to involve our employees in charity work

In a 2008 pilot project, employees of the bank donated blood for research on children's diabetes.



Raiffeisenbank employees continued to carry out a full range of charitable activities in 2009. The bank held various fundraisers, for example to assist those affected by the floods in Northern Moravia, or for the Help the Children fund. In this latter case, the bank doubled the amount collected from employees and donated more than half a million crowns in total.

Aside from financial support, Raiffeisenbank seeks opportunities for its employees to get involved directly. Last year more than 50 bank employees came together in Prague to help Klokánek (Kangaroo), an organization assisting children in immediate need. As part of a surprise for the children and their caregivers, we helped paint and decorate new apartments.

Our work with Klokánek continued over Christmas, when Raiffeisenbank employees played Santa. Kangaroo kids hung their gift wishes on the wish tree at Raiffeisenbank headquarters and our employees made these wishes come true, giving the children over 80 gifts. After Christmas, the bank started a collection of toys and children's clothing for the Klokánek programs through the Czech Republic.

We intend to continue employee involvement in volunteer programs in the future.

3) Sponzoring

In keeping with the tradition of the Raiffeisen name reaching back to the middle of the 19th century, last year we were involved in a number of community service activities.

Although we mainly focus on education and charity, we also support cultural and sports programmes and health projects.



In 2009 Raiffeisenbank became the banking partner of Help the Children. Together with its employees, the bank donated more than half a million crowns to this project.

Help the Children!, the most well known charity in the Czech Republic, provides long-term assistance to at-risk and disadvantaged children throughout the Czech Republic. In Raiffeisenbank, Help the

Children! has a strong banking partner which intends to provide long-term management of the foundations accounts. Donations can now be sent to account number 505 333 505/5500.

The bank is additionally engaged in a number of other projects, to which it collectively contributes several million crowns annually. In particular, these include the following:

Charities:

Civil Society Development Foundation

Support of the Civil Society Development Foundation directed strictly in accordance with the goals of Help the Children! fund.

The Coexistence Village of the Ostrava-Opava Diocese Charity

Support for social programs, specifically the Coexistence Village project carried out by the Ostrava-Opava Diocese Charity.

OS Záře – Association for Persons with Motor and Speech Disorders

Assistance for people with motor and speech disorders.

Studio OÁZA – cultural centre for the mentally handicapped

Assistance for mentally handicapped persons.

Villa Vallila Civic Association

Assistance for disabled people to live in natural community environments, helping them integrate into regular work and social environments, and support for new types of residential social services provided by the Villa Vallila Civic Association.

Zajíček na koni (Bunny on a Horse) Civic Association

Meeting the medical and spiritual needs of handicapped and otherwise disadvantaged children

Education

Junior Achievement

Support of practical economic education programmes at primary and secondary schools during the 2008/2009 school year – the main sponsor competes for the best student organisation.

Ružínovská Special Assistance School

Assistance in arranging courses for mentally handicapped children and children with multiple handicaps.

PORG – secondary and elementary school, o.p.s.

Social needs associated with classroom instruction (support of students from socially disadvantaged families), purchase of teaching aids, textbooks, or other investments to improve instruction (taken from the preamble of the Pavel Hlavinka Study Fund).

Culture:

Austrian embassy

Support for the celebration of the Austrian national holiday.

Hnutí Duha (Rainbow Movement) Jeseníky

Support for the project to save the church in Pelhřimov.

4) Herbert Stepic Charity

Raiffeisen International CEO Herbert Stepic has founded his own charity organization, the Herbert Stepic CEE Charity, which helps children, adolescents, and young women in the less developed countries of Central and Eastern Europe.

Why did Herbert Stepic decide to create this foundation?

“I have been very blessed and had many opportunities available to me. Not only do I owe my professional career and many successes to Central and Eastern Europe, I also enjoy very much staying in the region. This corner of the world has greatly enriched my life. Therefore, on the occasion of my 60th birthday, I made it my goal to give something back to the region and the people who live in it and founded the H. Stepic CEE.”

The goal of the foundation is to help children, adolescents, and young women in Central and Eastern Europe who require assistance. The projects are intended to give the beneficiaries new perspectives, with us supporting and accompanying them on their way towards finding employment.

Our work should give hope, alleviate social suffering and ideally – in keeping with a central Raiffeisen principle – help people to help themselves.

We want to initiate projects in the countries of Central and Eastern Europe where we sense the greatest need for assistance, and in which Raiffeisen is represented. Last year for example, the foundation helped build social housing in Bosnia and Ukraine, financed shipments of flour to Moldavia, and created a network of field workers in Serbia. All projects and additional details can be found at:

<http://www.stepicceecharity.org/Home/tabid/36/language/en-US/Default.aspx>

Statutory and Supervisory Bodies

Board of Directors

Chairman of the Board of Directors

Lubor Žalman

born 22 January 1966

residing at: Pod Šibeničkami 778, 251 64 Mnichovice

Chairman of the Board of Directors and Chief Executive Officer of Raiffeisenbank a.s. since 4 May 2004. From 2003 to 2004, he worked at Home Credit International as project manager, and from 1999 to 2002, at McKinsey & Company as Senior Associate, later as Engagement Manager. Between 1991 and 1998, he served in executive positions at Komerční banka.

Chairman of the Assets and Liabilities Committee

Chairman of the Credit Committee

Members of the Board of Directors

Rudolf Rabiňák

born 21 February 1958

residing at: K Tuchoměřicům 146, 164 00 Prague 6

Member of the Board of Directors of Raiffeisenbank a.s. and responsible for corporate banking since April 2001.

Prior to this position, Mr. Rabiňák worked nine years at Citibank a.s.

Mario Drosc

born 13 December 1968

residing at: Irská 796/5, 162 00 Prague 6

Member of the Board of Directors of Raiffeisenbank a.s. and responsible for retail banking since September 2006.

He came to Raiffeisenbank from Slovakian VÚB where he was a board member responsible for retail banking.

Prior to this, he also worked in Komerční banka and as a consultant at McKinsey.

Chairman of the Pricing and Interest Committee

Jan Kubín

born 19 January 1973

residing at: Na Rovnosti 14A/2742, 130 00 Prague 3

Member of the Board of Directors of Raiffeisenbank since July 2007 and responsible for the Operations.

He has worked at Raiffeisenbank since 2004, at which time he took over the position of Financial Director. Prior to

working at Raiffeisenbank, he worked six years as a consultant and project manager at McKinsey & Company.

Martin Kolouch

born 11 May 1972

residing at: Högerova 15, 152 00 Prague 5

Member of the Board of Directors of Raiffeisenbank and responsible for IT and Organization. He has been working

at former eBanka since 2002. From August 2006 to 31 December 2006, he was the Chairman of the Board of

Directors of eBanka. Prior to this, he worked at Komerční banka and Deloitte & Touche.

Chairman of the Project Committee

Martin Bláha

born 11 March 1970

residing at: Domanovická 1741, 190 16 Prague 9

Member of the Board of Directors of Raiffeisenbank a.s. since April 2003 and responsible for treasury activities and

investment banking. Up to 2001, he worked at HypoVereinsbank CZ, a.s. as the Head of the Treasury Department.

Chairman of the Investment Committee for Asset Management

Alexandr Borecký

born 22 April 1967

residing at: Högerova 15, 152 00 Prague 5

Member of the Board of Directors of Raiffeisenbank and responsible for Risk Management. He has worked at eBanka since 2002 and is a member of the Board of Directors of Raiffeisenbank since 1 January 2007. From 1993 to 2002, he worked at Komerční banka as the Deputy Director of the Corporate Transaction Approval Division and as the Director of the Special Activities Department.

Chairman of the Credit Risk Management Committee**Chairman of the Non-performing Loans Committee****Chairman of the Operational Risk Management Committee*****Supervisory Board******Chairman of the Supervisory Board*****Herbert Stepic**

born 31 December 1946

residing at: Hertlgasse 1, 1160 Vienna, Austria

Members of the Supervisory Board**Aris Bogdaneris**

born 26 October 1963

residing at: Lainzer Strasse 77, 1130 Vienna, Austria

Mag. Reinhard Karl

born 2 November 1964

residing at: Steckhovengasse 7/2, 1130 Vienna, Austria

Dr. Kurt Hütter

born 10 January 1949

residing at: Johannes-Kepler-Str. 8, 4210 Gallneukirchen, Austria

Rainer Franz

born 17 March 1943

residing at: Stromová 40, Bratislava, Slovakia

Miroslav Uličný

born 14 September 1955

residing at: Pod Rovnicami 61, Bratislava, Slovakia

Josef Malíř

born 31 August 1952

residing at: Všešary 3

Jan Horáček

born 15 September 1953

residing at: Bazovského 1128, Prague 6

Milena Syrovátková

born 21 March 1956

residing at: Tůmova 40, Brno

Valid as of 31 December 2009

Chairman of the Supervisory Board Statement



Dear Sir or Madam,

While 2008 was an "extraordinary" year for the Raiffeisen International Group as a whole, 2009 will be remembered for being "extreme" and "challenging". The global economic crisis and its effects on the comparatively young market economies of Central and Eastern Europe presented our banking group with completely new challenges. We were able to cope with them well thanks to our business model, which is geared to the real needs of businesses and private individuals in 17 countries in the region and has proved sustainably robust even in these difficult times. Obviously, the record result we achieved in 2008 could not be sustained in an environment that was without doubt the worst in many decades and led to many banks posting losses and being sold off. While our consolidated profit (after tax and minorities) dropped significantly to € 212 million, this result still underlined the strength of our business model and clearly exceeded the market's expectations.

We made good use of the crisis year 2009, adjusting the parameters of our strategy to the difficult conditions and making our organization even fitter for the times and tasks that lie ahead. While growth and earnings were previously in the foreground, we focused in 2009 on strengthening capital, managing liquidity and risk, raising efficiency, and lowering costs. Unsurprisingly, the year was also shaped by the sharp rise of non-performing loans and related increase of provisioning for impairment losses. However, the upward momentum of non-performing loans slowed down in the second half of the year, and overall economic conditions improved. Many market observers share our view that this trend will continue in 2010. We may have passed the worst point of the economic crisis, but the current year will be another one of great challenges. We therefore consider it extremely important that we continue to focus fully on the agenda set in 2009.

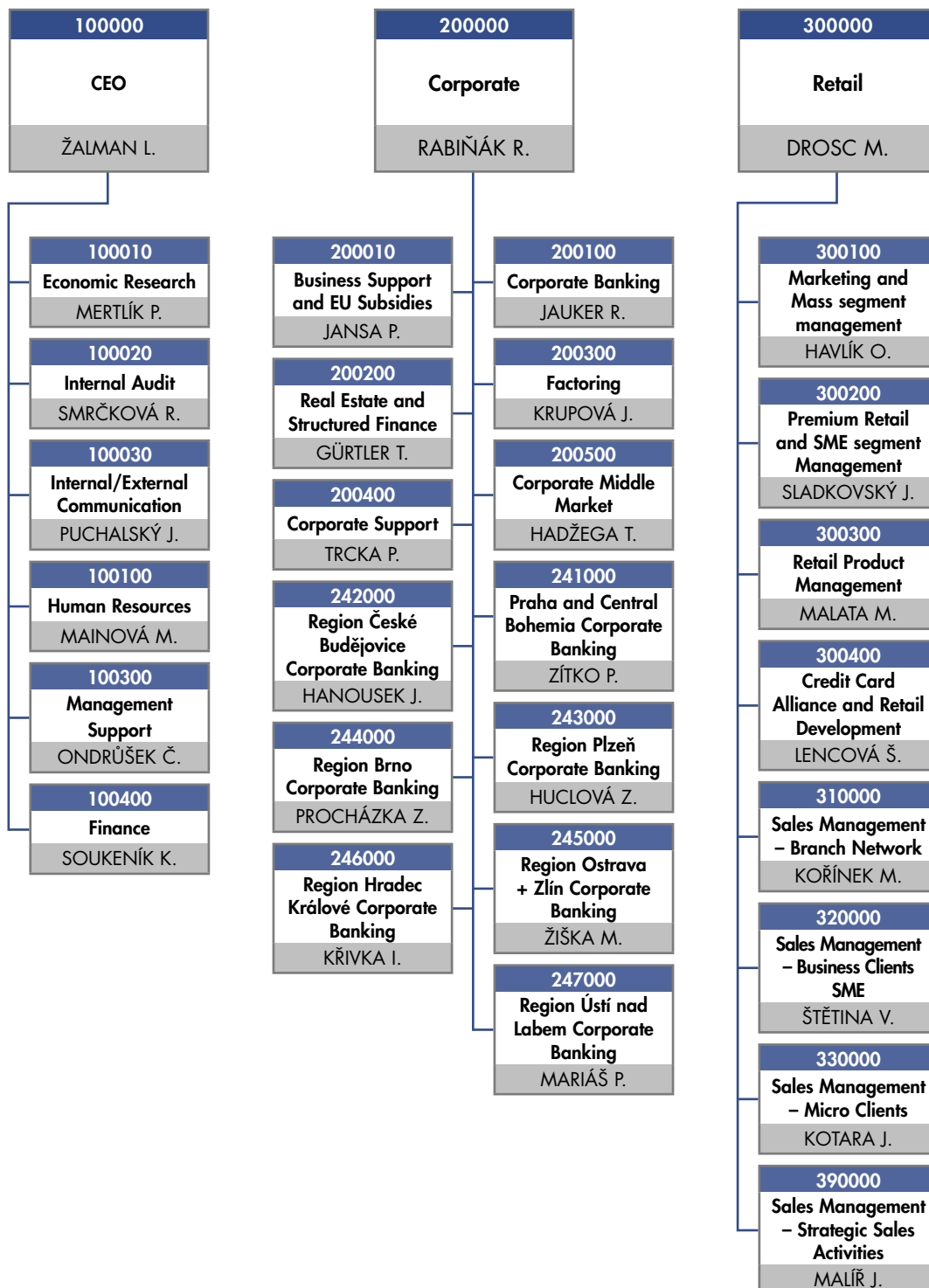
We are firmly convinced that CEE will prove to be the driving force in Europe again after the crisis. The region as a whole obviously suffered a setback last year. In some CEE countries, this setback was more severe than in Western Europe, in others it was much less so. But the convergence process that started more than two decades ago is still far from over. The continuing need to catch up after about five decades of communism will, according to practically all forecasts, see to it that the region again undergoes stronger growth than Western Europe in the years ahead. Added to that is its comparatively lower penetration rate with respect to banking products. All that should be a solid basis of renewed successful development for banks operating in the region. Speaking of success: the confidence of our customers has been and remains our most important indicator in that respect. The increase in the number of our customers during the year from 14.7 million to 15.1 million documents that we enjoy this confidence despite, or even because of, the extraordinarily difficult times.

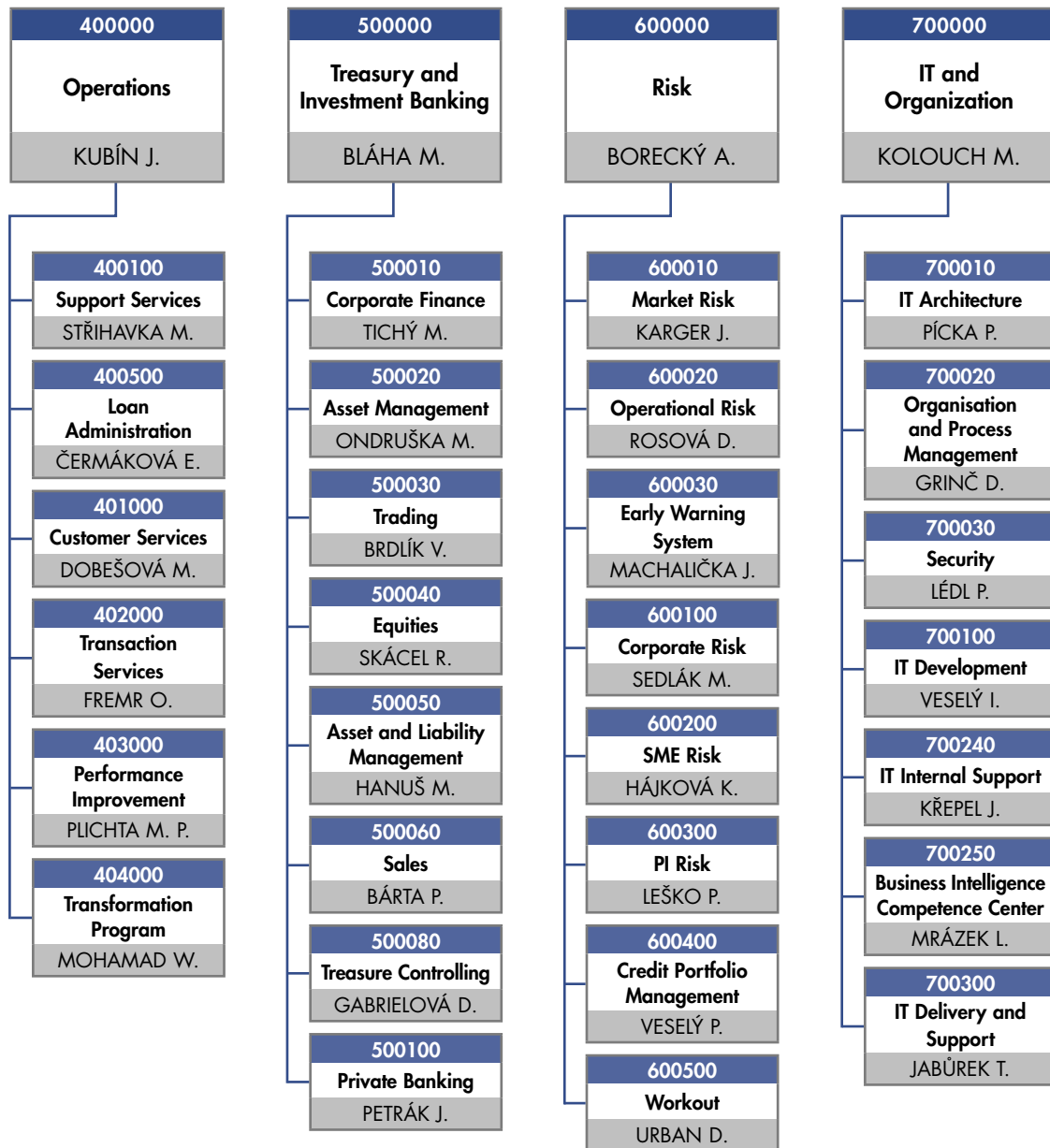
Herbert Stepic
Raiffeisen International CEO

Report of the Supervisory Board of Raiffeisenbank a.s.

- 1) The Supervisory Board carried out its tasks in accordance with Sections 197–200 of the Commercial Code, as amended, the Articles of Association of Raiffeisenbank a.s., and its rules of procedure. The Board of Directors presented reports on the bank's operations and its financial situation to the Supervisory Board at regular intervals.
- 2) The financial statements were prepared in accordance with International Accounting Standards.
- 3) The financial statements were audited by "Deloitte Audit s r. o.". In the opinion of the auditor, the financial statements accurately reflect in all material respects the financial position, assets and liabilities, and equity of Raiffeisenbank a.s. as of 31 December 2009 and the results of its operations for the year International Accounting Reporting Standards as adopted by the EU.
- 4) The Supervisory Board examined the financial statements and the Report on Related Party Transactions 2009, including the proposed allocation of earnings, accepted the results of the audit of the financial statements for 2009, and recommended that the General Meeting approve them.

Organisational Chart





Valid as of 31 December 2009

Economic Development *in the Czech Republic*

Global recession and Czech industry

The global recession first hit the Czech economy in October 2008, when the first clear monthly decline in industrial production was seen. The precipitous drop continued through January 2009, representing a decline of nearly 25% compared to the cyclical apex of the third quarter 2008. Since February 2009 industry has gradually been making up lost ground, but very slowly and with great fluctuations. By the end of 2009 industrial production reached levels roughly 11% lower than at the height of the previous industrial cycle. On average, industrial production for 2009 declined by 12%, but this does not take into account the effect the weak fourth quarter of 2008 played in the year-to-year comparison.

A big freeze and thaw from Germany

The sharp decline of Czech industry at the end of 2008 was a reaction to the drop in export demand, particularly from Germany and Western Europe. The mild recovery during 2009 can be traced to the same origins. It was led by a clear increase in foreign orders, while the growth of domestic demand for industrial products lagged behind. The engine driving the European economic recovery was again the resurgence of the German economy.

Over the course of the year, the recession spread to consumer spending

While the export industry began to catch its breath in the second quarter of 2009, quickly rising unemployment (the level of registered unemployment reached 9.2% by the end of the year) and wage stagnation in the private sector meant that the recession moved into the retail and service sector. A major drop in retail sales and consumer demand was seen in the second half of the year (compared to the autumn and winter months of the previous year, retail sales dropped in real terms by 5–6%). This trend will continue in 2010, when we expect unemployment growth to peak. These negative developments have primarily affected small and medium businesses. These businesses have lost market share to larger commercial chains which, because of their profit margins, can afford to aggressively lower consumer prices.

The drop in gross domestic product lasted two quarters

Declines in various segments of the real economy resulted in a decline in gross national product. GDP dropped in the fourth quarter of 2008 and the first quarter of 2009, representing a decline of 4.7% from the previous year. From the second quarter on gross domestic product again began to rise, but very slowly. For the entire year, there was a 4.3% drop in GDP, which corresponds to the decline throughout the majority of Europe. In Germany GDP dropped by 5.0%, while in the Euro zone as a whole it dropped by 4.0%.

Low rate of growth of consumer prices, deflation in industry

The development of demand throughout the world and here lead to deflationary pressures. Deflation appeared in industry, where on average manufacturer prices dropped 3.1% for the year, and after a few weeks were more than 5% lower than the previous year. To the contrary, consumer prices only slowed their rate of growth, reaching zero after a few months. On average for the year, consumer prices increased by 1% in 2009.

Record-low ČNB interest rates resulted in only a limited drop in market rates

In a reaction to the recession and deflation, the Czech National Bank gradually reduced its interest rate. In December its key rate for currency policy hit a historic low of 1%, essentially the same level as the currency policy rate of European Central Banks for most of the year. Despite this considerable easing of monetary policy, market and client rates remained relatively high throughout the year, as insufficient medium and long-term liquidity remained a problem, and credit risks worsened considerably due to the recession for the private sector and households. Long-term interest rates were also pushed upwards by the worsening condition of public financing, the consolidated deficit of which reached nearly 7% in 2009.

Balance of payments and the exchange rate of koruna

The Czech economy attained a record high trade surplus of 130 billion koruna, resulting from a greater drop in imports than exports. It also registered the smallest current account deficit in the balance of payments, accompanied by a quick increase in foreign reserves. The course of these events has bolstered the exchange rate of koruna which continues to be by far the most stable currency in the Central European region; the average exchange rate for koruna in 2009 dropped by nearly two percent compared to the previous year, while in 2009 the Polish zloty declined nearly 23% from the previous year.



doc. Ing. Pavel Mertlík, CSc.
Chief Economist

Raiffeisenbank's market position

This past year of 2009 will be written into the pages of history as a year of economic crisis. The Czech banking sector also felt the impact, albeit indirectly through its clients, who were more or less successful in coping with the situation and its ensuing and sometimes severe problems. The bank responded with ever greater circumspection in granting loans, well aware of the uncertainties regarding the future ability of loan applicants to repay their obligation. The rate of growth of loans to date has slowed dramatically and the volume of new loan issues has dropped, in spite of the evident attempt of the Czech National Bank to open up the credit market by repeatedly cutting the prime interest rate, eventually reaching the historical low of 1.0%.

In this difficult year Raiffeisenbank proved to be a stable and trustworthy partner of its clients, a competitive player on the banking market, and a successful business. It lost no ground as the fifth largest banking house in the Czech Republic. To the contrary, in many spheres it shored up or strengthened its position.

Total assets grew by 6%, which led to a growth in market share to 4.6%. Compared to the general market trend, Raiffeisenbank has a higher rate of growth in loans, commanding a market share of 6.8%. On the deposit side, the bank grew faster than market, so its market share grew by 0.5 percentage points to 4.8%.

Our clients most quick to respond to the deteriorating macroeconomic situation were legal entities, which comprise roughly half of all the bank's deposits and loans. The total volume of their deposits grew by 12.5%, which resulted in a significant growth of the bank's market share to 5.8%. We must note that in the non-financial company segment, which constitutes 69% of the overall deposits of legal entities, the bank showed a growing trend and increased its market share to 7.5%. On the credit side, Raiffeisenbank felt the impact of the crisis to a bit lower degree as the market, increasing its market share at 6.4%. In the aforementioned non-financial company segment which accounts for 90% of loans to legal entities, the bank recorded a drop of 6.4%, which was slightly better than the market's performance, resulting in a slight market share increase in this sub-segment to 8.5%.

The effects of the economic crisis were also evident in the performance of the private individuals segment, although there continued to be growth. Following last year's 49% growth of deposits managed by the bank in this segment, this year's growth of 20.4% is clear evidence. Nevertheless, this is still an outstanding result adding nearly 0.4 percentage points of market share to reach 4.0%. The bank also prospered on the credit side. Total loan volume increased by 12.2% upping market share to 7.4%. In the highly monitored mortgage loan segment, the bank saw an across-the-board slow down, yet managed to increase total volume by 11.1%. Market share dropped from late 2008 to 9.0%, although the market data in 2009 was distorted by a change in the reporting of mortgage loans, causing a significant and one-time increase in the volume of mortgage loans on the Czech banking market. Raiffeisenbank remains a strong player in the consumer loan segment. Last year it increased volume by more than 19% and its share of the Czech market reached a most favourable 8.0%.

Exceptionally good returns were achieved by Raiffeisenbank in the group of private individuals – tradesmen. Small businesses confirmed their long-term trust in the bank by increasing their deposits by 7.6%, increasing the bank's market share from 4.3 to 5.1%. Contrary to general market trends, Raiffeisenbank maintained a positive rate of loan growth with its active policy and saw an increase in market share to 5.2%.

Raiffeisenbank's market position:

	Market share 2009	Market share 2008	Growth 2009/2008
Total assets	4.59%	4.39%	6.2%
Total deposits	4.80%	4.36%	15.8%
– non-term	5.95%	5.51%	17.5%
– term	3.41%	3.07%	12.4%
– Legal entities	5.81%	5.25%	12.5%
– non-financial corporations	7.51%	6.88%	12.7%
– Private Individuals	4.00%	3.61%	20.4%
– Professionals	5.08%	4.32%	7.6%
Total loans	6.77%	6.67%	2.9%
– mortgages	7.21%	8.81%	10.3%
– consumer loans	7.86%	6.94%	19.1%
– Legal entities	6.38%	6.33%	-4.3%
– non-financial corporations	8.48%	8.33%	-6.4%
– Private Individuals	7.35%	7.28%	12.2%
– mortgages	9.00%	10.71%	11.1%
– consumer loans	8.03%	7.12%	19.1%
– Professionals	5.22%	4.68%	10.0%

Source: CNB reports and methodology

Independent Auditor's Report to the Shareholders of Raiffeisenbank, a.s.



INDEPENDENT AUDITOR'S REPORT To the Shareholders of Raiffeisenbank a.s.

Having its registered office at: Hvězdova 1716/2b, 140 78 Prague 4
Identification number: 492 40 901

Report on the Unconsolidated Financial Statements

Based upon our audit, we issued the following audit report dated 26 February 2010 on the financial statements which are included in this annual report on pages 31 to 90:

"We have audited the accompanying financial statements of Raiffeisenbank a.s., which comprise the balance sheet as of 31 December 2009, and the statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Statutory Body's Responsibility for the Financial Statements

The Statutory Body is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards as adopted by the EU. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of Raiffeisenbank a.s. as of 31 December 2009, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU."

Report on the Consolidated Financial Statements

Based upon our audit, we issued the following audit report dated 31 March 2010 on the financial statements which are included in this annual report on pages 93 to 162:

"We have audited the accompanying consolidated financial statements of Raiffeisenbank a.s., which comprise the balance sheet as of 31 December 2009, and the statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Statutory Body's Responsibility for the Financial Statements

The Statutory Body is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the EU. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Deloitte refers to one or more of Deloitte Touche Tohmatsu, a Swiss Verein, and its network of member firms, each of which is a legally separate and independent entity. Please see www.deloitte.com/cz/about for a detailed description of the legal structure of Deloitte Touche Tohmatsu and its member firms.

Member of Deloitte Touche Tohmatsu

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www.deloitte.cz

Registered at the Municipal Court
Prague, Section C, File 24349
Id Nr.: 49620592
Tax Id Nr.: CZ49620592

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Act on Auditors and International Standards on Auditing and the related application guidelines issued by the Chamber of Auditors of the Czech Republic. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the financial position of Raiffeisenbank a.s. as of 31 December 2009, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU."

Report on the Related Party Transactions Report

We have also reviewed the factual accuracy of the information included in the related party transactions report of Raiffeisenbank a.s. for the year ended 31 December 2009 which is included in this annual report on pages 186 to 200. This related party transactions report is the responsibility of the Company's Statutory Body. Our responsibility is to express our view on the related party transactions report based on our review.

We conducted our review in accordance with International Standard on Review Engagements (ISRE) 2400 and the related application guidelines issued by the Chamber of Auditors of the Czech Republic. Those standards require that we plan and perform the review to obtain moderate assurance as to whether the related party transactions report is free of material factual misstatements. A review is limited primarily to inquiries of Company personnel and analytical procedures and examination, on a test basis, of the factual accuracy of information, and thus provides less assurance than an audit. We have not performed an audit of the related party transactions report and, accordingly, we do not express an audit opinion.

Nothing has come to our attention based on our review that indicates that the information contained in the related party transactions report of Raiffeisenbank a.s. for the year ended 31 December 2009 contains material factual misstatements.

The Company has decided not to disclose amounts under related party contracts citing business secrecy restrictions.

Report on the Annual Report

We have also audited the annual report for consistency with the financial statements referred to above. This annual report is the responsibility of the Company's Statutory Body. Our responsibility is to express an opinion on the consistency of the annual report and the financial statements based on our audit.

We conducted our audit in accordance with International Standards on Auditing and the related application guidelines issued by the Chamber of Auditors of the Czech Republic. Those standards require that the auditor plan and perform the audit to obtain reasonable assurance about whether the information included in the annual report describing matters that are also presented in the financial statements is, in all material respects, consistent with the relevant financial statements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the information included in the annual report is consistent, in all material respects, with the financial statements referred to above.

In Prague on 28 April 2010

Audit firm:

Deloitte Audit s.r.o.
certificate no. 79



Statutory auditor:

Michal Petrman
certificate no. 1105



Raiffeisenbank a.s.

Unconsolidated Financial Statements Prepared in Accordance with International Financial Reporting Standards as Adopted by the European Union for the Year Ended 31 December 2009.

Components of the Financial Statements:

- Statement of Comprehensive Income
- Balance Sheet
- Statement of Changes in Equity
- Cash Flow Statement
- Notes to the Financial Statements

These financial statements were prepared by the Bank and approved by the Board of Directors on 26 February 2010.

Statutory body of the reporting entity:



Lubor Žalman
Chairman of the Board of Directors
and Chief Executive Officer



Jan Kubín
Member of the Board of Directors
and Executive Director

Statement of Comprehensive Income

For the Year Ended 31 December 2009

CZK thousand	Note	2009	2008
Interest income and similar income	7	9,101,533	8,933,549
Interest expense and similar expense	7	(2,808,971)	(3,737,986)
Net interest income		6,292,562	5,195,563
Change in provisions for credit risks	8	(1,753,863)	(1,356,796)
Net interest income after provisions for credit risks		4,538,699	3,838,767
Fee and commission income	9	2,301,249	2,188,038
Fee and commission expense	9	(712,216)	(789,279)
Net fee and commission income		1,589,033	1,398,759
Net profit on financial operations	10	839,310	935,277
Dividend income	11	22,906	71,982
Other operating income, net	12	110,445	55,180
General administrative expenses	13	(4,577,985)	(4,549,129)
Profit before tax		2,522,408	1,750,836
Income tax expense	15	(536,631)	(350,046)
Net profit for the year attributable to the Bank's shareholders		1,985,777	1,400,790
Other comprehensive income			
Gains/(losses) from remeasurement of securities available for sale		3,122	220,658
Tax on profit associated with components of other comprehensive income		(593)	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		1,988,306	1,621,448

The accompanying notes are an integral part of these financial statements.

Balance Sheet

As of 31 December 2009

CZK thousand	Note	2009	2008
Assets			
Cash and balances with central banks	16	5,259,969	4,108,506
Loans and advances to financial institutions	17	23,803,475	27,060,929
Loans and advances to customers	18	142,816,370	138,705,147
Provisions for loans and advances to customers	19	(5,067,907)	(3,480,631)
Positive fair value of financial derivative transactions	35	1,892,957	6,221,292
Securities held to maturity	20	14,875,729	-
Securities at fair value through profit or loss	20	6,087,786	3,870,014
Securities available for sale	20	524,428	516,493
Equity investments	21	81,237	81,027
Intangible fixed assets	22	986,978	628,981
Property and equipment	23	751,422	671,615
Deferred tax asset	24	36,067	46,314
Other assets	25	1,164,944	3,332,127
Total assets		193,213,455	181,761,814
Liabilities and equity			
Amounts owed to financial institutions	26	25,037,385	27,361,733
Amounts owed to customers	27	130,092,679	112,283,168
Negative fair value of financial derivative transactions	35	2,112,152	3,782,040
Debt securities issued	28	15,814,134	19,897,591
Income tax liability	15	216,785	14,505
Provisions	29	244,801	350,840
Subordinated loan	30	4,191,063	4,324,109
Other liabilities	31	2,345,458	2,142,636
Total liabilities		180,054,457	170,156,622
Equity			
Share capital	32	6,564,000	6,564,000
Statutory reserve fund		247,794	177,754
Gains and losses from revaluation		222,956	220,427
Retained earnings		4,138,471	3,242,221
Profit for the period		1,985,777	1,400,790
Total equity		13,158,998	11,605,192
Total liabilities and equity		193,213,455	181,761,814

The accompanying notes are an integral part of these financial statements.

Statement of Changes in Equity

For the Year Ended 31 December 2009

CZK thousand	Share capital	Statutory reserve fund	Gains and losses from revaluation	Retained Earnings	Profit for the period	Total equity
At 1 January 2008	4,889,000	138,747	(231)	2,654,142	780,149	8,461,807
Capital increase	1,675,000	-	-	-	-	1,675,000
Dividends	-	-	-	-	(153,063)	(153,063)
Allocation to reserve funds	-	39,007	-	-	(39,007)	-
Allocation to retained earnings	-	-	-	588,079	(588,079)	-
Net profit for the period	-	-	-	-	1,400,790	1,400,790
Other comprehensive income, net	-	-	220,658	-	-	220,658
Comprehensive income for the period	-	-	220,658	-	1,400,790	1,621,448
At 31 December 2008	6,564,000	177,754	220,427	3,242,221	1,400,790	11,605,192
Dividends	-	-	-	-	(434,500)	(434,500)
Allocation to reserve funds	-	70,040	-	-	(70,040)	-
Allocation to retained earnings	-	-	-	896,250	(896,250)	-
Net profit for the period	-	-	-	-	1,985,777	1,985,777
Other comprehensive income, net	-	-	2,529	-	-	2,529
Comprehensive income for the period	-	-	2,529	-	1,985,777	1,988,306
At 31 December 2009	6,564,000	247,794	222,956	4,138,471	1,985,777	13,158,998

The accompanying notes are an integral part of these financial statements.

Cash Flow Statement

For the Year Ended 31 December 2009

CZK thousand	2009	2008
Profit before tax	2,522,408	1,750,836
Adjustments for non-cash transactions		
Creation of provisions for credit risks	1,753,863	1,356,796
Depreciation and amortisation	364,911	346,319
Creation of other provisions	90,114	14,808
Change in fair values of financial derivatives	2,658,447	(2,591,111)
Unrealised loss/(gain) on revaluation of securities	(78,091)	133,815
Dividends received	(22,906)	(69,793)
Gain on the sale of tangible and intangible assets	(10,558)	(3,720)
Other non-cash changes	(154,912)	(701,503)
Operating profit before changes in operating assets and liabilities	7,123,276	236,447
Cash flows from operating activities		
(Increase)/decrease in operating assets		
Minimum reserve deposits with the CNB	(1,261,930)	(78,704)
Loans and advances to financial institutions	3,238,759	(7,438,777)
Loans and advances to customers	(3,999,118)	(30,279,004)
Securities at fair value through profit or loss and securities available for sale	(2,225,707)	(555,665)
Other assets	2,177,430	(2,272,893)
Increase/(decrease) in operating liabilities		
Amounts owed to financial institutions	(2,290,077)	13,203,317
Amounts owed to customers	17,678,135	18,412,704
Other liabilities	202,822	79,810
Net cash flow from operating activities before income tax	20,643,590	(8,692,765)
Income taxes paid	(327,851)	(386,380)
Net cash flow from operating activities	20,315,739	(9,079,145)
Cash flows from investing activities		
Net cash flow from a purchase of an equity investment in a subsidiary	(210)	293,520
Purchase of property and equipment and intangible assets	(1,119,022)	(850,719)
Income from the sale of fixed assets	11,463	3,719
Net decrease/(increase) in securities held to maturity	(14,790,784)	-
Dividends received	22,906	69,793
Net cash flow from investing activities	(15,875,647)	(483,687)
Cash flows from financing activities		
Increase in the share capital	-	1,675,000
Dividends paid	(434,500)	(153,063)
Bonds in issue	(4,083,457)	83,140
Subordinated debt	(60,104)	638,605
Net cash flow from financing activities	(4,578,061)	2,243,682
Net increase/(decrease) in cash and cash equivalents	(137,968)	(7,319,150)
Cash and cash equivalents at the beginning of the year (Note 33)	3,722,788	11,041,938
Cash and cash equivalents at the end of the year (Note 33)	3,584,820	3,722,788

The accompanying notes are an integral part of these financial statements.

Notes to the Financial Statements

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1. CORPORATE DETAILS

Raiffeisenbank a.s. (henceforth the “Bank”), with its registered office address at Hvězdova 1716/2b, Prague 4, 140 78, Corporate ID 49240901, was founded as a joint stock company in the Czech Republic. The Bank was registered in the Register of Companies held at the Municipal Court in Prague on 25 June 1993, Volume B, File 2051.

The Bank is included in the Raiffeisen Group based in Austria which is managed by the ultimate parent Raiffeisen Zentralbank Österreich AG.

Principal activities of the Bank according to the bank licence granted by the Czech National Bank:

- Acceptance of deposits from the general public;
- Provision of credit;
- Investing in securities on its own account;
- Finance leasing – at present, the Bank does not carry out this activity directly;
- Payments and clearing;
- Issuance of payment facilities;
- Issuance of guarantees;
- Opening of letters of credit;
- Collection services;
- Provision of investment services:
 - Principal investment services under Section 8 (2) (a) – (e) of Act No. 591/1992 Coll., as amended;
 - Additional investment services under Section 8 (3) (a) – (g);
- Issuance of mortgage bonds;
- Financial brokerage;
- Depositary activities;
- Foreign exchange services (foreign currency purchases);
- Provision of banking information,
- Proprietary or client-oriented trading with foreign currency assets;
- Rental of safe-deposit boxes; and
- Activities directly relating to the activities listed in the bank licence.

In addition to the licence to pursue bank operations, the Bank:

- was granted a securities broker licence; and
- has been listed by the Ministry of Finance of the Czech Republic as a limited insurance provider since 30 July 2005.

The performance or provision of the Bank’s activities and services were not restricted or suspended by the Czech National Bank.

2. MERGER

On 24 July 2006, Raiffeisen International Bank-Holding AG, the majority shareholder of the Bank, entered into an agreement on the sale of the shares of eBanka, a.s. with its registered office at Na Příkopě 19, corporate ID 00562246, registered in the Register of Companies maintained by the Municipal Court in Prague, File B, Insert 5642 (hereinafter "eBanka") with Česká Pojišťovna a.s. The transaction involving the sale of 100 percent of eBanka's issued share capital was completed on 24 October 2006 following the payment of the purchase price and transfer of shares. All regulatory authorities granted their approvals. Since that date, eBanka, a.s. has been part of the Raiffeisen financial group.

On 4 October 2007, the shareholder structure of the former eBanka changed. The sole shareholder Raiffeisen International Bank-Holding AG transferred part of the shares to other shareholders: 25 percent to RB Prag Beteiligungs GmbH and 24 percent to Raiffeisenlandesbank Niederösterreich – Wien AG.

In 2008, the Bank and eBanka merged and the Bank became the successor company. Subsequently, eBanka was wound up without liquidation and dissolved. The effective date of the merger was determined to be 1 January 2008. The merger was recorded in the Register of Companies on 7 July 2008.

In relation to the merger between the banks, the Bank prepared an opening balance sheet as of 1 January 2008 which is disclosed in Note 3.

The Bank assumed components of eBanka's equity reported in the closing financial statements of eBanka prepared for the year ended 31 December 2007, structured as follows:

- The amount of CZK (43) thousand – Gains or losses from revaluation reported in the closing financial statements of eBanka was transferred to the line 'Gains or losses from revaluation' in the opening balance sheet of the Bank prepared as of the effective date of the merger; and
- The aggregate amount of CZK 1,317,795 thousand composed of Share capital, Accumulated loss brought forward and Profit for the period was transferred to the line 'Retained earnings brought forward' of the Bank prepared as of the effective date of the merger.

The balance sheet items representing liabilities and assets of the dissolving company were combined with the corresponding balance sheet items of the successor company. The following receivables and payables were eliminated in the opening balance sheet of the successor company:

- Loans and advances to financial institutions/amounts owed to financial institutions of CZK 2,614,927 thousand;
- Negative/positive fair values of financial derivative instruments of CZK 12,775 thousand; and
- Other assets/liabilities of CZK 18,570 thousand.

The combination of the financial statements and the preparation of the opening balance sheet is provided in Note 3.

3. THE OPENING BALANCE SHEET AS OF 1 JANUARY 2008

CZK thousand	Raiffeisenbank 31 Dec 2007	eBanka 31 Dec 2007	Eliminations & transfers	Opening balance sheet at 1 Jan 2008
Assets				
Cash and balances with central banks	2,073,457	8,440,581	-	10,514,038
Loans and advances to financial institutions	15,216,504	5,175,533	(2,614,927)	17,777,110
Loans and advances to customers	97,064,328	11,272,091	-	108,336,419
Provisions for loans and advances to customers	(2,095,107)	(205,841)	-	(2,300,948)
Positive fair value of financial derivative transactions	1,015,317	-	(12,775)	1,002,542
Securities at fair value through profit or loss	1,707,156	1,309,150	-	3,016,306
Securities available for sale	382	714	-	1,096
Equity investments	359,999	-	-	359,999
Intangible fixed assets	216,114	255,285	-	471,399
Property and equipment	277,964	287,889	-	565,853
Deferred tax asset	35,523	75,666	-	111,189
Other assets	890,920	103,439	(18,570)	975,789
Assets total	116,762,557	26,714,507	(2,646,272)	140,830,792
Liabilities and equity				
Amounts owed to financial institutions	14,074,046	64,119	(2,614,927)	11,523,238
Amounts owed to customers	72,265,072	21,513,240	-	93,778,312
Negative fair value of financial derivative transactions	1,140,129	27,047	(12,775)	1,154,401
Debt securities issued	17,183,137	2,606,337	-	19,789,474
Income tax liability	115,713	1,469	-	117,182
Provisions	168,935	207,417	-	376,352
Subordinated loan	3,239,055	346,715	-	3,585,770
Other liabilities	1,432,415	630,411	(18,570)	2,044,256
Liabilities total	109,618,502	25,396,755	(2,646,272)	132,368,985
Equity				
Share capital	4,889,000	1,184,500	(1,184,500)	4,889,000
Statutory reserve fund	138,747	-	-	138,747
Gains and losses from revaluation	(188)	(43)	-	(231)
Retained earnings	1,336,347	(97,284)	1,415,079	2,654,142
Profit for the period	780,149	230,579	(230,579)	780,149
Total equity	7,144,055	1,317,752	-	8,461,807
Total liabilities and equity	116,762,557	26,714,507	-	140,830,792

4. BASIS OF PREPARATION

These statutory financial statements have been prepared in full compliance with International Financial Reporting Standards (IFRS) and interpretations approved by the International Accounting Standards Board (IASB) as adopted by the European Union.

The financial statements include a balance sheet, a statement of comprehensive income, a statement of changes in shareholders' equity, a cash flow statement and notes to the financial statements containing accounting policies and explanatory disclosures.

The financial statements are prepared on the accrual basis of accounting whereby the effects of transactions and other events are recognised when they occur and are reported in the financial statements of the periods to which they relate, and on the going concern assumption.

These financial statements have been prepared under the historical cost convention as modified by the remeasurement to fair value of financial assets and liabilities at fair value through profit or loss (e.g. financial derivatives), available-for-sale securities through equity and securities held to maturity reported at amortised cost.

As disclosed in Note 39, the Bank creates provisions for impairment of loans and receivables where there is objective evidence that, as a result of past events, the estimated future cash-flows are negatively impacted. These provisions are based on the Bank's historical and current experience as well as judgments of the Bank's management regarding the estimated future cash flows and represent the best estimate of loan impairment as of the balance sheet date.

The amounts recognised as provisions for liabilities are based on the management's judgments and represent the best estimate of expenditure required to settle a liability of uncertain timing or amount. Refer to Note 29 for more detailed disclosures of provisions for liabilities.

In connection with the current economic environment, management has considered all relevant factors which could have an effect on the valuation of assets and liabilities in these financial statements, liquidity, funding of the Bank's operations and other effects, if any, on the financial statements. All such impacts, if any, have been reflected in these financial statements. Management of the Bank continues to monitor the current situation and a further possible impact of the financial crisis and economic slowdown on its operations.

These financial statements and notes thereto are unconsolidated and do not include the accounts and results of those companies over which the Bank has control or significant influence. The policies of accounting for equity investments are disclosed in Note 5(g).

The Bank prepares the unconsolidated financial statements in accordance with Accounting Act No. 563/1991 Coll., as amended.

The Bank also prepares consolidated financial statements in accordance with IFRS and interpretations approved by the IASB as adopted by the European Union which present the results of the Bank's financial group.

All figures are in thousands of Czech crowns (CZK thousand), unless stated otherwise. Figures presented in brackets represent negative amounts.

5. SIGNIFICANT ACCOUNTING POLICIES

(a) Interest Expense and Interest Income

Interest income and expense are recognised in the statement of comprehensive income lines *“Interest income and similar income”* and *“Interest expense and similar expense”* when earned or incurred, on an accrual basis. The Bank accounts for the accruals of interest using the effective interest rate method. The effective interest rate method is an approach to calculating the amortised cost of a financial asset or financial liability using the effective interest rate. The effective interest rate is used to discount the nominal value of future cash flows to the present value at the maturity date.

(b) Fees and Commissions

Fees and commissions are recognised in the statement of comprehensive income lines *“Fee and commission income”* and *“Fee and commission expense”* on an accrual basis, with the exception of fees that are included in the effective interest rate.

(c) Dividends

Income from dividends on securities is recorded as declared and included as a receivable in the balance sheet line *“Other assets”* and in *“Dividend income”* in the statement of comprehensive income. Upon receipt of the dividend, the receivable is offset against the collected cash.

Dividends reduce retained earnings in the period in which they are declared by the Annual General Meeting.

(d) Other Income and Expenses Reported in the Statement of Comprehensive Income

Other income and expenses presented in the statement of comprehensive income are recognised under the accrual basis of accounting in the period to which they relate (and not as cash or its equivalent is received or paid).

(e) Taxation

Tax on the profit or loss for the year comprises the current year tax charge, adjusted for deferred taxation. Current tax comprises the tax payable calculated on the basis of the taxable income for the year, using the tax rate enacted by the balance sheet date, and any adjustment of the tax payable for previous years.

Deferred tax is provided using the balance sheet liability method on all temporary differences between the carrying amounts for financial reporting purposes and the amounts used for taxation purposes. The principal temporary differences arise from certain non-tax deductible reserves and provisions, tax and accounting depreciation on tangible and intangible fixed assets and revaluation of other assets.

Deferred tax assets are recognised only to the extent that it is probable that sufficient taxable profit will be available to allow the asset to be recovered.

Deferred tax is calculated on the basis of the tax rates that are expected to apply to the period when the asset is realised or the liability is settled. The effect on deferred tax of any changes in tax rates is charged to the statement of comprehensive income, except to the extent that it relates to items previously charged or credited directly to equity.

(f) Financial Assets and Liabilities***Dates of Recognition and Derecognition of Financial Instruments from the Bank's Balance Sheet***

All financial assets with normal delivery terms are recognised using settlement date accounting.

The settlement (collection) date is the day on which the financial instrument is delivered (cash payment). When settlement date accounting is applied, the financial asset is recognised on the day of receipt of a financial instrument (sending of cash) and derecognised on the day of its provision (collection of cash). However, if a portfolio of financial assets remeasured at fair value is involved, the acquired financial asset is revalued reflecting changes in its fair value from the purchase trade date to the sale trade date according to the categorisation into an individual portfolio, accrued interest on debt financial assets is recognised from the purchase settlement date to the sale settlement date.

All loans and receivables are recognised when funds are provided to customers. Loans and receivables are derecognised when fully repaid by the borrower. Assigned receivables are derecognised when payment is collected from the assignee, and receivables which the Bank decided to write off are derecognised at the write-off date.

The Bank remeasures derivative instruments at fair value from the trade date to the settlement date, that is, delivery of the last related cash flow.

The Bank settles and derecognises financial liabilities at the date on which all related risks and costs attributable to the specific liability are transferred.

Of the categories of financial assets and liabilities defined in IAS 39, the Bank maintains the following types of financial assets and liabilities:

- Loans and receivables
- Financial assets and liabilities at fair value through profit or loss
- Financial assets available for sale
- Financial assets held to maturity and
- Other financial assets and liabilities

Loans and Receivables

Loans originated by the Bank in the form of directly advancing funding to the client are considered provided loans and are stated at amortised cost. The amortised cost is the cost minus principal repayments, plus accrued interest, plus or minus amortisation of discount or premium. The amortised cost is calculated using the effective interest rate method. All loans and advances are recognised when cash is advanced to borrowers (or banks). Accrued interest income is included in the carrying amount these loans.

Impairment losses on loans and receivables are recorded when there are reasonable doubts over the recoverability of the loan balance. Impairment losses on loans and receivables represent management's assessment of potential losses in relation to the Bank's on and off balance sheet activities.

Provisions are recognised individually in respect of specific classified loans where a debtor's default was identified or on a portfolio basis for potential losses which may be present based on portfolio performance with similar characteristics in terms of credit risk (similar individually unimpaired loans). The level of individual provisions is established by comparing the carrying amount of the loan and the present value of future expected cash flows using the effective interest rate. The level of portfolio provisions is determined on the basis of the anticipated recovery rates of the portfolio as of the financial statements date. The anticipated cash flows from individual portfolios of similar loans are estimated on the basis of previous experience. If the Bank does not report multiple similar loans, the portfolio approach is not applied.

Portfolio provisions are recognised for the loans and receivables of the Corporate banking, Small and Medium Business and Private Individuals banking segments.

The amount necessary to adjust the provisions to their assessed levels, after write-offs, is charged to the statement of comprehensive income line *“Change in provisions for credit risks”*. Additional details can be found in Note 39 b.

Uncollectible loans and receivables when it can be reasonably anticipated that clients will be unable to fulfil their obligations to the Bank in respect of these loans are written off with the concurrent use of a recorded provision. These write-offs are included in *“Change in provisions for credit risks”* in the statement of comprehensive income. Subsequent recoveries are also included in this line.

Restructuring of Loans and Receivables from Customers

Loan restructuring involves providing the customer with relief because the Bank determined that it would likely incur a loss if it did not do so. For economic or legal reasons associated with the debtor’s financial position the Bank therefore provided the debtor with relief which would not have been available otherwise. For example, the relief may include rescheduling repayments, reducing the interest rate or waiving default interest. A restructured loan does not include a loan which originated as a result of the renewal of a short-term loan for current assets if the debtor fulfilled all of his payment and non-payment obligations arising from the loan contract.

Restructuring additionally does not extend to the change in the repayment schedule or the form of loan if these changes are made for commercial reasons or on the grounds of changed financial needs of the debtor, and the anticipated development in the debtor’s financial and economic situation does not give rise to doubt as to the full repayment of the receivable even without the change.

Securities

Securities held by the Bank are categorised into portfolios in accordance with the Bank’s intent on the acquisition of the securities and pursuant to the Bank’s security investment strategy. In accordance with its intent, the Bank allocates securities into several portfolios - the portfolio of securities at fair value through profit or loss, the portfolio of securities available for sale and the portfolio of securities held to maturity.

Securities at Fair Value through Profit or Loss

The portfolio includes debt and equity securities held for trading, that is, securities held by the Bank with the intention of reselling them, thereby generating profits on price fluctuations in the short-term, and debt and equity securities that were designated, upon initial recognition, as at fair value through profit or loss. Securities at fair value through profit or loss are recognised at cost at the acquisition date and subsequently remeasured at fair value.

Changes in the fair values of securities held for trading as well as securities not held for trading are recognised in the statement of comprehensive income as *“Net profit on financial operations”*. Interest income on debt securities held for trading are included in *“Interest income and similar income”* in the statement of comprehensive income.

For debt and equity securities traded on a public market, fair values are derived from quoted prices. The fair values of those securities not traded on a public market are estimated by the management of the Bank as the best estimation of the cash flow projection reflecting the set of economic conditions that will exist over the remaining maturity of the securities.

Transaction costs of at-fair-value-through-profit-or-loss securities are not added to the cost but are recognised through expenses and presented in the statement of comprehensive income line *“Fee and commission expense”*.

Securities Available for Sale

Securities available for sale are securities held by the Bank for an indefinite period of time that are available for sale as liquidity requirements arise or market conditions change.

Securities available for sale are carried at cost and subsequently remeasured at fair value, with the exception of securities for which the fair value cannot be reliably determined in accordance with IAS 39 which are stated at cost. Changes in the fair values of available for sale securities are recognised in equity as *"Gains or losses from revaluation"*, with the exception of their impairment and interest income and foreign exchange differences on debt securities. When realised, the relevant revaluation gains or losses are taken to the statement of comprehensive income as *"Net profit on financial operations"*. *Interest income on coupons, amortisation of discounts or premiums, and dividends are included in "Interest income and similar income"*. Foreign exchange differences are reported within *"Net profit on financial operations"*.

Securities Held to Maturity

Investments held to maturity are financial assets with fixed or determinable payments and fixed maturities that the Bank has the positive intent and ability to hold to maturity.

Securities held to maturity are initially measured at cost and subsequently reported at amortised cost using the effective interest rate less impairment, if any. The amortisation of premiums and discounts is included in *"Interest income and similar income"*.

Repurchase Agreements

Where debt or equity securities are sold under a concurrent commitment to repurchase them at a pre-determined price, they remain at fair value or amortised cost within the relevant portfolio on the balance sheet and the consideration received is recorded in *"Amounts owed to financial institutions"* or *"Amounts owed to customers"*. Conversely, debt or equity securities purchased under a concurrent commitment to resell are retained off balance sheet where they are remeasured at fair value. The corresponding receivable from the provided loan is recorded in *"Loans and advances to financial institutions"* or *"Loans and advances to customers"* in the balance sheet.

Securities borrowed are not recognised in the financial statements, unless they are sold to third parties, in which case (*"short sales"*) the purchase and sale are recorded with the gain or loss included in *"Net profit on financial operations"*. The obligation to return them is recorded at fair value as a trading liability and presented in the balance sheet line *"Other liabilities"*.

Interest on debt securities transferred under repurchase transactions is accrued while interest on debt securities received under reverse repurchase transactions is not accrued. Income and expenses arising under repurchase or reverse repurchase transactions as the difference between the sale and repurchase price are accrued evenly over the term of the transaction and presented in the statement of comprehensive income as *"Interest income and similar income"* or *"Interest expense or similar expense"* as appropriate.

Debt Securities Issued

Debt securities issued by the Bank are stated at amortised costs using the effective interest rate method. Interest expense arising on the issue of the Bank's own debt securities is included in the statement of comprehensive income line *"Interest expense and similar expense"*.

The Bank's own debt securities acquired by the Bank are presented as a reduction of liabilities arising from securities issued. Upon initial recognition, the Bank's own debt securities are stated at cost which includes transaction costs. The difference between the cost of repurchased own debt securities and the accrued amount of issued securities is included in the statement of comprehensive income line *"Net profit on financial operations"* in the period of acquisition. Interest expenses of issued debt securities are decreased to reflect the gradual increase in the value of the Bank's own debt securities.

Financial Derivative Instruments

In the normal course of business, the Bank enters into contracts for derivative financial instruments. Financial derivatives include foreign currency and interest rate swaps, currency forwards, forward rate agreements, foreign currency and interest rate options (both purchased and sold), and other derivative financial instruments. The Bank uses various types of derivative instruments in both its trading and hedging activities.

Financial derivative instruments entered into for trading or hedging purposes are initially recognised at cost (including transaction costs) at the balance sheet date and are subsequently remeasured and stated at fair value. Unrealised gains and losses are reported as *“Positive fair value of financial derivative transactions”* and *“Negative fair value of financial derivative transactions”*. Realised and unrealised gains and losses are recognised in the statement of comprehensive income line *“Net profit on financial operations”*, the only exception being unrealised gains and losses on cash flow hedges which are recognised in equity. Fair values of derivatives are based upon quoted market prices or pricing models which take into account current market and contractual prices of the underlying instruments, as well as the time value and yield curve or volatility factors underlying the positions.

Certain derivatives embedded in other financial instruments are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contract and the host contract is not carried at fair value with gains and losses reported in the statement of comprehensive income and the embedded instrument meets general criteria for recognition as a derivative.

A predominant portion of the Bank’s derivative transactions, while providing economic hedges, do not qualify for hedge accounting under the rules of IAS 39 and are therefore treated as derivatives held for trading with the related fair value gains and losses, as it the case with trading derivatives, reported in the statement of comprehensive income line *“Net profit on financial operations”*.

Subordinated Loan

A subordinated loan is a loan where it has been contractually agreed that, in the event of liquidation, bankruptcy, forced settlement or settlement with the debtor, the loan will be repaid only after the full satisfaction of all other receivables of other creditors, the only exception being receivables that carry the same or similar subordination condition.

The principal balance of the subordinated loan and relevant interest is recognised from the draw-down date to the maturity date of the subordinated loan. The subordinated loan including the accrued and not yet paid portion of interest is reported as *“Subordinated loan”* on the face of the balance sheet. The amount of interest expense arising from subordinated deposits is recognised in the statement of comprehensive income line *“Interest expense and similar expense”*.

(g) Equity Investments

Equity investments in subsidiary and associated undertakings and joint ventures are recorded at acquisition cost including transaction costs less provisions for any temporary impairment losses or write-downs due to other-than-temporary impairment.

At the financial statement date or interim financial statement date, the Bank assesses equity investments in subsidiary or associated undertakings and joint ventures for impairment. An equity investment is impaired if its carrying amount is greater than its recoverable amount. The recoverable amount is the higher of an asset’s fair value and its value in use determined as a sum of discounted expected cash flows. Impairment of equity investments in subsidiary or associated undertakings is accounted for through the recognition of provisions.

Investments, in which the Bank has an equity interest less than 20 percent, are reported as “*Securities available for sale*” and are carried at fair value, with the exception of equity investments where the fair value cannot be reliably determined in accordance with IAS 39. These equity investments are stated at cost.

(h) Property and Equipment and Intangible Fixed Assets

Property and equipment includes assets with physical substance and with an estimated useful life exceeding one year and a cost greater than CZK 40,000.

Intangible fixed assets include assets without physical substance with an estimated useful life exceeding one year and a cost greater than CZK 60,000.

Property and equipment and intangible fixed assets are stated at historical cost less accumulated depreciation, amortisation and provisions and are depreciated or amortised when ready for use through the statement of comprehensive income line “*General administrative expenses*” on a straight line basis over their estimated useful lives.

Depreciation periods and depreciation rates for individual categories of assets are as follows:

	Depreciation period	Depreciation rate
Software	4 years	25 %
Buildings	30 years	3.33 %
Other (cars, furniture and fixtures, office equipment and computers)	5–10 years	10–20 %

Technical improvements on leasehold assets are depreciated on a straight line basis over the lease term or over the term arising from the option arrangement as appropriate. Technical improvements on leasehold assets under lease arrangements for an indefinite period of time are depreciated over 15 years.

Land and works of art (irrespective of their cost) and assets under construction are not depreciated.

Intangible assets with a cost lower than CZK 60,000 and tangible assets with a cost lower than CZK 40,000 are expensed in the period of acquisition.

The Bank periodically reviews the utilisation of its assets and adjusts guidance on their depreciation treatment, as and when needed, in the internal guideline on asset depreciation. A change in the depreciation period is not considered a change of accounting policies but a change of accounting estimates.

The Bank’s assets are regularly tested for impairment.

Repairs and maintenance are charged directly to the statement of comprehensive income line “*General administrative expenses*” when the expenditure is incurred.

(i) Provisions

The Bank recognises a provision when, and only when:

- It has a present obligation (legal or constructive) as a result of a past event
- It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and
- A reliable estimate can be made of the amount of the obligation

Provisions for Guarantees and Other Off Balance Sheet Credit Related Commitments

In the normal course of business, the Bank enters into credit related commitments which are recorded in off balance sheet accounts and primarily include issued guarantees, loan commitments, undrawn loan facilities and confirmed open letters of credit, etc. Provisions are made for estimated losses on these commitments on a portfolio basis. Changes in these provisions are recognised in "Change in provisions for credit risks".

Other Provisions

The recognition of other provisions (for outstanding vacation days, legal disputes, stabilisation, restructuring, credit card loyalty system) is recorded in "General administrative expenses".

(j) Transactions with Securities Undertaken on behalf of Clients

Securities received by the Bank into custody, administration or safe-keeping are typically recorded at market or nominal values if the market value is not available and maintained off balance sheet. "Other liabilities" include the Bank's payables to clients arising from cash received to purchase securities or cash to be refunded to the client.

(k) Segment Reporting

With effect from 1 January 2009, the Bank began reporting information in accordance with IFRS 8 Operating Segments. IFRS 8 requires that operating segments be identified on the basis of internal reports about the Bank's components whose operating results are regularly reviewed by the Bank's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance.

As a result of the adoption of IFRS 8, these financial statements reflect the change in the definition of the Bank's reportable operating segments. The basis for identifying individual segments is a report that the Bank prepares for the Board of Directors which is considered to be the 'chief operating decision maker', i.e. a person/group of persons that allocate(s) resources and assess(es) the performance of individual operating segments of the Bank.

Information on reportable operating segments of the Bank is disclosed in Note 37 to the financial statements. Segment information which was reported for the year ended 31 December 2008 is adjusted to reflect the requirements of IFRS 8 and disclosed as comparative information to the 2009 segment information.

(l) Foreign Currency Translation

Transactions denominated in foreign currencies are recorded in the local currency at official exchange rates as announced by the CNB on the date of transaction. Assets and liabilities denominated in foreign currencies are translated into the local currency at the CNB's exchange rate prevailing at the balance sheet date. Realised and unrealised gains and losses on foreign exchange are recognised in the statement of comprehensive income in "Net profit on financial operations", with the exception of foreign exchange rate differences on equity investments denominated in foreign currencies which are reported at the historical exchange rate, foreign exchange rate differences on equity securities included in the available-for-sale portfolio which are reported as a component of a change in the fair value and foreign exchange rate differences on derivatives entered into with a view to hedging currency risk associated with assets or liabilities whose foreign exchange rate differences are not reported in the statement of comprehensive income.

(m) Cash and Cash Equivalents

The Bank considers cash and deposits with the CNB, treasury bills with a residual maturity of three months or less, nostro accounts with financial institutions and loro accounts with financial institutions to be cash equivalents. For the purposes of determining cash and cash equivalents, the minimum reserve deposit with the CNB is not included as a cash equivalent due to restrictions on its availability.

(n) Reclassification of the 2008 Information

During the year ended 31 December 2009, the presentation of certain items in the statement of comprehensive income was revised. Comparative information for 2008 has been restated on a basis consistent with the current year presentation. The reconciliation of the statement of comprehensive income components is presented in the table below.

The reclassifications were made to present more fairly expenses and income in individual lines in the statement of comprehensive income.

(CZK million)	2008 Before reclassification	Preclassification	2008 After reclassification
<i>Interest income and similar income</i>	8,910,337	23,212	8,933,549
<i>Interest expense and similar expense</i>	(3,706,661)	(31,325)	(3,737,986)
<i>Fee and commission income</i>	2,971,985	(783,947)	2,188,038
<i>Fee and commission expense</i>	(798,646)	9,367	(789,279)
<i>Net profit on financial operations</i>	154,774	780,503	935,277
<i>Dividend income</i>	69,792	2,190	71,982
<i>Other operating income</i>	118,550	(63,370)	55,180
<i>General administrative expenses</i>	(4,612,499)	63,370	(4,549,129)
		0	

6. CHANGES IN ACCOUNTING POLICIES IN 2009**(a) Standards and interpretations that have an impact on amounts reported in the reporting period (or in prior reporting periods)**

In the year ended 31 December 2009, the Bank started to use standards and interpretations that have an impact on amounts reported in these financial statements. For more details on other standards and interpretations that the Bank used in the preparation of these financial statements but that do not have any impact on the reported amounts, refer to Note 6c.

- IAS 1 – Presentation of the Financial Statements – revised standard (effective 1 January 2009) – the standard introduces changes in the used terminology (including amended names of financial statements) and changes in the format and content of the financial statements;
- IFRS 7 – Financial Instruments: Disclosures – amendment Improving disclosures – pursuant to the requirements of the amendment, the Bank extended the scope of quantitative information relating to financial instruments and classified financial instruments measured at fair value by the method of determining the fair value (refer to Note 38c); and
- IFRS 8 – Operating Segments (effective 1 January 2009) – the standard that focuses on the disclosure of the information in the financial statements and that resulted in the adjustment of reporting segments by the Group (refer to Note 37).

(b) Standards and interpretations the start of application of which has no impact on the financial statements of the Bank

- IAS 23 – Borrowing Costs – revised standard (effective 1 January 2009);
- IAS 32 – Financial Instruments: Disclosure and Presentation – revised standard (effective 1 January 2009);
- IAS 39 – Financial Instruments: Recognition and Measurement – revised standard (effective 1 January 2009);
- IFRS 1 – First-time Adoption of IFRS – revised standard (effective 1 January 2009);
- IFRS 2 – Share-based Payment – revised standard (effective 1 January 2009);
- IFRIC 9 – Reassessment of Embedded Derivatives (effective 1 January 2009);
- IFRIC 13 – Customer Loyalty Programmes (effective for periods beginning on or after 1 July 2008);
- IFRIC 15 – Agreements for the Construction of Real Estate (effective 1 January 2009);
- IFRIC 16 – Hedges of a Net Investment in a Foreign Operation (effective for accounting periods beginning on or after 1 October 2008); and
- Improvements to International Financial Reporting Standards (effective 1 January 2009).

(c) Standards and interpretations that were issued, but have not been applied

As of the approval date of these financial statements, the following standards and interpretations were issued but not yet effective:

- IAS 7 – Statement of Cash Flows – amended standard (effective 1 January 2010);
- IAS 27 – Consolidated and Separate Financial Statements – revised standard (effective 1 July 2009);
- IAS 28 – Investments in Associates – revised standard (effective 1 July 2009);
- IFRS 2 – Share-based Payment – revised standard (effective 1 January 2010);
- IFRS 3 – Business Combinations – revised standard (effective 1 July 2009);
- IFRS 5 – Non-current Assets Held for Sale and Discontinued Operations – amended standard (effective 1 January 2010);
- IFRIC 17 – Distributions of Non-cash Assets to Owners (effective for periods beginning on or after 1 July 2009);
- IFRIC 18 – Transfer of Assets from Customers (effective 1 July 2009); and
- Improvements to International Financial Reporting Standards – adjustment of requirements of IAS 17 Leases (effective 1 January 2010).

These standards are not yet effective as of the reporting date. Endorsement by the EU is expected by the time the standards and interpretations become effective.

Management of the Bank consider that the impact of adopting the standards and interpretations that will become effective after 1 January 2010 will not have a material impact on the financial statements for the year ended 31 December 2009, including comparative information.

7. NET INTEREST INCOME

CZK thousand	2009	2008
Interest income arising from		
Loans and advances to financial institutions	298,014	836,831
Loans and advances to customers	8,260,915	8,011,345
of which: default interest on impaired assets	122,030	105,111
Fixed income securities	542,604	85,373
Total	9,101,533	8,933,549
Interest expense arising from		
Deposits from financial institutions	(624,008)	(940,457)
Deposits from customers	(1,527,114)	(1,888,611)
Securities issued	(519,942)	(701,282)
Subordinated liabilities	(137,907)	(207,636)
Total interest expense and similar expense	(2,808,971)	(3,737,986)
Net interest income	6,292,562	5,195,563

The increase in interest income in the year ended 31 December 2009 is predominantly due to the increase in the income from securities and loans and advances to customers offset by the decrease in the income from amounts due from banks. This change is due to the reduction of investments in interbank deposits and increase in purchases of bonds. The increase in interest income from loans and advances to customers corresponds to the increase in loans and advances to customers.

The decrease in interest expenses from deposits predominantly related to the interest on term deposits of customers that amounted to CZK 968,464 thousand (2008: CZK 1,263,843 thousand) and interest from deposits of financial institutions that amounted to CZK 624,008 thousand (2008: CZK 940,457 thousand). Although the volume of deposits increased year-on-year, the interest expense decreased due to the decline in interest rates.

8. IMPAIRMENT LOSSES ON LOANS AND RECEIVABLES

CZK thousand	2009	2008
Changes in loan loss provisions		
Charge for provisions	(3,182,377)	(2,062,009)
Release of provisions	1,356,362	845,030
Use of provisions	227,638	53,805
Loss from assigned and written off receivables	(238,385)	(172,715)
of which: Direct write-off of receivables	(10,808)	(118,910)
Recoveries	766	1,103
Total changes in loan loss provisions	(1,835,996)	(1,334,786)
Provisions for off balance sheet credit risk exposures		
Charge for provisions	(16,681)	(73,700)
Release of provisions	98,814	51,690
Total change in provisions for off-balance sheet risks	82,133	(22,010)
Change in provisions for credit risk	(1,753,863)	(1,356,796)

9. NET FEE AND COMMISSION INCOME

CZK thousand	2009	2008
Fee and commission income arising from		
Payment transactions	1,536,251	1,479,149
Provided loans and guarantees	544,434	516,124
Securities transactions	59,731	77,011
Financial operations	37,720	34,726
Other banking services	123,113	81,028
Total fee and commission income	2,301,249	2,188,038
Fee and commission expense arising from		
Payment transactions	(517,730)	(431,778)
Receiving of loans and guarantees	(114,762)	(110,136)
Securities transactions	(10,754)	(13,588)
Securitisation	(41,905)	(34,629)
Financial operations	(5,176)	(5,563)
Mediation of the sale of the Bank's products	(5,376)	(168,615)
Other banking services	(16,513)	(24,970)
Total fee and commission expense	(712,216)	(789,279)
Net fee and commission income	1,589,033	1,398,759

10. NET PROFIT ON FINANCIAL OPERATIONS

CZK thousand	2009	2008
Interest rate derivatives	(121,833)	(481,041)
Commodity derivatives	-	(17)
Share derivatives	(3,851)	(6,151)
Profit/loss from foreign currency transactions	1,152,319	(1,695,042)
of which: Customer foreign currency result	684,468	888,359
Revaluation of the position using the CNB rate	697,249	(2,577,513)
FX spots	(229,398)	(5,888)
Foreign currency derivatives	(420,988)	2,938,962
Profit/loss from transactions with securities	233,663	178,566
of which: Portfolio of securities available for sale	144,515	65
Portfolio of securities held for trading	11,109	25,946
Portfolio of securities at fair value through profit or loss	76,376	(144,946)
Own issue	1,663	(34,663)
Sale of equity investments	-	332,164
Total	839,310	935,277

Movements in "Profit/loss from foreign currency transactions" is due to the fluctuation in the CZK rate during the year ended 31 December 2009. The hedging of the currency position is compensated by the revaluation of currency derivatives.

11. DIVIDEND INCOME

“Income from other shares and participation interest” amounted to CZK 22,906 thousand (2008: CZK 71,982 thousand) and predominantly includes the dividends from Raiffeisen stavební spořitelna a.s. The decrease in the dividend income in the year ended 31 December 2009 is due to the lower dividend from Raiffeisen stavební spořitelna a.s.

In the years ended 31 December 2009 and 2008, the Bank recorded no dividend income from associates.

12. OTHER OPERATING INCOME, NET

CZK thousand	2009	2008
Change in operating provisions	51,258	28,761
Gain from disposal of in-/tangible fixed assets	8,090	1,558
Other operating income	51,097	24,861
Total	110,445	55,180

In the year ended 31 December 2009, other operating expenses are offset with other operating income reported in “Other operating income, net” rather than being reported in “General administrative expenses”. The information for the year ended 31 December 2008 was adjusted accordingly.

13. GENERAL ADMINISTRATIVE EXPENSES

CZK thousand	2009	2008
Payroll costs (Note 14)	(2,457,735)	(2,341,484)
Operating expenses:	(1,702,937)	(1,826,497)
Rental, repairs and other office management expenses	(451,060)	(476,327)
Advertising costs	(256,237)	(327,905)
Costs of legal and advisory services	(287,714)	(247,947)
of which: Audit	(8,287)	(12,250)
Tax advisory	(2,127)	-
Other advisory	(1,977)	(11,855)
IT support costs	(188,248)	(194,857)
Telecommunication, postal and other services	(167,195)	(170,501)
Deposit and transaction insurance	(107,000)	(87,869)
Training costs	(37,154)	(48,159)
Travel costs	(27,716)	(40,005)
Fuel	(28,955)	(28,404)
Security costs	(29,408)	(39,790)
Office equipment	(36,537)	(54,797)
Other administrative expenses	(85,713)	(109,936)
Depreciation and amortisation of fixed assets (Notes 22 and 23)	(364,911)	(346,319)
Other operating expenses	(52,402)	(34,829)
Total	(4,577,985)	(4,549,129)

The decrease in "Advertising costs" in the year ended 31 December 2009 is due to extraordinary costs in 2008 relating to the integration of eBanka.

The increase in "Costs of legal and advisory services" relates to the costs of new projects regarding recovery of loans and introduction of the Early Warning system.

"Deposit and transaction insurance" includes costs of the payment to the Insured Deposits Fund. Given the increase in deposits from clients in the year ended 31 December 2009, the contribution of the Bank to the Insured Deposits Fund increased.

The increase in "Depreciation and amortisation of tangible and intangible assets" arose due to the shortening of the period of depreciation of bank systems and data warehouses used in the Bank.

14. PAYROLL COSTS

CZK thousand	2009	2008
<i>Wages and salaries</i>	(1,854,437)	(1,755,105)
<i>Social security and health insurance</i>	(524,691)	(493,647)
<i>Other staff costs</i>	(78,607)	(92,731)
Total	(2,457,735)	(2,341,484)
Of which wages and salaries paid to:		
<i>Members of the Board of Directors</i>	(54,702)	(61,408)
<i>Members of the Supervisory Board</i>	(8,868)	(6,985)
<i>Other members of management</i>	(179,924)	(148,441)
Total	(243,494)	(216,835)

The average number of the Bank's employees as of 31 December 2009 and 2008 was as follows:

	2009	2008
<i>Employees</i>	2 590	2 202
<i>Members of the Board of Directors</i>	7	7
<i>Members of the Supervisory Board</i>	9	9
<i>Other members of management</i>	57	63

The increase in the number of employees is due to the increase in the number of branches, start of new projects and extension of the Recovery department.

The financial arrangements between the Bank and members of the Board of Directors and Supervisory Board are disclosed in Notes 40 (b) and 40 (c).

15. INCOME TAX

(a) Income tax expense

CZK thousand	2009	2008
Current income tax payable	(534,000)	(292,000)
Tax overpayment from the previous period	7,023	6,828
Deferred income tax credit/(charge)	(9,654)	(64,874)
Total income tax	(536,631)	(350,046)

The tax balance differs from the theoretical tax balance that would have been determined had the basic tax rate been used as follows:

CZK thousand	2009	2008
Pre-tax profit (general tax base)	2,521,753	1,730,418
Pre-tax profit (separate tax base)	655	20,418
Total pre-tax profit	2,522,408	1,750,836
Tax calculated at the tax rate for the general tax base – 20% (2008: 21%)	(504,350)	(363,388)
Tax calculated at the tax rate for the separate tax base (rate of 15%)	(98)	(3,063)
Non-taxable income	209,202	275,774
Non-tax deductible expenses	(238,861)	(201,460)
Tax relief and credit	107	137
Tax liability for the period	(534,000)	(292,000)
Tax overpayment/(underpayment) from the previous period, use of tax relief and credit, including tax refunds and additional assessments from previous years	7,023	6,828
Deferred tax	(9,654)	(64,874)
Total income tax	(536,631)	(350,046)
Effective tax rate	21.27%	19.99%

(b) Income tax liability

CZK thousand	2009	2008
Tax calculated at the tax rate for the general tax base – 20 % (2008: 21%)	(533,902)	(288,937)
Tax calculated at the tax rate for the separate tax base (rate of 15%)	(98)	(3,063)
Tax liability for the period	(534,000)	(292,000)
Additional current income tax assessment for previous years	-	-
Advances paid for current income tax	317,215	277,495
Total income tax liability	(216,785)	(14,505)

For additional details on the deferred tax, refer to Note 24.

16. CASH AND BALANCES WITH CENTRAL BANKS

CZK thousand	2009	2008
<i>Cash on hand and other cash equivalents</i>	2,876,602	3,130,561
<i>Balances with central banks</i>	175,192	31,700
<i>Statutory minimum reserves maintained with the CNB</i>	2,208,175	946,245
Total	5,259,969	4,108,506

Statutory minimum reserves include deposits the amount of which is determined based on the directive declared by the Czech National Bank and the drawing of which is limited. The Bank may draw an amount from obligatory minimum reserves which exceeds the actual average amount of statutory minimum reserves for the particular period calculated according the directive.

For the information on cash and other highly liquid balances reported in the cash flow statement, refer to Note 33.

17. LOANS AND ADVANCES TO FINANCIAL INSTITUTIONS

CZK thousand	2009	2008
<i>Placements with financial institutions</i>	533,026	560,527
<i>Term deposits with banks</i>	6,624,344	6,457,490
<i>Loans and other advances to financial institutions</i>	16,646,105	20,042,912
Total	23,803,475	27,060,929

“Loans and other advances to financial institutions” includes reverse repurchase transactions. As part of the reverse repurchase transactions, the Bank provided loans in the aggregate amount of CZK 16,253,939 thousand (2008: CZK 20,006,996 thousand).

18. LOANS AND ADVANCES TO CUSTOMERS

(a) Classification of Loans and Advances to Customers

CZK thousand	2009	2008
<i>Overdrafts</i>	9,153,233	10,546,130
<i>Term loans</i>	72,767,033	73,744,719
<i>Mortgage loans</i>	58,975,198	51,621,370
<i>Other</i>	1,920,906	2,792,928
Total	142,816,370	138,705,147

In 2009, the Bank restructured loans and advances to customers in the aggregate amount of CZK 692,317 thousand (2008: CZK 106,991 thousand).

(b) Repurchase and reverse repurchase transactions

As of 31 December 2009 and 2008, the Bank reported no repurchase transactions with customers. The Bank advanced loans in the aggregate amount of CZK 10,944 thousand (2008: CZK 808,703 thousand) under reverse repurchase transactions.

(c) Analysis of Loans Provided to Customers by Sector

CZK thousand	2009	2008
Government sector	620,755	888,869
Loans to corporate entities	71,554,456	74,209,254
Loans to private individuals	66,314,326	59,017,661
Small and medium size enterprises (SME)	4,070,484	4,306,916
Other	256,349	282,447
Total	142,816,370	138,705,147

Although the mortgages saw a lower growth rate in 2009, the increase in "Loans to private individuals" is predominantly due to the increased volume of mortgages.

(d) Analysis of Loans Provided to Customers by Geographical Area

CZK thousand	2009	2008
Czech Republic	137,027,480	132,486,371
Slovakia	1,240,852	1,218,472
The Netherlands	219,527	242,545
Poland	151,010	162,028
Other EU member countries	2,713,717	2,967,993
Serbia and Montenegro	402,366	609,848
Russian Federation	240,931	278,959
Other (Canada, USA, Ukraine, United Arab Emirates etc.)	820,487	738,931
Total	142,816,370	138,705,147

(e) Aging Analysis of Loans Provided to Customers

Set out below is an aging analysis of loans provided to customers which are overdue, but not provided for, including their collateral:

CZK thousand Overdue in days	Overdue loans and receivables		Collateral	
	2009	2008	2009	2008
0 – 30	1,646,943	1,540,870	1,670,640	1,644,357
31 – 90	47,621	134,575	65,973	123,354
91 – 180	18,375	55,152	72,975	65,606
181 – 360	10,225	11,348	66,475	12,464
1 year – 5 years	6,765	31	18,791	-

The increase in the "0 – 30" category is principally due to the increase in the past due loans which are fully collateralised. The exposure in categories exceeding 90 days overdue is also fully covered by the collateral.

(f) Analysis of Loans Provided to Customers by Delays

CZK thousand	<i>Before due date</i>	<i>Less than 1 month</i>	<i>1 month to 3 months</i>	<i>3 months to 6 months</i>	<i>6 months to 1 year</i>	<i>Over 1 year</i>	<i>Total</i>
2009							
Amounts due from customers							
- without default	128,682,740	-	-	-	-	-	128,682,740
- with default	2,908,100	4,864,933	2,032,335	740,446	1,257,350	2,330,466	14,133,630
Gross	131,590,840	4,864,933	2,032,335	740,446	1,257,350	2,330,466	142,816,370
Provisions	(1,202,072)	(327,188)	(481,350)	(364,978)	(705,191)	(1,987,128)	(5,067,907)
Net	130,388,768	4,537,745	1,550,985	375,468	552,159	343,338	137,748,463
CZK thousand							
2008							
Amounts due from customers							
- without default	123,579,190	-	-	-	-	-	123,579,190
- with default	2,932,386	7,474,716	1,483,977	856,945	373,297	2,004,636	15,125,957
Gross	126,511,576	7,474,716	1,483,977	856,945	373,297	2,004,636	138,705,147
Provisions	(552,821)	(640,646)	(486,638)	(533,631)	(338,359)	(928,536)	(3,480,631)
Net	125,958,755	6,834,070	997,339	323,314	34,938	1,076,100	135,224,516

The amounts due from customers "without default" in the table above are amounts due that are past their due dates and the provision is zero or they are not classified. Other amounts due from customers are reported within "with default".

(g) Securitisation

There were no securitisation transactions in the year ended 31 December 2009. Since March 2006, the Bank has carried out a synthetic securitisation of the Corporate Banking loans portfolio. The entire transaction will mature in 2016. At the end of 2009, the loan portfolio included in this securitisation amounted to EUR 5,081 million (2008: CZK 5,386 million).

(h) Syndicated Loans

Pursuant to concluded syndicated loan agreements, the Bank acted as the arranger of syndicated loans in the original amount of aggregate credit limits of CZK 7,431,576 thousand as of 31 December 2009 (2008: CZK 6,630,576 thousand), of which the proportion of the Bank amounted to CZK 3,819,701 thousand (2008: CZK 3,419,201 thousand) and the proportion of other syndicate members amounted to CZK 3,611,875 thousand (2008: CZK 3,211,375 thousand).

As of 31 December 2009, the aggregate amount of outstanding receivables under the syndicated loan facilities was CZK 5,416,498 thousand (2008: CZK 5,782,330 thousand), of which the proportion of the Bank was CZK 2,843,355 thousand (2008: CZK 3,058,697 thousand) and the proportion of other syndicate members was CZK 2,573,143 thousand (2008: CZK 2,723,633 thousand).

The risks and interest arising from these syndicated loans are shared by all participating syndicate members in proportion to their aggregate exposure.

(h) Analysis of Loans and Advances to Customers by Sector and Type of Collateral

2009	Cash collateral	State guarantees	Bank guarantee	Real estate	Company guarantee	Personal and bill guarantee	Other collateral	Movable assets	Uncollateralised	Total
Agriculture, Hunting, Forestry and Fishing	420	34,569	115,334	169,110	246,530	256,555	124,903	183,598	17,393	1,148,412
Mining and Quarrying	-	-	-	2,501	5,558	3,412	-	7,850	-	19,321
Manufacturing	21,765	178,684	1,978,787	2,578,811	1,204,601	3,320,996	1,337,808	3,383,117	1,869,337	15,873,906
Electricity, Gas and Water Supply	136,526	-	57,387	159,014	15,018	296,735	406,207	445,088	806,309	2,322,284
Construction	14,638	125,702	163,111	419,323	141,768	914,983	59,632	570,340	163,019	2,572,516
Wholesale and Retail Trade; Repair of Motor Vehicles, Motorcycles and Personal and Household Goods	163,127	92,108	1,246,383	1,636,736	1,635,101	2,470,879	628,024	2,509,086	1,246,767	11,628,211
Hotels and Restaurants	45,117	-	71,038	3,293,116	34,192	603,251	84,427	114,506	295,050	4,540,697
Transport, Storage and Communication	68	-	38,422	191,004	58,269	432,300	650,125	384,464	71,626	1,826,278
Financial Intermediation	398,880	-	1,428,238	76,092	394,187	103,124	12,566	120,364	5,288	2,538,739
Real Estate	498,040	-	2,468,466	14,025,932	1,419,649	4,258,659	1,206,620	1,326,441	1,526,143	26,729,950
Public Administration and Defence; Compulsory Social Security	1,232	675,213	-	148,355	-	47,028	-	424,247	281	1,296,356
Education	-	-	-	12,891	-	9,987	6,953	-	17,232	47,063
Health and Social Work	33,613	133,634	35,715	127,932	329	109,966	379	62,475	10,240	514,283
Other Community, Social and Personal Service Activities	1,069	-	22,260	442,267	116,063	509,109	21,532	44,887	106,069	1,263,256
Private Households with Employed Persons	-	-	397	54,865,558	78,254	2,354,187	4,316,248	3,039	8,877,415	70,495,098
Total	1,314,495	1,239,910	7,625,538	78,148,642	5,349,519	15,691,171	8,855,424	9,579,502	15,012,169	142,816,370

2008	Cash collateral	State guarantees	Bank guarantee	Real estate	Company guarantee	Personal and bill guarantee	Other collateral	Movable assets	Uncollateralised	Total
Agriculture, Hunting, Forestry and Fishing	1,529	27,144	135,713	216,588	239,211	334,054	217,157	222,487	84,888	1,478,771
Mining and Quarrying	1,850	-	-	48,841	-	41,092	-	6,943	10,732	109,458
Manufacturing	181,376	146,601	1,950,947	2,279,167	1,521,369	3,905,261	1,704,851	4,407,981	2,238,775	18,336,328
Electricity, Gas and Water Supply	124,487	-	97,536	7,648	-	8,918	998	194,323	30,185	464,095
Construction	12,796	2,083	248,381	390,839	150,084	657,932	63,676	758,480	109,193	2,393,463
Wholesale and Retail Trade; Repair of Motor Vehicles, Motorcycles and Personal and Household Goods	236,268	83,059	1,234,066	1,398,137	1,944,022	2,596,385	1,133,382	3,839,193	1,081,564	13,546,078
Hotels and Restaurants	2,145	-	36,801	1,366,193	18,337	594,444	4,944	128,523	63,134	2,214,521
Transport, Storage and Communication	4,688	-	49,326	172,483	51,130	507,716	61,598	381,318	83,175	1,311,434
Financial Intermediation	-	45,944	740,829	62,331	133,734	248,015	1,685,858	256,310	1,015,381	4,188,401
Real Estate	2,226,337	-	3,580,372	12,688,988	2,305,717	5,406,492	1,496,634	814,681	1,296,595	29,815,816
Public Administration and Defence; Compulsory Social Security	1,367	-	-	98,235	-	53,416	957	337,375	406,110	897,460
Education	-	-	-	7,089	-	13,266	288	10,755	14	31,412
Health and Social Work	-	146,117	48,646	172,942	-	158,078	14,258	28,032	141,541	709,615
Other Community, Social and Personal Service Activities	14	-	69,722	265,091	37,632	317,258	47,590	48,335	67,658	853,299
Private Households with Employed Persons	-	-	-	48,802,969	105,705	2,117,660	4,972,154	796	6,355,713	62,354,996
Total	2,792,856	450,949	8,192,340	67,977,540	6,506,940	16,959,989	11,404,345	11,435,531	12,984,657	138,705,147

19. PROVISIONS FOR PROVIDED LOANS AND RECEIVABLES

CZK thousand	2009	2008
Balance at 1 January	(3,480,631)	(2,300,948)
Charge for provisions	(3,182,377)	(2,062,009)
Release of provisions	1,356,362	845,030
Usage of provisions for write-off and assignment of receivables	227,638	53,805
FX gains from provisions denominated in a foreign currency	11,101	(16,509)
Balance at 31 December	(5,067,907)	(3,480,631)

20. SECURITIES

(a) Portfolio Classification of Securities according to the Bank's Intent

CZK thousand	2009	2008
Securities held to maturity (debt securities)	14,875,729	-
Securities held for trading	723,290	560,951
of which:		
– Debt securities	719,813	546,959
– Shares and participation certificates	3,477	13,992
Other securities at fair value through profit or loss	5,364,496	3,309,063
of which:		
– Debt securities	5,086,091	3,062,402
– Shares and participation certificates	278,405	246,661
Securities available for sale (shares and participation certificates)	524,428	516,493
Total	21,487,943	4,386,507

“Securities at fair value through profit or loss” include government bonds of CZK 4,849,849 thousand (2008: CZK 2,818,380 thousand) which may be used for refinancing with central banks.

“Securities held to maturity” include bonds of the Czech Republic of CZK 14,368,486 thousand.

“Securities available for sale” include minority equity investments in Raiffeisen stavební spořitelna a.s., S.W.I.F.T. s.c., Visa Europe, International Factors Group s.c., Visa Inc. in the aggregate amount of CZK 524,428 thousand (2008: CZK 516,493 thousand – Raiffeisen stavební spořitelna a.s., S.W.I.F.T. s.c., Visa Europe) owned by the Bank as of 31 December 2009.

(b) Securities Pledged as Collateral

As of 31 December 2009, the Bank concluded a repurchase transaction with the Czech National Bank and pledged CZ0001002331, government bond VAR/16 (maturity on 4 March 2010) as collateral. The nominal value of these pledged securities is CZK 3,000,000 thousand. As of 31 December 2008, the Bank recorded no securities pledged as collateral.

21. EQUITY INVESTMENTS

(a) Equity Investments

CZK thousand	2009	2008
Balance at 1 January	81,027	359,999
Acquisition of equity investments	210	-
Disposal of equity investments	-	(175,737)
Transfer to securities available for sale	-	(103,235)
Balance at 31 December	81,237	81,027

In the year ended 31 December 2009, the Bank recorded no transactions with a significant impact on the financial statements. "Acquisitions of equity investments" include purchase of the equity investment in Transaction System Servis s.r.o. in 2009. In 2008, "Disposal of equity investments" and "Transfer to securities available for sale" included the sale of 15 percent of Raiffeisen stavební spořitelna a.s. and transfer of the remaining 10 percent equity investment in the entity into the securities available-for-sale portfolio completed during 2008.

(b) Subsidiaries (Equity Investments with Controlling Influence)

CZK thousand

Name	Registered office	Equity	Of which Share capital	Share of share capital	Share of voting power	Carrying amount
Czech Real Estate Fund B.V.	Amsterdam, Naritaweg 165	71,201	476	20%	20%	55,839
Transaction System Servis s.r.o.	Praha 4, Hvězdova 1716/2b	194	200	100%	100%	210
Total at 31 December 2009						56,049
Czech Real Estate Fund B.V.	Amsterdam, Naritaweg 165	75,469	479	20%	20%	55,839
Total at 31 December 2008						55,839

Czech Real Estate Fund B.V. – principal activities:

- Real estate activities; and
- Business, financial, organisational and economic advisory

The other shareholder having a share in the equity and voting powers in Czech Real Estate Fund B.V. is NOTIC Finance B.V.

The Bank presents its investments in the real estate fund Czech Real Estate Fund B.V. as an equity investment in a subsidiary undertaking. While the Bank holds only 20 percent of the issued share capital of the fund and does not have a majority of voting rights or Board representations, the Bank receives the major part of returns. The other shareholder of Czech Real Estate Fund B.V. bears a minor part of the risks and receives a smaller part of the returns.

Transaction System Servis s.r.o. – principal activities:

- Development of the banking system

(c) Associates (Equity Investments with Substantial Influence)

As of 31 December 2008 and 2009, the Bank did not hold investments in any associates.

(d) Joint Ventures

CZK thousand

Name	Registered office	Equity	Of which Share capital	Share of share capital	Share of voting power	Carrying amount
Raiffeisen-Leasing, s.r.o.	Hvězdova 1716/2b, Praha 4	142,326	50,000	50%	50%	25,188
Balance at 31 December 2009						25,188

CZK thousand

Name	Registered office	Equity	Of which Share capital	Share of share capital	Share of voting power	Carrying amount
Raiffeisen-Leasing, s.r.o.	Hvězdova 1716/2b, Praha 4	132,556	50,000	50%	50%	25,188
Balance at 31 December 2008						25,188

Raiffeisen-Leasing, s.r.o. – principal activities:

- Lease of movable and immovable assets;
- Real estate agent;
- Purchase of goods for resale and sale with the exception of goods listed in the Appendix to Act No. 455/91 Coll., and goods eliminated thereunder;
- Agency activities related to sale and services;
- Book-keeping;
- Provision of loans and credits from own resources; and
- Provision of software.

The other shareholder having a share in the equity and voting powers in Raiffeisen-Leasing, s.r.o. is Raiffeisen-Leasing International Gesellschaft GmbH.

22. INTANGIBLE FIXED ASSETS

CZK thousand	Software	Intangible assets under construction	Total
Cost			
1 January 2008	1,071,723	147,631	1,219,354
Additions	278,027	250,898	528,925
Disposals	(27,802)	(203,258)	(231,060)
31 December 2008	1,321,948	195,271	1,517,219
Additions	329,083	421,688	750,771
Disposals	-	(176,741)	(176,741)
31 December 2009	1,651,031	440,218	2,091,249
Accumulated amortisation and provisions			
1 January 2008	(747,955)	-	(747,955)
Additions – annual amortisation charges	(165,742)	-	(165,742)
Disposals	25,459	-	25,459
31 December 2008	(888,238)	-	(888,238)
Additions – annual amortisation charges	(216,033)	-	(216,033)
31 December 2009	(1,104,271)	-	(1,104,271)
Net book value			
31 December 2008	433,710	195,271	628,981
31 December 2009	546,760	440,218	986,978

The year-on-year increase in intangible assets under construction in 2009 relates to the development of a new banking system and the launch of a series of new projects in the Bank. Internal costs (staff costs, lease costs, etc) which are required to generate these assets are capitalised.

23. PROPERTY AND EQUIPMENT

(a) Movements in Property and Equipment

CZK thousand	Land, buildings, technical improvements on buildings	Furniture and fixtures	Machinery and equipment	Tangible assets under construction	Total
Cost					
1 January 2008	491,958	393,147	1,010,544	80,342	1,975,991
Additions	59,192	16,120	81,428	235,755	392,495
Disposals	(27,662)	(40,246)	(52,603)	(96,715)	(217,226)
31 December 2008	523,488	369,021	1,039,369	219,382	2,151,260
Additions	55,231	25,320	194,295	95,002	369,848
Disposals	(36)	(8,478)	(69,166)	(134,453)	(212,133)
Other changes (transfers)	3,419	(165,287)	137,728	(365)	(24,505)
31 December 2009	582,102	220,576	1,302,226	179,566	2,284,470
Accumulated depreciation and provisions					
1 January 2008	(247,665)	(310,407)	(852,066)	-	(1,410,138)
Additions	(56,926)	(27,831)	(95,872)	-	(180,629)
Disposals	25,320	38,214	47,588	-	111,122
31 December 2008	(279,271)	(300,024)	(900,350)	-	(1,479,645)
Additions	(41,262)	(14,099)	(95,067)	-	(150,428)
Disposals	56	7,334	65,496	-	72,886
Other changes (transfers)	(757)	143,760	(118,864)	-	24,139
31 December 2009	(321,234)	(163,029)	(1,048,785)	-	(1,533,048)
Net book value					
31 December 2008	244,217	68,997	139,019	219,382	671,615
31 December 2009	260,868	57,547	253,441	179,566	751,422

The figures presented under "Other changes (transfers)" represent reclassifications between individual classes of assets.

In the year ended 31 December 2009, the Bank recognised a provision against risk prepayments for the proprietary performance in the amount of CZK 1,500 thousand.

(b) Property and Equipment Acquired under Finance Leases

The Bank recorded no property and equipment under finance leases in the years ended 31 December 2009 and 2008.

24. DEFERRED TAX ASSET/LIABILITY

Deferred tax is calculated from all temporary differences under the liability method using the principal income tax rate of 19 percent (tax rate of 2010).

Deferred income tax assets are as follows:

CZK thousand	2009	2008
<i>Unpaid interest on loans of non-residents</i>	64,821	-
<i>Unpaid social security and health insurance</i>	13,050	20,006
<i>Outstanding vacation days</i>	10,595	11,167
<i>Other provisions</i>	34,398	40,771
Total deferred tax asset	122,864	71,944

Deferred income tax liabilities are as follows:

CZK thousand	2009	2008
<i>Differences between accounting and tax carrying amounts of tangible and intangible assets</i>	(86,204)	(25,630)
<i>Change in the balance for the period against equity from revaluation of securities available for sales</i>	(593)	-
Total deferred tax liability	(86,797)	(25,630)

Set out below is the calculation of a net deferred tax asset/(liability):

CZK thousand	2009	2008
<i>Balance at 1 January</i>	71,944	53,089
<i>Change due to the merger</i>	-	75,666
<i>Movement for the year - income/(expense)</i>	50,920	(56,811)
Total deferred tax asset	122,864	71,944
<i>Balance at 1 January</i>	(25,630)	(17,566)
<i>Movement for the year - income/(expense)</i>	(60,574)	(8,064)
<i>Movement for the year - equity</i>	(593)	-
Total deferred tax liability	(86,797)	(25,630)
Net deferred tax asset/(liability)	36,067	46,314

The deferred tax (charge)/credit in the profit and loss account comprises the following temporary differences:

CZK thousand	2009	2008
<i>Basis for deferred tax asset/(liability)</i>	192,950	241,453
<i>Deferred tax asset/(liability)</i>	36,067	46,314
<i>Recognition of a year-on-year difference due to the change of tax rate</i>	(418)	(1,162)
<i>Recognition of a year-on-year difference due to temporary differences in profit or loss</i>	(9,236)	(63,712)
<i>Recognition of a year-on-year difference due to temporary differences in equity</i>	(593)	-
Total year-on-year difference for recognition	(10,247)	(64,874)

25. OTHER ASSETS

CZK thousand	2009	2008
<i>Indirect tax assets</i>	380	54
<i>Receivables arising from non-banking activities</i>	519,089	545,774
<i>Deferred expenses and accrued income</i>	16,562	24,864
<i>Settlement of cash transactions with other banks</i>	505,384	2,662,686
<i>Other</i>	123,529	98,749
Total	1,164,944	3,332,127

26. AMOUNTS OWED TO FINANCIAL INSTITUTIONS

CZK thousand	2009	2008
Repayable on demand	999,516	2,853,943
Term deposits of banks	24,037,869	24,507,790
<i>Within 3 months</i>	6,297,597	3,831,508
<i>From 3 months to 1 year</i>	1,847,495	1,111,111
<i>From 1 to 5 years</i>	15,892,777	19,565,171
Total	25,037,385	27,361,733

“Term deposits at banks – from 1 to 5 years” for the year ended 31 December 2009 include the deposit from Raiffeisen Zentral Bank in the amount of CZK 15,892,777 thousand (2008: CZK 18,891,858 thousand).

The decrease in “Repayable on demand” was predominantly due to the decrease in the deposit from Raiffeisen Zentral Bank from CZK 2,554,143 thousand in 2008 to CZK 706,980 thousand in 2009.

As of 31 December 2009, the Bank received a loan in the repurchase transaction of CZK 2,905,480 thousand. The loan received in this repurchase transaction was collateralised by governmental bonds of CZK 2,845,523 thousand and a cash deposit of CZK 39,600 thousand.

27. AMOUNTS OWED TO CUSTOMERS

(a) Analysis of Amounts Owed to Customers by Type

CZK thousand	2009	2008
<i>Repayable on demand</i>	87,897,510	74,819,403
<i>Term deposits with maturity</i>	42,088,134	37,352,264
<i>Other</i>	107,035	111,501
Total	130,092,679	112,283,168

(b) Analysis of Amounts Owed to Customers by Sector

CZK thousand	2009	2008
<i>Public sector</i>	10,776,350	8,727,368
<i>Deposits from corporate clients</i>	48,159,299	44,960,705
<i>Deposits to private individuals</i>	58,450,557	48,326,651
<i>Small and medium size enterprises (SME)</i>	11,700,940	9,377,599
<i>Other</i>	1,005,533	890,845
Total	130,092,679	112,283,168

28. DEBT SECURITIES ISSUED

(a) Analysis of Issued Debt Securities by Type

CZK thousand	2009	2008
<i>Deposit certificates and deposit bills of exchange</i>	5,645,986	8,869,038
<i>Bonds in issue</i>	650,428	1,209,996
<i>Mortgage bonds</i>	9,517,720	9,818,557
Total	15,814,134	19,897,591

The decrease in "Deposit certificates and deposit bills of exchange" is predominantly due to the outflow of short-term deposit bills from corporate clients.

The decrease in "Bonds in issue" results from the due dates of certain issues during 2009 (Garantinvest issue, I, II, III, IV).

(b) Analysis of Mortgage Bonds

CZK thousand

Date of issue	Maturity	ISIN	Currency	Nominal value		Net carrying value	
				2009	2008	2009	2008
18.2.2004	18.2.2009	CZ0002000326	CZK	-	500,000	-	516,108
23.8.2004	23.8.2009	CZ0002000417	CZK	-	365,840	-	374,205
23.3.2005	23.3.2010	CZ0002000482	CZK	498,350	498,350	517,687	524,875
29.11.2005	29.11.2010	CZ0002000557	CZK	500,000	500,000	505,831	510,067
21.11.2005	21.11.2010	CZ0002000698	CZK	339,850	339,850	344,876	348,652
24.5.2006	24.5.2011	CZ0002000805	CZK	402,770	402,770	420,295	424,727
4.10.2006	4.10.2011	CZ0002000888	CZK	933,000	933,000	954,566	961,253
16.2.2007	16.2.2012	CZ0002000946	CZK	1,274,710	1,300,000	1,361,785	1,405,208
12.9.2007	12.9.2012	CZ0002001175	CZK	1,819,600	1,819,600	1,886,598	1,900,409
14.11.2007	14.11.2014	CZ0002001316	CZK	500,000	500,000	521,395	525,157
12.12.2007	12.12.2012	CZ0002001662	CZK	10,000	10,000	10,155	10,195
12.12.2007	12.12.2017	CZ0002001670	CZK	1,517,800	1,517,800	1,581,502	1,587,693
12.12.2007	12.12.2017	CZ0002001696	CZK	500,000	500,000	549,278	555,594
12.12.2007	12.12.2022	CZ0002001704	CZK	-	-	-	-
20.12.2007	20.12.2017	CZ0002001928	CZK	157,500	157,500	172,834	174,414
26.11.2008	26.11.2013	CZ0002002058	CZK	61,250	-	61,989	-
10.12.2008	10.12.2011	CZ0002002066	CZK	40,000	-	40,921	-
18.2.2009	18.2.2012	CZ0002002074	CZK	248,150	-	254,702	-
28.8.2009	28.8.2012	CZ0002002108	CZK	249,160	-	251,726	-
8.10.2009	8.10.2014	CZ0002002124	EUR	-	-	-	-
14.10.2009	14.10.2012	CZ0002002140	CZK	81,060	-	81,580	-
Total				9,133,200	9,344,710	9,517,720	9,818,557

In 2009, the Bank recorded four new issues:

- 1) CZ0002002074 - issued 25,000 pieces, repurchased 185 pieces
- 2) CZ0002002108 - issued 25,000 pieces, repurchased 84 pieces
- 3) CZ0002002124 – issued 100,000 pieces, repurchased 100,000 pieces
- 4) CZ0002002140 – issued 25,000 pieces, repurchased 16,894 pieces

29. PROVISIONS

CZK thousand	Provisions for legal disputes	Provisions for off balance sheet credit risk exposures	Provision for outstanding vacation days	Provision for restructuring	Other provisions	Total
1 January 2008	27,763	76,804	38,326	6,763	226,696	376,352
Charge for provisions	65,379	73,700	54,272	-	38,753	232,104
Use of provisions	(16,126)	-	(36,765)	-	(9,439)	(62,330)
Release of redundant provisions	(5,189)	(51,690)	-	(6,763)	(131,644)	(195,286)
31 December 2008	71,827	98,814	55,833	-	124,366	350,840
Charge for provisions	116	16,681	55,765	2,170	106,810	181,542
Use of provisions	(562)	-	(55,833)	-	(57,625)	(114,020)
Release of redundant provisions	(69,095)	(98,814)	-	-	(5,618)	(173,527)
Foreign exchange rate differences	-	-	-	-	(34)	(34)
31 December 2008	2,286	16,681	55,765	2,170	167,899	244,801

“Other provisions” predominantly included the provision for the integration bonus in the years ended 31 December 2009 and 2008.

30. SUBORDINATED LOAN

CZK thousand	2009	2008
Raiffeisen Zentralbank Österreich	1,297,830	1,340,078
Raiffeisenlandesbank Oberösterreich	1,038,418	1,071,433
Raiffeisenlandesbank Niederösterreich	765,641	789,000
Raiffeisen Malta Bank Plc	1,089,174	1,123,598
Total	4,191,063	4,324,109

In the year ended 31 December 2009, the Bank received no new subordinated loan.

31. OTHER LIABILITIES

CZK thousand	2009	2008
<i>Liabilities arising from non-banking activities</i>	473,350	528,771
<i>Estimated payables for bonuses</i>	648,732	414,246
<i>Accrued expenses</i>	245	12,609
<i>Deferred income</i>	38,369	24,411
<i>Settlement and suspense clearing account</i>	662,127	734,806
<i>Other</i>	522,635	427,793
Total	2,345,458	2,142,636

“Accrued expenses” include accrued fees paid for guarantees and received guarantees. The settlement and clearing account changes daily in dependence on settlement volumes.

“Other” predominantly includes settlement accounts of CZK 155,738 thousand (2008: CZK 278,206 thousand), funds deposited to the benefit of a third party of CZK 107,035 thousand (2008: CZK 16,501 thousand) and a short sale of bonds of CZK 107,785 thousand (2008: no sale).

32. SHARE CAPITAL

In the year ended 31 December 2009, there were no changes in the share capital of the Bank, in its paid amount or the number of issued shares. There were no changes in the shareholder structure. The aggregate nominal value of all the shares was fully paid. All shares are book-entered, registered, they are not listed and their nominal value is CZK 10,000.

The shareholder structure as of 31 December 2009:

Name	Registered office	Number of ordinary shares	Nominal value (CZK thousand)	Ownership percentage (in %)
Raiffeisen International Bank-Holding AG	Austria	334,764	3,347,640	51
RB Prag Beteiligungs GmbH	Austria	164,100	1,641,000	25
Raiffeisenlandesbank Niederösterreich – Wien AG	Austria	157,536	1,575,360	24
Total		656,400	6,564,000	100

The following distribution of the profit for the year ended 31 December 2008 was approved in 2009:

2008 net profit after tax	1,400,790
<i>Approved distribution:</i>	
<i>Transfer to statutory reserve funds</i>	70,040
<i>Dividends to be paid to shareholders</i>	434,500
<i>of which:</i>	
<i>– Raiffeisen International Bank-Holding AG</i>	221,595
<i>– RB Prag Beteiligungs GmbH</i>	108,625
<i>– Raiffeisenlandesbank Niederösterreich – Wien AG</i>	104,280
<i>Transfer to retained earnings</i>	896,250

33. CASH AND CASH EQUIVALENTS

Cash and cash equivalents at the end of the year as shown in the statements of cash flows are composed of the following balances:

CZK thousand	2009	2008
<i>Cash and balances with central banks (Note 16)</i>	5,259,969	4,108,506
<i>Statutory minimum reserves (Note 16)</i>	(2,208,175)	(946,245)
<i>Placements in other financial institutions (Note 17)</i>	533,026	560,527
Total cash and cash equivalents	3,584,820	3,722,788

34. OFF BALANCE SHEET COMPONENTS – CREDIT EXPOSURE

(a) Legal disputes

The Bank conducted a review of legal proceedings outstanding against it as of 31 December 2009. Pursuant to the review of significant litigation matters in terms of the risk of potential losses and the probability of payment, the Bank recognised provisions (Note 29) for these litigations in the aggregate amount CZK 2,286 thousand (2008: CZK 71,827 thousand).

(b) Irrevocable Commitments, Guarantees and Issued Letters of Credit

CZK thousand	2009	2008
Banks		
Provided commitments (irrevocable)	205,546	718,336
Guarantee issued	41,369	41,134
Letters of credit issued	7,105	-
Total	254,020	759,470
Customers		
Provided commitments (irrevocable)	18,524,865	27,690,787
Guarantee issued	10,733,680	8,964,673
Letters of credit issued	1,045,593	939,167
Total	30,304,138	37,594,627
Total	30,558,158	38,354,097

(c) Refinancing Agreements

As of 31 December 2009, the Bank is provided with a stand-by credit line facility of CZK 13,232,500 thousand (EUR 500,000 thousand) (2008: CZK 48,474,000 thousand, EUR 1,800,000 thousand) by Eastern European Invest GmbH.

35. OFF BALANCE SHEET COMPONENTS – FINANCIAL INSTRUMENTS

(a) Analysis of Derivative Financial Instruments – Contractual Amounts

CZK thousand	Contractual amounts	
	2009	2008
Trading instruments		
Currency forwards and swaps	38,946,103	56,596,943
Interest rate swaps (IRS)	41,523,624	47,275,189
Forward rate agreements (FRA)	40,000,000	332,500,000
Option contracts (purchase)	9,231,297	18,256,825
Option contracts (sale)	9,154,693	18,179,054
Total trading instruments	138,855,717	472,808,011
Financial derivatives - total contractual amount	138,855,717	472,808,011

The Bank reported no hedging instruments in 2009 and 2008.

(b) Analysis of Derivative Financial Instruments – Fair Value

CZK thousand	Fair value in 2009		Fair value in 2008	
	Positive	Negative	Positive	Negative
Trading instruments				
Currency forwards and swaps	780,507	(358,082)	3,876,774	(828,527)
Interest rate swaps (IRS)	413,862	(1,049,239)	415,413	(1,000,022)
Forward rate agreements (FRA)	118,085	(127,729)	686,739	(715,089)
Option contracts (purchase)	580,503	-	1,242,366	-
Option contracts (sale)	-	(577,102)	-	(1,238,402)
Total trading instruments	1,892,957	(2,112,152)	6,221,292	(3,782,040)
Financial derivatives - total fair value	1,892,957	(2,112,152)	6,221,292	(3,782,040)

The Bank reported no hedging instruments in 2009 and 2008.

(c) Remaining Maturity of Financial Derivative Instruments – Contractual Amounts

CZK thousand	Up to 1 year	From 1 to 5 years	Over 5 years	Total
	At 31 December 2009			
Trading instruments				
Currency forwards and swaps	36,412,881	2,533,222	-	38,946,103
Interest rate swaps (IRS)	14,845,942	22,132,029	4,545,654	41,523,625
Forward rate agreements (FRA)	40,000,000	-	-	40,000,000
Option contracts (purchase)	6,169,242	3,062,055	-	9,231,297
Option contracts (sale)	6,149,878	3,004,815	-	9,154,693
Total trading instruments	103,577,943	30,732,121	4,545,654	138,855,718
Total financial derivatives	103,577,943	30,732,121	4,545,654	138,855,718
At 31 December 2008				
Trading instruments				
Currency forwards and swaps	55,380,386	1,216,557	-	56,596,943
Interest rate swaps (IRS)	9,895,277	33,611,966	3,767,946	47,275,189
Forward rate agreements (FRA)	227,000,000	105,500,000	-	332,500,000
Option contracts (purchase)	11,415,796	6,841,029	-	18,256,825
Option contracts (sale)	11,403,008	6,776,046	-	18,179,054
Total trading instruments	315,094,467	153,945,598	3,767,946	472,808,011
Total financial derivatives	315,094,467	153,945,598	3,767,946	472,808,011

The Bank reported no hedging instruments in 2009 and 2008.

(d) Summary of Future Cash Flows of Net Settled Derivatives

CZK thousand	Future Cash Inflows			Future Cash Outflows		
	Up to 1 year	From 1 to 5 years	Over 5 years	Up to 1 year	From 1 to 5 years	Over 5 years
31 December 2009						
Trading instruments						
Interest rate swaps (IRS)	41,827	313,893	58,142	(318,663)	(579,320)	(151,221)
Forward rate agreements (FRA)	118,085	-	-	(127,729)	-	-
Total trading instruments	159,912	313,893	58,142	(446,392)	(579,320)	(151,221)
Financial derivatives – total contractual payments	159,912	313,893	58,142	(446,392)	(579,320)	(151,221)

CZK thousand	Future Cash Inflows			Future Cash Outflows		
	Up to 1 year	From 1 to 5 years	Over 5 years	Up to 1 year	From 1 to 5 years	Over 5 years
31 December 2008						
Trading instruments						
Interest rate swaps (IRS)	36,759	307,169	71,485	(62,096)	(788,334)	(149,592)
Forward rate agreements (FRA)	323,352	363,387	-	(270,859)	(444,230)	-
Total trading instruments	360,111	670,556	71,485	(332,955)	(1,232,564)	(149,592)
Financial derivatives – total contractual payments	360,111	670,556	71,485	(332,955)	(1,232,564)	(149,592)

(e) Summary of Future Cash Flows of Gross Settled Derivatives

CZK thousand	Future Cash Inflows			Future Cash Outflows		
	Up to 1 year	From 1 to 5 years	Over 5 years	Up to 1 year	From 1 to 5 years	Over 5 years
31 December 2009						
Trading instruments						
Currency forwards and swaps	36,474,956	2,471,147	-	(36,127,408)	(2,458,248)	-
Option contracts (purchase)	6,169,242	3,062,055	-	(5,185,994)	(2,846,979)	-
Option contracts (sale)	5,672,419	2,846,979	-	(6,149,878)	(3,004,815)	-
Total trading instruments	48,316,617	8,380,181	-	(47,463,280)	(8,310,042)	-
Financial derivatives – total contractual payments	48,316,617	8,380,181	-	(47,463,280)	(8,310,042)	-

CZK thousand	Future Cash Inflows			Future Cash Outflows		
	Up to 1 year	From 1 to 5 years	Over 5 years	Up to 1 year	From 1 to 5 years	Over 5 years
31 December 2008						
Trading instruments						
Currency forwards and swaps	55,380,386	1,216,557	-	(52,392,125)	(1,190,141)	-
Option contracts (purchase)	11,415,796	6,841,029	-	(11,168,213)	(6,299,223)	-
Option contracts (sale)	11,166,046	6,299,223	-	(11,403,008)	(6,776,046)	-
Total trading instruments	77,962,228	14,356,809	-	(74,963,346)	(14,265,410)	-
Financial derivatives – total contractual payments	77,962,228	14,356,809	-	(74,963,346)	(14,265,410)	-

36. OTHER OFF BALANCE SHEET ASSETS

(a) Assets Provided for Management, Administration and Custody

In the years ended 31 December 2009 and 2008, the Bank provided no assets for management, administration and custody.

(b) Assets Accepted for Management, Administration and Custody

CZK thousand	2009	2008
Assets accepted for management	3,103,460	2,847,935
Assets accepted for administration	8,088,888	6,095,181
Assets accepted for custody	50	50
Total	11,192,398	8,943,166

37. SEGMENT ANALYSIS

Segments

The base for the segment analysis according to IFRS 8 are internal reports of the Bank which are based on management accounts and serve as the principal financial information for decision-making of the Bank's management.

Management accounts are maintained on a margin basis. For this reason, the interest income and expenses and fee and commission expense of individual operating segments are not reported separately, but on a net basis.

Operating segments are represented as follows:

- Corporate banking
- SME banking
- Retail banking
- Treasury
- Other

The Corporate banking segment involves transactions with corporate clients with an annual turnover exceeding CZK 250 million, public sector and financial institutions.

The SME banking segment entails all medium-sized entities and individuals – businessmen with an annual turnover of up to CZK 250 million.

The Retail banking segment generally includes all private individuals including VIP clients and own employees.

The Treasury segment includes interbank transactions and securities.

The Other segment mainly includes equity investments and other non-interest bearing assets and liabilities of the Bank that cannot be allocated to segments referred to above, i.e. capital, subordinated deposit, assets, other assets/liabilities, capital investments.

The Bank monitors amounts of net interest income and net fee and commission income, net profit/(loss) from financial operations, movements in provisions and other operating expenses by segment. Other profit and loss items are not monitored by segment.

The Bank does not monitor total assets and total liabilities by segment.

The Bank has no client, or a group of related parties, whose income from transactions with the Bank would account for more than 10 percent of total income of the Bank.

Profit and loss items by segment (2009)

CZK thousand	Corporate entities	Small and medium-size enterprises	Retail clients	Treasury	Other	Total
31 December 2009						
Net interest income	1,940,925	1,421,670	2,798,224	(263,658)	360,733	6,257,894
Net fee and interest income	694,527	900,776	823,568	20,840	(84,950)	2,354,761
Net profit/(loss) from financial operations	(25,710)	-	-	(56,981)	213,847	131,156
Movements in provisions	(843,746)	(455,717)	(528,099)	-	-	(1,827,562)
Other operating expenses	(747,427)	(1,207,497)	(1,990,674)	(212,429)	(309,514)	(4,467,541)
Pre-tax profit	1,018,569	659,232	1,103,019	(512,228)	180,116	2,448,708
Income tax	-	-	-	-	(536,631)	(536,631)
Profit after tax	1,018,569	659,232	1,103,019	(512,228)	(356,515)	1,912,077
Reconciliation to the Statement of comprehensive income						
Provision	73,700	-	-	-	-	73,700
Reconciled profit after tax	1,092,269	659,232	1,103,019	(512,228)	(356,515)	1,985,777

Profit and loss items by segment (2008)

CZK thousand	Corporate entities	Small and medium-size enterprises	Retail clients	Treasury	Other	Total
31 December 2008						
Net interest income	1,674,918	1,224,256	2,134,418	(215,295)	420,542	5,238,839
Net fee and interest income	791,345	851,935	602,319	19,888	(57,519)	2,207,968
Net profit/(loss) from financial operations	(109,060)	-	-	(67,088)	330,922	154,774
Movements in provisions	(681,027)	(229,908)	(368,390)	-	(3,771)	(1,283,096)
Other operating expenses	(786,191)	(1,174,360)	(1,956,494)	(191,969)	(384,935)	(4,493,949)
Pre-tax profit	889,985	671,923	411,853	(454,464)	305,239	1,824,536
Income tax	-	-	-	-	(350,046)	(350,046)
Profit after tax	889,985	671,923	411,853	(454,464)	(44,807)	1,474,490
Reconciliation to the Statement of comprehensive income						
Provision	(73,700)	-	-	-	-	(73,700)
Reconciled profit after tax	816,285	671,923	411,853	(454,464)	(44,807)	1,400,790

Differences between individual lines of the segment analysis and information in the Statement of comprehensive income

The difference in "Net interest income" arises from the different presentation of the dividend income, income and expenses from commissions from foreign currency transactions, expense fees of synthetic securitisation and interest income from transactions with securities.

The difference in "Net fee and commission income" arises from the different presentation of income and expenses from commissions from foreign currency transactions and expense fees of synthetic securitisation.

The difference in "Net profit/(loss) from financial operations" arises from the different presentation of the dividend income, income and expenses from foreign currency transactions and interest income from transactions with securities.

"Other operating expenses" includes "Other operating income, net" and "General administrative expenses" presented in the Statement of comprehensive income in separate lines.

The differences referred to above between the segment analysis and the Statement of comprehensive income arise from the different classification of selected profit and loss items.

The profit after tax presented in the segment analysis of 2009 and 2008 differs from the profit after tax in the Statement of comprehensive income by CZK 73,700 thousand which represents a provision against a client in the Corporate banking segment that was included in the financial statements as of 31 December 2008, but was presented in the segment analyses as an event of 2009.

38. FINANCIAL INSTRUMENTS – MARKET RISK

The Bank takes on exposure to market risks arising from open positions of transactions with interest rate, equity and currency instruments which are sensitive to the changes of conditions on financial markets.

(a) Trading

The Bank holds trading positions in certain financial instruments including financial derivatives.

These positions are also held for the purpose of speculation on the expected future development of financial markets and thus represent speculation on this development. The majority of the Bank's trading activities are conducted on the basis of the requirements of the Bank's clients. The Bank maintains the admission to the financial markets through the quoting of bid and ask prices and by trading with other market makers. The Bank's business strategy is thus affected by the speculative expectation and market making and its goal is to maximise net income from trading.

The Bank manages risks associated with its trading activities on the level of individual risks and types of financial instruments. The key risk management tools are the limits for individual transaction volumes and individual position volumes, stop loss limits and Value at Risk (VaR) limits. The quantitative methods applied to market risk management are described in "Risk Management Methods" in Note 38 (d).

(b) Risk Management

The selected risks exposures resulting from the Bank's activities, management of positions arising from these activities and its risk management approach are described below. More detailed policies applied in measuring and managing these risks are included in "Risk Management Methods" in Note 38 (d).

Liquidity Risk

Liquidity risk arises from the type of funding of the Bank's activities and the management of its positions. It includes both the risk of inability to raise funds to cover the Bank's assets using instruments with appropriate maturity and the Bank's ability to dispose of/sell assets at a reasonable price within a reasonable time frame.

The Bank has access to diversified sources of funding, which comprise deposits and other savings, issued securities, loans accepted including subordinated loans, and also the Bank's equity. This diversification makes the Bank flexible and reduces its dependency on one source of funding. The Bank regularly evaluates its liquidity exposures, in particular by monitoring the changes in the structure of financing and comparing these changes with the Bank's liquidity risk management strategy, which is approved by the Bank's Board of Directors. As part of its liquidity risk management strategy, the Bank also holds a portion of its assets in highly liquid funds, such as government treasury bills and similar bonds and/or repurchase transactions with the Czech National Bank. The Bank uses internal statistical models for diversification of the maturity of client deposits. These models are reassessed on a regular basis.

The following table shows the remaining maturity of contractual cash flows arising from financial liabilities. Contractual cash flows from derivatives are analysed in the tables in Notes 36 (d) and 36 (e).

Analysis of financial liabilities according to remaining maturity

(CZK thousand)	Total contractual liability	Up to 3 months	3 - 12 months	1 - 5 years	Over 5 years
2009					
Amounts owed to financial institutions	25,907,506	6,604,288	1,892,395	16,669,300	741,523
Amounts owed to customers	130,476,226	117,026,652	10,178,323	3,237,480	33,771
Debt securities issued	17,202,963	5,060,283	2,255,388	7,363,737	2,523,555
Subordinated loan	4,505,269	7,560	46,312	2,960,542	1,490,855
Other liabilities	2,345,642	2,345,642	-	-	-
Provided loan commitments to banks and customers (irrevocable)	18,730,411	18,730,411	-	-	-
2008					
Amounts owed to financial institutions	31,942,202	30,842,202	1,100,000	-	-
Amounts owed to customers	112,639,731	104,834,091	6,436,863	1,364,505	4,272
Debt securities issued	21,699,717	8,829,381	1,962,267	7,504,357	3,403,713
Subordinated loan	5,065,064	14,460	86,758	3,375,087	1,588,759
Other liabilities	2,142,636	2,142,636	-	-	-
Provided loan commitments to banks and customers (irrevocable)	28,409,123	28,409,123	-	-	-

Foreign Currency Risk

The foreign currency risk is the risk arising from currency markets. The source of this risk is the Bank's foreign currency position which arises from the mismatch of the Bank's assets and liabilities, including the currency-sensitive off balance sheet items. The foreign currency risk is managed by setting trading limits. More detailed policies applied in managing this risk are included in "Risk Management Methods" in Note 39 (d).

Interest Rate Risk

The Bank is exposed to interest rate risk since the interest-bearing assets and liabilities have different maturity dates, periods of interest rate changes/adjustments and volumes during these periods. In the case of variable interest rates, the Bank is exposed to a basis risk arising from the difference in the mechanism of adjusting individual types of interest rates, such as PRIBOR, announced interest on deposits, etc. The Bank's interest rate risk management activities are aimed at optimising the Bank's net interest income in accordance with its strategy approved by the Board of Directors. In managing the interest rate risk, the Bank uses (as in the case of liquidity management) statistical models for distribution of those items where it is unable to determine the exact moment of repricing of interest rates or liquidity maturity (for example on current accounts). The Bank mostly uses interest rate derivatives to manage the mismatch between the rate-sensitivity of assets and liabilities. These derivative transactions are entered into in accordance with the asset and liability management strategy as approved by the Board of Directors of the Bank.

Part of the Bank's income is generated through a targeted mismatch between rate-sensitive assets and rate-sensitive liabilities. The carrying amounts of these assets and liabilities and the nominal (notional) values of interest rate derivatives are recorded either in the period in which they are due or in which the interest rate changes, whichever occurs first. Certain assets or liabilities are allocated to individual periods on the basis of an expert estimate due to the anticipated preliminary repayment or undefined maturity dates.

Equity Risk

Equity risk is the risk of fluctuations of the prices of equity instruments held in the Bank's portfolio and financial derivatives related to these instruments. This risk predominantly arises from trading with equity instruments although a portion of equity exposure is also attributable to non-trading activities of the Bank. Equity risk is managed by trading limits. The equity risk management methods are described in "Risk Management Methods" in Note 39 (d).

c) Fair values of financial assets and liabilities

In disclosing the estimates of fair values of financial assets and liabilities, the Bank used the following methods and estimates.

I) Cash and balances with central banks

Carrying amounts of cash and short-term instruments in principle approximate their fair values.

II) Loans and advances to financial institutions

Carrying amounts of loans and advances to financial institutions due within 180 days in principle approximate their fair values. Fair values of other loans and advances to financial institutions are estimated using discounted cash flows based on common rates in similar types of investments (market rates adjusted by the credit risk). Fair values of default loans of financial institutions are estimated on the basis of discounted cash flows, fair values of loss loans are equal to their collateral values.

III) Loans and advances to customers

Fair values of loans with variable interest rate which are frequently remeasured and the change of the credit risk is insignificant in principle approximate their carrying amounts. Fair values of loans with fixed interest rate are estimated based on discounted cash flows using the interest rate common in loans with similar conditions and due dates and provided to debtors with similar risk rating. Fair values of default loans are estimated based on discounted cash flows including the potential collateral realisation.

IV) Securities held to maturity

Fair values of securities carried in the held to maturity portfolio are estimated based on discounted cash flows using the interest rate common as of the balance sheet date.

V) Amounts owed to financial institutions and customers

Fair values reported in respect of loans on request match amounts payable on demand (i.e. their carrying amounts) at the balance sheet date. Carrying amounts of term deposits with variable rate are principally equal to their fair values as of the balance sheet date. Fair values of deposits with fixed interest rate are estimated based on discounting of cash flows using market interest rates. Amounts owed to financial institutions and customers with fixed interest rate represent only an insignificant part of the total carrying amount. For this reason, the fair value of total amounts owed to financial institutions and customers does not significantly differ from the carrying amount as of the balance sheet date.

VI) Debt securities issued

Fair values of debt securities issued by the Bank are determined on the basis of updated market prices. If market prices are not available, fair values are estimates of the Bank.

VII) Subordinated loan

Fair values of the subordinated loan are estimated based on discounting cash flows using market interest rates and reflecting liquid costs of the Bank.

The following table shows the carrying amounts and fair values of financial assets and liabilities that are not reported at fair value in the balance sheet:

CZK thousand	2009		2008	
	Carrying amount	Fair value	Carrying amount	Fair value
Assets				
Cash and balances with central banks	5,259,969	5,259,969	4,108,506	4,108,506
Loans and advances to financial institutions	23,803,475	23,804,455	27,060,929	27,064,922
Loans and advances to customers	137,748,463	138,302,761	135,224,516	136,705,928
Securities held to maturity	14,875,729	14,998,935	-	-
Liabilities				
Amounts owed to financial institutions	25,037,385	25,073,570	27,361,733	27,443,772
Amounts owed to customers	130,092,679	130,121,352	112,283,168	112,263,062
Debt securities issued	15,814,134	15,796,101	19,897,591	19,851,203
Subordinated loan	4,191,063	4,198,048	4,324,109	4,330,188

Financial instruments at fair value

CZK thousand	Fair value at 31 Dec 2009	
	Fair value according to the price quoted on the active market	Fair value derived from market data
Positive fair values of financial derivative instruments	-	1,892,957
Securities at fair value through profit or loss	5,963,523	124,264
Securities available for sale	-	8,322
Total	5,963,523	2,025,543
	Fair value at 31 Dec 2009	
	Fair value according to the price quoted on the active market	Fair value derived from market data
Negative fair values of financial derivative instruments	-	2,112,152
Total	-	2,112,152

The Bank holds no financial instruments that would be measured using techniques based on input information not based on data identifiable on the market.

(d) Risk Management Methods

The Bank uses a set of limits for individual positions and portfolios as part of the appropriate methodologies to facilitate effective market risk management. The set of limits consist of limits determined by the regulator which are complemented by the limits set by the parent bank in a standardised way for the whole CEE region. In some cases, the set of limits is complemented by other internal limits that reflect the specifications of local markets to which the Bank is exposed.

The Bank monitors both aggregate and individual market risks using the Value at Risk method. Value at Risk represents the potential loss arising from an adverse movement on the market within a certain time period with a certain confidence level. Value at Risk is measured based on a one-day holding period with a 99 percent confidence level. The calculation reflects mutual correlations of individual risk factors (currency rates, interest rates and equity market prices).

CZK thousand	At 31 December 2009	Average in 2009	At 31 December 2008	Average in 2008
Total market risk VaR	11,378	13,121	17,305	17,349

Interest Rate Risk

The Bank monitors interest rate risk of the banking book and the trading book separately, at the level of individual currencies. The interest rate position is monitored based on a gap analysis method, in combination with the sensitivity of the overall position to the shift in the interest rate curve (BPV). The gap analysis is based on the net position of notional values presented in a yearly equivalent (that is, the position converted to the risk of the yearly interest rate instrument using a duration coefficient). The BPV technique (basis point value) involves determining the change of the present value of the portfolio when interest rates shift by one basis point (0.01 percent). These techniques are complemented by monitoring interest rate risks using Value at Risk.

CZK thousand	At 31 December 2009	Average in 2009	At 31 December 2008	Average in 2008
Total interest rate risk VaR	11,359	12,890	16,267	16,849
Interest rate risk VaR – banking book	11,246	12,700	15,766	16,989
Interest rate risk VaR – trading book	241	1,135	823	6,250

Currency Risk

The Bank uses a set of limits established by reference to the standards of the Raiffeisen Group. The limits are set for individual currencies and for the overall currency position. Internal currency position limits fully respect the limits set by the local regulatory body. These techniques are complemented by monitoring currency risks using Value at Risk.

CZK thousand	At 31 December 2009	Average in 2009	At 31 December 2008	Average in 2008
Currency risk VaR	388	1,388	2,235	1,323

Equity Risk

Market risks arising from the Bank's equity trading activities are managed using the Value at Risk method. Value at Risk represents the potential loss arising from an adverse movement on the market within a certain time period with a certain confidence level.

CZK thousand	At 31 December 2009	Average in 2009	At 31 December 2008	Average in 2008
Equity risk VaR	39	341	1,188	987

Stress Testing

The Bank performs regular stress testing of interest rate risk inherent in the banking and trading portfolios, the currency risk and the equity risk. The results of stress tests are submitted to the Assets and Liabilities Committee (ALCO) on a regular basis.

Operational Risk

In accordance with Basel II, operational risk is defined as the risk of loss arising from the inappropriateness or failure of internal processes, human errors or failures of systems or the risk of loss arising from external events. The Bank monitors, tracks and assesses these risks on a regular basis and undertakes measures aimed at minimising these risks. The Bank applies the standardised approach to calculating capital adequacy, it intends to implement the advanced (AMA) approach in the future.

The basic principal is the responsibility of each employee for the identification and escalation of the operational risk which is within his/her responsibility and for timely and accurate reporting of incidents.

The Bank has a central operational risk management function in place, which is responsible for the setting of the methodology, measurements or analyses and which provides methodical support to managers.

Operational risk management primarily draws upon collection of data on losses caused by operational risks, risk self-assessment and key risk indicators.

The objective of collecting data on operational risk events is not just to accumulate information but predominantly to analyse the causes of such events. More serious cases are presented to and discussed by the Operational Risk Management Committee. Through the Operational Risk Management Committee, the Bank also proposes measures aimed at minimising or fully eliminating further occurrence of similar events. Specific responsibilities are determined for the implementation of proposed changes and their fulfilment is reviewed by the Operational Risk Management Committee.

Risk self-assessment is designed to identify areas with a high operational risk within the Bank. Results impact priorities in the focus of the Operational Risk Department in the Bank. The assessment is performed on an annual basis and also serves to estimate anticipated losses on operational risk.

In respect of areas with an identified significant risk the Bank has implemented a set of key risk indicators. As part of further procedures, the Bank plans to implement a set of key risk indicators, particularly for segments where high risk is involved, which will serve as an early warning system and criteria for evaluating operational risk exposure. When using the key risk indicators, the Bank continues to share results in the Raiffeisen group.

Capital Management

The Bank's principal capital management instrument involves monitoring and adhering to the capital adequacy limit.

The Bank additionally manages its capital to ensure that the Bank and its subsidiaries and jointly controlled entities are able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy has remained unchanged since 2006.

39. FINANCIAL INSTRUMENTS – CREDIT RISK

The Bank takes on exposure to credit risks resulting from its trading activities, provision of loans, hedging transactions, investment activities and agency services.

Credit risks associated with trading and investment activities are managed using the methods and instruments applied by the Bank in managing its credit risk exposures.

(a) Assessment and Classification of Receivables

The Bank assesses its receivables in accordance with the principles determined by the CNB's Regulation dated 15 May 2007 on the rules of prudent business of banks, savings and lending associations and securities traders (Collection of Laws No. 123/2007), as amended, and also in accordance with IFRS and IAS 39 standards and internal regulations.

The Bank assesses receivables based on the fulfilment of the criteria. Individual receivables are classified into five categories according to Regulation of the Czech National Bank No. 123. For each client, each criterion is evaluated individually and the receivable is subsequently classified on the basis of the worst rating of the criteria to one of the following categories: standard, watch, substandard, doubtful, and loss. Substandard, doubtful and loss receivables are aggregately designated as receivables with debtor's default. If the Bank records more receivables from one client, they are all classified in the same category, based on the receivable with the least favourable rating. This rule does not apply to retail receivables where the default and sub-categories are allocated on the level of receivables rather than the client.

The classification is performed on a monthly basis, with the key criteria being:

- Number of days past maturity
- Financial position of the debtor – client/transaction rating
- Restructuring of the repayment schedule
- Declaration of bankruptcy
- Other individually assessed events relating to the anticipated customer's compliance with contractual obligations

(b) Provisioning for Receivables

The Bank determines impairment of individual receivables or the portfolio of receivables with similar characteristics in terms of credit risk.

The Bank applies the portfolio approach in respect of individually assessed receivables where no impairment was noted individually. In this case, the Bank also determines impairment of the portfolio of similar individually unimpaired loans. If the Bank does not have multiple similar loans, the portfolio approach is not applied.

The Bank applies the portfolio approach to receivables in the retail, SME segment and selected corporate clients. Other receivables are provisioned on an individual basis. All significant loans are assessed by the Problem Loan Committee on a monthly basis and this assessment reflects the anticipated cash flows according to the analysis of internal specialists. Provisions are recognised by reference to the assessment of all available information, including the estimated collateral value and the anticipated length of the recovery process.

The level of individual provisions is determined as equal to the difference between the carrying amount of a receivable and the present value of future cash flows of the receivable discounted using the original effective interest rate. The value of the future cash flows of retail receivables is estimated on the basis of the historical behaviour of similar receivables and historical success of the recovery process.

The value of the future cash flows of other receivables is derived from the anticipated repayment schedule of the loan established either on the basis of the data entered in the banking system ('contractual cash flow') or on the basis of an expert assessment of the current financial health of the client (including the cash flows arising from a possible realisation of collateral, repayment of the outstanding balance using the proceeds from the bankruptcy or gains on the sale of receivables).

The Bank determines provisions for receivables on a monthly basis.

(c) Evaluation of Collateral

Generally, the Bank requires collateral for loans granted to certain debtors prior to the issuance of the loan. For the purpose of calculating provisioning levels, the Bank considers the following types of collateral as eligible collateral which reduces gross credit exposure:

- Cash
- Real estate
- First-class receivables
- Bank guarantee
- Guarantee provided by a reputable third party
- Machinery and equipment – movable assets
- First-class securities
- Inventory and commodities

In arriving at the realisable value of collateral, the Bank refers to expert valuation reports and/or internal assessments prepared by a specialised department of the Bank. The realisable value of collateral is subsequently determined by discounting the appraised value using a correction coefficient which reflects the Bank's ability to realise the collateral as and when required. The Bank regularly reviews and updates collateral values and correction coefficients depending on the type and quality of the collateral, but at least on an annual basis.

(d) Credit Risk Measurement Methods

The principal credit risk management methods in retail banking include application and behavioural scoring and/or rating. The risks are managed on a portfolio level through the portfolio management approach, regular monitoring of the portfolio quality development, and prediction of potential future loss development.

In the corporate segment, the Bank measures the credit risk through rating scales (see below) and each rating category is allocated a certain risk rate (default probability and a coefficient for determining risk weighted assets); the risk measured using this method can be mitigated through collateral according to effective regulations of the Czech National Bank.

(e) Concentration of Credit Risk

The Bank maintains a system of internal limits for individual countries, sectors and clients (or groups of economically connected clients) in order to prevent significant concentration of credit risk. As of the balance sheet date, the Bank recorded no significant credit risk concentration exposure to an individual client or an economically connected entity that would exceed limits set by the Czech National Bank or approach them.

The credit risk concentration analysis by sectors/industry and concentration by geographical areas is provided in Notes 18(c) and 18(d).

(f) Recovery of Receivables

The Bank has special functions in place which are responsible for the recovery and administration of distressed receivables. These functions undertake legal steps, perform the restructuring of receivables, communicate with problematic clients etc. in order to achieve maximum recovery, including collateral recovery, and representing the Bank in creditors' committees if clients are declared bankrupt.

(g) Securitisation

In 2006, the Bank undertook a synthetic securitisation of its loan portfolio from the Corporate Banking. The substance of the transaction involves transferring part of the credit risk to the investor which is Kreditanstalt für Wiederaufbau (KfW).

The Bank entered into the securitisation transaction jointly with Raiffeisen Bank Polska S.A. and the process was coordinated by Raiffeisen International Bank-Holding AG. Kreditanstalt für Wiederaufbau (KfW), with the involvement of European Investment Fund. Dresdner Bank AG acted as the arranger and Clifford Chance acted as the legal counsel. The rating of the loan portfolio was established by Moody's. The entire transaction will mature in 2016 and its original volume is EUR 450 million, of which EUR 183 million and EUR 267 million relate to the Bank and Raiffeisen Bank Polska S.A., respectively, in March 2006. At the end of 2009, the Bank's portion amounted to EUR 192 million.

(h) Portfolio Quality

The rating which represents the portfolio quality is an internal rating used by the Raiffeisen Group in the interval from 1 to 5, where 1 represents excellent credit standing and 5 represents default. The rating in the interval from 6.1 to 6.5 is used for project financing where 6.1 represents excellent credit standing and 6.5 represents default.

CZK thousand

Rating	Rating	2009	2008
<i>Excellent credit rating</i>	1.0	1,376,590	462,503
<i>Very good credit rating</i>	1.5	3,895,519	2,342,425
<i>Good credit rating</i>	2.0	5,532,895	8,872,343
<i>Healthy credit rating</i>	2.5	6,248,017	7,808,486
<i>Acceptable credit rating</i>	3.0	13,316,149	15,249,669
<i>Limit credit rating</i>	3.5	8,848,488	12,680,714
<i>Weak credit rating</i>	4.0	6,765,473	5,382,032
<i>Very weak credit rating /monitored</i>	4.5	3,050,073	3,302,505
<i>Default</i>	5.0	4,817,728	2,596,957
<i>Excellent project profile – very low risk</i>	6.1	11,155,048	12,569,211
<i>Good project profile – low risk</i>	6.2	5,767,052	2,953,168
<i>Acceptable project profile – average risk</i>	6.3	604,417	1,008,212
<i>Bad project profile – increased risk</i>	6.4	969,491	365,500
<i>Default</i>	6.5	142,128	138,124
<i>Unrated</i>	-	-	1,577,518
<i>Retail and SME</i>	-	70,327,302	61,395,778
Total		142,816,370	138,705,147

(i) Credit Quality of Undue and Unimpaired Loans to Customers

The Bank has the following undue and unimpaired financial assets according to its rating:

CZK thousand

Rating	Rating	2009	2008
Excellent credit rating	1.0	1,376,590	462,503
Very good credit rating	1.5	3,858,274	2,306,533
Good credit rating	2.0	5,433,159	8,832,174
Healthy credit rating	2.5	6,187,910	7,740,908
Acceptable credit rating	3.0	13,057,588	14,468,112
Limit credit rating	3.5	8,708,004	12,097,863
Weak credit rating	4.0	6,208,002	4,397,923
Very weak credit rating /monitored	4.5	2,099,059	528,713
Default	5.0	74,554	-
Excellent project profile – very low risk	6.1	10,653,063	11,051,991
Good project profile – low risk	6.2	5,657,032	2,523,406
Acceptable project profile – average risk	6.3	526,730	935,644
Bad project profile – increased risk	6.4	701,309	34,609
Unrated	-	-	1,562,358
Retail and SME	-	64,141,466	56,636,453
Total loans undue and unimpaired loans to customers to clients		128,682,740	123,579,190

40. RELATED PARTY TRANSACTIONS

(a) Related Party Transactions

31 December 2009

CZK thousand	Equity investments	Shareholders and controlling entities	Other	Total
Receivables	2,565	1,064,353	783,265	1,850,183
Payables	100,244	17,851,477	125,292	18,077,013
Subordinated loan	-	3,101,889	1,089,174	4,191,063
Guarantees issued	1,270,000	20,528	20,000	1,310,528
Guarantees received	-	663,603	-	663,603
Interest income	2,580	22,672	33,638	58,890
Interest expense	(2,224)	(624,773)	(48,832)	(675,829)
Fee and commission income	6,251	26,988	6,345	39,584
Fee and commission expense	-	(3,153)	(98,009)	(101,162)
Net profit or loss on financial operations	55,202	(112,468)	45,909	(11,357)

The receivables are composed of the following deposits with:

- Raiffeisen Zentralbank Österreich AG in the amount of CZK 659,305 thousand
- Raiffeisen Centrobank in the amount of CZK 264,656 thousand
- Raiffeisen Zrt. in the amount of CZK 58,844 thousand and
- Raiffeisen bank Polska in the amount of CZK 89,934 thousand

Reverse repurchases:

- Raiffeisen Zentralbank Österreich AG in the amount of CZK 108,462 thousand

Credit balances at bank accounts:

- Raiffeisen Zentralbank Österreich AG in the amount of CZK 122,590 thousand and
- Raiffeisenbank ZAO in the amount of CZK 60,449 thousand

Provided collateral:

- Raiffeisen Zentralbank Österreich AG in the amount of CZK 171,229 thousand

The payables are principally composed of the following loans from:

- Raiffeisen Zentralbank Österreich AG in the amount of CZK 16,687,257 thousand

Short-term deposits:

- Raiffeisen Zentralbank Österreich AG in the amount of CZK 207,670 thousand

Debit balances at bank accounts:

- Raiffeisen Zentralbank Österreich AG in the amount of CZK 706,980 thousand

Subordinated loans from:

- Raiffeisen Zentralbank Österreich AG in the amount of CZK 1,297,830 thousand
- Raiffeisen Malta Bank in the amount of CZK 1,089,174 thousand
- Raiffeisenlandesbank Niederösterreich in the amount of CZK 765,641 thousand and
- Raiffeisenlandesbank Oberösterreich AG in the amount of CZK 1,038,418 thousand

31 December 2008

CZK thousand	<i>Equity investments</i>	<i>Shareholders and controlling entities</i>	<i>Other</i>	<i>Total</i>
<i>Receivables</i>	100,017	2,887,264	1,188,914	4,176,195
<i>Payables</i>	169,962	21,911,304	534,148	22,615,414
<i>Subordinated loan</i>	-	3,200,511	1,123,598	4,324,109
<i>Guarantees issued</i>	-	40,278	-	40,278
<i>Guarantees received</i>	-	1,511,506	-	1,511,506
<i>Interest income</i>	4,347	79,559	174,506	258,412
<i>Interest expense</i>	(2,991)	(317,614)	(71,394)	(391,999)
<i>Fee and commission income</i>	588	18,459	5,144	24,191
<i>Fee and commission expense</i>	-	(534)	(87,079)	(87,613)
<i>Net profit or loss on financial operations</i>	90,968	(238,960)	(30,833)	(178,825)

The receivables are principally composed of the following deposits with:

- Raiffeisen Zentralbank Österreich AG in the amount of CZK 1,357,176 thousand
- Raiffeisenlandesbank Niederösterreich – Wien AG in the amount of CZK 386,929 thousand
- Raiffeisenlandesbank Oberösterreich – Wien AG in the amount of CZK 1,111,037 thousand
- Tatra banka a.s. in the total amount of CZK 446,693 thousand and
- Raiffeisen bank Polska in the amount of CZK 149,155 thousand

The payables are principally composed of the following short-term deposits of:

- Raiffeisen Zentralbank Österreich AG in the amount of CZK 311,628 thousand and
- Raiffeisen Leasing Real Estate in the amount of CZK 400,000 thousand

An overdraft balance on the nostro account:

- Raiffeisen Zentralbank Österreich AG in the amount of CZK 2,439,995 thousand

Received loan:

- from Raiffeisen Zentralbank Österreich AG in the amount of CZK 18,891,858 thousand

Subordinated loans from:

- Parent companies in the amount of CZK 3,200,511 thousand
- Other related parties in the amount of CZK 1,123,598 thousand

(b) Receivables from Parties with a Special Relation to the Bank

CZK thousand	<i>Management bodies</i>	<i>Supervisory bodies</i>	<i>Other</i>
<i>At 31 December 2008</i>	30,558	2,781	99,918
<i>At 31 December 2009</i>	25,885	3,070	88,051

The amounts presented in the table mainly involve consumer and mortgage loans. The loans are provided under arm's length conditions.

(c) Payables to Parties with a Special Relation to the Bank

CZK thousand	<i>Management bodies</i>	<i>Supervisory bodies</i>	<i>Other</i>
<i>At 31 December 2008</i>	9,716	4,372	33,489
<i>At 31 December 2009</i>	16,181	3,833	48,013

Members of Board of Directors held no shares of the Bank. Remuneration of the members of the Board of Directors is disclosed in Note 14.

41. POST BALANCE SHEET EVENTS

No events that would have a material impact on the financial statements for the year ended 31 December 2009 occurred subsequent to the balance sheet date.

Information about capital

CZK thousand	individual	consolidated
Information about capital	At 31 December 2009	At 31 December 2009
a) aggregate amount of original capital (Tier 1)	9,963,100	13,169,265
b) aggregate amount of additional capital (Tier 2)	4,200,630	4,201,122
c) aggregate amount of capital designed to cover market risks (Tier 3)	-	-
d) aggregate amount of all deductible items only from Tier 1	987,166	1,176,909
e) aggregate amount of all deductible items from Tier 1 and Tier 2	797	797
f) aggregate amount of capital after the consideration of deductible items and stipulated limits applicable to additional capital	14,162,933	17,369,590
g) Internal capital	16,148,711	
h) Economic capital	11,369,307	

CZK thousand	individual	consolidated
Information about capital requirements	At 31 December 2009	At 31 December 2009
Amount of capital requirements		
Aggregate amount of capital requirements	10,331,806	12,514,715
a) related to credit risks	9,371,103	11,373,293
b) related to settlement risk	-	-
c) related to position, foreign exchange and commodity risks	54,339	54,754
d) related to operational risks	906,364	1,086,668
e) related to exposure risk in the trading portfolio	-	-
f) related to other instruments in the trading portfolio	-	-
g) temporary capital adequacy	-	-

	individual	consolidated
Ratio indicators		
Capital adequacy ratio	10.97	11.10
Return of average assets (ROAA)	1.10	
Return of average equity (ROAE)	20.05	
Assets per one employee	75,245.83	
Administrative expenses per one employee	1,521.37	
Net profit per one employee	772.08	

Raiffeisenbank, a.s.

Consolidated Financial Statements Prepared in Accordance with International Financial Reporting Standards as Adopted by the European Union for the Year Ended 31 December 2009

Components of the consolidated financial statements:

- Consolidated statement of comprehensive income
- Consolidated balance sheet
- Consolidated statement of changes in equity
- Consolidated cash flow statement
- Notes to the consolidated financial statements

These consolidated financial statements were prepared and approved by the Board of Directors of the Bank on 31 March 2010.

Statutory body of the reporting entity



Lubor Žalman
Chairman of the Board of Directors
and Chief Executive Officer



Jan Kubín
Member of the Board of Directors
and Executive Director

Consolidated Statement of Comprehensive Income

For the Year Ended 31 December 2009

CZK thousand	Note	2009	2008
Interest income and similar income	9	9,293,704	9,106,857
Interest expense and similar expense	9	(2,892,208)	(3,864,264)
Net interest income		6,401,496	5,242,593
Change in provisions for credit risks	10	(1,796,159)	(1,374,231)
Net interest income after provisions for credit risks		4,605,337	3,868,362
Fee and commission income	11	2,312,215	2,205,143
Fee and commission expense	11	(716,969)	(798,623)
Net fee and commission income		1,595,246	1,406,520
Net profit on financial operations	12	812,007	830,359
Dividend income	13	22,906	22,607
Other operating income, net	14	304,722	263,364
General administrative expenses	15	(4,805,042)	(4,747,085)
Operating profit		2,535,176	1,644,127
Share in income of associated undertakings	23	1,920	1,392
Profit/loss before income tax		2,537,096	1,645,519
Income tax	17	(540,868)	(350,630)
Net profit for the year attributable to the Group's shareholders		1,996,228	1,294,889
Other comprehensive income			
Gains/(losses) from remeasurement of securities available for sale		3,122	185,110
Tax on profit associated with components of other comprehensive income		(593)	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		1,998,757	1,479,999

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Balance Sheet

As of 31 December 2009

CZK thousand	Note	2009	2008
Assets			
Cash and balances with central banks	18	5,260,053	4,108,628
Loans and advances to financial institutions	19	23,820,498	27,081,675
Loans and advances to customers	20	145,691,649	141,629,370
Provisions for losses on loans and advances to customers	21	(5,194,207)	(3,618,614)
Positive fair value of financial derivative transactions	37	1,857,343	6,183,020
Securities held to maturity	22	14,875,729	-
Securities at fair value through profit or loss	22	6,087,786	3,870,014
Securities available for sale	22	524,428	516,493
Equity investments in associates and unconsolidated entities	23	5,115	1,717
Intangible fixed assets	24	1,008,953	650,411
Property and equipment	25	1,040,844	1,060,079
Investment property	25	45,235	53,865
Deferred tax asset	26	37,116	47,216
Other assets	27	1,749,638	3,880,167
Total assets		196,810,180	185,464,041
Liabilities and shareholders' equity			
Amounts owed to financial institutions	28	28,293,962	30,422,056
Amounts owed to customers	29	130,203,103	112,567,365
Negative fair value of financial derivative transactions	37	2,112,295	3,781,879
Issued debt securities	30	15,814,134	19,897,591
Income tax liability	17	217,808	14,897
Deferred tax liability	26	29,667	27,400
Provisions	31	254,223	365,424
Subordinated debt	32	4,191,063	4,324,109
Other liabilities	33	2,407,566	2,340,055
Total liabilities		183,523,821	173,740,776
Shareholders' equity			
Share capital	34	6,564,000	6,564,000
Statutory reserve fund		249,577	179,424
Valuation gains or losses		187,408	184,879
Retained earnings		4,289,146	3,500,073
Profit for the year		1,996,228	1,294,889
Total shareholders' equity		13,286,359	11,723,265
Total liabilities and shareholders' equity		196,810,180	185,464,041

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Statement of Changes in Equity

For the Year Ended 31 December 2009

CZK thousand	Share capital	Statutory reserve fund	Gains and losses from revaluation	Retained earnings	Profit for the period	Total equity
Balance at 1 Jan 2008	4,889,000	200,989	(19,566)	2,780,348	818,030	8,668,801
Increase in the capital	1,675,000	-	-	-	-	1,675,000
Dividends	-	-	-	-	(153,063)	(153,063)
Allocation to reserve funds	-	39,057	-	-	(39,057)	-
Allocation to retained earnings	-	-	-	625,910	(625,910)	-
Changes in the consolidation group	-	(60,622)	19,335	93,815	-	52,528
Net profit for the period	-	-	-	-	1,294,889	1,294,889
Other comprehensive income, net	-	-	185,110	-	-	185,110
Comprehensive income for the period	-	-	185,110	-	1,294,889	1,479,999
Balance at 31 Dec 2008	6,564,000	179,424	184,879	3,500,073	1,294,889	11,723,265
Dividends	-	-	-	-	(434,500)	(434,500)
Allocation to reserve funds	-	70,153	-	-	(70,153)	-
Allocation to retained earnings	-	-	-	790,236	(790,236)	-
Changes in the consolidation group	-	-	-	(1,163)	-	(1,163)
Net profit for the period	-	-	-	-	1,996,228	1,996,228
Other comprehensive income, net	-	-	2,529	-	-	2,529
Comprehensive income for the period	-	-	2,529	-	1,996,228	1,998,757
Balance at 31 Dec 2009	6,564,000	249,577	187,408	4,289,146	1,996,228	13,286,359

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Cash Flow Statement

For the Year Ended 31 December 2009

CZK thousand

	2009	2008
Profit before tax	2,537,096	1,645,519
Adjustments for non-cash transactions		
Change in provisions for credit risks	1,796,159	1,374,231
Depreciation and amortisation of assets	375,249	361,933
Creation of other provisions	87,152	19,050
Change in fair values of financial derivatives	2,656,093	(2,569,895)
Unrealised loss/(gain) on revaluation of securities	(78,091)	133,815
Dividends received	(22,906)	(20,417)
Gain on the sale of tangible and intangible assets	(10,964)	(4,782)
Gain on the sale of subsidiary and joint ventures	(4,783)	(11,512)
Share in income of associated undertakings	(1,920)	(1,392)
Other non-cash changes	(97,007)	5,247
Operating profit before changes in operating assets and liabilities	7,236,078	931,797
Cash flows from operating activities		
(Increase)/decrease in operating assets		
Mandatory minimum reserve deposits with the CNB	(1,261,930)	(78,704)
Loans and advances to financial institutions	3,242,482	(10,587,731)
Loans and advances to customers	(3,950,174)	(30,531,274)
Securities at fair value through profit or loss and securities available for sale	(2,225,707)	(555,665)
Other assets	2,142,896	(2,644,283)
Increase/(decrease) in operating liabilities		
Amounts owed to financial institutions	(2,093,823)	16,277,955
Amounts owed to customers	17,504,362	18,802,320
Other liabilities	67,511	27,832
Net cash flow from operating activities before income tax	20,661,696	(8,357,753)
Income taxes paid	(328,417)	(389,733)
Net cash flow from operating activities	20,333,278	(8,747,486)
Cash flows from investing activities		
Net cash flow arising from the acquisition of equity interests in subsidiaries and joint ventures	-	(6,463)
Net cash flow arising from the disposal of subsidiary and joint ventures	9	9,191
Net cash flow arising from the sale of equity interests in associated undertakings	-	293,520
Dividends received from associates	-	-
Purchase of property and equipment and intangible assets	(1,127,116)	(659,574)
Income from the sale of fixed assets	11,869	4,782
Net decrease/(increase) of securities held to maturity	(14,790,784)	-
Dividends received	22,906	69,793
Net cash flow from investing activities	(15,883,116)	(288,751)
Cash flows from financing activities		
Share capital increase	-	1,675,000
Dividends paid	(434,500)	(153,063)
Bonds in issue	(4,083,457)	83,140
Subordinated loan	(60,104)	638,605
Net cash flow from financing activities	(4,578,061)	2,243,682
Net increase/(decrease) in cash and cash equivalents	(127,898)	(6,792,555)
Cash and cash equivalents at the beginning of the year (Note 35)	3,729,825	2,081,799
Increase due to the merger	-	8,440,581
Cash and cash equivalents at the beginning of the year after the merger	-	10,522,380
Cash and cash equivalents at the end of the year (Note 35)	3,601,927	3,729,825

The accompanying notes are an integral part of these consolidated financial statements.

Notes to the Consolidated Financial Statements

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1. PARENT COMPANY INFORMATION

Raiffeisenbank a.s. (henceforth the “Bank”), having its registered office address at Hvězdova 1716/2b, Prague 4, 140 78, corporate ID (IČ): 49240901, was established as a joint stock company in the Czech Republic. The Bank was entered in the Register of Companies maintained at the Municipal Court in Prague on 25 June 1993, Section B, File No. 2051.

The Bank is part of the Austrian banking group Raiffeisen which is managed by the parent company Raiffeisen Zentralbank Österreich AG.

The Bank together with its subsidiaries and associates disclosed in Note 5 form the Raiffeisenbank, a. s. Financial Group (henceforth the “Group”). The parent company of the Group is the Bank.

Principal activities of the Bank according to the bank licence granted by the Czech National Bank:

- Acceptance of deposits from the general public
- Provision of credit
- Investing in securities on its own account
- Finance leasing – at present, the Bank does not carry out this activity directly
- Payments and clearing
- Issuance of payment facilities
- Issuance of guarantees
- Opening of letters of credit
- Collection services
- Provision of investment services:
 - Main investment services under Section 8 (2) (a) – (e) of Act No. 591/1992 Coll., as amended
 - Additional investment services under Section 8 (3) (a) – (g)
- Issuance of mortgage bonds
- Financial brokerage
- Depositary activities
- Foreign exchange services (foreign currency purchases)
- Provision of banking information
- Proprietary or client-oriented trading with foreign currency assets
- Rental of safe-deposit boxes and
- Activities directly relating to the activities listed in the bank licence

In addition to the licence to pursue bank operations, the Bank:

- was granted a securities broker licence; and
- has been listed by the Ministry of Finance of the Czech Republic as a limited insurance provider since 30 July 2005.

The performance or provision of the Bank’s activities and services were not restricted or suspended by the relevant authorities.

The Bank is subject to the regulatory requirements of the Czech National Bank (henceforth the “CNB”). These regulations include those pertaining to minimum capital adequacy requirements, classification of loans and off balance sheet commitments, credit risk connected with clients of the Bank, liquidity, interest rate risk and foreign currency position.

2. MERGER

On 24 July 2006, Raiffeisen International Bank-Holding AG, the majority shareholder of the Bank, entered into an agreement on the sale of the shares of eBanka, a.s. with its registered office at Na Příkopě 19, corporate ID 00562246, registered in the Register of Companies maintained by the Municipal Court in Prague, File B, Insert 5642 (hereinafter "eBanka") with Česká Pojišťovna a.s. The transaction involving the sale of 100 percent of eBanka's issued share capital was completed on 24 October 2006 following the payment of the purchase price and transfer of shares. Since that date, eBanka, a.s. has been part of the Raiffeisen financial group.

On 4 October 2007, the shareholder structure changed. The sole shareholder Raiffeisen International Bank-Holding AG transferred part of the shares to other shareholders: 25 percent to RB Prag Beteiligungs GmbH and 24 percent to Raiffeisenlandesbank Niederösterreich – Wien AG.

In 2008, the Bank and eBanka merged and the Bank became the successor company. Subsequently, eBanka was wound up without liquidation and dissolved. The effective date of the merger was determined to be 1 January 2008. The merger was recorded in the Register of Companies on 7 July 2008.

In relation to the merger between the banks, the Bank prepared an opening balance sheet as of 1 January 2008 which is disclosed in Note 3.

The Bank assumed components of eBanka's share capital reported in the closing financial statements of eBanka prepared for the year ended 31 December 2007, structured as follows:

- The amount of CZK (43) thousand – Gains or losses from revaluation reported in the closing financial statements of eBanka was transferred to the line 'Gains or losses from revaluation' in the opening balance sheet of the Bank prepared as of the effective date of the merger; and
- The aggregate amount of CZK 1,317,795 thousand composed of Share capital, Accumulated loss brought forward and Profit for the period was transferred to the line 'Retained earnings brought forward' of the Bank prepared as of the effective date of the merger.

The balance sheet items representing liabilities and assets of the dissolving company were combined with the corresponding balance sheet items of the successor company. The following receivables and payables were eliminated in the opening balance sheet of the successor company:

- Loans and advances to financial institutions/amounts owed to financial institutions of CZK 2,615,435 thousand
- Amounts owed to financial institutions of CZK 2,614,927 thousand
- Amounts owed to customers of CZK 508 thousand
- Negative/positive fair values of financial derivative instruments of CZK 12,775 thousand and
- Other assets/liabilities of CZK 18,570 thousand

The merger of financial statements and preparation of the opening balance sheet is disclosed in Note 3.

3. OPENING CONSOLIDATED BALANCE SHEET AS OF 1 JANUARY 2008

CZK thousand	Group 31 Dec 2007	eBanka 31 Dec 2007	Eliminations & transfers	Opening balance sheet 1 Jan 2008
Assets				
Cash and balances with central banks	2,073,583	8,440,581	-	10,514,164
Loans and advances to financial institutions	14,697,511	5,175,533	(2,615,435)	17,257,609
Loans and advances to customers	99,826,005	11,272,091	-	111,098,096
Provisions for loans and advances to customers	(2,252,679)	(205,841)	-	(2,458,520)
Positive fair value of financial derivative transactions	1,015,169	-	(12,775)	1,002,394
Securities at fair value through profit or loss	1,707,156	1,309,150	-	3,016,306
Securities available for sale	407	714	-	1,121
Equity investments	346,745	-	-	346,745
Intangible fixed assets	236,990	255,285	-	492,275
Property and equipment	990,138	287,889	-	1,278,027
Property investment	54,822	-	-	54,822
Deferred tax asset	36,385	75,666	-	112,051
Other assets	1,151,015	103,439	(18,570)	1,235,884
Total assets	119,883,247	26,714,507	(2,646,780)	143,950,974
Liabilities and equity				
Amounts owed to financial institutions	16,694,909	64,119	(2,614,927)	14,144,101
Amounts owed to customers	72,252,313	21,513,240	(508)	93,765,045
Negative fair value of financial derivative transactions	1,131,601	27,047	(12,775)	1,145,873
Debt securities issued	17,183,137	2,606,337	-	19,789,474
Income tax liability	115,967	1,469	-	117,436
Deferred tax liability	33,425	-	-	33,425
Provisions	181,409	207,417	-	388,826
Subordinated loan	3,239,055	346,715	-	3,585,770
Other liabilities	1,700,382	630,411	(18,570)	2,312,223
Total liabilities	112,532,198	25,396,755	(2,646,780)	135,282,173
Equity				
Share capital	4,889,000	1,184,500	(1,184,500)	4,889,000
Statutory reserve fund	200,989	-	-	200,989
Gains and losses from revaluation	(19,523)	(43)	-	(19,566)
Retained earnings	1,462,553	(97,284)	1,415,079	2,780,348
Profit for the period	818,030	230,579	(230,579)	818,030
Total equity	7,351,049	1,317,752	-	8,668,801
Liabilities and equity total	119,883,247	26,714,507	(2,646,780)	143,950,974

4. SHAREHOLDERS OF THE PARENT COMPANY

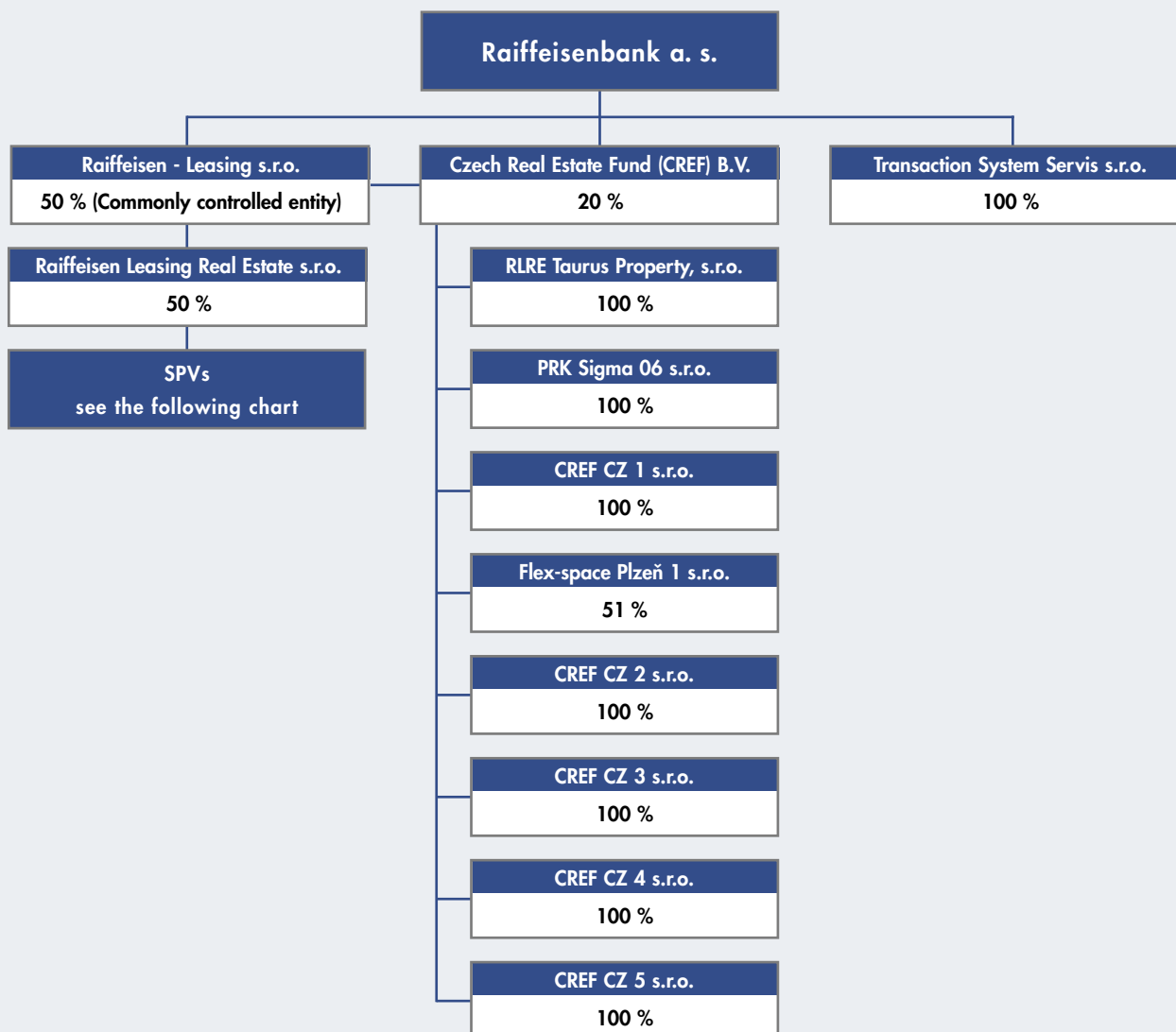
Name, address	Voting power in %	
	2009	2008
Raiffeisen International Bank - Holding AG, Am Stadtpark 9, Vienna, Austria	51%	51%
RB Prag Beteiligungs GmbH, Europaplatz 1a, 4020 Linz, Austria	25%	25%
Raiffeisenlandesbank Niederösterreich – Wien AG Raiffeisen Platz 1, 1020 Vienna, Austria	24%	24%

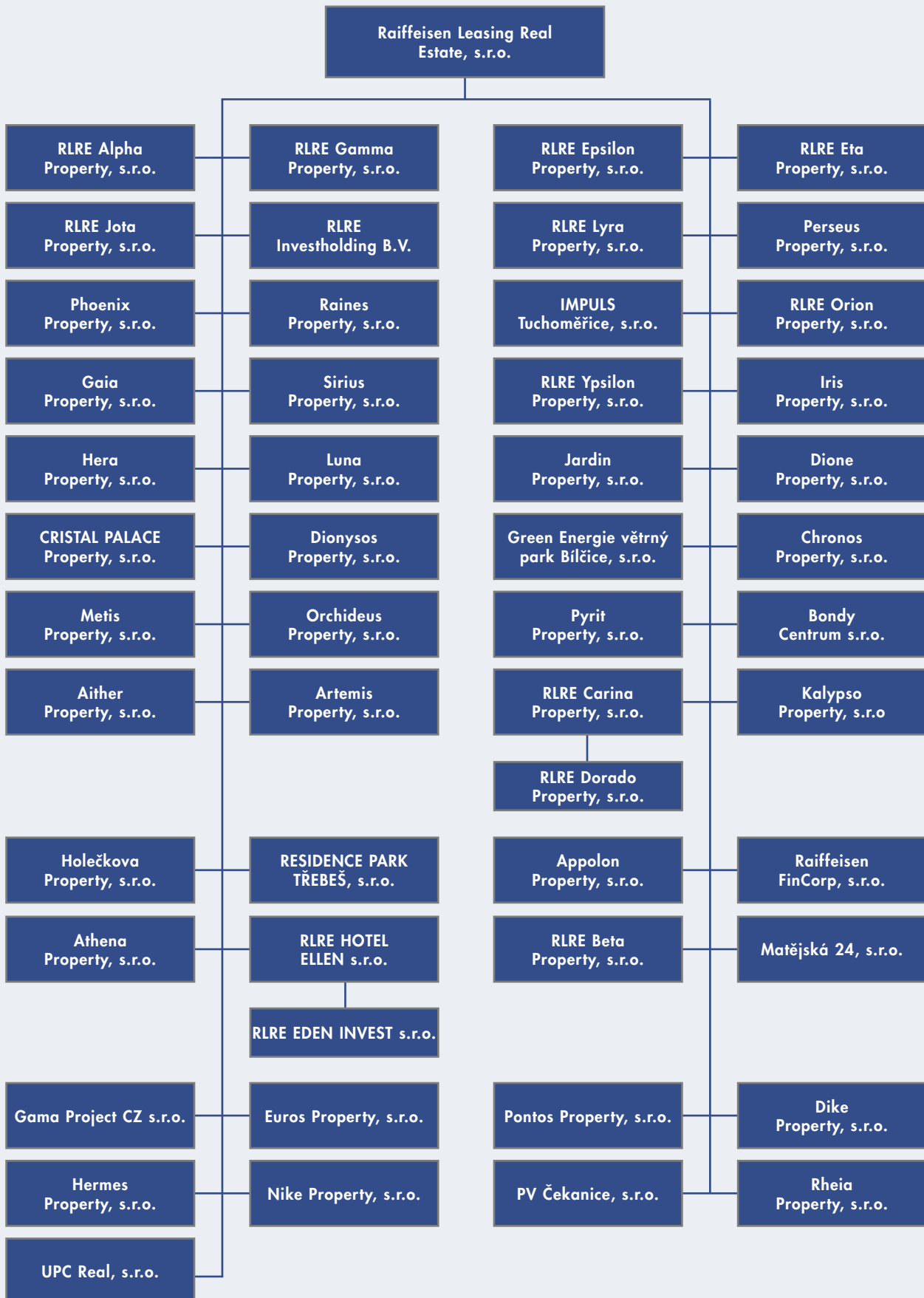
The equity interests of the shareholders equal their share in the voting power. All shareholders have a special relation to the Bank in terms of Section 19 of the Banking Act No. 21/1992 Coll., as amended.

For information on the share capital of the parent company refer to Note 34.

5. DEFINITION OF THE CONSOLIDATED GROUP

(a) Group Chart





(b) Group companies included in the consolidation

As of 31 December 2009, the Group comprised the following entities:

Company	The Bank's effective holding in %, 2008	The Bank's effective holding in %, 2009	Indirect holding through	External Auditor	Consolidation method	Registered office
Raiffeisen Leasing s.r.o	50%	50%	-	Deloitte Audit s.r.o.	Proportionate method	Prague
Czech Real Estate Fund B.V.	100%	100%	-	Deloitte Audit s.r.o.	Full method	Amsterdam
CREF CZ 1, s.r.o.	100%	100%	Czech Real Estate Fund B.V.	Deloitte Audit s.r.o.	Full method	Prague
CREF CZ 2, s.r.o.	100%	100%	Czech Real Estate Fund B.V.	Deloitte Audit s.r.o.	Full method	Prague
CREF CZ 3, s.r.o.	100%	100%	Czech Real Estate Fund B.V.	Deloitte Audit s.r.o.	Full method	Prague
CREF CZ 4, s.r.o.	100%	100%	Czech Real Estate Fund B.V.	Deloitte Audit s.r.o.	Full method	Prague
CREF CZ 5, s.r.o.	100%	100%	Czech Real Estate Fund B.V.	Deloitte Audit s.r.o.	Full method	Prague
Flex-space Plzeň I., s.r.o.	51%	51%	Czech Real Estate Fund B.V.	Deloitte Audit s.r.o.	Full method	Prague
PRK Sigma 06, s.r.o.	100%	100%	Czech Real Estate Fund B.V.	Deloitte Audit s.r.o.	Full method	Prague
RLRE Taurus Property s.r.o.	100%	100%	Czech Real Estate Fund B.V.	Deloitte Audit s.r.o.	Full method	Prague
Raiffeisen Leasing Real Estate s.r.o.	25%	25%	Raiffeisen Leasing s.r.o	Deloitte Audit s.r.o.	Proportionate method	Prague
Athena Property, s.r.o.	25%	25%	Raiffeisen Leasing Real Estate s.r.o.	None	Proportionate method	Prague
Jardin Property, s.r.o.	25%	25%	Raiffeisen Leasing Real Estate s.r.o.	None	Proportionate method	Prague
Cristal Palace Real Estate, s.r.o.	25%	25%	Raiffeisen Leasing Real Estate s.r.o.	Deloitte Audit s.r.o.	Proportionate method	Prague
Dione Property, s.r.o.	25%	25%	Raiffeisen Leasing Real Estate s.r.o.	Deloitte Audit s.r.o.	Proportionate method	Prague
Dionysos Property, s.r.o.	25%	25%	Raiffeisen Leasing Real Estate s.r.o.	None	Proportionate method	Prague
Gaia Property, s.r.o.	25%	25%	Raiffeisen Leasing Real Estate s.r.o.	Deloitte Audit s.r.o.	Proportionate method	Prague
Green Energie větrný park Bílčice, s.r.o.	25%	12.5%	Raiffeisen Leasing Real Estate s.r.o.	None	Equity method	Prague
Hera Property, s.r.o.	25%	25%	Raiffeisen Leasing Real Estate s.r.o.	Deloitte Audit s.r.o.	Proportionate method	Prague
Chronos Property, s.r.o.	25%	25%	Raiffeisen Leasing Real Estate s.r.o.	None	Proportionate method	Prague
Impuls Tuchoměřice s.r.o.	12.5%	12.5%	Raiffeisen Leasing Real Estate s.r.o.	None	Equity method	Prague
Iris Property, s.r.o.	25%	25%	Raiffeisen Leasing Real Estate s.r.o.	Deloitte Audit s.r.o.	Proportionate method	Prague
Kalypso Property, s.r.o.	25%	25%	Raiffeisen Leasing Real Estate s.r.o.	None	Proportionate method	Prague
Luna Property, s.r.o.	25%	25%	Raiffeisen Leasing Real Estate s.r.o.	None	Proportionate method	Prague
Metis Property, s.r.o.	25%	25%	Raiffeisen Leasing Real Estate s.r.o.	None	Proportionate method	Prague
Orchideus Property, s.r.o.	25%	25%	Raiffeisen Leasing Real Estate s.r.o.	None	Proportionate method	Prague
Perseus Property, s.r.o.	25%	25%	Raiffeisen Leasing Real Estate s.r.o.	Deloitte Audit s.r.o.	Proportionate method	Prague

Company	The Bank's effective holding in %, 2008	The Bank's effective holding in %, 2009	Indirect holding through	External Auditor	Consolidation method	Registered office
Phoenix Property s.r.o.	25%	25%	Raiffeisen Leasing Real Estate s.r.o.	Deloitte Audit s.r.o.	Proportionate method	Prague
Pyrit Property, s.r.o.	25%	25%	Raiffeisen Leasing Real Estate s.r.o.	None	Proportionate method	Prague
Raines Property s.r.o.	25%	25%	Raiffeisen Leasing Real Estate s.r.o.	Deloitte Audit s.r.o.	Proportionate method	Prague
RLRE Alpha Property s.r.o.	25%	25%	Raiffeisen Leasing Real Estate s.r.o.	Deloitte Audit s.r.o.	Proportionate method	Prague
RLRE Beta Property s.r.o.	25%	25%	Raiffeisen Leasing Real Estate s.r.o.	Deloitte Audit s.r.o.	Proportionate method	Prague
RLRE Carina Property s.r.o.	25%	25%	Raiffeisen Leasing Real Estate s.r.o.	Deloitte Audit s.r.o.	Proportionate method	Prague
RLRE Dorado Property s.r.o.	25%	25%	Raiffeisen Leasing Real Estate s.r.o.	Deloitte Audit s.r.o.	Proportionate method	Prague
RLRE Eden Invest s.r.o.	25%	25%	Raiffeisen Leasing Real Estate s.r.o.	None	Proportionate method	Prague
RLRE Epsilon Property s.r.o.	25%	25%	Raiffeisen Leasing Real Estate s.r.o.	Deloitte Audit s.r.o.	Proportionate method	Prague
RLRE Eta Property s.r.o.	25%	25%	Raiffeisen Leasing Real Estate s.r.o.	Deloitte Audit s.r.o.	Proportionate method	Prague
RLRE Gamma Property s.r.o.	25%	25%	Raiffeisen Leasing Real Estate s.r.o.	Deloitte Audit s.r.o.	Proportionate method	Prague
RLRE Hotel Ellen s.r.o.	25%	25%	Raiffeisen Leasing Real Estate s.r.o.	Deloitte Audit s.r.o.	Proportionate method	Prague
RLRE Investholding B.V.	25%	25%	Raiffeisen Leasing Real Estate s.r.o.	Deloitte Audit s.r.o.	Proportionate method	Prague
RLRE Jota Property s.r.o.	25%	25%	Raiffeisen Leasing Real Estate s.r.o.	Deloitte Audit s.r.o.	Proportionate method	Arnhem
RLRE Lyra Property s.r.o.	25%	25%	Raiffeisen Leasing Real Estate s.r.o.	Deloitte Audit s.r.o.	Proportionate method	Prague
RLRE Orion Property s.r.o.	23.93%	23.93%	Raiffeisen Leasing Real Estate s.r.o.	Deloitte Audit s.r.o.	Proportionate method	Prague
Bondy Centrum, s.r.o.	12.5%	12.5%	Raiffeisen Leasing Real Estate s.r.o.	None	Equity method	Prague
RLRE Tellmer Property s.r.o.	25%	25%	Raiffeisen Leasing Real Estate s.r.o.	Deloitte Audit s.r.o.	Proportionate method	Prague
RLRE Ypsilon Property s.r.o.	12.5%	12.5%	Raiffeisen Leasing Real Estate s.r.o.	Deloitte Audit s.r.o.	Equity method	Prague
Sirius Property, s.r.o.	25%	25%	Raiffeisen Leasing Real Estate s.r.o.	Deloitte Audit s.r.o.	Proportionate method	Prague
Raiffeisen FinCorp, s.r.o.	25%	25%	Raiffeisen Leasing Real Estate s.r.o.	Deloitte Audit s.r.o.	Proportionate method	Prague
Aither Property, s.r.o.	25%	25%	Raiffeisen Leasing Real Estate s.r.o.	Deloitte Audit s.r.o.	Equity method	Prague
Artemis Property, s.r.o.	25%	25%	Raiffeisen Leasing Real Estate s.r.o.	Deloitte Audit s.r.o.	Proportionate method	Prague
Holečkova Property, s.r.o.	25%	25%	Raiffeisen Leasing Real Estate s.r.o.	Deloitte Audit s.r.o.	Proportionate method	Prague
Residence Park Třebeš, s.r.o.	25%	25%	Raiffeisen Leasing Real Estate s.r.o.	Deloitte Audit s.r.o.	Proportionate method	Prague
Appolon Property, s.r.o.	25%	25%	Raiffeisen Leasing Real Estate s.r.o.	Deloitte Audit s.r.o.	Proportionate method	Prague
Matějská 24, s.r.o.	25%	25%	Raiffeisen Leasing Real Estate s.r.o.	Deloitte Audit s.r.o.	Proportionate method	Prague
Gama Project CZ, s.r.o.	25%	25%	Raiffeisen Leasing Real Estate s.r.o.	Deloitte Audit s.r.o.	Proportionate method	Prague

Company	The Bank's effective holding in %, 2008	The Bank's effective holding in %, 2009	Indirect holding through	External Auditor	Consolidation method	Registered office
<i>Euros Property, s.r.o.</i>	25%	25%	<i>Raiffeisen Leasing Real Estate s.r.o.</i>	<i>Deloitte Audit s.r.o.</i>	<i>Proportionate method</i>	<i>Prague</i>
<i>Pontos Property, s.r.o.</i>	25%	25%	<i>Raiffeisen Leasing Real Estate s.r.o.</i>	<i>Deloitte Audit s.r.o.</i>	<i>Proportionate method</i>	<i>Prague</i>
<i>Dike Property, s.r.o.</i>	25%	25%	<i>Raiffeisen Leasing Real Estate s.r.o.</i>	<i>Deloitte Audit s.r.o.</i>	<i>Proportionate method</i>	<i>Prague</i>
<i>Hermes Property, s.r.o.</i>	25%	25%	<i>Raiffeisen Leasing Real Estate s.r.o.</i>	<i>Deloitte Audit s.r.o.</i>	<i>Proportionate method</i>	<i>Prague</i>
<i>Nike Property, s.r.o.</i>	25%	25%	<i>Raiffeisen Leasing Real Estate s.r.o.</i>	<i>Deloitte Audit s.r.o.</i>	<i>Proportionate method</i>	<i>Prague</i>
<i>PV Čekanice, s.r.o. (original Eirene Property, s.r.o.)</i>	25%	25%	<i>Raiffeisen Leasing Real Estate s.r.o.</i>	<i>Deloitte Audit s.r.o.</i>	<i>Equity method</i>	<i>Prague</i>
<i>Transaction System Servis s.r.o. (original Notos Property, s.r.o.)</i>	25%	100%	-	<i>Deloitte Audit s.r.o.</i>	<i>Full method</i>	<i>Prague</i>
<i>Rheia Property, s.r.o.</i>	25%	25%	<i>Raiffeisen Leasing Real Estate s.r.o.</i>	<i>Deloitte Audit s.r.o.</i>	<i>Proportionate method</i>	<i>Prague</i>
<i>UPC Real, s.r.o.</i>	25%	25%	<i>Raiffeisen Leasing Real Estate s.r.o.</i>	<i>Deloitte Audit s.r.o.</i>	<i>Proportionate method</i>	<i>Prague</i>

(c) Inclusion of Czech Real Estate Fund B.V. in consolidation

Czech Real Estate Fund B.V. is consolidated using the full method even though the Group's share of the voting rights is 20 percent because the remaining owners act in accordance with the instructions of the Group and the Group receives a major part of the profit of the entity. In addition, the Group has an option to purchase the equity investments that are not held by it in circumstances where the remaining owners decide to sell the equity investment in the entity.

(d) Companies included in Consolidation in 2009

In 2009, no new companies were included in consolidation. For a detailed description of acquisitions in the Group refer to Note 42.

(e) Companies which changed the owner within the Group in 2009

In 2009, Notos Property, s.r.o. changed the owner within the Group. This entity was sold (100 percent equity investment) by Raiffeisen Leasing Real Estate s.r.o. to Raiffeisenbank a.s. In addition, the entity was renamed to Transaction System Servis s.r.o.

(f) Unconsolidated Equity Investments

In the years ended 31 December 2008 and 2009, all subsidiaries and joint ventures and associates were included in the consolidation group except for Viktor Property s.r.o., RLRE Tellmer Property s.r.o., Photon SPV3 s.r.o. and Photon Energie s.r.o.. Their impact is not material for the Group.

6. BASIS OF PREPARATION

(a) Accounting Policies

These statutory consolidated financial statements were prepared in full compliance with International Financial Reporting Standards (IFRS) and interpretations approved by the International Accounting Standards Board (IASB) as adopted by the European Union.

The consolidated financial statements include a consolidated balance sheet, a consolidated statement of comprehensive income, a consolidated statement of changes in shareholders' equity, a consolidated cash flow statement and notes to the consolidated financial statements containing accounting policies and explanatory disclosures.

The consolidated financial statements were prepared on the accruals basis of accounting whereby the effects of transactions and other events are recognised when they occur and are reported in the financial statements of the periods to which they relate, and on the going concern assumption.

These financial statements have been prepared under the historical cost convention as modified by the remeasurement to fair value of financial assets and liabilities at fair value through profit or loss (e.g. financial derivatives), available-for-sale securities through equity and securities held to maturity reported at amortised cost.

Some companies within the Group maintain the books and prepare the financial statements under Czech Accounting Standards or accounting standards applicable in other countries in which the Group operates; the Group performs reclassifications and adjustments of figures to ensure compliance with IFRS.

All figures are in thousands of Czech crowns (CZK thousand), unless stated otherwise. Figures presented in brackets represent negative amounts.

The presentation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets, equity and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements and their reported amounts of revenues and expenses during the reporting period. These estimates are based on the information available as of the date of the financial statements.

The use of reasonable estimates specifically relates to the following areas:

- Determination of impairment losses on loans and advances
- Determination of impairment losses on investments in associates and/or unconsolidated entities
- Determination of impairment losses on property and equipment and intangible fixed assets and
- Determination of provisioning levels, and determination of fair values of financial assets and liabilities

In connection with the current economic environment, management of the Group has considered all relevant factors which could have an effect on the valuation of assets and liabilities in these consolidated financial statements, liquidity, funding of the Group's operations and other effects, if any, on the consolidated financial statements. All such impacts, if any, have been reflected in these consolidated financial statements. Management of the Group continues to monitor the current situation and a further possible impact of the financial crisis and economic slowdown on Group's operations.

As disclosed in Note 41, the Group creates a provision for impairment of loans and receivables where there is objective evidence that, as a result of past events, the estimated future cash-flows are negatively impacted. These provisions are based on the Group's historical and current experience as well as judgments of the Group's management regarding the estimated future cash flows and represent the best estimate of loan impairment as of the balance sheet date.

The amounts recognised as provisions for liabilities are based on the management's judgments and represent the best estimate of expenditures required to settle a liability of uncertain timing or amount. Refer to Note 31 for more detailed disclosures of provisions for liabilities.

(b) Principles of Consolidation

Subsidiary undertakings (that is, entities in the which the Bank holds, directly or indirectly, more than 50 percent of voting rights or in which the Bank otherwise exercises control over their activities) were consolidated using the full consolidation method. Subsidiaries are included in the consolidation from the date as of which the control over the companies is transferred to the Bank until the date when the Bank ceases to exercise this control. Consolidation does not include any significant intercompany transactions. All significant mutual receivables, payables, expenses and revenues, including profit, within the Group were excluded from consolidation.

Associate undertakings are accounted for under the equity method of accounting. An investment in an associate is one in which the Bank holds, directly or indirectly, 20 percent to 50 percent of its share capital and over which the Bank exercises significant influence, but which it does not control. In accordance with the equity method of consolidation, the profit and loss account reflects the Group's share in the profit or loss of the associate for the period. The share of the Group in associated undertakings is reported in the balance sheet in an amount that reflects the Group's share in the net capital of the associates and includes goodwill arising on consolidation. The recognised net investment is regularly tested for impairment. If impairment is identified, the Group recognises an impairment loss on equity investments in associates.

Joint ventures were included in the Group's consolidation using the proportionate method of accounting, under which the participants' share in the assets, liabilities, expenses and revenue of the joint venture are combined, by item, with the financial statements of the participant. A joint venture is an entity in which two and more participants exercise joint control over economic activities of the entity. Rights and obligations of individual participants are stipulated by a contract defining provisions of joint control. The Group has decided that joint ventures which have been formed but were dormant at the consolidated financial statements date will not be reflected in the consolidated financial statements using the proportionate consolidation method but will be presented as an investment in joint ventures.

Equity investments where the Bank's shareholding interest is lower than 20 percent are presented as "*Securities available for sale*" (Note 22) and are reported at fair value except for equity investments where the fair value cannot be reliably determined in compliance with IAS 39. These equity investments are carried at cost.

7. SIGNIFICANT ACCOUNTING POLICIES

(a) Interest Expense and Interest Income

Interest income and expense are recognised in the statement of comprehensive income lines *“Interest income and similar income”* and *“Interest expense and similar expense”* on an accruals basis. The Group accounts for the accruals of interest using the effective interest rate method. The effective interest rate method is an approach to calculating the amortised cost of a financial asset or financial liability using the effective interest rate. The effective interest rate is used to discount the nominal value of future cash flows to the present value at the maturity date.

(b) Fees and Commissions

Fees and commissions are recognised in the statement of comprehensive income lines *“Fee and commission income”* and *“Fee and commission expense”* on an accruals basis, with the exception of fees that are included in the effective interest rate.

(c) Dividends

Income from dividends on securities is recorded as declared and included as a receivable in the balance sheet line *“Other assets”* and in *“Dividend income”* in the profit and loss account. Upon receipt of the dividend, the receivable is offset against the collected cash.

Dividends paid reduce retained earnings in the period in which they are declared by the Annual General Meeting.

(d) Other Income and Expenses Reported in the Statement of Comprehensive Income

Other income and expenses presented in the statement of comprehensive income are recognised under the accruals basis of accounting in the period to which they relate (and not as cash or its equivalent is received or paid).

(e) Taxation

Tax in the statement of comprehensive income comprises the current year tax charge, adjusted for deferred taxation. Current tax comprises the tax payable calculated on the basis of the taxable income for the year, using the tax rate enacted by the balance sheet date, and any adjustment of the tax payable for previous years.

Deferred tax is provided using the balance sheet liability method on all temporary differences between the carrying amounts for financial reporting purposes and the amounts used for taxation purposes. The principal temporary differences arise from certain non-tax deductible reserves and provisions, tax and accounting depreciation on tangible and intangible fixed assets and revaluation of other assets.

Deferred tax assets are recognised only to the extent that it is probable that sufficient taxable profit will be available to allow the asset to be recovered.

Deferred tax is calculated on the basis of the tax rates that are expected to apply to the period when the asset is realised or the liability is settled. The effect on deferred tax of any changes in tax rates is charged to the profit and loss account, except to the extent that it relates to items previously charged or credited directly to equity.

(f) Financial Assets and Liabilities***Dates of Recognition and Derecognition of Financial Instruments from the Group's Balance Sheet***

All financial assets with normal delivery terms are recognised using settlement date accounting.

The settlement (collection) date is the day on which the financial instrument is delivered (cash payment). When settlement date accounting is applied, the financial asset is recognised on the day of receipt of a financial instrument (sending of cash) and derecognised on the day of its provision (collection of cash). However, if a portfolio of financial assets remeasured at fair value is involved, the acquired financial asset is revalued reflecting changes in its fair value from the purchase trade date to the sale trade date according to the categorisation into an individual portfolio, accrued interest on debt financial assets is recognised from the purchase settlement date to the sale settlement date.

All loans and receivables are recognised when funds are provided to customers. Loans and receivables are derecognised when fully repaid by the borrower. Assigned receivables are derecognised when payment is collected from the assignee, and receivables which the Group decided to write off are derecognised at the write-off date.

The Group remeasures derivative instruments at fair value from the trade date to the settlement date, that is, delivery of the last related cash flow.

The Group settles and derecognises financial liabilities at the date on which all related risks and costs attributable to the specific liability are transferred.

Of the categories of financial assets and liabilities defined in IAS 39, the Group maintains the following types of financial assets and liabilities:

- Loans and receivables
- Financial assets and liabilities remeasured at fair value through profit or loss
- Financial assets available for sale
- Financial assets held to maturity
- Other financial assets and liabilities

Loans and Receivables

Loans originated by the Group by providing money directly to a borrower are categorised as loans originated by the Group and are stated at amortised cost. The amortised cost is the cost minus principal repayments, plus accrued interest, plus or minus amortisation of discount or premium. In determining the amortised cost the Group uses the effective interest rate method. All loans and advances are recognised when cash is advanced to borrowers (or banks). Accrued interest income is included in the carrying amount these loans.

Provisions for losses on loans and receivables are recorded when there are reasonable doubts over the recoverability of the loan balance. Provisions for losses on loans and receivables represent management's assessment of potential losses in relation to the Group's on and off balance sheet activities.

Provisions are recognised individually in respect of specific classified loans where a debtor's default was identified or on a portfolio basis for potential losses which may be present based on portfolio performance with similar characteristics in terms of credit risk (similar individually unimpaired loans). The level of individual provisions is established by comparing the carrying amount of the loan and the present value of future expected cash flows using the effective interest rate. The level of portfolio provisions is determined on the basis of the anticipated recovery rates of the portfolio as of the financial statements date. The anticipated cash flows from individual portfolios of similar loans are estimated on the basis of previous experience. If the Group does not report multiple similar loans, the portfolio approach is not applied. Portfolio provisions are recognised for the loans and receivables of the Corporate banking, Small and Medium Business and Private Individuals banking segments.

The amount necessary to adjust the provisions to their assessed levels, after write-offs, is charged to the profit and loss account line *“Change in provisions for credit risks”*. Additional details can be found in Note 41b.

Uncollectible loans and receivables when it can be reasonably anticipated that clients will be unable to fulfil their obligations to the Group in respect of these loans are written off with the concurrent use of a recorded provision. These write-offs are included in *“Change in provisions for credit risks”* in the statement of comprehensive income. Subsequent recoveries are also included in this line.

Restructuring of Loans and Receivables from Customers

Loan restructuring involves providing the customer with relief because the Group determined that it would likely incur a loss if it did not do so. For economic or legal reasons associated with the debtor’s financial position the Group therefore provided the debtor with relief which would not have been available otherwise. For example, the relief may include rescheduling repayments, reducing the interest rate or waiving default interest. A restructured loan does not include a loan which originated as a result of the renewal of a short-term loan for current assets if the debtor fulfilled all of his payment and non-payment obligations arising from the loan contract.

Restructuring additionally does not extend to the change in the repayment schedule or the form of loan if these changes are made for commercial reasons or on the grounds of changed financial needs of the debtor, and the anticipated development in the debtor’s financial and economic situation does not give rise to doubt as to the full repayment of the receivable even without the change.

Securities

Securities held by the Group are categorised into portfolios in accordance with the Group’s intent on the acquisition of the securities and pursuant to the Group’s security investment strategy. In accordance with its intent, the Group allocates securities into three portfolios - the portfolio of securities at fair value through profit or loss, the portfolio of securities available for sale and the portfolio of securities held to maturity.

Securities at Fair Value through Profit or Loss

The portfolio includes debt and equity securities held for trading, that is, securities held by the Group with the intention of reselling them, thereby generating profits on price fluctuations in the short-term, and debt and equity securities that were designated, upon initial recognition, as at fair value through profit or loss. Securities at fair value through profit or loss are recognised at cost at the acquisition date and subsequently remeasured at fair value.

Changes in the fair values of securities held for trading as well as securities not held for trading are recognised in the statement of comprehensive income as *“Net profit on financial operations”*. Interest income on debt securities held for trading are included in *“Interest income and similar income”* in the statement of comprehensive income.

For debt and equity securities traded on a public market, fair values are derived from quoted prices. The fair values of those securities not traded on a public market are estimated by the management of the Group as the best estimation of the cash flow projection reflecting the set of economic conditions that will exist over the remaining maturity of the securities.

Transaction costs of at-fair-value-through-profit-or-loss securities are not added to the cost but are recognised through expenses and presented in profit and loss account as *“Fee and commission expense”*.

Securities Available for Sale

Securities available for sale are securities held by the Group for an indefinite period of time that are available for sale as liquidity requirements arise or market conditions change.

Securities available for sale are carried at cost and subsequently remeasured at fair value, with the exception of securities for which the fair value cannot be reliably determined in accordance with IAS 39 which are stated at cost. Changes in the fair values of available for sale securities are recognised in equity as *"Gains or losses from revaluation"*, with the exception of their impairment and interest income and foreign exchange differences on debt securities. When realised, the relevant revaluation gains or losses are taken to the statement of comprehensive income as *"Net profit on financial operations"*. Interest income on coupons, amortisation of discounts or premiums, and dividends are included in *"Interest income and similar income"*. Foreign exchange differences are reported within *"Net profit on financial operations"*.

Securities Held to Maturity

Investments held to maturity are financial assets with fixed or determinable payments and fixed maturities that the Group has the positive intent and ability to hold to maturity.

Securities held to maturity are initially measured at cost and subsequently reported at amortised cost using the effective interest rate less impairment, if any. The amortisation of premiums and discounts is included in *"Interest income and similar income"*.

Repurchase Agreements

Where debt or equity securities are sold under a concurrent commitment to repurchase them at a pre-determined price, they remain at fair value or amortised cost within the relevant portfolio on the balance sheet and the consideration received is recorded in *"Amounts owed to financial institutions"* or *"Amounts owed to customers"*. Conversely, debt or equity securities purchased under a concurrent commitment to resell are not recognised in the balance sheet and the consideration paid is recorded in *"Loans and advances to financial institutions"* or *"Loans and advances to customers"*.

Securities borrowed are not recognised in the consolidated financial statements, unless they are sold to third parties, in which case ("short sales") the purchase and sale are recorded with the gain or loss included in trading income. The obligation to return them is recorded at fair value as a trading liability and presented in the balance sheet line *"Other liabilities"*.

Interest on debt securities transferred under repurchase transactions is accrued while interest on debt securities received under reverse repurchase transactions is not accrued. Income and expenses arising under repurchase or reverse repurchase transactions as the difference between the sale and repurchase price are accrued evenly over the term of the transaction and presented in the statement of comprehensive income as *"Interest income and similar income"* or *"Interest expense and similar expense"* as appropriate.

Debt Securities Issued

Debt securities issued by the Group are stated at amortised cost using the effective interest rate method. Interest expense arising on the issue of the Group's own debt securities is included in the statement of comprehensive income line *"Interest expense and similar expense"*.

The Group's own debt securities acquired by the Group are presented as a reduction of liabilities arising from securities issued. Upon initial recognition, the Group's own debt securities are stated at cost which includes transaction costs. The difference between the cost of repurchased own debt securities and the accrued amount of issued securities is included in the statement of comprehensive income line *"Net profit or loss on financial operations"* in the period of acquisition. Interest expenses of issued debt securities are decreased to reflect the gradual increase in the value of the Group's own debt securities.

Financial Derivative Instruments

In the normal course of business, the Group enters into contracts for derivative financial instruments. Financial derivatives include foreign currency and interest rate swaps, currency forwards, forward rate agreements, foreign currency and interest rate options (both purchased and sold) and other derivative financial instruments. The Group uses various types of derivative instruments in both its trading and hedging activities.

Financial derivative instruments entered into for trading or hedging purposes are initially recognised at cost (including transaction costs) on the balance sheet date and are subsequently remeasured and stated at fair value. Unrealised gains and losses are reported as *“Positive fair value of financial derivative transactions”* and *“Negative fair value of financial derivative transactions”*. Realised and unrealised gains and losses are recognised in the statement of comprehensive income line *“Net profit or loss on financial operations”*. Fair values of derivatives are based upon quoted market prices or pricing models which take into account current market and contractual prices of the underlying instruments, as well as the time value and yield curve or volatility factors underlying the positions.

Certain derivatives embedded in other financial instruments are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contract and the host contract is not carried at fair value with gains and losses reported in the statement of comprehensive income and the embedded instrument does not meet general criteria for recognition as a derivative.

A predominant portion of the Group’s derivative transactions, while providing economic hedges, do not qualify for hedge accounting under the rules of IAS 39 and are therefore treated as derivatives held for trading with the related fair value gains and losses, as it the case with trading derivatives, reported in the statement of comprehensive income line *“Net profit on financial operations”*.

Subordinated Debt

A subordinated loan is a loan where it has been contractually agreed that, in the event of liquidation, bankruptcy, forced settlement or settlement with the debtor, the loan will be repaid only after the full satisfaction of all other receivables of other creditors, the only exception being receivables that carry the same or similar subordination condition.

The principal balance of the subordinated loan and relevant interest is recognised from the draw-down date to the maturity date of the subordinated loan. The subordinated loan including the accrued and not yet paid portion of interest is reported as *“Subordinated loan”* on the face of the balance sheet. The amount of interest expense arising from subordinated deposits is recognised in the statement of comprehensive income line *“Interest expense and similar expense”*.

(g) Property and Equipment and Intangible Fixed Assets

Property and equipment includes identifiable tangible assets with physical substance and with an estimated useful life exceeding one year and a cost greater than CZK 40 thousand.

Intangible fixed assets include identifiable assets without physical substance with an estimated useful life exceeding one year and a cost greater than CZK 60 thousand.

Property and equipment and intangible fixed assets are stated at historical cost less accumulated depreciation and provisions and are depreciated when ready for use through the statement of comprehensive income line *“General administrative expenses”* on a straight line basis over their estimated useful lives.

Depreciation periods and depreciation rates for individual categories of assets are as follows:

	Depreciation period	Depreciation rate
Software	4 years	25 %
Buildings	30 years	2–5 %
Other (cars, furniture and fixtures, office equipment and computers)	5–10 years	10–20 %

Technical improvements on leasehold assets are depreciated on a straight line basis over the lease term or over the term arising from the option arrangement as appropriate. Technical improvements on leasehold assets under lease arrangements for an indefinite period of time are depreciated over 15 years.

Land and works of art (irrespective of their cost) and property and equipment under construction are not depreciated.

Intangible assets with a cost lower than CZK 60 thousand and tangible assets with a cost lower than CZK 40 thousand are expensed in the period of acquisition.

The Group periodically reviews the utilisation of its assets and adjusts guidance on their depreciation treatment, as and when needed, in the internal guideline on asset depreciation. A change in the depreciation period is not considered a change of accounting policies but a change of accounting estimates.

The Group's assets are regularly tested for impairment.

Repairs and maintenance are charged directly to the statement of comprehensive income line "General administrative expenses" when the expenditure is incurred.

(h) Goodwill

Goodwill represents the excess of the acquisition cost over the fair value of the Group's share of the net assets (equity) of the consolidated company at the date of acquisition. Goodwill is reported in the balance sheet as a component of "Intangible fixed assets". Goodwill is not amortised and is tested for impairment at least on an annual basis.

Goodwill is impaired if its carrying amount is greater than its estimated recoverable amount. The recoverable amount is defined as the estimated future economic benefits arising from the acquisition of an equity investment. When an impairment of assets is identified, the Group recognises the impairment through the statement of comprehensive income line "General administrative expenses".

Negative goodwill represents the difference between the cost and fair value of the Group's interest in net assets of the acquiree at the acquisition date. Negative goodwill exceeding reliably measurable future losses and costs of the acquiree (which are not reflected in its identifiable assets and liabilities) and the fair value of their non-monetary assets is immediately released to income.

(i) Investment Property

Investment property, that is, property held to earn rentals or for capital appreciation, is stated at cost and subsequently depreciated based on the determined useful life or agreed lease term on the expenses of the Group. Depreciation is presented in the line "General administrative expenses".

The Group's investment property is regularly tested for impairment. When an impairment of investment property is identified, the Group recognises the impairment through "General administrative expenses".

(j) Leases

Assets used under finance lease contracts, where essentially all the risks and rewards substantially all the risks and rewards incident to ownership are transferred, are capitalised in the amounts equal to the lower of the fair value of the asset at the inception of the lease and the present value of the minimum lease payments. These assets are depreciated over their useful lives or over the lease term (if it is shorter).

Lease instalments are apportioned between the interest reported within financial expenses and the amortised portion reported as the reduction of the outstanding liability. Financial charges are allocated over the lease period so as to ensure a constant rate of interest.

Operating lease instalments are recorded on a straight-line basis over the lease period. If the operating lease is terminated prior to the lapse of the lease period, all payments to be paid to the lessor in the form of penalties are recorded to expenses in the period in which the lease was terminated.

The present value of instalments related to assets leased under finance leases is reported as a receivable, rather than an asset. The difference between the gross value of the receivable and its present value is reported as interest income on accruals basis. Financial income arising from the lease is reported over the lease period so as to ensure a constant rate of interest.

(k) Provisions

The provision is a probable supply with an uncertain time schedule and amount. The Group recognises a provision when, and only when:

- It has a present obligation (legal or constructive) as a result of a past event
- It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and
- A reliable estimate can be made of the amount of the obligation

Provisions for Guarantees and Other Off Balance Sheet Credit Related Commitments

In the normal course of business, the Group enters into credit related commitments which are recorded in off balance sheet accounts and primarily include issued guarantees, loan commitments, undrawn loan facilities and confirmed open letters of credit, etc. Provisions are made for estimated losses on these commitments on a portfolio basis. Changes in these provisions are recognised in *"Change in provisions for credit risks"*.

Other Provisions

The recognition of other provisions (for outstanding vacation days, legal disputes, stabilisation, restructuring, loyalty credit card system) is reported within *"General administrative expense"*.

(l) Transactions with Securities Undertaken on behalf of Clients

Securities received by the Group into custody, administration or safe-keeping are typically recorded at market or nominal values if the market value is not available and maintained off balance sheet. *"Other liabilities"* include the Group's payables to clients arising from cash received to purchase securities or cash to be refunded to the client.

(m) Segment Reporting

With effect from 1 January 2009, the Group began reporting information in accordance with IFRS 8 Operating Segments. IFRS 8 requires that operating segments be identified on the basis of internal reports about the Group's components whose operating results are regularly reviewed by the Group's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance.

As a result of the adoption of IFRS 8, these financial statements reflect the change in the definition of the Group's reportable operating segments. The basis for identifying individual segments is a report that the Bank prepares for the Board of Directors which is considered to be the 'chief operating decision maker', i.e. a person/group of persons that allocate(s) resources and assess(es) the performance of individual operating segments of the Group.

Information on reportable operating segments of the Group is disclosed in Note 39 to the financial statements. Segment information which was reported for the year ended 31 December 2008 is adjusted to reflect the requirements of IFRS 8 and disclosed as comparative information to the 2009 segment information.

(n) Foreign Currency Translation

Transactions denominated in foreign currencies are recorded in the local currency at official exchange rates as announced by the CNB on the date of transaction. Assets and liabilities denominated in foreign currencies are translated into the local currency at the CNB exchange rate prevailing at the balance sheet date. Realised and unrealised gains and losses on foreign exchange are recognised in the statement of comprehensive income in "Net profit on financial operations", with the exception of foreign exchange rate differences on equity investments denominated in foreign currencies which are reported at the historical exchange rate, foreign exchange rate differences on equity securities included in the available-for-sale portfolio which are reported as a component of a change in the fair value and foreign exchange rate differences on derivatives entered into with a view to hedging currency risk associated with assets or liabilities whose foreign exchange rate differences are not reported in the statement of comprehensive income.

(o) Cash and Cash Equivalents

The Group considers cash and deposits with the CNB, treasury bills with a residual maturity of three months or less, nostro accounts with financial institutions and loro accounts with financial institutions to be cash equivalents. For the purposes of determining cash and cash equivalents, the minimum reserve deposit with the CNB is not included as a cash equivalent due to restrictions on its availability.

(p) Reclassification of the 2008 Information

During the year ended 31 December 2009, the presentation of certain items in the statement of comprehensive income was revised. Comparative information for 2008 has been restated on a basis consistent with the current year presentation. The reconciliation of the statement of comprehensive income components is presented in the table below.

Reconciliation of categories in the statement of comprehensive income for the year ended 31 December:

(CZK million)	2008		2008
	Before reclassification	Reclassification	After reclassification
Interest income and similar income	9,083,645	23,212	9,106,857
Interest expense and similar expense	(3,832,939)	(31,325)	(3,864,264)
Fee and commission income	2,989,090	(783,947)	2,205,143
Fee and commission expense	(807,990)	9,367	(798,623)
Net profit on financial operations	49,856	780,503	830,359
Dividend income	20,417	2,190	22,607
Other operating income	328,588	(65,224)	263,364
General administrative expenses	(4,812,309)	65,224	(4,747,085)

8. CHANGES IN ACCOUNTING POLICIES IN 2009

(a) Standards and interpretations that have an impact on the amounts reported in the reporting period (or in prior reporting periods)

In the year ended 31 December 2009, the Group started to use standards and interpretations that have an impact on amounts reported in these financial statements.

- IAS 1 – Presentation of the Financial Statements – revised standard (effective 1 January 2009) – the standard introduces changes in the used terminology (including amended names of financial statements) and changes in the format and content of the financial statements;
- IFRS 7 – Financial Instruments: Disclosures – amendment Improving disclosures – pursuant to the requirements of the amendment, the Bank extended the scope of quantitative information relating to financial instruments and classified financial instruments measured at fair value by the method of determining the fair value (refer to Note 38c); and
- IFRS 8 – Operating Segments (effective 1 January 2009) – the standard that focuses on the disclosure of the information in the financial statements and that resulted in the adjustment of reporting segments by the Group (refer to Note 37).

(b) Standards and interpretations the adoption of which has no impact on the consolidated financial statements of the Group

- IAS 23 – Borrowing Costs – revised standard (effective 1 January 2009);
- IAS 32 – Financial Instruments: Disclosure and Presentation – revised standard (effective 1 January 2009);
- IAS 39 – Financial Instruments: Recognition and Measurement – revised standard (effective 1 January 2009);
- IFRS 1 – First-time Adoption of IFRS – revised standard (effective 1 January 2009);
- IFRS 2 – Share-based Payment – revised standard (effective 1 January 2009);
- IFRIC 9 – Reassessment of Embedded Derivatives (effective 1 January 2009);
- IFRIC 13 – Customer Loyalty Programmes (effective for periods beginning on or after 1 July 2008);
- IFRIC 15 – Agreements for the Construction of Real Estate (effective 1 January 2009);
- IFRIC 16 – Hedges of a Net Investment in a Foreign Operation (effective for accounting periods beginning on or after 1 October 2008); and
- Improvements to International Financial Reporting Standards (effective 1 January 2009).

(c) Standards and interpretations that were issued, but have not been applied

As of the approval date of these financial statements, the following standards and interpretations were issued but not yet effective:

- IAS 7 – Statement of Cash Flows – amended standard (effective 1 January 2010);
- IAS 27 – Consolidated and Separate Financial Statements – revised standard (effective 1 July 2009);
- IAS 28 – Investments in Associates – revised standard (effective 1 July 2009);
- IFRS 2 – Share-based Payment – revised standard (effective 1 January 2010);
- IFRS 3 – Business Combinations – revised standard (effective 1 July 2009);
- IFRS 5 – Non-current Assets Held for Sale and Discontinued Operations – amended standard (effective 1 January 2010);
- IFRIC 17 – Distributions of Non-cash Assets to Owners (effective for periods beginning on or after 1 July 2009);
- IFRIC 18 – Transfer of Assets from Customers (effective 1 July 2009); and
- Improvements to International Financial Reporting Standards – adjustment of requirements of IAS 17 Leases (effective 1 January 2010).

These standards are not yet effective as of the reporting date. Endorsement by the EU is expected by the time the standards and interpretations become effective.

The Group considers that the impact of adopting the standards and interpretations that will become effective after 1 January 2010 will not have a material impact on the consolidated financial statements for the year ended 31 December 2009, including comparative information.

9. NET INTEREST INCOME

CZK thousand	2009	2008
Interest income arising from		
Loans and advances to financial institutions	298,261	846,940
Loans and advances to customers	8,274,310	7,999,288
Of which: default interest on impaired assets	126,335	109,010
Derivative financial instruments (non-trading)	-	998
Fixed income securities	542,604	85,373
Finance lease receivables	178,529	173,797
Other	-	461
Total interest income and similar income	9,293,704	9,106,857
Interest expense arising from		
Deposits from financial institutions	(701,798)	(1,069,739)
Deposits from customers	(1,532,561)	(1,885,607)
Securities issued	(519,942)	(701,282)
Subordinated liabilities	(137,907)	(207,636)
Total interest expense and similar expense	(2,892,208)	(3,864,264)
Net interest income	6,401,496	5,242,593

The increase in interest income in the year ended 31 December 2009 is predominantly due to the increase in the income from securities and loans and advances to customers offset by the decrease in the income from amounts due from banks. This change is due to the reduction of investments in interbank deposits and increase in purchases of bonds. The increase in interest income from loans and advances to customers corresponds to the increase in loans and advances to customers.

The decrease in interest expenses from deposits predominantly related to the interest on term deposits of customers that amounted to CZK 968,464 thousand (2008: CZK 1,263,843 thousand) and interest from deposits of financial institutions that amounted to CZK 624,008 thousand (2008: CZK 940,457 thousand). Although the volume of deposits increased year-on-year, the interest expense decreased due to the decline in interest rates.

10. CHANGE IN PROVISIONS FOR CREDIT RISKS

CZK thousand	2009	2008
Changes in loan loss provisions		
Charge for provisions	(3,225,667)	(2,077,625)
Release of provisions	1,356,407	845,165
Use of provisions	227,638	53,805
Loss from assigned and written off receivables	(238,385)	(176,284)
Of which: Direct write-off of receivables	(10,808)	(122,479)
Recoveries	1,715	2,718
Total changes in loan loss provisions	(1,878,292)	(1,352,221)
Provisions for off balance sheet credit risk exposures		
Charge for provisions	(16,681)	(73,700)
Release of provisions	98,814	51,690
Total provisions for off-balance sheet risks	82,133	(22,010)
Change in provisions for credit risk	(1,796,159)	(1,374,231)

11. NET FEE AND COMMISSION INCOME

CZK thousand	2009	2008
Fee and commission income arising from		
Payment transactions	1,535,775	1,478,851
Provided loans and guarantees	543,557	517,734
Securities transactions	59,724	77,011
Financial operations	37,720	34,726
Other banking services	135,439	96,821
Total fee and commission income	2,312,215	2,205,143
Fee and commission expense arising from		
Payment transactions	(515,549)	(433,213)
Receiving of loans and guarantees	(119,853)	(114,322)
Securities transactions	(10,754)	(13,695)
Securitisation	(41,905)	(34,629)
Financial operations	(5,176)	(5,563)
Mediation of the sale of the Bank's products	(5,376)	(168,615)
Other banking services	(18,356)	(28,586)
Total fee and commission expense	(716,969)	(798,623)
Net fee and commission income	1,595,246	1,406,520

12. NET PROFIT ON FINANCIAL OPERATIONS

CZK thousand	2009	2008
Interest rate derivatives	(150,276)	(527,488)
Commodity derivatives	-	(17)
Equity derivatives	(3,851)	(6,151)
Profit/loss from foreign currency transactions	1,153,459	(1,700,146)
Of which: Customer foreign currency result	684,468	888,359
Revaluation of the position using the CNB rate	698,389	(2,582,617)
FX spots	(229,398)	(5,888)
Foreign currency derivatives	(420,988)	2,938,918
Profit/loss from transactions with securities	233,663	125,243
of which: Portfolio of securities available for sale	144,515	65
Portfolio of securities held for trading	11,109	25,946
Portfolio of securities at fair value through profit or loss	76,376	(144,946)
Own issue	1,663	(34,663)
Sale of equity investments	-	278,841
Total	812,007	830,359

Movements in "Profit/loss from foreign currency transactions" is due to the fluctuation in the CZK rate during the year ended 31 December 2009. The hedging of the currency position is compensated by the revaluation of currency derivatives.

13. DIVIDEND INCOME

As of 31 December 2009, the Group reported income from other shares and equity investments of CZK 22,906 thousand (2008: CZK 22,607 thousand) which predominantly includes the dividend from Raiffeisen stavební spořitelna, a.s.

14. OTHER OPERATING INCOME, NET

CZK thousand	2009	2008
Change in operating provisions	52,353	32,154
Gain from disposal of in-/tangible fixed assets	8,496	2,620
Other operating income	243,873	228,590
Total	304,722	263,364

In the year ended 31 December 2009, other operating expenses are offset with other operating income reported in "Other operating income, net" rather than being reported in "General administrative expenses". The information for the year ended 31 December 2008 was adjusted accordingly.

15. GENERAL ADMINISTRATIVE EXPENSES

CZK thousand	2009	2008
Payroll costs (Note 16)	(2,496,510)	(2,380,574)
Operating expenses	(1,721,268)	(1,868,071)
Rental, repairs and other office management expenses	(452,011)	(480,025)
Marketing costs	(260,597)	(332,192)
Costs of legal and advisory services	(292,388)	(255,127)
Of which: Audit	(9,989)	(13,829)
Tax advisory	(2,495)	(162)
Other advisory	(2,017)	(15,969)
IT support costs	(190,899)	(196,684)
Telecommunication, postal and other services	(168,644)	(172,236)
Deposit and transaction insurance	(107,000)	(87,869)
Training expenses	(37,405)	(48,325)
Travel expenses	(28,100)	(40,413)
Fuel	(30,405)	(29,939)
Security costs	(29,408)	(39,790)
Office equipment	(36,874)	(55,532)
Other administrative expenses	(87,537)	(129,939)
Depreciation and amortisation of fixed assets (Notes 24 and 25)	(375,249)	(363,502)
Sundry operating expenses	(212,015)	(134,938)
Total	(4,805,042)	(4,747,085)

The decrease in "Advertising costs" in the year ended 31 December 2009 is due to one-off costs in 2008 relating to the integration of eBanka.

The increase in "Costs of legal and advisory services" relates to the costs of new projects regarding recovery of loans and introduction of the Early Warning system.

"Deposit and transaction insurance" includes costs of the payment to the Insured Deposits Fund. Given the increase in deposits from clients in the year ended 31 December 2009, the contribution of the Group to the Insured Deposits Fund increased.

The increase in "Depreciation and amortisation of fixed assets" arose due to the shortening of the period of depreciation of bank systems and data warehouses used in the Group.

16. PAYROLL COSTS

CZK thousand	2009	2008
<i>Wages and salaries</i>	(1,883,112)	(1,782,442)
<i>Social security and health insurance</i>	(533,685)	(504,586)
<i>Other staff costs</i>	(79,713)	(93,546)
Total	(2,496,510)	(2,380,574)
Of which wages and salaries paid to:		
<i>Members of the Board of Directors</i>	(54,702)	(61,408)
<i>Members of the Supervisory Board</i>	(8,868)	(6,985)
<i>Other key members of management</i>	(179,924)	(148,441)
Total	(243,494)	(216,834)

The average number of the Group's employees as of 31 December 2009 and 2008 was as follows:

	2009	2008
<i>Employees</i>	2,678	2,302
<i>Members of the Board of Directors</i>	7	7
<i>Members of the Supervisory Board</i>	9	9
<i>Other key management members</i>	57	63

The increase in the number of employees is due to the increase in the number of branches, start of new projects and extension of the Recovery department.

The financial arrangements between the Group and members of the Board of Directors and Supervisory Board are disclosed in Notes 43 (b) and 43 (c).

17. INCOME TAX

(a) Income tax expense

CZK thousand	2009	2008
<i>Income tax payable</i>	(535,197)	(294,334)
<i>Tax overpayments from the previous period</i>	7,023	6,828
<i>Deferred income tax credit /(charge)</i>	(12,694)	(63,124)
Total income tax	(540,868)	(350,630)

The tax balance differs from the statutory tax balance that would have been determined had the basic tax rate been used as follows:

CZK thousand	2009	2008
Pre-tax profit (general tax base)	2 537 096	1 645 519
Pre-tax profit (separate tax base)	656	20 418
Total pre-tax profit	2 537 752	1 665 937
Tax calculated at the tax rate for the general tax base – 20 % (2008: 21%)	(507 420)	(345 559)
Tax calculated at the tax rate for the separate tax base (rate of 15 %)	(98)	(3 063)
Non-taxable income	239 998	330 616
Non-tax deductible expenses	(267 897)	(218 762)
Tax relief and credit	107	137
Tax loss of the period	113	(47 334)
Tax liability for the period	(535 197)	(294 334)
Tax overpayment/(underpayment) from the previous period, use of tax relief and credit, including tax refunds and additional assessments from previous years	7 023	6 828
Deferred tax	(12 694)	(63 124)
Total income tax	(540 868)	(350 630)
Effective tax rate	21.31%	20.05%

(b) Income Tax Liability

CZK thousand	2009	2008
Tax calculated at the tax rate for the general tax base - 20% (2008: 21%)	535,099	291,271
Tax calculated at the tax rate for the separate tax base (rate of 15%)	98	3,063
Tax liability for the period	535,197	294,334
Advances paid for current income tax	(317,389)	(279,437)
Total income tax liability	217,808	14,897

For additional details on the deferred tax, refer to Note 26.

18. CASH AND BALANCES WITH CENTRAL BANKS

CZK thousand	2009	2008
<i>Cash on hand and other cash equivalents</i>	2,876,686	3,130,683
<i>Balances with central banks</i>	175,192	31,700
<i>Minimum reserve deposit with the CNB</i>	2,208,175	946,245
Total	5,260,053	4,108,628

Statutory minimum reserves include deposits the amount of which is determined based on the regulation declared by the Czech National Bank and the drawing of which is limited. The Group may draw an amount from obligatory minimum reserves which exceeds the actual average amount of statutory minimum reserves for the particular period calculated according the regulation.

For the information on cash and other highly liquid balances reported in the cash flow statement, refer to Note 35.

19. LOANS AND ADVANCES TO FINANCIAL INSTITUTIONS

CZK thousand	2009	2008
<i>Placements with financial institutions</i>	550,049	567,442
<i>Term deposits with banks</i>	6,624,344	6,471,114
<i>Loans and other advances to financial institutions</i>	16,646,105	20,043,119
Total	23,820,498	27,081,675

“Loans and other advances to financial institutions” includes reverse repurchase transactions. As part of the reverse repurchase transactions, the Group provided loans in the aggregate amount of CZK 16,253,939 thousand (2008: CZK 20,006,996 thousand).

20. LOANS AND ADVANCES TO CUSTOMERS

(a) Classification of Loans and Advances to Customers

CZK thousand	2009	2008
<i>Advances from current accounts</i>	9,346,049	10,721,134
<i>Term deposits</i>	72,482,494	73,436,380
<i>Mortgage loans</i>	58,977,455	51,623,804
<i>Finance leases</i>	2,504,897	2,660,722
<i>Other</i>	2,380,754	3,187,330
Total	145,691,649	141,629,370

In 2009, the Group restructured loans and advances to customers in the aggregate amount of CZK 692,317 thousand (2008: CZK 106,991 thousand).

(b) Repurchase and Reverse Repurchase Transactions

As of 31 December 2009 and 2008, the Group reported no repurchase transactions with customers. The Group advanced loans in the aggregate amount of CZK 10,944 thousand (2008: CZK 808,703 thousand) under reverse repurchase transactions.

(c) Analysis of Loans Provided to Customers by Sector

CZK thousand	2009	2008
<i>Public sector</i>	620,755	888,869
<i>Loans to corporate entities</i>	73,924,094	76,505,770
<i>Loans to private individuals</i>	66,388,985	59,105,304
<i>Small and medium size enterprises (SME)</i>	4,501,466	4,846,980
<i>Other</i>	256,349	282,447
Total	145,691,649	141,629,370

Although the mortgages saw a lower growth rate in 2009, the increase in "Loans to private individuals" is predominantly due to the increased volume of mortgages.

(d) Analysis of Loans Provided to Customers by Geographical Areas

CZK thousand	2009	2008
<i>Czech Republic</i>	139,902,759	135,410,594
<i>Slovakia</i>	1,240,852	1,218,472
<i>Netherlands</i>	219,527	242,545
<i>Poland</i>	151,010	162,028
<i>Other – EU countries</i>	2,713,717	2,967,993
<i>Serbia and Montenegro</i>	402,366	609,848
<i>Russian Federation</i>	240,931	278,959
<i>Other (Canada, USA, Ukraine, UAE, etc.)</i>	820,487	738,931
Total	145,691,649	141,629,370

(e) Aging of Loans to Customers

The following table shows the aging analysis of loans to customers which are past their due dates but not impaired, including their collateral:

CZK thousand	<i>Past due date</i>		<i>Discounted collateral value</i>	
	2009	2008	2009	2008
<i>Past due</i>				
0–30	1,659,331	1,477,349	1,683,028	1,582,568
31–90	53,104	140,409	71,456	129,188
91–180	32,671	57,079	87,271	67,533
181–360	10,225	11,404	66,475	12,520
1–5 years	6,765	78	18,791	47

The increase in the "0 – 30" category is principally due to the increase in the past due loans which are fully collateralised. The exposure in categories exceeding 90 days overdue is also largely covered by the collateral.

(f) Analysis of Loans Provided to Customers by Delays

CZK thousand	<i>Before due date</i>	<i>Less than 1 month</i>	<i>1 month to 3 months</i>	<i>3 months to 6 months</i>	<i>6 months to 1 year</i>	<i>Over 1 year</i>	<i>Total</i>
2009							
Amounts due from customers							
- without default	131,368,930	-	-	-	-	-	131,368,930
- with default	2,909,501	4,893,158	2,046,486	789,671	1,278,026	2,405,877	14,322,719
Gross	134,278,431	4,893,158	2,046,486	789,671	1,278,026	2,405,877	145,691,649
Provisions	(1,202,360)	(329,496)	(488,162)	(391,713)	(719,937)	(2,062,539)	(5,194,207)
Net	133,076,071	4,563,662	1,558,324	397,958	558,089	343,338	140,497,442
CZK thousand							
2008							
Amounts due from customers							
- without default	126,367,339	-	-	-	-	-	126,367,339
- with default	2,932,829	7,474,041	1,490,473	870,181	381,626	2,112,881	15,262,031
Gross	129,300,168	7,474,041	1,490,473	870,181	381,626	2,112,881	141,629,370
Provisions	(552,821)	(649,655)	(487,951)	(544,718)	(346,688)	(1,036,781)	(3,618,614)
Net	128,747,347	6,824,386	1,002,522	325,463	34,938	1,076,100	138,010,756

The amounts due from customers "without default" in the table above are amounts due that are past their due dates and the provision is zero or they are not classified. Other amounts due from customers are reported within "with default".

(g) Securitisation

There were no securitisation transactions in the year ended 31 December 2009. Since March 2006, the Group has carried out a synthetic securitisation of the Corporate Banking loans portfolio. The entire transaction will mature in 2016. At the end of 2009, the loan portfolio included in this securitisation amounted to CZK 5,081 million (2008: CZK 5,386 million).

(h) Syndicated loans

Pursuant to concluded syndicated loan agreements, the Group acted as the arranger of syndicated loans in the original amount of aggregate credit limits of CZK 7,431,576 thousand as of 31 December 2009 (2008: CZK 6,630,576 thousand), of which the proportion of the Group amounted to CZK 3,819,701 thousand (2008: CZK 3,419,201 thousand) and the proportion of other syndicate members amounted to CZK 3,611,875 thousand (2008: CZK 3,211,375 thousand).

As of 31 December 2009, the aggregate amount of outstanding receivables under the syndicated loan facilities was CZK 5,416,498 thousand (2008: CZK 5,782,330 thousand), of which the proportion of the Group was CZK 2,843,355 thousand (2008: CZK 3,058,697 thousand) and the proportion of other syndicate members was CZK 2,573,143 thousand (2008: CZK 2,723,633 thousand).

The risks and interest arising from these syndicated loans are shared by all participating syndicate members in proportion to their aggregate exposure.

(i) Finance Lease Receivables

The aging analysis of finance lease receivables is as follows:

CZK thousand	2009	2008
Gross finance lease investment	2,980,850	3,199,801
- of which remaining maturity up to 3 months	362,229	261,705
- of which remaining maturity from 3 months to 1 year	523,662	693,115
- of which remaining maturity of more than 1 to 5 years	1,453,376	1,644,771
- of which remaining maturity of more than 5 years	641,583	600,210
Unearned financial income	(475,953)	(539,079)
- of which remaining maturity up to 3 months	(36,342)	(39,812)
- of which remaining maturity from 3 months to 1 year	(95,656)	(114,218)
- of which remaining maturity of more than 1 to 5 years	(242,137)	(269,407)
- of which remaining maturity of more than 5 years	(101,818)	(115,642)
Net investment value	2,504,897	2,660,722

Assets which the Group holds under finance leases are broken down as follows:

CZK thousand	2009	2008
Vehicles leasing	657,107	693,466
Real estate leasing	757,749	763,008
Equipment leasing	1,090,041	1,204,248
Total	2,504,897	2,660,722

(j) Analysis of Loans and Advances to Customers by Sector and Type of Collateral

2009	Cash collateral	State guarantees	Bank guarantee	Real estate	Company guarantee	Personal and bill guarantee	Other collateral	Movable assets	Uncollateralised	Total
Agriculture, Hunting, Forestry and Fishing	420	34,569	115,334	169,110	246,530	256,555	124,903	278,755	17,393	1,243,569
Mining and Quarrying	-	-	-	2,501	5,558	3,412	-	36,502	-	47,973
Manufacturing	21,765	178,684	1,978,787	2,727,375	1,204,601	3,320,996	1,337,808	4,153,836	1,869,337	16,793,189
Electricity, Gas And Water Supply	136,526	-	57,387	159,014	15,018	296,735	406,207	655,224	806,309	2,532,420
Construction	14,638	125,702	163,111	424,782	141,768	914,983	59,632	713,914	163,019	2,721,549
Wholesale and Retail Trade; Repair of Motor Vehicles, Motorcycles and Personal and Household Goods	163,127	92,108	1,246,383	1,672,534	1,635,101	2,470,879	629,893	2,853,566	1,246,767	12,010,358
Hotels and Restaurants	45,117	-	71,038	3,608,907	34,192	603,251	84,427	124,963	295,050	4,866,945
Transport, Storage and Communication	68	-	38,422	283,849	58,269	432,300	650,125	590,194	71,626	2,124,853
Financial Intermediation	398,880	-	1,428,238	76,092	394,187	103,124	12,566	123,052	5,288	2,541,427
Real Estate, Lease, Other Business Activities	500,254	-	2,468,466	14,224,182	1,345,156	4,258,659	1,206,620	1,420,134	1,524,860	26,948,331
Public Administration; Compulsory Social Security	1,232	675,213	-	148,355	-	47,028	-	426,338	281	1,298,447
Education	-	-	-	12,891	-	9,987	6,953	837	17,232	47,900
Health and Social Work	33,613	133,634	35,715	149,786	329	109,966	379	112,652	10,240	586,314
Other Community, Social and Personal Service Activities	1,069	-	22,260	442,267	116,063	509,109	21,532	140,672	106,069	1,359,041
Private Households	-	-	397	54,865,558	78,254	2,354,187	4,316,248	77,274	8,877,415	70,569,333
Total	1,316,709	1,239,910	7,625,538	78,967,203	5,275,026	15,691,171	8,857,293	11,707,913	15,010,886	145,691,649

2008	Cash collateral	State guarantees	Bank guarantee	Real estate	Company guarantee	Personal and bill guarantee	Other collateral	Movable assets	Uncollateralised	Total
Agriculture, Hunting, Forestry and Fishing	1,529	27,144	135,713	216,588	239,211	334,054	217,157	353,120	84,888	1,609,404
Mining and Quarrying	1,850	-	-	48,841	-	41,092	-	17,634	10,732	120,149
Manufacturing	181,376	146,601	1,950,947	2,488,707	1,521,369	3,905,261	1,704,851	5,218,142	2,238,775	19,356,029
Electricity, Gas And Water Supply	124,487	-	97,536	7,648	-	8,918	998	230,003	30,185	499,775
Construction	12,796	2,083	248,381	418,046	150,084	657,932	65,826	902,105	109,193	2,566,446
Wholesale and Retail Trade; Repair of Motor Vehicles, Motorcycles and Personal and Household Goods	236,268	83,059	1,234,066	1,752,079	1,944,022	2,596,385	1,133,382	4,243,663	1,081,564	14,304,488
Hotels and Restaurants	2,145	-	36,801	1,437,512	18,337	594,444	4,944	145,942	63,134	2,303,259
Transport, Storage and Communication	4,688	-	49,326	219,439	51,130	507,716	61,598	759,709	83,175	1,736,781
Financial Intermediation	-	45,944	740,829	395,656	133,734	248,015	1,685,858	317,497	965,381	4,532,914
Real Estate, Lease, Other Business Activities	2,227,537	-	3,580,372	12,417,514	2,254,190	5,406,492	1,469,577	801,585	1,296,595	29,453,862
Public Administration; Compulsory Social Security	1,367	-	-	98,235	-	53,416	957	337,375	406,110	897,460
Education	-	-	-	11,569	-	13,266	288	10,755	14	35,892
Health and Social Work	-	146,117	48,646	187,180	-	158,078	14,258	65,475	141,541	761,295
Other Community, Social and Personal Service Activities	14	-	69,722	265,091	37,632	317,258	47,590	204,011	67,658	1,008,976
Private Households	-	-	-	48,802,969	105,705	2,117,660	4,972,154	88,439	6,355,713	62,442,640
Total	2,794,057	450,948	8,192,339	68,767,074	6,455,414	16,959,987	11,379,438	13,695,455	12,934,658	141,629,370

21. PROVISIONS FOR LOANS AND ADVANCES TO CUSTOMERS

CZK thousand	2009	2008
Balance at 1 January	(3,618,614)	(2,458,520)
Charge for provisions	(3,225,667)	(2,077,625)
Release of provisions	1,356,407	845,165
Usage of provisions for write-off and assignment of receivables	282,566	88,875
FX differences from provisions denominated in a foreign currency	11,101	(16,509)
Balance at 31 December	(5,194,207)	(3,618,614)

22. SECURITIES

(a) Portfolio Classification of Securities according to the Group's Intent

CZK thousand	2009	2008
Securities held to maturity (debt securities)	14,875,729	-
Securities held for trading	723,290	560,951
of which:		
- Debt securities	719,813	546,959
- Shares and participation certificates	3,477	13,992
Other securities at fair value through profit or loss	5,364,496	3,309,063
of which:		
- Debt securities	5,086,091	3,062,402
- Shares and participation certificates	278,405	246,661
Securities available for sale (shares and participation certificates)	524,428	516,493
Total	21,487,943	4,386,507

"Securities at fair value through profit or loss" include government bonds of CZK 4,849,849 thousand (2008: CZK 2,818,380 thousand) which may be used for refinancing with central banks.

"Securities held to maturity" include bonds of the Czech Republic of CZK 14,368,486 thousand.

"Securities available for sale" include minority equity investments in Raiffeisen stavební spořitelna a.s., S.W.I.F.T. s.c., Visa Europe, International Factors Group s.c., Visa Inc. in the aggregate amount of CZK 524,428 thousand (2008: CZK 516,493 thousand – Raiffeisen stavební spořitelna a.s., S.W.I.F.T. s.c., Visa Europe) owned by the Group as of 31 December 2009.

(b) Securities Pledged as Collateral

As of 31 December 2009, the Group concluded a repurchase transaction with the Czech National Bank and pledged CZ0001002331, government bond VAR/16 (maturity on 4 March 2010) as collateral. The nominal value of these pledged securities is CZK 3,000,000 thousand. As of 31 December 2008, the Group recorded no securities pledged as collateral.

23. EQUITY INVESTMENTS IN ASSOCIATES AND UNCONSOLIDATED ENTITIES

CZK thousand	2009	2008
Opening balance	1,717	346,745
Share in the profit or loss of the associate	1,920	1,392
Other	1,478	-
Disposal of equity investments	-	(243,185)
Transfer to securities available for sale	-	(103,235)
Closing balance	5,115	1,717

In the year ended 31 December 2009, the Group recorded no transactions with a significant impact on the financial statements. "Disposal of equity investments" and "Transfer to securities available for sale" included the sale of 15 percent of Raiffeisen stavební spořitelna a.s. and the transfer of the remaining 10 percent equity investment in the entity into the securities available-for-sale portfolio completed during 2008.

CZK thousand	Country	Assets	Liabilities	Revenue	Profit	Share of equity	
Impuls Tuchoměřice, s.r.o.	CZ	364,737	388,788	47,568	11,312	12.50%	-
Bondy Centrum, s.r.o.	CZ	1,094,983	1,066,116	102,345	15,547	12.50%	3,608
RLRE Ypsilon Property, s.r.o.	CZ	59,536	59,721	3,562	(45)	12.50%	-
Green Energie Větrný park Bílčice, s.r.o.	CZ	24,204	12,213	1,300	(174)	12.50%	1,499
Aither Property, s.r.o.	CZ	33,593	33,478	-	(42)	2.50%	3
PV Čekanice, s.r.o.	CZ	9,439	9,256	1	(11)	2.50%	5
At 31 December 2009							5,115
ACB Ponava, s.r.o.	CZ	236,318	259,045	9,102	(17,629)	12.50%	-
Impuls Tuchoměřice, s.r.o.	CZ	387,683	432,867	53,796	11,937	12.50%	-
Bondy Centrum, s.r.o. (RLRE Sigma Property, s.r.o.)	CZ	1,183,545	1,170,225	94,645	10,926	12.50%	1,665
RLRE Ypsilon Property, s.r.o.	CZ	61,940	62,079	4,192	(505)	12.50%	-
Green Energie větrný park Bílčice, s.r.o.	CZ	2,739	2,751	-	212	12.50%	52
At 31 December 2008							1,717

24. INTANGIBLE FIXED ASSETS

CZK thousand	Goodwill	Software	Intangible assets under construction	Total
Cost				
1 Jan 2008	41,165	1,084,106	146,561	1,271,832
Additions	1,012	288,973	250,898	540,883
Disposals	(27,315)	(40,031)	(203,258)	(270,604)
31 Dec 2008	14,862	1,333,048	194,201	1,542,111
Additions	-	330,088	422,798	752,886
Disposals	-	-	(176,781)	(176,781)
31 Dec 2009	14,862	1,663,136	440,218	2,118,216
Accumulated amortisation				
1 Jan 2008	(26,114)	(753,444)	-	(779,558)
Additions – annual amortisation	-	(167,646)	-	(167,646)
Disposals	26,114	29,390	-	55,504
31 Dec 2008	-	(891,700)	-	(891,700)
Additions – annual depreciation	-	(217,563)	-	(217,563)
31 Dec 2009	-	(1,109,263)	-	(1,109,263)
Net book value				
31 Dec 2008	14,862	441,348	194,201	650,411
31 Dec 2009	14,862	553,873	440,218	1,008,953

The year-on-year increase in intangible assets under construction in 2009 relates to the development of a new banking system and the launch of a series of new projects. Internal costs (staff costs, lease costs, etc) which are required to generate these assets are capitalised.

25. PROPERTY AND EQUIPMENT

(a) Movements in Property and Equipment

CZK thousand	Land, buildings, technical improvements on buildings	Furniture and fixtures	Machinery and equipment	Tangible assets under construction	Operating leases	Total
Cost						
1 January 2008	1,247,744	393,147	1,037,540	80,342	83,797	2,842,570
Additions	81,032	16,120	86,769	235,755	-	419,676
Disposals	(485,522)	(40,246)	(59,103)	(96,715)	(6,475)	(688,061)
31 December 2008	843,254	369,021	1,065,206	219,382	77,322	2,574,185
Effect from changes in the scope of consolidation	(21,271)	-	186	-	-	(21,085)
Additions	57,694	25,320	196,214	95,002	-	374,230
Disposals	(966)	(8,478)	(82,374)	(134,453)	(77,322)	(303,593)
Other changes (transfers)	3,419	(165,287)	137,728	(365)	-	(24,505)
31 December 2009	882,130	220,576	1,316,960	179,566	-	2,599,232
Accumulated depreciation						
1 January 2008	(379,457)	(310,407)	(870,619)	-	(4,059)	(1,564,542)
Additions	(63,037)	(27,831)	(98,486)	-	(2,865)	(192,219)
Disposals	153,996	38,214	50,445	-	-	242,655
31 December 2008	(288,498)	(300,024)	(918,660)	-	(6,924)	(1,514,106)
Effect from changes in the scope of consolidation	-	-	(39)	-	-	(39)
Additions	(47,978)	(14,099)	(97,159)	-	-	(159,236)
Disposals	737	7,334	75,859	-	6,924	90,854
Other changes (transfers)	(757)	143,760	(118,864)	-	-	24,139
31 December 2009	(336,496)	(163,029)	(1,058,863)	-	-	(1,558,388)
Net book value						
31 December 2008	554,756	68,997	146,546	219,382	70,398	1,060,079
31 December 2009	545,634	57,547	258,097	179,566	-	1,040,844

The figures presented under "Other changes (transfers)" represent reclassifications between individual classes of assets.

In the year ended 31 December 2009, the Group recognised a provision against risk prepayments for the proprietary performance in the amount of CZK 1,500 thousand.

(b) Property and Equipment Acquired under Finance Leases

The Group recorded no significant property and equipment under finance leases in the years ended 31 December 2009 and 2008.

(c) Investment Property

CZK thousand	2009	2008
Cost		
At 1 January	57,913	57,913
Effect from the change in the scope of consolidation	(7,673)	-
Acquisition cost at 31 December	50,240	57,913
Accumulated depreciation and provisions		
At 1 January	(4,048)	(3,091)
Effect from the change in the scope of consolidation	(6,426)	-
Annual charges	5,469	(957)
Accumulated depreciation and provisions at 31 December	(5,005)	(4,048)
Net book value at 31 December	45,235	53,865

26. DEFERRED TAX ASSET/LIABILITY

Deferred tax is calculated from all temporary differences using the liability method at the principal income tax rate of 19 percent (tax rate of 2010).

The deferred tax asset is composed of the following items::

CZK thousand	2009	2008
Unpaid interest on loans of non-residents	64,821	-
Unpaid social security and health insurance contributions	13,196	20,006
Outstanding vacation days	10,773	11,167
Other provisions	34,826	41,549
Modification of lease reporting CAS - IFRS	413	250
Tax loss of prior years	50,869	62,399
Total deferred tax asset	174,898	135,371

The deferred tax liability is composed of the following items:

CZK thousand	2009	2008
Difference in accounting and tax carrying values of tangible and intangible assets	(86,204)	(25,630)
Change in the balance for the period against equity from revaluation of securities available for sales	(593)	-
Modification of lease reporting CAS - IFRS	(80,652)	(89,925)
Total deferred tax liability	(167,449)	(115,555)

The calculation of a net deferred tax asset:

CZK thousand	2009	2008
Balance at 1 January	135,371	74,154
Change in the balance due to the change in the consolidation group/merger	-	75,666
Movement for the year - credit/(charge)	39,527	(14,449)
Total deferred tax asset	174,898	135,371
Balance at 1 January	(115,555)	(71,194)
Movement due to the change in the consolidation group/merger	-	4,314
Movement for the year – credit/(charge)	(51,301)	(48,675)
Movements for the year against equity	(593)	-
Total deferred tax liability	(167,449)	(115,555)
Net deferred tax asset	7,449	19,816

The deferred tax (charge)/credit in the statement of comprehensive income and equity comprises the following temporary differences:

CZK thousand	2009	2008
Recognition of a year-on-year difference due to the change of tax rate in profit or loss	(1,649)	(2,337)
Recognition of a year-on-year difference due to temporary differences in profit or loss	(10,125)	(60,787)
Recognition of a year-on-year difference due to temporary differences in equity	(593)	-
Total year-on-year difference for recognition into P&L	(12,367)	(63,124)

27. OTHER ASSETS

CZK thousand	2009	2008
Receivables arising from indirect taxes	393	3,154
Receivables arising from non-banking activities	547,878	623,808
Deferred expenses and accrued income	16,562	25,642
Assets held for finance leases	492,233	437,102
Settlement of cash transactions with other banks	505,384	2,662,686
Other	187,188	127,775
Total	1,749,638	3,880,167

28. AMOUNTS OWED TO FINANCIAL INSTITUTIONS

CZK thousand	2009	2008
Repayable on demand	1,015,374	2,853,943
Term deposits of banks	27,278,588	27,568,113
Within 3 months	6,478,079	4,668,127
From 3 months to 1 year	1,931,510	1,202,412
From 1 year to 5 years	18,216,683	21,342,652
Over 5 years	652,316	354,922
Total	28,293,962	30,422,056

“Term deposits at banks – from 1 to 5 years” for the year ended 31 December 2009 include the deposit from Raiffeisen Zentral Bank in the amount of CZK 15,892,777 thousand (2008: CZK 18,891,858 thousand).

The decrease in “Repayable on demand” was predominantly due to the decrease in the deposit from Raiffeisen Zentral Bank from CZK 2,554,143 thousand in 2008 to CZK 706,980 thousand in 2009.

As of 31 December 2009, the Group received a loan in the repurchase transaction of CZK 2,905,480 thousand. The loan received in this repurchase transaction was collateralised by governmental bonds of CZK 2,845,523 thousand and a cash deposit of CZK 39,600 thousand.

29. AMOUNTS OWED TO CUSTOMERS

(a) Analysis of Amounts Owed to Customers by Type

CZK thousand	2009	2008
Repayable on demand	87,898,858	74,769,037
Term deposits with maturity	42,197,210	37,686,827
Other	107,035	111,501
Total	130,203,103	112,567,365

(b) Analysis of Amounts Owed to Customers by Sector

CZK thousand	2009	2008
Public sector	10,776,350	8,727,368
Corporate clients	48,226,648	45,202,427
Private individuals	58,461,458	48,337,763
Small and medium size enterprises (SME)	11,705,271	9,381,365
Other	1,033,376	918,442
Total	130,203,103	112,567,365

30. DEBT SECURITIES ISSUED

(a) Analysis of Issued Debt Securities by Type

CZK thousand	2009	2008
Deposit certificates and deposit bills of exchange	5,645,986	8,869,038
Bonds in issue	650,428	1,209,996
Mortgage bonds	9,517,720	9,818,557
Total	15,814,134	19,897,591

The decrease in "Deposit certificates and deposit bills of exchange" is predominantly due to the outflow of short-term deposit bills from corporate clients.

The decrease in "Bonds in issue" results from the due dates of certain issues during 2009 (Garantinvest issue, I, II, III, IV).

(b) Analysis of Mortgage Bonds

CZK thousand

Date of issue	Maturity	ISIN	Currency	Nominal value		Net carrying value	
				2009	2008	2009	2008
18.2.2004	18.2.2009	CZ0002000326	CZK	-	500,000	-	516,108
23.8.2004	23.8.2009	CZ0002000417	CZK	-	365,840	-	374,205
23.3.2005	23.3.2010	CZ0002000482	CZK	498,350	498,350	517,687	524,875
29.11.2005	29.11.2010	CZ0002000557	CZK	500,000	500,000	505,831	510,067
21.11.2005	21.11.2010	CZ0002000698	CZK	339,850	339,850	344,876	348,652
24.5.2006	24.5.2011	CZ0002000805	CZK	402,770	402,770	420,295	424,727
4.10.2006	4.10.2011	CZ0002000888	CZK	933,000	933,000	954,566	961,253
16.2.2007	16.2.2012	CZ0002000946	CZK	1,274,710	1,300,000	1,361,785	1,405,208
12.9.2007	12.9.2012	CZ0002001175	CZK	1,819,600	1,819,600	1,886,598	1,900,409
14.11.2007	14.11.2014	CZ0002001316	CZK	500,000	500,000	521,395	525,157
12.12.2007	12.12.2012	CZ0002001662	CZK	10,000	10,000	10,155	10,195
12.12.2007	12.12.2017	CZ0002001670	CZK	1,517,800	1,517,800	1,581,502	1,587,693
12.12.2007	12.12.2017	CZ0002001696	CZK	500,000	500,000	549,278	555,594
12.12.2007	12.12.2022	CZ0002001704	CZK	-	-	-	-
20.12.2007	20.12.2017	CZ0002001928	CZK	157,500	157,500	172,834	174,414
26.11.2008	26.11.2013	CZ0002002058	CZK	61,250	-	61,989	-
10.12.2008	10.12.2011	CZ0002002066	CZK	40,000	-	40,921	-
18.2.2009	18.2.2012	CZ0002002074	CZK	248,150	-	254,702	-
28.8.2009	28.8.2012	CZ0002002108	CZK	249,160	-	251,726	-
8.10.2009	8.10.2014	CZ0002002124	EUR	-	-	-	-
14.10.2009	14.10.2012	CZ0002002140	CZK	81,060	-	81,580	-
Celkem				9,133,200	9,344,710	9,517,720	9,818,557

In 2009, the Group recorded four new issues:

- 1) CZ0002002074 - issued 25,000 pieces, repurchased 185 pieces
- 2) CZ0002002108 - issued 25,000 pieces, repurchased 84 pieces
- 3) CZ0002002124 – issued 100,000 pieces, repurchased 100,000 pieces
- 4) CZ0002002140 – issued 25,000 pieces, repurchased 16,894 pieces

31. PROVISIONS

CZK thousand	Provisions for legal disputes	Provisions for off balance sheet credit risk exposures	Provision for outstanding vacation days	Provision for restructuring	Other provisions	Total
1 January 2008	27,763	76,804	39,097	6,763	238,399	388,826
Charge for provisions	67,422	73,700	54,833	-	46,690	242,645
Use of provisions	(16,126)	-	(36,765)	-	(11,571)	(64,462)
Release of redundant provisions	(5,189)	(51,690)	(572)	(6,763)	(137,371)	(201,585)
31 December 2008	73,870	98,814	56,593	-	136,147	365,424
Charge for provisions	116	16,681	55,947	2,170	107,035	181,949
Use of provisions	(562)	-	(55,833)	-	(59,825)	(116,220)
Release of redundant provisions	(70,388)	(98,814)	-	-	(7,694)	(176,896)
Foreign exchange rate differences	-	-	-	-	(34)	(34)
31 December 2009	3,036	16,681	56,707	2,170	175,629	254,223

“Other provisions” predominantly included the provision for the integration bonus in the years ended 31 December 2009 and 2008.

32. SUBORDINATED LOAN

CZK thousand	2009	2008
Raiffeisen Zentralbank Österreich	1,297,830	1,340,078
Raiffeisenlandesbank Oberösterreich	1,038,418	1,071,433
Raiffeisenlandesbank Niederösterreich	765,641	789,000
Raiffeisen Malta Bank Plc	1,089,174	1,123,598
Total	4,191,063	4,324,109

The Group did not receive any new subordinated loan.

33. OTHER LIABILITIES

CZK thousand	2009	2008
<i>Liabilities arising from non-banking activities</i>	481,027	533,824
<i>Estimated payables for bonuses</i>	654,688	414,246
<i>Accrued expenses</i>	1,009	17,949
<i>Deferred income</i>	40,036	36,810
<i>Local settlement and suspense clearing account</i>	662,127	734,806
<i>Other</i>	568,679	602,420
Total	2,407,566	2,340,055

Accrued expenses" include accrued fees paid for guarantees and received guarantees. The settlement and clearing account changes daily in dependence on settlement volumes.

"Other" predominantly includes settlement accounts of CZK 155,738 thousand (2008: CZK 278,206 thousand), funds deposited for the benefit of a third party of CZK 107,035 thousand (2008: CZK 16,501 thousand) and a short sale of bonds of CZK 107,785 thousand (2008: no sale).

34. SHARE CAPITAL

During the year ended 31 December 2009, there were no changes in the share capital of the Bank, in its paid amount or the number of issued shares. There were no changes in the shareholder structure. The aggregate nominal value of all the shares was fully paid. All shares are book-entered, registered, they are not listed and their nominal value is CZK 10,000.

The shareholder structure as of 31 December 2009:

Name	Registered address	Number of ordinary shares	Nominal value (in CZK ths)	Ownership percentage (in %)
<i>Raiffeisen International Bank-Holding AG</i>	<i>Austria</i>	<i>334,764</i>	<i>3,347,640</i>	<i>51</i>
<i>RB Prag Beteiligungs GmbH</i>	<i>Austria</i>	<i>164,100</i>	<i>1,641,000</i>	<i>25</i>
<i>Raiffeisenlandesbank Niederösterreich – Wien AG</i>	<i>Austria</i>	<i>157,536</i>	<i>1,575,360</i>	<i>24</i>
		656,400	6,564,000	100

35. CASH AND CASH EQUIVALENTS

Cash and cash equivalents at the end of the year as shown in the statements of cash flows are composed of the following balances:

CZK thousand	2009	2008
<i>Cash and accounts with central banks (Note 18)</i>	5,260,053	4,108,628
<i>Required minimum reserves (Note 18)</i>	(2,208,175)	(946,245)
<i>Placements with other financial institutions (Note 19)</i>	550,049	567,442
Total cash and cash equivalents	3,601,927	3,729,825

36. OFF BALANCE SHEET COMPONENTS – CREDIT EXPOSURE

(a) Legal Disputes

The Group conducted a review of legal proceedings outstanding against it as of 31 December 2009. Pursuant to the review of significant litigation matters in terms of the risk of potential losses and the probability of payment, the Group recognised provisions (Note 31) for significant litigations in the aggregate amount CZK 3,036 thousand (2008: CZK 73,870 thousand).

(b) Irrevocable Commitments, Guarantees and Issued Letters of Credit

CZK thousand	2009	2008
Banks		
<i>Provided commitments (irrevocable)</i>	205,546	718,336
<i>Guarantee commitments</i>	772,891	752,122
<i>Letters of credit and financial guarantees</i>	7,105	-
Total	985,542	1,470,458
Customers		
<i>Provided commitments (irrevocable)</i>	18,547,349	24,519,763
<i>Guarantee commitments</i>	9,463,680	8,780,265
<i>Letters of credit and financial guarantees</i>	1,045,593	919,831
Total	29,056,622	34,219,859
Total	30,042,164	35,690,317

(c) Refinancing Agreements

As of 31 December 2009, the Group is provided with a stand-by credit line facility of CZK 13,232,500 thousand (EUR 500,000 thousand) (2008: CZK 48,474,000 thousand, EUR 1,800,000 thousand) by Eastern European Invest GmbH.

37. OFF BALANCE SHEET COMPONENTS – FINANCIAL INSTRUMENTS

(a) Analysis of Derivative Financial Instruments – Contractual Amounts

CZK thousand	Contractual amounts	
	2009	2008
Trading instruments		
Currency forwards and swaps	38,946,103	56,596,943
Interest rate swaps (IRS)	40,037,545	45,678,434
Forward rate agreements (FRA)	40,000,000	332,500,000
Option contracts (purchase)	9,231,297	18,256,825
Option contracts (sale)	9,154,693	18,179,054
Total trading instruments	137,369,638	471,211,256
Financial derivatives - total contractual amount	137,369,638	471,211,256

The Group reported no hedging instruments in 2009 and 2008.

(b) Analysis of Derivative Financial Instruments – Fair Value

CZK thousand	Fair value in 2009		Fair value in 2008	
	Positive	Negative	Positive	Negative
Trading instruments				
Currency forwards and swaps	780,507	(358,082)	3,876,774	(828,527)
Interest rate swaps (IRS)	378,248	(1,049,382)	377,141	(999,861)
Forward rate agreements (FRA)	118,085	(127,729)	686,739	(715,089)
Option contracts (purchase)	580,503	-	1,242,366	-
Option contracts (sale)	-	(577,102)	-	(1,238,402)
Total trading instruments	1,857,343	(2,112,295)	6,183,020	(3,781,879)
Financial derivatives – total fair amount	1,857,343	(2,112,295)	6,183,020	(3,781,879)

The Group reported no hedging instruments in 2009 and 2008.

(c) Remaining Maturity of Financial Derivative Instruments – Contractual Amounts

CZK thousand	Up to 1 year	From 1 – 5 years	Over 5 years	Total
At 31 December 2009				
Trading instruments				
Currency forwards and swaps	36,412,881	2,533,222	-	38,946,103
Interest rate swaps (IRS)	14,836,166	21,001,692	4,199,686	40,037,545
Forward rate agreements (FRA)	40,000,000	-	-	40,000,000
Option contracts (purchase)	6,169,242	3,062,055	-	9,231,297
Option contracts (sale)	6,149,878	3,004,815	-	9,154,693
Total trading instruments	103,568,167	29,601,784	4,199,686	137,369,638
Total financial derivatives	103,568,167	29,601,784	4,199,686	137,369,638
At 31 December 2008				
Trading instruments				
Currency forwards and swaps	55,380,386	1,216,557	-	56,596,943
Interest rate swaps (IRS)	9,874,248	32,472,119	3,332,066	45,678,433
Forward rate agreements (FRA)	227,000,000	105,500,000	-	332,500,000
Option contracts (purchase)	11,415,796	6,841,029	-	18,256,825
Option contracts (sale)	11,403,008	6,776,046	-	18,179,054
Total trading instruments	315,073,438	152,805,751	3,332,066	471,211,255
Total financial derivatives	315,073,438	152,805,751	3,332,066	471,211,255

The Group reported no hedging instruments in 2009 and 2008.

(d) Summary of Future Cash Flows of Net Settled Derivatives

CZK thousand	Future Cash Inflows			Future Cash Outflows		
	Up to 1 year	From 1 to 5 years	Over 5 years	Up to 1 year	From 1 to 5 years	Over 5 years
31 December 2009						
Trading instruments						
Interest rate swaps (IRS)	41,737	285,391	51,151	(319,645)	(582,153)	(151,017)
Forward rate agreements (FRA)	118,085	-	-	(127,729)	-	-
Total trading instruments	159,822	285,391	51,151	(447,374)	(582,153)	(151,017)
Financial derivatives – total contractual payments	159,822	285,391	51,151	(447,374)	(582,153)	(151,017)

CZK thousand	Future Cash Inflows			Future Cash Outflows		
	Up to 1 year	From 1 to 5 years	Over 5 years	Up to 1 year	From 1 to 5 years	Over 5 years
31 December 2009						
Trading instruments						
Interest rate swaps (IRS)	36,796	280,011	60,334	(62,059)	(815,492)	(122,310)
Forward rate agreements (FRA)	323,352	363,387	-	(270,859)	(444,230)	-
Total trading instruments	360,148	643,398	60,334	(332,918)	(1,259,722)	(122,310)
Financial derivatives – total contractual payments	360,148	643,398	60,334	(332,918)	(1,259,722)	(122,310)

(e) Summary of Future Cash Flows of Gross Settled Derivatives

CZK thousand	Future Cash Inflows			Future Cash Outflows		
	Up to 1 year	From 1 to 5 years	Over 5 years	Up to 1 year	From 1 to 5 years	Over 5 years
31 December 2009						
Trading instruments						
Currency forwards and swaps	36,474,956	2,471,147	-	(36,127,408)	(2,458,248)	-
Option contracts (purchase)	6,169,242	3,062,055	-	(5,185,994)	(2,846,979)	-
Option contracts (sale)	5,672,419	2,846,979	-	(6,149,878)	(3,004,815)	-
Total trading instruments	48,316,617	8,380,181	-	(47,463,280)	(8,310,042)	-
Financial derivatives – total contractual payments	48,316,617	8,380,181	-	(47,463,280)	(8,310,042)	-

CZK thousand	Future Cash Inflows			Future Cash Outflows		
	Up to 1 year	From 1 to 5 years	Over 5 years	Up to 1 year	From 1 to 5 years	Over 5 years
31 December 2009						
Trading instruments						
Currency forwards and swaps	55,380,386	1,216,557	-	(52,392,125)	(1,190,141)	-
Option contracts (purchase)	11,415,796	6,841,029	-	(11,168,213)	(6,299,223)	-
Option contracts (sale)	11,166,046	6,299,223	-	(11,403,008)	(6,776,046)	-
Total trading instruments	77,962,228	14,356,809	-	(74,963,346)	(14,265,410)	-
Financial derivatives – total contractual payments	77,962,228	14,356,809	-	(74,963,346)	(14,265,410)	-

38. OTHER OFF BALANCE SHEET ASSETS - OTHER

(a) Assets Provided for Management, Administration and Custody

In the years ended 31 December 2009 and 2008, the Group provided no assets for management, administration and custody.

(b) Assets Accepted for Management, Administration and Custody

CZK thousand	2009	2008
Assets accepted for management	3,103,460	2,847,935
Assets accepted for administration	8,088,888	6,095,181
Assets accepted for custody	50	50
Total	11,192,398	8,943,166

39. SEGMENT ANALYSIS

Segments

The base for the segment analysis according to IFRS 8 are internal reports which are based on management accounts and serve as the principal financial information for decision-making of the Group's management.

Management accounts are maintained on a margin basis. For this reason, the interest income and expenses and fee and commission expense of individual operating segments are not reported separately, but on a net basis.

- Corporate banking
- SME banking
- Retail banking
- Treasury and
- Other

The Corporate banking segment involves transactions with corporate clients with an annual turnover exceeding CZK 250 million, public sector and financial institutions.

The SME banking segment entails all medium-sized entities and individuals – businessmen with an annual turnover of up to CZK 250 million.

The Retail banking segment generally includes all private individuals including VIP clients and own employees.

The Treasury segment includes interbank transactions and securities.

The "Other" segment mainly includes equity investments and other non-interest bearing assets and liabilities of the Group that cannot be allocated to segments referred to above, i.e. capital, subordinated deposit, assets, other assets/liabilities, capital investments.

The Group monitors amounts of net interest income and net fee and commission income, net profit/(loss) from financial operations, movements in provisions and other operating expenses by segment. Other profit and loss items are not monitored by segment.

The Group does not monitor total assets and total liabilities by segment.

The Group has no client, or a group of related parties, whose income from transactions with the Bank would account for more than 10 percent of total income of the Group.

Profit and loss items by segment (2009)

CZK thousand	Corporate entities	Small and medium-size enterprises	Retail clients	Treasury	Other	Total
31 December 2009						
Net interest income	2,094,288	1,454,117	2,803,570	(263,658)	278,511	6,366,828
Net fee and interest income	627,437	883,800	820,771	20,840	8,126	2,360,974
Net profit/(loss) from financial operations	(52,913)	(124)	-	(56,981)	213,871	103,853
Movements in provisions	(870,618)	(469,212)	(530,028)	-	(1)	(1,869,859)
Other operating expenses	(786,668)	(1,212,332)	(1,991,479)	(212,429)	(297,412)	(4,500,320)
Pre-tax profit	1,011,526	656,249	1,102,834	(512,228)	203,095	2,461,476
Income tax	-	-	-	-	(540,868)	(540,868)
Profit after tax	1,011,526	656,249	1,102,834	(512,228)	(337,773)	1,920,608
Reconciliation to the consolidated Statement of comprehensive income						
Provision	73,700	-	-	-	-	73,700
Share in profits from associates	-	-	-	-	1,920	1,920
Reconciled profit after tax	1,085,226	656,249	1,102,834	(512,228)	(335,853)	1,996,228

Profit and loss items by segment (2008)

CZK thousand	Corporate entities	Small and medium-size enterprises	Retail clients	Treasury	Other	Total
31 December 2008						
Net interest income	1,797,821	1,258,312	2,139,833	(215,295)	305,198	5,285,869
Net fee and interest income	723,190	831,008	598,975	19,888	42,668	2,215,729
Net profit/(loss) from financial operations	(154,642)	(97)	-	(67,088)	271,683	49,856
Movements in provisions	(691,408)	(232,868)	(368,915)	-	(7,340)	(1,300,531)
Other operating expenses	(865,608)	(1,191,366)	(1,959,338)	(191,969)	(324,815)	(4,533,096)
Pre-tax profit	809,353	664,989	410,555	(454,464)	287,394	1,717,827
Income tax	-	-	-	-	(350,630)	(350,630)
Profit after tax	809,353	664,989	410,555	(454,464)	(63,236)	1,367,197
Reconciliation to the consolidated Statement of comprehensive income						
Provision	(73,700)	-	-	-	-	(73,700)
Share in profits from associates	-	-	-	-	1,392	1,392
Reconciled profit after tax	735,653	664,989	410,555	(454,464)	(61,844)	1,294,889

Differences between individual lines of the segment analysis and information in the Statement of comprehensive income

The difference in "Net interest income" arises from the different presentation of the dividend income, income and expenses from commissions from foreign currency transactions, expense fees of synthetic securitisation and interest income from transactions with securities.

The difference in "Net fee and commission income" arises from the different presentation of income and expenses from commissions from foreign currency transactions and expense fees of synthetic securitisation.

The difference in "Net profit/(loss) from financial operations" arises from the different presentation of the dividend income, income and expenses from foreign currency transactions and interest income from transactions with securities.

"Other operating expenses" includes "Other operating income, net" and "General administrative expenses" presented in the statement of comprehensive income in separate lines.

The differences referred to above between the segment analysis and the statement of comprehensive income arise from the different classification of selected profit and loss items.

The profit after tax presented in the segment analysis of 2009 and 2008 differs from the profit after tax in the statement of comprehensive income by CZK 73,700 thousand which represents a provision against a client in the Corporate Banking segment which was included in the financial statements for the year ended 31 December 2008, but was presented in the segment analysis as an event of 2009. In addition, the profit after tax differs by the amount which represents the share in income of associates in the amount of CZK 1,920 thousand and CZK 1,392 thousand for the years ended 31 December 2009 and 2008, respectively.

40. FINANCIAL INSTRUMENTS – MARKET RISK

The Group takes on exposure to market risks arising from open positions of transactions with interest rate, equity and currency instruments which are sensitive to the changes of conditions on financial markets.

(a) Trading

The Group holds trading positions in certain financial instruments including financial derivatives.

These positions are also held for the purpose of speculation on the expected future development of financial markets and thus represent speculation on this development. The majority of the Group's trading activities are conducted on the basis of the requirements of the Group's clients. The Group maintains the admission to the financial markets through the quoting of bid and ask prices and by trading with other market makers. The Group's business strategy is thus affected by the speculative expectation and market making and its goal is to maximise net income from trading.

The Group manages risks associated with its trading activities on the level of individual risks and types of financial instruments. The key risk management tools are the limits for individual transaction volumes and individual position volumes, stop loss limits and Value at Risk (VaR) limits. The quantitative methods applied to market risk management are described in "Risk Management Methods" in Note 40 (d).

(b) Risk Management

The selected risks exposures resulting from the Group's activities, management of positions arising from these activities and its risk management approach are described below. More detailed policies applied in measuring and managing these risks are included in "Risk Management Methods" in Note 40 (d).

Liquidity Risk

Liquidity risk arises from the type of funding of the Group's activities and the management of its positions. It includes both the risk of the inability to raise funds to cover the Group's assets using instruments with appropriate maturity and the Group's ability to dispose of/sell assets at a reasonable price within a reasonable time frame.

The Group has access to diversified sources of funding, which comprise deposits and other savings, issued securities, loans accepted including subordinated loans, and also the Group's equity. This diversification makes the Group flexible and reduces its dependency on one source of funding. The Group regularly evaluates its liquidity exposures, in particular by monitoring the changes in the structure of financing and comparing these changes with the Group's liquidity risk management strategy, which is approved by the Group's Board of Directors. As part of its liquidity risk management strategy, the Group also holds a portion of its assets in highly liquid funds, such as government treasury bills and similar bonds and/or repurchase transactions with the Czech National Bank. The Group uses internal statistical models for diversification of the maturity of client deposits. These models are reassessed on a regular basis.

The following table shows the remaining maturity of contractual cash flows arising from financial liabilities. Contractual cash flows from derivatives are analysed in the tables in Notes 37 (d) and 37 (e).

Analysis of financial liabilities according to remaining maturity

CZK thousand	Total contractual liability	Up to 3 months	3 - 12 months	1 - 5 years	Over 5 years
2009					
Amounts owed to financial institutions	29,290,935	6,805,448	1,978,404	18,986,036	1,521,047
Amounts owed to customers	130,633,713	117,023,127	10,229,114	3,251,027	130,445
Debt securities issued	17,202,963	5,060,283	2,255,388	7,363,737	2,523,555
Subordinated loan	4,505,269	7,560	46,312	2,960,542	1,490,855
Other liabilities	2,790,758	2,777,939	3,972	8,847	-
Provided loan commitments to banks and customers	18,752,895	18,752,895	-	-	-
2008					
Amounts owed to financial institutions	35,721,843	31,740,775	1,271,117	1,921,477	788,474
Amounts owed to customers	113,417,935	105,132,455	6,496,029	1,463,187	326,264
Debt securities issued	21,699,718	8,829,381	1,962,267	7,504,357	3,403,713
Subordinated loan	5,065,064	14,460	86,758	3,375,087	1,588,759
Other liabilities	2,340,055	2,340,055	-	-	-
Provided loan commitments to banks and customers	28,545,797	28,545,797	-	-	-

Foreign Currency Risk

The foreign currency risk is the risk arising from currency markets. The source of this risk is the Group's foreign currency position which arises from the mismatch of the Bank's assets and liabilities, including the currency-sensitive off balance sheet items. The foreign currency risk is managed by setting trading limits. More detailed policies applied in managing this risk are included in "Risk Management Methods" in Note 40 (d).

Interest Rate Risk

The Group is exposed to interest rate risk since the interest-bearing assets and liabilities have different maturity dates, periods of interest rate changes/adjustments and volumes during these periods. In the case of variable interest rates, the Group is exposed to a basis risk arising from the difference in the mechanism of adjusting individual types of interest rates, such as PRIBOR, announced interest on deposits, etc. The Group's interest rate risk management activities are aimed at optimising the Group's net interest income in accordance with its strategy approved by the Board of Directors, and hedge the Group's position against the fluctuations of interest rates. In managing the interest rate risk, the Group uses (as in the case of liquidity management) statistical models for distribution of those items where it is unable to determine the exact moment of repricing of interest rates (for example on current accounts). The Group mostly uses interest rate derivatives to manage the mismatch between the rate-sensitivity of assets and liabilities. These derivative transactions are entered into in accordance with the asset and liability management strategy as approved by the Board of Directors of the Group.

Part of the Group's income is generated through a targeted mismatch between rate-sensitive assets and rate-sensitive liabilities. The carrying amounts of these assets and liabilities and the nominal (notional) values of interest rate derivatives are recorded either in the period in which they are due or in which the interest rate changes, whichever occurs first. Certain assets or liabilities are allocated to individual periods on the basis of an expert estimate due to the anticipated preliminary repayment or undefined maturity dates.

Equity Risk

Equity risk is the risk of fluctuations of the prices of equity instruments held in the Group's portfolio and financial derivatives related to these instruments. This risk predominantly arises from trading with equity instruments although a portion of equity exposure is also attributable to non-trading activities of the Group. Equity risk is managed by trading limits. The equity risk management methods are described in "Risk Management Methods" in Note 40 (d).

(c) Fair values of financial assets and liabilities

In disclosing the estimates of fair values of financial assets and liabilities, the Group used the following methods and estimates.

I) Cash and balances with central banks

Carrying amounts of cash and short-term instruments in principle approximate their fair values.

II) Loans and advances to financial institutions

Carrying amounts of loans and advances to financial institutions due within 180 days in principle approximate their fair values. Fair values of other loans and advances to financial institutions are estimated using discounted cash flows based on common rates in similar types of investments (market rates adjusted by the credit risk). Fair values of default loans of financial institutions are estimated on the basis of discounted cash flows, fair values of loss loans are equal to their collateral values.

III) Loans and advances to customers

Fair values of loans with variable interest rate which are frequently remeasured and the change of the credit risk is insignificant in principle approximate their carrying amounts. Fair values of loans with fixed interest rate are estimated based on discounted cash flows using the interest rate common in loans with similar conditions and due dates and provided to debtors with similar risk rating. Fair values of default loans are estimated based on discounted cash flows including the potential collateral realisation.

IV) Securities held to maturity

Fair values of securities carried in the held to maturity portfolio are estimated based on discounted cash flows using the interest rate common as of the balance sheet date.

V) Amounts owed to financial institutions and customers

Fair values reported in respect of loans on request match amounts payable on demand (i.e. their carrying amounts) at the balance sheet date. Carrying amounts of term deposits with variable rate are principally equal to their fair values as of the balance sheet date. Fair values of deposits with fixed interest rate are estimated based on discounting of cash flows using market interest rates. Amounts owed to financial institutions and customers with fixed interest rate represent only an insignificant part of the total carrying amount. For this reason, the fair value of total amounts owed to financial institutions and customers does not significantly differ from the carrying amount as of the balance sheet date.

VI) Debt securities issued

Fair values of debt securities issued by the Group are determined on the basis of updated market prices. If market prices are not available, fair values are estimates of the Group.

VII) Subordinated loan

Fair values of the subordinated loan are estimated based on discounting cash flows using market interest rates and reflecting liquid costs of the Group.

The following table shows the carrying amounts and fair values of financial assets and liabilities that are not reported at fair value in the balance sheet:

CZK thousand	2009		2008	
	Carrying amount	Fair value	Carrying amount	Fair value
Assets				
Cash and balances with central banks	5,260,053	5,260,053	4,108,628	4,108,628
Loans and advances to financial institutions	23,820,498	23,821,478	27,081,675	27,086,004
Loans and advances to customers	140,497,442	141,195,351	138,010,756	139,186,682
Securities held to maturity	14,875,729	14,998,935	-	-
Liabilities				
Amounts owed to financial institutions	28,293,962	28,330,147	30,422,056	30,504,095
Amounts owed to customers	130,203,103	130,231,776	112,567,365	112,547,259
Debt securities issued	15,814,134	15,796,101	19,897,591	19,851,203
Subordinated loan	4,191,063	4,198,048	4,324,109	4,330,188

Financial instruments at fair value

CZK thousand	Fair value at 31 Dec 2009	
	Fair value according to the price quoted on the active market	Fair value derived from market data
Positive fair values of financial derivative instruments	-	1,857,343
Securities at fair value through profit or loss	5,963,523	124,264
Securities available for sale	-	8,322
Total	5,963,523	1,989,929

CZK thousand	Fair value at 31 Dec 2009	
	Fair value according to the price quoted on the active market	Fair value derived from market data
Negative fair values of financial derivative instruments	-	2,112,295
Total	-	2,112,295

The Group holds no financial instruments that would be measured using techniques based on input information not based on data identifiable on the market.

(d) Risk Management Methods

The Group uses a set of limits for individual positions and portfolios as part of the appropriate methodologies to facilitate effective market risk management. The set of limits consist of limits determined by the regulator which are complemented by the limits set by the parent bank in a standardised way for the whole CEE region. In some cases, the set of limits is complemented by other internal limits that reflect the specifications of local markets to which the Group is exposed.

The Group monitors both aggregate and individual market risks using the Value at Risk method. Value at Risk represents the potential loss arising from an adverse movement on the market within a certain time period with a certain confidence level. Value at Risk is measured based on a one-day holding period with a 99 percent confidence level. The calculation reflects mutual correlations of individual risk factors (currency rates, interest rates and equity market prices).

CZK thousand	At 31 December 2009	Average in 2009	At 31 December 2008	Average in 2008
Total market risk VaR	11,378	13,121	17,305	17,349

Interest Rate Risk

The Group monitors interest rate risk of the banking book and the trading book separately, at the level of individual currencies. The interest rate position is monitored based on a gap analysis method, in combination with the sensitivity of the overall position to the shift in the interest rate curve (BPV). The gap analysis is based on the net position of notional values presented in a yearly equivalent (that is, the position converted to the risk of the yearly interest rate instrument using a duration coefficient). The BPV technique (basis point value) involves determining the change of the present value of the portfolio when interest rates shift by one basis point (0.01 percent). These techniques are complemented by monitoring interest rate risks using Value at Risk.

CZK thousand	At 31 December 2009	Average in 2009	At 31 December 2008	Average in 2008
Total interest rate risk VaR	11,359	12,890	16,267	16,849
Interest rate risk VaR – banking book	11,246	12,700	15,766	16,989
Interest rate risk VaR – trading book	241	1,135	823	6,250

Currency Risk

The Group uses a set of limits established by reference to the standards of the Raiffeisen Group. The limits are set for individual currencies and for the overall currency position. Internal currency position limits fully respect the limits set by the local regulatory body. These techniques are complemented by monitoring currency risks using Value at Risk.

CZK thousand	At 31 December 2009	Average in 2009	At 31 December 2008	Average in 2008
Currency risk VaR	388	1,388	2,235	1,323

Equity Risk

Market risks arising from the Group's equity trading activities are managed using the Value at Risk method. Value at Risk represents the potential loss arising from an adverse movement on the market within a certain time period with a certain confidence level.

CZK thousand	At 31 December 2009	Average in 2009	At 31 December 2008	Average in 2008
Equity risk VaR	39	341	1,188	987

Stress Testing

The Group performs regular stress testing of interest rate risk inherent in the banking and trading portfolios, the currency risk and the equity risk. The results of stress tests are submitted to the Assets and Liabilities Committee (ALCO) on a regular basis.

Operational Risk

In accordance with Basel II, operational risk is defined as the risk of the Group's loss arising from the inappropriateness or failure of internal processes, human errors or failures of systems or the risk of loss arising from external events. The Group monitors, tracks and assesses these risks on a regular basis and undertakes measures aimed at minimising these risks. The Bank applies the standardised approach to calculating capital adequacy, it intends to implement the advanced (AMA) approach in the future.

The basic principal is the responsibility of each employee for the identification and escalation of the operational risk which is within his/her responsibility and for timely and accurate reporting of incidents. The Group has a central operational risk management function in place, which is responsible for the setting of the methodology, measurements or analyses and which provides methodical support to managers.

Operational risk management primarily draws upon collection of data on losses caused by operational risks, risk self-assessment and key risk indicators.

The objective of collecting data on operational risk events is not just to accumulate information but predominantly to analyse the causes of such events. More serious cases are presented to and discussed by the Operational Risk Management Committee. Through the Operational Risk Management Committee, the Group also proposes measures aimed at minimising or fully eliminating further occurrence of similar events. Specific responsibilities are determined for the implementation of proposed changes and their fulfilment is reviewed by the Operational Risk Management Committee.

Risk self-assessment is designed to identify areas with a high operational risk within the Group. Results impact priorities in the focus of the Operational Risk Department in the Group. The assessment is performed on an annual basis and also serves to estimate anticipated losses on operational risk.

In respect of areas with an identified significant risk the Group has implemented a set of key risk indicators. As part of further procedures, the Group plans to implement a set of key risk indicators, particularly for segments where high risk is involved, which will serve as an early warning system and criteria for evaluating operational risk exposure. When using the key risk indicators, the Group continues to share results in the Raiffeisen group.

Capital Risk Management

The main tools used to manage capital risk include pertaining to minimum capital adequacy requirements.

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from 2006.

41. FINANCIAL INSTRUMENTS – CREDIT RISK

The Group takes on exposure to credit risks resulting from its trading activities, provision of loans, hedging transactions, investment activities and agency services.

Credit risks associated with trading and investment activities of the Group are managed using the methods and instruments applied by the Group in managing its market risk exposures.

(a) Assessment and Classification of Receivables

The Group assesses its receivables in accordance with the principles determined by the CNB's Regulation dated 15 May 2007 on the rules of prudent business of banks, savings and lending associations and securities traders (Collection of Laws No. 123/2007), and also in accordance with IFRS and IAS 39 standards and internal regulations.

The Group assesses receivables based on the fulfilment of the criteria. Individual receivables are classified into five categories according to Regulation of the Czech National Bank No. 123. For each client, each criterion is evaluated individually and the receivable is subsequently classified on the basis of the worst rating of the criteria to one of the following categories: standard, watch, substandard, doubtful, and loss. Substandard, doubtful and loss receivables are aggregately designated as receivables with debtor's default. If the Group records more receivables from one client, they are all classified in the same category, based on the receivable with the least favourable rating. This rule does not apply to retail receivables where the default and sub-categories are allocated on the level of receivables rather than the client.

The classification is performed on a monthly basis, with the key criteria being:

- Number of days past maturity
- Financial position of the debtor – client/transaction rating
- Restructuring of the repayment schedule
- Declaration of bankruptcy
- Other individually assessed events relating to the anticipated customer's compliance with contractual obligations

(b) Provisioning for Receivables

The Group determines impairment of individual receivables or the portfolio of receivables with similar characteristics in terms of credit risk.

The Group applies the portfolio approach in respect of individually assessed receivables where no impairment was noted individually. In this case, the Group also determines impairment of the portfolio of similar individually unimpaired loans. If the Group does not have multiple similar loans, the portfolio approach is not applied.

The Group applies the portfolio approach to receivables in the retail, SME segment and selected corporate clients. Other receivables are provisioned on an individual basis. All significant loans are assessed by the Problem Loan Committee on a monthly basis and this assessment reflects the anticipated cash flows according to the analysis of internal specialists. Provisions are recognised by reference to the assessment of all available information, including the estimated collateral value and the anticipated length of the recovery process.

The level of individual provisions is determined as equal to the difference between the carrying amount of a receivable and the present value of future cash flows of the receivable discounted using the original effective interest rate. The value of the future cash flows of retail receivables is estimated on the basis of the historical behaviour of similar receivables and historical success of the recovery process. The value of the future cash flows of other receivables is derived from the anticipated repayment schedule of the loan established either on the basis of the data entered in the banking system ('contractual cash flow') or on the basis of an expert assessment of the current financial health of the client (including the cash flows arising from a possible realisation of collateral, repayment of the outstanding balance using the proceeds from the bankruptcy or gains on the sale of receivables).

The Group determines provisions for receivables on a monthly basis.

(c) Evaluation of Collateral

Generally, the Group requires collateral for loans granted to certain debtors prior to the issuance of the loan. For the purpose of calculating provisioning levels, the Group considers the following types of collateral as eligible collateral which reduces gross credit exposure:

- Cash
- Real estate
- First-class receivables
- Bank guarantee
- Guarantee provided by a reputable third party
- Machinery and equipment – movable assets
- First-class securities and
- Inventory and commodities

In arriving at the realisable value of collateral, the Group refers to expert valuation reports and/or internal assessments prepared by a specialised department of the Group. The realisable value of collateral is subsequently determined by discounting the appraised value using a correction coefficient which reflects the Group's ability to realise the collateral as and when required. The Group regularly reviews and updates collateral values and correction coefficients depending on the type and quality of the collateral, but at least on an annual basis.

(d) Credit Risk Measurement Methods

The principal credit risk management methods in retail banking include application and behavioural scoring and/or rating. The risks are managed on a portfolio level through the portfolio management approach, regular monitoring of the portfolio quality development, and prediction of potential future loss development.

In the corporate segment, the Group measures the credit risk through rating scales (see below) and each rating category is allocated a certain risk rate (default probability and a coefficient for determining risk weighted assets); the risk measured using this method can be mitigated through collateral according to effective regulations of the Czech National Bank.

(e) Concentration of Credit Risk

The Group maintains a system of internal limits for individual countries, sectors and clients (or groups of economically connected clients) in order to prevent significant concentration of credit risk. As of the balance sheet date, the Group recorded no significant credit risk concentration exposure to an individual client or an economically connected entity that would exceed limits set by the Czech National Bank or approach them.

The credit risk concentration analysis by sectors/industry and concentration by geographical areas is provided in Notes 20(c) and 20(d).

(f) Recovery of Receivables

The Group has special functions in place which are responsible for the recovery and administration of distressed receivables. These functions undertake legal steps, perform the restructuring of receivables, communicate with problematic clients etc. in order to achieve maximum recovery, including collateral recovery, and representing the Group in creditors' committees if clients are declared bankrupt.

(g) Securitisation

In 2006, the Group undertook a synthetic securitisation of its loan portfolio from the Corporate Banking. The substance of the transaction involves transferring part of the credit risk to the investor which is Kreditanstalt für Wiederaufbau (KfW).

The Group entered into the securitisation transaction jointly with Raiffeisen Bank Polska S.A. and the process was coordinated by Raiffeisen International Bank-Holding AG. Kreditanstalt für Wiederaufbau (KfW), with the involvement of European Investment Fund. Dresdner Bank AG acted as the arranger and Clifford Chance acted as the legal counsel. The rating of the loan portfolio was established by Moody's. The entire transaction will mature in 2016 and its original volume is EUR 450 million, of which EUR 183 million and EUR 267 million relate to the Bank and Raiffeisen Bank Polska S.A., respectively, in March 2006. At the end of 2009, the Bank's portion amounted to EUR 192 million.

(h) Portfolio quality

The rating which represents the portfolio quality is an internal rating used by the Raiffeisen Group in the interval from 1 to 5, where 1 represents excellent credit standing and 5 represents default. The rating in the interval from 6.1 to 6.5 is used for project financing where 6.1 represents excellent credit standing and 6.5 represents default.

CZK thousand

Rating	Rating	2009	2008
Excellent credit rating	1.0	1,378,536	475,981
Very good credit rating	1.5	4,083,998	2,316,991
Good credit rating	2.0	5,685,627	9,012,757
Healthy credit rating	2.5	6,584,459	7,963,458
Acceptable credit rating	3.0	13,605,752	15,660,212
Limit credit rating	3.5	9,840,753	13,658,133
Weak credit rating	4.0	7,054,451	5,728,768
Very weak credit rating /monitored	4.5	3,166,688	3,364,133
Default	5.0	4,833,017	2,613,088
Excellent project profile – very low risk	6.1	11,406,012	12,680,013
Good project profile – low risk	6.2	5,786,329	2,896,068
Acceptable project profile – average risk	6.3	321,889	1,182,596
Bad project profile – increased risk	6.4	969,491	365,500
Default	6.5	142,128	138,124
Unrated	-	-	1,743,233
Retail and SME	-	70,832,519	61,830,313
Total		145,691,649	141,629,370

(i) Credit quality of undue and unimpaired loans to customers

The Group has the following undue and unimpaired financial assets according to its rating:

CZK thousand

Rating	Rating	2009	2008
Excellent credit rating	1.0	1,378,537	471,632
Very good credit rating	1.5	4,046,752	2,275,957
Good credit rating	2.0	5,585,892	8,971,076
Healthy credit rating	2.5	6,515,738	7,892,243
Acceptable credit rating	3.0	13,335,366	14,877,607
Limit credit rating	3.5	9,632,700	13,048,996
Weak credit rating	4.0	6,480,651	4,719,112
Very weak credit rating /monitored	4.5	2,199,398	582,772
Default	5.0	80,033	12,761
Excellent project profile – very low risk	6.1	10,904,027	11,162,793
Good project profile – low risk	6.2	5,676,309	2,466,306
Acceptable project profile – average risk	6.3	244,202	1,110,028
Bad project profile – increased risk	6.4	701,309	34,609
Unrated	-	-	1,715,325
Retail and SME	-	64,588,016	57,026,124
Total loans undue and unimpaired loans to customers to clients		131,368,930	126,367,339

42. ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND JOINT VENTURES

(a) Acquisitions for the Year Ended 31 December 2009

Raiffeisenbank a.s. purchased the 100 percent equity investment in Notos Property, s.r.o. from Raiffeisen Leasing Real Estate, s.r.o. which was subsequently renamed to Transaction System Servis, s.r.o. as of the acquisition date. The entity is immaterial in the Group.

In 2009, the Group recorded no mergers.

(b) Acquisitions for the Year Ended 31 December 2008

In July 2008, the Group acquired 25 percent equity investments in Gama Project CZ, s.r.o., Holečkova Property, s.r.o., Matějská 24, s.r.o., Residence Park Třebeš, s.r.o., UPC Real, s.r.o., Musilkova, s.r.o. and Vester reality, s.r.o. Musilkova s.r.o. subsequently merged with Appolon Property, s.r.o. and Vester reality, s.r.o. merged with Athena Property, s.r.o. As of 31 December 2008, the Group held an aggregate equity interest of 25 percent in each of these entities.

The table below summarises the fair values of assets, liabilities and goodwill/ negative goodwill of the above entities recognised at the acquisition date:

The remaining companies included in the consolidation for the year ended 31 December 2008 were formed by Raiffeisen Leasing Real Estate, s.r.o.

CZK thousand	Fair value at the acquisition date							Total
	Gama Project CZ, s.r.o.	Holečkova Property, s.r.o.	Matějská 24, s.r.o.	Residence Park Třebeš, s.r.o.	UPC Real, s.r.o.	Musilkova, s.r.o.	Vester reality, s.r.o.	
Assets								
Cash	-	2	6	-	9	-	-	17
Loans and advances to financial institutions	72	206	79	1,085	2,700	-	4	4,146
Loans and advances to customers	-	-	1	-	-	-	-	1
Other assets	8,944	4,521	4,850	7,562	103,110	25,476	4,125	158,588
Liabilities								
Amounts owed to financial institutions	-	-	-	-	-	-	-	-
Amounts owed to customers	(8,975)	(4,287)	(1,250)	(1,684)	(103,200)	(14,728)	(2,525)	(136,649)
Provisions	-	(271)	-	-	-	(1,985)	(392)	(2,648)
Other liabilities	(11)	(225)	(3,665)	(3,240)	(3,020)	-	(6)	(10,167)
Fair value of identifiable net assets	30	(54)	21	3,723	(401)	8,763	1,206	13,288
Goodwill/ negative goodwill	20	107	29	-	451	11	394	1,012
	-	-	-	(3,673)	-	-	-	(3,673)
Cost of acquisition	(50)	(53)	(50)	(50)	(50)	(8,774)	(1,600)	(10,627)
Cash and cash equivalents	72	208	86	1,085	2,709	-	4	4,164
Cash inflow/ (outflow) resulting from acquisition	22	155	36	1,035	2,659	(8,774)	(1,596)	(6,463)

(c) Disposals for the Year Ended 31 December 2009

In 2009, the Group sold the 22.5 percent equity investment in Aither Property, s.r.o. and PV Čekanice, s.r.o. and the 12.5 percent equity investment in ACB Ponava, s.r.o.

The following table summarises assets and liabilities of the companies disposed of at the disposal date.

CZK thousand	Fair value at the sale date			
	Aither Property, s.r.o.	PV Čekanice, s.r.o.	ACB Ponava, s.r.o.	Total
Assets				
Cash	-	-	-	-
Loans and advances to financial institutions	35	44	7	86
Loans and advances to customers	-	-	-	-
Provisions to provided loans and receivables	-	-	-	-
Tangible and intangible fixed assets	83	-	30,678	30,761
Other assets	-	-	198	198
Liabilities				
Amounts owed to financial institutions	-	-	(35,305)	(35,305)
Amounts owed to customers	-	-	-	-
Collateralised liabilities	-	-	-	-
Other liabilities	(84)	(2)	(342)	(428)
Fair value of identifiable net assets	34	42	(4,764)	(4,688)
Selling price of the investment	41	41	13	95
Gain from sale	7	(1)	4,777	4,783
Cash and cash equivalents	(35)	(44)	(7)	(86)
Cash inflow/(outflow) resulting from sale	6	(3)	6	9

The fair value of the identifiable net assets of the joint ventures represents the proportionate share of the Group.

(d) Disposals for the Year Ended 31 December 2008

In 2008, the Group sold the 25 percent equity investment in RLRE & EUBE OC – TERRONIC II. s.r.o. Sen Property, s.r.o. and the 100 percent equity investment in RLRE Columba Property s.r.o.

The following table summarises assets and liabilities of the companies disposed of at the disposal date.

CZK thousand	Fair value at the sale date			
	SEN PROPERTY, s.r.o.	RLRE & EUBE OC - TERRONIC II., s.r.o.	RLRE Columba Property, s.r.o.	Total
Assets				
Cash	-	1	-	1
Loans and advances to financial institutions	30	3,676	14,546	18,252
Loans and advances to customers	-	5,899	14,972	20,871
Provisions to provided loans and receivables	-	-	(2,330)	(2,330)
Tangible and intangible fixed assets	-	-	299,091	299,091
Other assets	-	352	1,645	1,997
Liabilities				
Amounts owed to financial institutions	-	-	(278,958)	(278,958)
Amounts owed to customers	-	(81)	(20,031)	(20,112)
Collateralised liabilities	-	-	(8,016)	(8,016)
Other liabilities	-	(9,798)	(5,065)	(14,863)
Fair value of identifiable net assets	30	49	15,854	15,933
Selling price of the investment	50	50	27,345	27,445
Gain from sale	20	1	11,491	11,512
Cash and cash equivalents	(30)	(3,678)	(14,546)	(18,254)
Cash inflow/(outflow) resulting from sale	20	(3,628)	12,799	9,191

The fair value of the identifiable net assets of the joint ventures represents the proportionate share of the Group.

43. RELATED PARTY TRANSACTIONS

(a) Related Party Transactions

31 December 2009

CZK thousand	Shareholders and controlling entities	Other	Total
Receivables	1,064,486	501,034	1,565,520
Payables	17,851,477	66,091	17,917,568
Subordinated loan	3,101,889	1,089,174	4,191,063
Guarantees issued	752,049	20,000	772,049
Guarantees received	663,603	-	663,603
Interest income	22,672	13,934	36,606
Interest expense	(624,773)	(47,286)	(672,059)
Fee and commission income	26,988	5,651	32,639
Fee and commission expense	(8,177)	(98,009)	(106,186)
Net profit or loss on financial operations	(112,468)	45,909	(66,559)

The receivables are composed of the following deposits with:

- Raiffeisen Zentralbank Österreich AG in the amount of CZK 659,305 thousand
- Raiffeisen Centrobank in the amount of CZK 264,656 thousand
- Raiffeisen Zrt. in the amount of CZK 58,844 thousand and
- Raiffeisen bank Polska in the amount of CZK 89,934 thousand

Reverse repurchases:

- Raiffeisen Zentralbank Österreich AG in the amount of CZK 108,462 thousand

Credit balances on bank accounts:

- Raiffeisen Zentralbank Österreich AG in the amount of CZK 122,590 thousand and
- Raiffeisenbank ZAO in the amount of CZK 60,449 thousand

Provided collateral:

- Raiffeisen Zentralbank Österreich AG in the amount of CZK 171,229 thousand

The payables are principally composed of the following loans from:

- Raiffeisen Zentralbank Österreich AG in the amount of CZK 16,687,257 thousand

Short-term deposits:

- Raiffeisen Zentralbank Österreich AG in the amount of CZK 207,670 thousand

Debit balances at bank accounts:

- Raiffeisen Zentralbank Österreich AG in the amount of CZK 706,980 thousand

Subordinated loans from:

- Raiffeisen Zentralbank Österreich AG in the amount of CZK 1,297,830 thousand
- Raiffeisen Malta Bank in the amount of CZK 1,089,174 thousand
- Raiffeisenlandesbank Niederösterreich in the amount of CZK 765,641 thousand and
- Raiffeisenlandesbank Oberösterreich AG in the amount of CZK 1,038,418 thousand

31 December 2008

CZK thousand	<i>Shareholders and controlling entities</i>	<i>Other</i>	<i>Total</i>
<i>Receivables</i>	2,887,264	908,045	3,795,309
<i>Payables</i>	21,911,304	94,532	22,005,836
<i>Subordinated loan</i>	3,200,511	1,123,598	4,324,109
<i>Guarantees issued</i>	40,278	-	40,278
<i>Guarantees received</i>	1,511,506	-	1,511,506
<i>Interest income</i>	79,559	145,950	225,509
<i>Interest expense</i>	(317,624)	(67,094)	(384,718)
<i>Fee and commission income</i>	18,459	4,436	22,895
<i>Fee and commission expense</i>	(534)	(87,049)	(87,583)
<i>Net profit or loss on financial operations</i>	(238,960)	(30,833)	(269,793)

The receivables are principally composed of the following deposits with:

- Raiffeisen Zentralbank Österreich AG in the amount of CZK 1,357,176 thousand
- Raiffeisenlandesbank Niederösterreich – Wien AG in the amount of CZK 386,929 thousand
- Raiffeisenlandesbank Oberösterreich – Wien AG in the amount of CZK 1,111,037 thousand
- Tatra banka a.s. in the total amount of CZK 446,693 thousand and
- Raiffeisen bank Polska in the amount of CZK 149,155 thousand

The payables are principally composed of the following short-term deposits of:

- Raiffeisen Zentralbank Österreich AG in the amount of CZK 311,628 thousand and
- Raiffeisen Leasing Real Estate in the amount of CZK 400,000 thousand

An overdraft balance on the nostro account:

- Raiffeisen Zentralbank Österreich AG in the amount of CZK 2,439,995 thousand

Received loan:

- from Raiffeisen Zentralbank Österreich AG in the amount of CZK 18,891,858 thousand

Subordinated loans from:

- Parent companies in the amount of CZK 3,200,511 thousand
- Other related parties in the amount of CZK 1,123,598 thousand

(b) Receivables from Parties with a Special Relation to the Group

CZK thousand	<i>Management bodies</i>	<i>Supervisory bodies</i>	<i>Other</i>
At 31 December 2008	30,558	2,781	99,918
At 31 December 2009	25,885	3,070	88,051

This amounts presented in the table mainly involve consumer and mortgage loans. The loans are provided under arm's length conditions.

(c) Payables to Parties with a Special Relation to the Group

CZK thousand	<i>Management bodies</i>	<i>Supervisory bodies</i>	<i>Other</i>
At 31 December 2008	9,716	4,372	33,489
At 31 December 2009	16,181	3,833	48,013

Members of the Board of Directors held no shares of the Group. Remuneration of the members of the Board of Directors are disclosed in Note 16.

44. POST BALANCE SHEET EVENTS

No events that would have a material impact on the consolidated financial statements for the year ended 31 December 2009 occurred subsequent to the balance sheet date.

General Information about the Issuer

Company name:

Raiffeisenbank a.s.

Registered office:

Hvězdova 1716/2b, 140 78 Praha 4

Company registration number: 49240901

Incorporated:

25 June 1993

Court of registration and number under which the issuer is registered at this court:

Commercial Register maintained at the Municipal Court in Prague, Section B, Insert 2051

The issuer was established in accordance with the legislation of the Czech Republic, pursuant to Act No. 513/1991 Coll., the Commercial Code, and Act No. 21/1992 Coll., the Act on Banks. The issuer is a joint-stock company.

The issuer's registered business activities under Article 2 of the issuer's Articles of Association are banking and financial transactions and other operations listed in the banking licence, granted in accordance with Act No. 21/1992 Coll. The issuer is also entitled to set up branches or other company units in the Czech Republic and abroad, and to establish subsidiaries and hold capital interests provided that generally binding legal regulations are respected.

As of 31 December 2009, Raiffeisenbank a.s. owns the following real estate:

In the land registry area of Hradec Králové, parcel number: construction parcel No. 103, additional land area No. 76, Title Deed No. 20767, Identification Code: 646873, Address: V Kopečku 75, 500 02 Hradec Králové.

Raiffeisenbank a.s. (the issuer) is not party to any court, administrative, or arbitration proceedings instituted during the past two accounting periods which had or could have a significant effect on the issuer's financial position.

The issuer does not depend on patents or licences, industrial, commercial, or financial agreements, or new production processes which could be of fundamental significance for the issuer's business activities or profitability.

Information in accordance with Section, par. 4 of Act no. 256/2004 Coll., the Capital Market Act

Section 118 par. 4 let. c):

The statutory body of the bank is the Board of Directors. The bank's Board of Directors has seven members. The members of the Board of Directors are elected and withdrawn by the Supervisory Board, serving a five-year term of office. One of the members of the Board of Directors is elected to be the Chairman of the Board of Directors. Each member of the Board of Directors is also the executive director for a certain area of management. The Board of Directors constitutes a quorum if at least half of its members are present for a meeting. The Board of Directors makes decisions through voting, and the votes of a majority of all board members are required to adopt a resolution. In the event of a tied vote, the vote of the Chairman of the Board is decisive. In addition to meetings, the Board of Directors may also make decisions through per-rollam voting.

The Supervisory Board is the supervisory body of the company. The Supervisory Board has nine members, six of which are elected and withdrawn by the General Meeting of the company, and three of which are elected or withdrawn by the employees of the company. Members serve a term of five years. One of the members of the Supervisory Board is also elected Chairman of the Supervisory Board. The Supervisory Board constitutes a quorum if the majority of its members are present. A simple majority of votes of all Supervisory Board members is required to adopt resolutions. In addition to meetings, the Supervisory Board may also make decisions through per rollam voting.

Additional executive and supervisory bodies of the issuer include the Executive Committee and the Audit Committee.

The Executive Committee has four members, who are elected and withdrawn by the General Meeting of the company. Members of the Executive Committee may also be members of the Supervisory Board. The term of office for members of the Executive Committee is four years. One of the members of the Executive Committee is also elected Chairman of the Executive Committee. The Executive Committee is a body of the shareholders, which ensures that the company's business activities are in accordance with the interests of the shareholders. The Executive Committee constitutes a quorum if all of its members are present at a meeting. The agreement of all members of the Executive Committee is necessary to adopt resolutions. In addition to meetings, the Executive Committee may also make decisions through per rollam voting.

The Audit Committee has three members who are appointed or withdrawn by the General Meeting of the company from members of the Supervisory Board or from third parties. The term of office for members of the Audit Committee is five years. One of the members of the Audit Committee is elected Chairman of the Audit Committee. The Audit Committee constitutes a quorum if at least two of its members are present at a meeting. Agreement by a majority of all members of the Audit Committee is required to adopt resolutions. In addition to meetings, the Audit Committee may also make decisions through per rollam voting.

A total of ten committees established by the Board of Directors exist in the company. These are as follows:

Assets and Liabilities Committee	Retail Credit Risk Management Committee
Credit Committee	Operational Risk Management Committee
Non-performing Loans Committee	Project Committee
Pricing and Interest Committee	Real Estate Investment Committee
Investment Committee Asset Management	Marketing Committee

Each committee has a set number of members, being either select members of the Board of Directors or select bank managers. Each committee has a Chairman, who is always a member of the Board

of Directors. Each committee has procedural rules approved by the Board of Directors which define its competence and manner of making decisions. Each member of the Board of Directors is entitled to attend any meeting of any committee. Each member of the Board of Directors has veto power over any decision made by any committee. In such case, the given matter is to be discussed at the following meeting of the Board of Directors.

Section 118 par. 4 let. e):

The competence of the General Meeting of the company is defined by the Commercial Code and the Articles of Association of the company.

The General Meeting constitutes a quorum if shareholders are present having stock of a nominal value representing more than half of registered capital. Voting rights belonging to stock are based on the nominal value, with a single vote given for each CZK 10,000 (per single share). The company has three shareholders, whose share of registered capital and consequently of voting rights is 51%, 25% a 24%. Decisions of the General Meeting require a two-thirds majority of the duly submitted votes of present shareholders, unless specified otherwise by law or these Articles of Association. Voting at the General Meeting is performed by a show of hands (acclamation).

Falling under the competence of the General Meeting are:

- a) decisions about a change to the Articles of Association, unless this is a change resulting from an increase in registered capital by the Board of Directors in accordance with section 210 of the Commercial Code, or a change which occurred based upon other legal circumstances,
- b) decisions to increase or reduce registered capital or to authorise the Board of Directors in association with the provisions for approving an increase in registered capital according to section 210 of the Commercial Code,
- c) decisions to reduce registered capital and for the issue of bonds according to section 160 of the Commercial Code,
- d) election and withdrawal of members of the Supervisory Board and other bodies specified by the Articles of Association, with the exception of members of the Supervisory Board elected and withdrawn by the employees,
- e) approval of regular or exceptional accounting statements and consolidated financial statements, including, in legally mandated cases, temporary financial statements, decisions on profit allocation, covering losses, and determining bonuses,
- f) decisions on the registration of the company's participating securities according to special legal regulations, and for cancelling their registration,
- g) decisions on liquidating the company,
- h) decisions on mergers, transfer of equity to a single shareholder, or the dissolution or change of legal form,
- i) decisions on the conclusion of contracts for the transfer of the firm or its significant portion and/or its lease, or decisions on the conclusion of such contracts by controlled subjects,
- j) approval of actions taken in the name of the company until its establishment according to section 64 of the Commercial Code,
- k) approval of controlling contracts (section 190b of the Commercial Code), contracts for the transfer of profit (section 190a of the Commercial Code) and contracts for silent partnerships and their modification,
- l) approval of the conclusion of contracts based upon which the company is to acquire or appropriate assets, if the value of the assets acquired or appropriated during a single accounting period exceeds one third of equity capital based upon the most recent duly compiled accounting statements of the company, or the consolidated financial statement respectively,
- m) appointment and withdrawal of members of the Audit Committee,
- n) decisions on other matters which the Commercial Code, other generally binding legal regulations, or the Articles of Association place under the competence of the General Meeting.

Section 118 par. 4 let. f):

Monetary and natural income received by top management from the issuer and from subjects controlled by the issuer during the accounting period:

	Monetary income	Natural income
All members of the Board of Directors (jointly)*	CZK 54,283,665	CZK 930,228
All members of the Supervisory Board (jointly)**	CZK 8,868,25	CZK 192,504
Other management***	CZK 6,204,405	CZK 83,400

*of which total wages for the CEO and executive directors (board members) amounted to CZK 43,708,638 (i.e. 80.6%)

**of which total wages for the issuer's employees (members of the Supervisory Board) amounted to CZK 8,868,254

***of which, manager's wages amounted to CZK 6,204,405

Monetary and natural income received by top management from entities controlled by the issuer for the accounting period:

	Monetary income	Natural income
VAll members of the statutory body (jointly)	CZK 36,000	CZK 0
All members of the supervisory body (jointly)	CZK 216,000	CZK 0
Other top manager	CZK 0	CZK 0

Section 118 par. 4 let. g):

The top managers of the issuer or closely related individuals shall not own stock or similar securities representing a share in the issuer, nor hold any options or similar investment instruments related to the stock or similar security representing a share in the issuer, nor be the contracting parties of such contracts or have such contracts concluded in their favour.

Section 118 par. 4 let. h):

The principles of remuneration for top managers of the issuer

Remuneration for members of the Board of Directors

In accordance with Act no. 21/1992 Coll., on Banks, board members are in the position of head employees of the bank (Chief Executive Officer and Executive Directors) and have fixed wages for performing this function (see below). The board members are remunerated by the issuer for performing the activities of the statutory body in accordance with the agreement on performance of the function of board member.

The principles contained in the agreement on performance of the function of board member are:

- Fixed wage for performance as a board member (paid by the issuer and approved by the majority shareholder),
- Flexible wage for performance as a board member upon fulfilment of the financial and non-financial criteria (paid by the issuer, approved by the majority shareholder),
- Financial criteria: reaching the set amount of profit after tax, the ratio of costs to operating revenue, return on risk-weighted capital, and
- Non-financial criteria: meeting the goals relating to the strategic projects of the issuer, attaining quality with respect to providing products and services and relating to the activities of units under the direct management of the board member.

The majority shareholder monitors and assesses fulfilment of the financial and non-financial criteria for the flexible wage and also proposes the amount of the flexible wage and approves payment.

The board members have company cars at their disposal for a total purchase price of CZK 7,751,870.

Remuneration of the Chief Executive Officer

- Fixed wage for performance as the CEO (paid by the issuer, approved by the supervisory board of the issuer).

Remuneration of Executive Directors

- Fixed wage for performance as an Executive Director (paid by the issuer, approved by the majority shareholder).

The above-mentioned principles of remuneration for board members who are also top managers are valid as of April 2007.

Remuneration of supervisory board members

The supervisory board members are a) appointed by the general meeting of the issuer (six members) and b) elected from among the employees of the company (three members). The supervisory board members do not receive any monetary or natural income from the issuer for performance as supervisory board members.

Remuneration of supervisory board members elected from among the employees

- Fixed wage for their work performance as employees of the issuer (paid by the issuer, approved by the issuer),
- Flexible wage for their work performance as employees upon fulfilment of the financial and non-financial criteria (paid by the issuer, approved by the issuer),
- Financial criteria: reaching the set amount of profit after tax, the ratio of costs to operating revenue, return on risk-weighted capital,
- Non-financial criteria: meeting the goals relating to employee's work performance.
- The supervisory board members have company cars at their disposal for a total purchase price of CZK 1,259,190.

The supervisory board members elected from among the employees do not receive any monetary or natural income from the issuer for performance as supervisory board members. The supervisory board members receive remuneration from the entity controlled by the issuer due to their employment relationship to this entity.

Remuneration of other top managers of the issuer

- Monetary or natural income only for work performance of the employee of the issuer, and not for activities of other top managers,
- Fixed wage for work performance as an employee of the issuer (paid by the issuer, approved by the issuer),
- Flexible wage for work performance as an employee upon fulfilment of the financial and non-financial criteria (paid by the issuer, approved by the issuer),
- Financial criteria: reaching the set amount of profit after tax, the ratio of costs to operating revenue, return on risk-weighted capital,
- Non-financial criteria: meeting the goals relating to employee's work performance,
- Other top managers have company cars at their disposal for a total purchase price of CZK 2,242,470.

The principles of remuneration for the top managers of the issuer and the members of the supervisory board are established by the shareholders following agreement with the issuer. An amount equal to 1% of the purchase price of the cars used for private purposes times the number of months used and the value of fuel for private use are included in natural income.

Identification of top managers of the issuer and description of their job function, duties associated and executive authority:

Lubor Žalman, Chairman of the Board of Directors and CEO, Executive Director of Finance, HR, Management Support, Economic Research, Communications and Internal Audit.

Rudolf Rabiňák, board member and Executive Director of Firm Banking

Marion Drosc, board member and Executive Director of Detail Banking

Martin Kolouch, board member and Executive Director of IT, Organisation, and Security

Jan Kubín, board member and Executive Director of Operations and Asset Management

Alexandr Borecký, board member and Executive Director of Risk Management

Martin Bláha, board member and Executive Director of the Treasury

Tomáš Görtler, Executive Director of Real Estate and Structured Financing

Pavel Trcka, procurator

Herbert Stepic, Chairman of the Supervisory Board

Aris Bogdaneris, supervisory board member

Rainer Franz, supervisory board member

Miroslav Uličný, supervisory board member

Kurt Hütter, supervisory board member

Reinhard Karl, supervisory board member

Milena Syrovátková, supervisory board member

Josef Malíř, supervisory board member

Jan Horáček, supervisory board member

Section 118 par. 3 let. j):

The bank was one of the first to fully comply with the Code of Czech Banking Association Standard no.19/2005, which institutes uniform guidelines governing the behaviour of banks towards their clients, especially with regard to the clients' right to access information. The Code in its entirety is available at www.rb.cz/O_bance.

The Bank also implements the RZB Group Code of Conduct. The RZB Group Code of Conduct defines the basic values of our bank and constitutes the foundation of a corporate culture that is in conformity with the law and that is orientated on ethic principles. It ensures that our behaviour in business dealings and ethical matters will be in compliance with the highest standards. Details available at: <http://www.rb.cz/en/information-service/bank-profile/rzb-group-code-of-conduct/>

As a full member of the Czech Capital Market Association (AKAT) the bank is bound by the Code of Ethics of the Capital Market Association. The AKAT Code of Ethics is a collection of rules, principles, guidelines and standards governing the provision of investment and related services in the field of investment management by AKAT members. The Code is based upon the business activities of AKAT and creates rules formulating and developing the ethical behaviour and commercial culture on the market, while also attempting to ensure equal conditions for individual market players within the scope of competition. The Code in its entirety is available at www.akatcr.cz/dokumenty.

Section § 118 par. 3 let. k):

Information on remuneration received by auditors during the accounting period shown, by individual type of service, separately for the issuer and for the consolidated whole:

Consolidated	CZK in thou.
Audit	9,989
Tax consulting	2,495
Other consulting	2,017
Individuální za RB	CZK in thou.
Audit	8,287
Tax consulting	2,127
Other consulting	1,977

Information about the Issuer of Securities

Raiffeisenbank a.s. MORTGAGE BOND PROGRAMME

Maximum volume of unpaid bonds: CZK 3,000,000,000

Duration of programme: 10 years

Maturity of any bonds issued in the programme: 5 years

A mortgage bond programme with maximum volume of unpaid mortgage bonds of CZK 3,000,000,000, programme duration of 10 years, and maturity of any bonds issued through the programme of 5 years at the most. The bond programme prospectus containing the joint issue conditions was approved by ruling of the Securities Commission of the Czech Republic, ref. no. 45/N/972/2004/2, dated 30. 1. 2004, which went into legal effect on 30. 1. 2004.

The following mortgage bonds were issued as part of the bond programme::

Raiffeisenbank a.s. 4.60/10 mortgage bond

ISIN (International Securities Identification Number):	CZ0002000482;
Date of issue:	23. 3. 2005;
Class:	mortgage bond;
Type:	bearer;
Form:	book entry;
Total volume of issue:	CZK 500 000 000;
Par value per security:	CZK 10 000;
Quantity:	50 000;
Number of coupon payments:	5;

Interest paid and maturity of interest or other yield: fixed interest rate of 4.60 % p.a., paid once annually retroactively on 23. 3.;

Manner of transferring securities: no restrictions on transfer; mortgage bonds to be transferred are registered with the Prague Securities Centre in accordance with its current regulations;

Issue administrator: Raiffeisenbank a.s.;

Designated premises of the administrator: Raiffeisenbank a.s., Vodičkova 38, Praha 1, PSČ: 111 21;

Names of public markets where securities are accepted for trade: Burza cenných papírů Praha a.s. (Prague Stock Exchange), RM-System a.s.;

Denomination of security: CZK;

Maturity date of security: the mortgage bonds will be paid in the amount of their principal on 23. 3. 2010.

Raiffeisenbank a.s. 4.50/10 mortgage bond

ISIN (International Securities Identification Number):	CZ0002000698;
Issue date:	21. 11. 2005;
Class:	mortgage bond;
Type:	bearer;
Form:	book entry;
Total volume of issue:	CZK 34,000,000;
Par value per security:	CZK 10,000;
Quantity:	34,000;
Number of coupon payments:	5;

Interest paid and maturity of interest or other yield: fixed interest rate of 4.50 % p.a., paid once annually retroactively on 21. 11.;

Manner of transferring securities: no restrictions on transfer; mortgage bonds to be transferred are registered with the Prague Securities Centre in accordance with its current regulations;

Issue administrator: Raiffeisenbank a.s.;

Designated premises of the administrator: Raiffeisenbank a.s., Vodičkova 38, Praha 1, PSČ: 111 21;

Names of public markets where securities are accepted for trade: Burza cenných papírů Praha a.s. (Prague Stock Exchange);

Denomination of security: CZK;

Maturity date of security: the mortgage bonds will be paid in the amount of their principal on 21. 11. 2010.

Raiffeisenbank a.s. 4.70/11 mortgage bond

ISIN (International Securities Identification Number):	CZ0002000805;
Issue date:	24. 5. 2006;
Class:	mortgage bond;
Type:	bearer;
Form:	book entry;
Total volume of issue:	CZK 40,500,000;
Par value per security:	CZK 10,000;
Quantity:	40,500;
Number of coupon payments:	5;

Interest paid and maturity of interest or other yield: fixed interest rate of 4.50 % p.a., paid once annually retroactively on 24. 5.;

Manner of transferring securities: no restrictions on transfer; mortgage bonds to be transferred are registered with the Prague Securities Centre in accordance with its current regulations;

Issue administrator: Raiffeisenbank a.s.;

Designated premises of the administrator: Raiffeisenbank a.s., Vodičkova 38, Praha 1, PSČ: 111 21;

Names of public markets where securities are accepted for trade: Burza cenných papírů Praha a.s. (Prague Stock Exchange);

Denomination of security: CZK;

Maturity date of security: the mortgage bonds will be paid in the amount of their principal on 24. 5. 2011.

Rights associated with the bond:

All rights and obligations arising from the bonds are governed by and construed in accordance with the laws of the Czech Republic. All issues are described in detail in the issue conditions.

Raiffeisenbank a.s. BOND PROGRAMME

Maximum volume of unpaid bonds: CZK 20,000,000,000

Duration of the programme: 15 years

A Raiffeisenbank a.s. bond programme with a maximum volume of unpaid bonds of CZK 20,000,000,000 and programme duration of 15 years. The bond programme prospectus containing the joint issue conditions was approved by ruling of the Czech National Bank on 7.9.2006, ref. no. 45/N/108/2006/3 2006/7164/540, which went into effect on 8. 9. 2006.

Under the bond program the following bonds and mortgage bonds were issued:

Raiffeisenbank a.s. 4.40/11 mortgage bond

ISIN (International Securities Identification Number):	CZ0002000888;
Issue date:	4. 10. 2006;
Class:	mortgage bond;
Type:	bearer;
Form:	book entry;
Total volume of issue:	CZK 96,500,000;
Par value per security:	CZK 10,000;
Quantity:	96,500;
Number of coupon payments:	5;

Interest paid and maturity of interest or other yield: fixed interest rate of 4.40 % p.a., paid once annually retroactively on 4. 10.;

Manner of transferring securities: no restrictions on transfer; mortgage bonds to be transferred are registered with the Prague Securities Centre in accordance with its current regulations;

Issue administrator: Raiffeisenbank a.s.;

Designated premises of the administrator: Raiffeisenbank a.s., Vodičkova 38, Praha 1, PSČ: 111 21;

Names of public markets where securities are accepted for trade: Burza cenných papírů Praha a.s. (Prague Stock Exchange);

Denomination of security: CZK;

Maturity date of security: the mortgage bonds will be paid in the amount of their principal on 4. 10. 2011.

Raiffeisenbank a.s. 4.80/12 mortgage bond

ISIN (International Securities Identification Number):	CZ0002000946;
Issue date:	16. 2. 2007;
Class:	mortgage bond;
Type:	bearer;
Form:	book entry;
Total volume of issue:	CZK 1,300,000,000;
Par value per security:	CZK10,000;
Quantity:	130,000;
Number of coupon payments:	5;

Interest paid and maturity of interest or other yield: fixed interest rate of 4.80 % p.a., paid once annually retroactively on 16. 2.;

Manner of transferring securities: no restrictions on transfer; mortgage bonds to be transferred are registered with the Prague Securities Centre in accordance with its current regulations;

Issue administrator: Raiffeisenbank a.s.;

Designated premises of the administrator: Raiffeisenbank a.s., Vodičkova 38, Praha 1, PSČ: 111 21;

Names of public markets where securities are accepted for trade: Burza cenných papírů Praha a.s. (Prague Stock Exchange);

Denomination of security: CZK;

Maturity date of security: the mortgage bonds will be paid in the amount of their principal on 16. 2. 2012.

GARANTINVEST V VAR/12 premium bond

ISIN (International Securities Identification Number):	CZ0003701245;
Issue date:	21. 2. 2007;
Class:	bond;
Type:	bearer;
Form:	certificated (collective bond);
Total volume of issue:	CZK 100,000,000;
Par value per security:	CZK 10,000;
Quantity:	10,000;
Number of coupons paid:	1;

Interest paid and maturity of interest or other yield: variable interest rate, dependent upon the performance of individual stocks in the S&P BRIC 40 index. Interest will be paid upon maturity, i.e. retroactively on 21. 2. 2012;

Maturity date of security: the bonds will be paid in the amount of their principal on 21. 2. 2012;

Manner of transferring the security: The bonds are freely transferable to the issuer with no restrictions. The transferability of the bonds by a bond holder who is not the issuer to an entity other than the issuer is not permitted. After ownership rights to any bond are transferred to the issuer, it is authorised to transfer such bond back to any third party at any time;

Issue administrator: Raiffeisenbank a.s.;

Designated premises of the administrator: Raiffeisenbank a.s., Olbrachtova 2006/9, 140 21 Praha 4;

Denomination of security: CZK The bonds are not tradable on the regulated or free securities market.

GARANTINVEST VI VAR/12 premium bond

ISIN (International Securities Identification Number):	CZ0003701294;
Issue date:	2. 4. 2007;
Class:	bond;
Type:	bearer;
Form:	certificated (collective bond);
Total volume of issue:	CZK 200,000,000;
Par value per security:	CZK 10,000;
Quantity:	20,000;
Number of coupon payments:	1;

Interest paid and maturity of interest or other yield: variable interest rate, dependent upon the performance of individual stocks in the FTSE (Financial Times Stock Exchange) and EPRA (European Public Real Estate Association) Indices. Interest will be paid upon maturity, i.e. retroactively on 2. 4. 2012;

Maturity date of security: the bonds will be paid in the amount of their principal on 2. 4. 2012;

Manner of transferring the security: The bonds are freely transferable to the issuer with no restrictions. The transferability of the bonds by a bond holder who is not the issuer to an entity other than the issuer is not permitted. After ownership rights to any bond are transferred to the issuer, it is authorised to transfer such bond back to any third party at any time;

Issue administrator: Raiffeisenbank a.s.;

Designated premises of the administrator: Raiffeisenbank a.s., Olbrachtova 2006/9, 140 21 Praha 4;

Denomination of security: CZK The bonds are not tradable on the regulated or free securities market.

RBCZ ZERO/14 bond

ISIN (International Securities Identification Number):	CZ0003701302;
Issue date:	21. 5. 2007;
Class:	bond;
Type:	bearer;
Form:	certificated (collective bond);
Total volume of issue:	CZK 300,000,000;
Par value per security:	CZK 10,000;
Quantity:	30,000;
Number of coupons paid:	0;

Interest paid and maturity of interest or other yield: the bond yield is represented by the difference between the issue rate and the nominal value of each bond (discount yield);

Maturity date of security: the bonds will be paid in the amount of their principal on 21. 5. 2014;

Manner of transferring the security: The bonds are freely transferable to the issuer with no restrictions. The transferability of the bonds by a bond holder who is not the issuer to an entity other than the issuer is not permitted. After ownership rights to any bond are transferred to the issuer, it is authorised to transfer such bond back to any third party at any time;

Issue administrator: Raiffeisenbank a.s.;

Designated premises of the administrator: Raiffeisenbank a.s., Olbrachtova 2006/9, 140 21 Praha 4;

Denomination of security: CZK The bonds are not tradable on the regulated or free securities market.

Raiffeisenbank a.s. 5.00/12 mortgage bond

ISIN (International Securities Identification Number):	CZ0002001175;
Issue date:	12. 9. 2007;
Class:	mortgage bond;
Type:	bearer;
Form:	book entry;
Total volume of issue:	CZK 2,000,000,000;
Par value per security:	CZK 10,000;
Quantity:	200,000;
Number of coupon payments:	5;

Interest paid and maturity of interest or other yield: fixed interest rate of 5.00 % p.a., paid once annually retroactively on 12. 9.;

Manner of transferring securities: no restrictions on transfer; mortgage bonds to be transferred are registered with the Prague Securities Centre in accordance with its current regulations;

Issue administrator: Raiffeisenbank a.s.;

Designated premises of the administrator: Raiffeisenbank a.s., Vodičkova 38, Praha 1, PSČ: 111 21;

Names of public markets where the securities are accepted for trade: Burza cenných papírů Praha a.s. (Prague Stock Exchange);

Denomination of security: CZK;

Maturity date of security: the mortgage bonds will be paid in the amount of their principal on 12. 9. 2012.

GARANTINVEST VII VAR/10 premium bond

ISIN (International Securities Identification Number):	CZ0003701377;
Issue date:	20. 9. 2007;
Class:	bond;
Type:	bearer;
Form:	certificated (collective bond);
Total volume of issue:	CZK 150,000,000;
Par value per security:	CZK10,000;
Quantity:	15,000;
Number of coupons paid:	1;

Interest paid and maturity of interest or other yield: variable interest rate, dependent upon the performance of individual stocks in the PX Index. Interest will be paid upon maturity, i.e. retroactively on 20. 9. 2010;

Maturity date of security: the bonds will be paid in the amount of their principal on 20. 9. 2010;

Manner of transferring the security: The bonds are freely transferable to the issuer with no restrictions. The transferability of the bonds by a bond holder who is not the issuer to an entity other than the issuer is not permitted. After ownership rights to any bond are transferred to the issuer, it is authorised to transfer such bond back to any third party at any time;

Issue administrator: Raiffeisenbank a.s.;

Designated premises of the administrator: Raiffeisenbank a.s., Olbrachtova 2006/9, 140 21 Praha 4;

Denomination of security: CZK The bonds are not tradable on the regulated or free securities market.

GARANTINVEST VIII VAR/10 premium bond

ISIN (International Securities Identification Number):	CZ0003701385;
Issue date:	10. 10. 2007;
Class:	bond;
Type:	bearer;
Form:	certificated (collective bond);
Total volume of issue:	100 000 000;
Par value per security:	CZK 10,000;
Quantity:	10,000;
Number of coupons paid:	1;

Interest paid and maturity of interest or other yield: variable interest rate, dependent upon the performance of individual stocks in the DJ EURO STOXX 50 Index. Interest will be paid upon maturity, i.e. retroactively on 10. 10. 2010;

Maturity date of security: the bonds will be paid in the amount of their principal on 10. 10. 2010;

Manner of transferring the security: The bonds are freely transferable to the issuer with no restrictions. The transferability of the bonds by a bond holder who is not the issuer to an entity other than the issuer is not permitted. After ownership rights to any bond are transferred to the issuer, it is authorised to transfer such bond back to any third party at any time;

Issue administrator: Raiffeisenbank a.s.;

Designated premises of the administrator: Raiffeisenbank a.s., Olbrachtova 2006/9, 140 21 Praha 4;

Denomination of security: CZK The bonds are not tradable on the regulated or free securities market.

Raiffeisenbank a.s. 4.90/12 mortgage bond

ISIN (International Securities Identification Number):	CZ0002001662;
Issue date:	12. 12. 2007;
Class:	mortgage bond;
Type:	bearer;
Form:	book entry;
Total volume of issue:	CZK 3,000,000,000;
Par value per security:	CZK 10,000;
Quantity:	300,000;
Number of coupons paid:	5;

Interest paid and maturity of interest or other yield: fixed interest rate of 4.90 % p.a., paid once annually retroactively on 12. 12.;

Manner of transferring securities: no restrictions on transfer; mortgage bonds to be transferred are registered with the Prague Securities Centre in accordance with its current regulations;

Issue administrator: Raiffeisenbank a.s.;

Designated premises of the administrator: Raiffeisenbank a.s., Olbrachtova 2006/9, 140 21 Praha 4;

Names of public markets where securities are accepted for trade: Burza cenných papírů Praha a.s. (Prague Stock Exchange);

Denomination of security: CZK;

Maturity date of security: mortgage bonds will be paid in the amount of their principal on 12. 12. 2012.

Raiffeisenbank a.s. 5.10/17 mortgage bond

ISIN (International Securities Identification Number):	CZ0002001670;
Issue date:	12. 12. 2007;
Class:	mortgage bond;
Type:	bearer;
Form:	book entry
Total volume of issue:	CZK 5,500,000,000;
Par value per security:	CZK 10,000;
Quantity:	550,000;
Number of coupons paid:	10;

Interest paid and maturity of interest or other yield: fixed interest rate of 5.10 % p.a., paid once annually retroactively on 12. 12.;

Manner of transferring securities: no restrictions on transfer; mortgage bonds to be transferred are registered with the Prague Securities Centre in accordance with its current regulations;

Issue administrator: Raiffeisenbank a.s.;

Designated premises of the administrator: Raiffeisenbank a.s., Olbrachtova 2006/9, 140 21 Praha 4;

Names of public markets where securities are accepted for trade: Burza cenných papírů Praha a.s. (Prague Stock Exchange);

Denomination of security: CZK;

Maturity date of security: mortgage bonds will be paid in the amount of their principal on 12. 12. 2017.

Raiffeisenbank a.s. 5.50/17 mortgage bond

ISIN (International Securities Identification Number):	CZ0002001928;
Issue date:	20. 12. 2007;
Class:	mortgage bond;
Type:	bearer;
Form:	book entry;
Total volume of issue:	CZK 2,000,000,000;
Par value per security:	CZK 10,000;
Quantity:	200,000;
Number of coupons paid:	10;

Interest paid and maturity of interest or other yield: fixed interest rate of 5.50 % p.a., paid once annually retroactively on 20. 12.;

Manner of transferring securities: no restrictions on transfer; mortgage bonds to be transferred are registered with the Prague Securities Centre in accordance with its current regulations;

Issue administrator: Raiffeisenbank a.s.;

Designated premises of the administrator: Raiffeisenbank a.s., Olbrachtova 2006/9, 140 21 Praha 4;

Names of public markets where securities are accepted for trade: Burza cenných papírů Praha a.s. (Prague Stock Exchange);

Denomination of security: CZK;

Maturity date of security: mortgage bonds will be paid in the amount of their principal on 20. 12. 2017.

Raiffeisenbank a.s. 4.30/13 mortgage bond

ISIN (International Securities Identification Number):	CZ0002002058;
Issue date:	26. 11. 2008;
Class:	mortgage bond;
Type:	bearer;
Form:	book entry;
Total volume of issue:	CZK 3,000,000,000;
Par value per security:	CZK 10,000;
Quantity:	300,000;
Number of coupons paid:	5;

Interest paid and maturity of interest or other yield: fixed interest rate of 4.30 % p.a., paid once annually retroactively on 26. 11.;

Manner of transferring securities: no restrictions on transfer; mortgage bonds to be transferred are registered with the Prague Securities Centre in accordance with its current regulations;

Issue administrator: Raiffeisenbank a.s.;

Designated premises of the administrator: Raiffeisenbank a.s., Olbrachtova 2006/9, 140 21 Praha 4;

Names of public markets where securities are accepted for trade: Burza cenných papírů Praha a.s. (Prague Stock Exchange);

Denomination of security: CZK;

Maturity date of security: mortgage bonds will be paid in the amount of their principal on 26. 11. 2013.

Rights associated with the bond:

All rights and obligations arising from the bonds are governed by and construed in accordance with the laws of the Czech Republic. All issues are described in detail in the issue conditions.

Raiffeisenbank a.s. BOND PROGRAMME

Maximum volume of unpaid bonds: CZK 50,000,000,000

Duration of the programme: 15 years

A Raiffeisenbank a.s. bond programme with a maximum volume of unpaid bonds of CZK 50,000,000,000 and programme duration of 15 years. The bond programme prospectus containing the joint issue conditions was approved by ruling of the Czech National Bank on 20. 11. 2008, ref. no. 2008/13442/570 regarding sp.zn. Sp/2008/330/572, which went into effect on 20. 11. 2008.

Under the bond programme the following bonds and mortgage bonds were issued:

Raiffeisenbank a.s. 4.45/11 mortgage bond

ISIN (International Securities Identification Number):	CZ0002002066;
Issue date:	10. 12. 2008;
Class:	mortgage bond;
Type:	bearer;
Form:	book entry;
Total volume of issue:	CZK 2,000,000,000;
Par value per security:	CZK 10,000;
Quantity:	200,000;
Number of coupons paid:	3;

Interest paid and maturity of interest or other yield: fixed interest rate of 4.45 % p.a., paid once annually retroactively on 10. 12.;

Manner of transferring securities: no restrictions on transfer; mortgage bonds to be transferred are registered with the Prague Securities Centre in accordance with its current regulations;

Issue administrator: Raiffeisenbank a.s.;

Designated premises of the administrator: Raiffeisenbank a.s., Hvězdova 1716/2b, 140 78 Praha 4;

Names of public markets where securities are accepted for trade: Burza cenných papírů Praha a.s. (Prague Stock Exchange);

Denomination of security: CZK;

Maturity date of security: the mortgage bonds will be paid in the amount of their principal on 10. 12. 2011.

GARANTINVEST IX 3.00/12 mortgage bond

ISIN (International Securities Identification Number):	CZ0002002074;
Issue date:	18. 2. 2009;
Class:	mortgage bond;
Type:	bearer;
Form:	certificated (collective bond);
Total volume of issue:	CZK 250,000,000;
Par value per security:	CZK 10,000;
Počet kusů cenných papírů:	25 000;
Počet vyplácených výnosů:	3;

Interest paid and maturity of interest or other yield: fixed interest rate of 3.00 % p.a., paid once annually retroactively on 18. 2.;

Maturity date of security: the bonds will be paid in the amount of their principal on 18. 2. 2012;

Manner of transferring the security: The bonds are freely transferable to the issuer with no restrictions. The transferability of the bonds by a bond holder who is not the issuer to an entity other than the issuer is not permitted. After ownership rights to any bond are transferred to the issuer, it is authorised to transfer such bond back to any third party at any time;

Issue administrator: Raiffeisenbank a.s.;

Designated premises of the administrator: Raiffeisenbank a.s., Hvězdova 1716/2b, 140 78 Praha 4;

Denomination of security: CZK The bonds are not tradable on the regulated or free securities market.

GARANTINVEST X 3.00/12 mortgage bond

ISIN (International Securities Identification Number):	CZ0002002108;
Issue date:	28. 8. 2009;
Class:	mortgage bond;
Type:	bearer;
Form:	certificated (collective bond);
Total volume of issue:	CZK 250,000,000;
Par value per security:	CZK 10,000;
Quantity:	25,000;
Number of coupons paid:	3;

Interest paid and maturity of interest or other yield: fixed interest rate of 3.00 % p.a., paid once annually retroactively on 28. 8.;

Maturity date of security: the bonds will be paid in the amount of their principal on 28. 8. 2012;

Manner of transferring the security: The bonds are freely transferable to the issuer with no restrictions. The transferability of the bonds by a bond holder who is not the issuer to an entity other than the issuer is not permitted. After ownership rights to any bond are transferred to the issuer, it is authorised to transfer such bond back to any third party at any time;

Issue administrator: Raiffeisenbank a.s.;

Designated premises of the administrator: Raiffeisenbank a.s., Hvězdova 1716/2b, 140 78 Praha 4;

Denomination of security: CZK The bonds are not tradable on the regulated or free securities market.

GARANTINVEST XI 3.00/12 mortgage bond

ISIN (International Securities Identification Number):	CZ0002002140;
Issue date:	14. 10. 2009;
Class:	mortgage bond;
Type:	bearer;
Form:	certificated (collective bond);
Total volume of issue:	CZK 250,000,000;
Par value per security:	CZK 10,000;
Quantity:	25,000;
Number of coupons paid:	3;

Interest paid and maturity of interest or other yield: fixed interest rate of 3.00 % p.a., paid once annually retroactively on 14. 10.;

Maturity date of security: the bonds will be paid in the amount of their principal on 14. 10. 2012;

Manner of transferring the security: The bonds are freely transferable to the issuer with no restrictions. The transferability of the bonds by a bond holder who is not the issuer to an entity other than the issuer is not permitted. After ownership rights to any bond are transferred to the issuer, it is authorised to transfer such bond back to any third party at any time;

Issue administrator: Raiffeisenbank a.s.;

Designated premises of the administrator: Raiffeisenbank a.s., Hvězdova 1716/2b, 140 78 Praha 4;

Denomination of security: CZK The bonds are not tradable on the regulated or free securities market.

GARANTINVEST XII VAR/12 premium bond

ISIN (International Securities Identification Number):	CZ0003702052;
Issue date:	21. 10. 2009;
Class:	bond;
Type:	bearer;
Form:	certificated (collective bond);
Total volume of issue:	CZK 100,000,000;
Par value per security:	CZK 10,000;
Quantity:	10,000;
Number of coupons paid:	1;

Interest paid and maturity of interest or other yield: variable interest rate, dependent upon the performance of individual stocks in the PX Index. Interest will be paid upon maturity, i.e. retroactively on 21. 10. 2012;

Maturity date of security: the bonds will be paid in the amount of their principal on 21. 10. 2012;

Manner of transferring the security: The bonds are freely transferable to the issuer with no restrictions. The transferability of the bonds by a bond holder who is not the issuer to an entity other than the issuer is not permitted. After ownership rights to any bond are transferred to the issuer, it is authorised to transfer such bond back to any third party at any time;

Issue administrator: Raiffeisenbank a.s.;

Designated premises of the administrator: Raiffeisenbank a.s., Hvězdova 1716/2b, 140 78 Praha 4;

Denomination of security: CZK The bonds are not tradable on the regulated or free securities market.

Rights associated with the bond:

All rights and obligations arising from the bonds are governed by and construed in accordance with the laws of the Czech Republic. All issues are described in detail in the issue conditions.

Raiffeisenbank a.s. BOND PROGRAMME

Maximum volume of unpaid bonds: 1,000,000,000 EUR

Duration of the programme: 30 years

A bond programme with a maximum volume of unpaid mortgage bonds of 1,000,000,000 EUR and programme duration of 30 years. The bond programme prospectus containing the joint issue conditions was approved by ruling of the Czech National Bank ref. no. 2009/7097/570 regarding Sp. zn. Sp. 2009/166/572 of 15. 9. 2009, which went into effect on 16. 9. 2009.

Under the bond programme the following mortgage bonds were issued in denominations of EUR:

Raiffeisenbank a.s. 4.10/14 mortgage bond

ISIN (International Securities Identification Number):	CZ0002002124;
Issue date:	8. 10. 2009;
Class:	mortgage bond;
Type:	bearer;
Form:	book entry;
Total volume of issue:	100,000,000 EUR;
Par value per security:	1,000 EUR;
Quantity:	100,000;
Number of coupons paid:	5;

Interest paid and maturity of interest or other yield: fixed interest rate of 4.10 % p.a., paid once annually retroactively on 8. 10.;

Manner of transferring securities: no restrictions on transfer; mortgage bonds to be transferred are registered with the Prague Securities Centre in accordance with its current regulations;

Issue administrator: Raiffeisenbank a.s.;

Designated premises of the administrator: Raiffeisenbank a.s., Hvězdova 1716/2b, 140 78 Praha 4;

Names of public markets where securities are accepted for trade: Burza cenných papírů Praha a.s. (Prague Stock Exchange);

Denomination of security: EUR;

Maturity date of security: mortgage bonds will be paid in the amount of their principal on 8. 10. 2014.

Rights associated with the bond:

All rights and obligations arising from the bonds are governed by and construed in accordance with the laws of the Czech Republic. All issues are described in detail in the issue conditions.

Raiffeisenbank a.s. BOND PROGRAMME

Maximum volume of unpaid bonds: CZK 3,000,000,000

Duration of the programme: 5 years

A bond programme with a maximum volume of unpaid mortgage bonds of CZK 3,000,000,000 , programme duration of 5 years, and maturity of any bonds issued through the programme of 7 years at the most. The bond programme prospectus containing the joint issue conditions was approved by ruling of the Securities Commission of the Czech Republic, ref. no. 45/N/47/2005/1, of 10. 5. 2005, which went into effect on 13. 5. 2005.

Under the aforementioned bond programme two mortgage bonds were issued:

eBanka, a.s. 4.50%/2010 mortgage bond

ISIN (International Securities Identification Number):	CZ0002000557;
Issue date:	29. 11. 2005;
Class:	mortgage bond;
Type:	bearer;
Form:	book entry;
Total volume of issue:	CZK 500,000,000;
Par value per security:	CZK 10,000;
Quantity:	50,000;
Number of coupons paid:	5;

Interest paid and maturity of interest or other yield: fixed interest rate of 4.50 % p.a., paid once annually retroactively on 29. 11.;

Manner of transferring securities: no restrictions on transfer; mortgage bonds to be transferred are registered with the Prague Securities Centre in accordance with its current regulations;

Issue administrator: Raiffeisenbank a.s.;

Designated premises of the administrator: Raiffeisenbank a.s., Olbrachtova 2006/9, 140 21 Praha 4

Names of public markets where securities are accepted for trade: Burza cenných papírů Praha a.s. (Prague Stock Exchange);

Denomination of security: CZK;

Maturity date of security: mortgage bonds will be paid in the amount of their principal on 29. 11. 2010.

eBanka, a.s. 5.30/14 mortgage bond

ISIN (International Securities Identification Number):	CZ0002001316;
Issue date:	14. 11. 2007;
Class:	mortgage bond;
Type:	bearer;
Form:	book entry;
Total volume of issue:	CZK 500,000,000;
Par value per security:	CZK 10,000;
Quantity:	50,000;
Number of coupons paid:	7;

Interest paid and maturity of interest or other yield: fixed interest rate of 5.30 % p.a., paid once annually retroactively on 14. 11.;

Manner of transferring securities: no restrictions on transfer; mortgage bonds to be transferred are registered with the Prague Securities Centre in accordance with its current regulations;

Issue administrator: Raiffeisenbank a.s.;

Designated premises of the administrator: Raiffeisenbank a.s., Olbrachtova 2006/9, 140 21 Praha 4

Names of public markets where securities are accepted for trade: Burza cenných papírů Praha a.s. (Prague Stock Exchange);

Denomination of security: CZK;

Maturity date of security: mortgage bonds will be paid in the amount of their principal on 14. 11. 2014.

Rights associated with the bond:

All rights and obligations arising from the bonds are governed by and construed in accordance with the laws of the Czech Republic. All issues are described in detail in the issue conditions. Additionally, Raiffeisenbank a.s. (as the legal successor of eBanka, a.s.) has issued the following separate mortgage bonds:

eBanka, a.s. 6.00/17 mortgage bond

ISIN (International Securities Identification Number):	CZ0002001696;
Issue date:	12. 12. 2007;
Class:	mortgage bond;
Type:	bearer;
Form:	book entry;
Total volume of issue:	CZK 500,000,000;
Par value per security:	CZK 10,000;
Quantity:	50,000;
Number of coupons paid:	10;

Interest paid and maturity of interest or other yield: fixed interest rate of 6.00 % p.a., paid once annually retroactively on 12. 12.;

Manner of transferring securities: no restrictions on transfer; mortgage bonds to be transferred are registered with the Prague Securities Centre in accordance with its current regulations;

Issue administrator: Raiffeisenbank a.s.;

Designated premises of the administrator: Raiffeisenbank a.s., Olbrachtova 2006/9, 140 21 Praha 4

Names of public markets where the securities are accepted for trade: Burza cenných papírů Praha a.s. (Prague Stock Exchange);

Denomination of security: CZK;

Maturity date of security: mortgage bonds will be paid in the amount of their principal on 12. 12. 2017.

Rights associated with the bond:

All rights and obligations arising from the Bonds are governed by and construed in accordance with the laws of the Czech Republic. All issues are described in detail in the issue conditions.

eBanka, a.s. VAR/22 mortgage bond

ISIN (International Securities Identification Number):	CZ0002001704;
Issue date:	12. 12. 2007;
Class:	mortgage bond;
Type:	bearer;
Form:	certificated (collective bond);
Total volume of issue:	CZK 1,000,000,000;
Par value per security:	CZK 100,000;
Quantity:	10,000;
Number of coupons paid:	180;

Interest paid and maturity of interest or other yield: bonds earn the variable 1M PRIBOR interest rate minus 0.33 % p.a. Interest is paid on the 12th day of each month of each year beginning on 12. 1. 2008 and ending on 12. 12. 2022;

Manner of transferring the security: The bonds are freely transferable to the issuer with no restrictions. The transferability of the bonds by a bond holder who is not the issuer to an entity other than the issuer is not permitted. After ownership rights to any bond are transferred to the issuer, it is authorised to transfer such bond back to any third party at any time;

Issue administrator: Raiffeisenbank a.s.;

Designated premises of the administrator: Raiffeisenbank a.s., Olbrachtova 2006/9, 140 21 Praha 4;

Names of public markets where the securities are accepted for trade: The bonds are not tradable on the regulated or free securities market.

Denomination of security: CZK;

Maturity of the security: the mortgage bonds will be paid in the amount of their principal on 12. 12. 2022.

Rights associated with the bond:

All rights and obligations arising from the bonds are governed by and construed in accordance with the laws of the Czech Republic. All issues are described in detail in the issue conditions.

Report on Related Parties

prepared in accordance with Section 66a (9) of Act No. 513/1991 Coll., the Commercial Code, for the reporting period from 1 January 2009 to 31 December 2009

Raiffeisenbank a.s. with its registered office at Hvězdova 1716/2b, Prague 4, 140 78, corporate ID: 49240901, recorded in the Commercial Code of the Municipal Court in Prague on 25 June 1993, File B, Insert 2051 (hereinafter the "Bank") is part of the Raiffeisen Zentralbank Österreich AG group in which the following relations between the Bank and controlling entities and the Bank and entities controlled by the same controlling entities (hereinafter "related parties") exist.

The Report on Related Parties among below entities was prepared in accordance with provisions of Section 66a (9) and with respect to the legal definition of the business secrecy according to Section 17 of Act No. 513/1991 Coll., the Commercial Code, as amended.

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1. Controlling Entities

The indirectly controlling entity is **Raiffeisen Zentralbank Österreich AG** (hereinafter "RZB") with its registered office at Am Stadtpark 9, 1030 Vienna, Austria.

The indirectly controlling entity is **Raiffeisen International Beteiligungs GmbH** (hereinafter "RIB") with its registered office at Am Stadtpark 9, 1030 Vienna, Austria.

The indirectly controlling entity is **Cembra Beteiligungs GmbH** (hereinafter "Cembra") with its registered office at Am Stadtpark 9, 1030 Vienna, Austria.

The directly controlling entity is **Raiffeisen International Bank-Holding AG** (hereinafter "RI") with its registered office at Am Stadtpark 3, 1030 Vienna, Austria.

2. Other Related Parties

Czech Republic

Raiffeisen stavební spořitelna a.s. Koněvova 2747/99, Prague 3	Raiffeisen – Leasing, s.r.o. Hvězdova 1716/2b, 140 78, Prague 4
Raiffeisen – Leasing Real Estate, s.r.o. Hvězdova 1716/2b, 140 78, Prague 4	Raiffeisen finanční poradenství, s.r.o. Koněvova 2747/99, Prague 3
Real Invest Vodičkova, spol. s r.o. Vodičkova 38, 110 00, Prague 1	Raiffeisen Investment, s.r.o. Hvězdova 1716/2b, 140 78, Prague 4
Transaction System Servis, s.r.o. Hvězdova 1716/2b, 140 78, Prague 4	KONEVOVA s.r.o. Koněvova 2747/99, 130 45, Prague 3
KHD a.s. Hvězdova 1716/2b, 140 78, Prague 4, (note: indirectly controlled by Raiffeisen Zentralbank Österreich AG)	

Other related parties controlled indirectly through Raiffeisen - Leasing Real Estate, s.r.o:

RLRE Alpha Property, s.r.o. Hvězdova 1716/2b, 140 78, Prague 4	RLRE HOTEL ELLEN, s.r.o. Mariánskolázeňská 25, Karlovy Vary
RLRE Beta Property, s.r.o. Hvězdova 1716/2b, 140 78, Prague 4	RLRE Gamma Property, s.r.o. Hvězdova 1716/2b, 140 78, Prague 4
RLRE Eta Property, s.r.o. Hvězdova 1716/2b, 140 78, Prague 4	ACB Ponava, s.r.o. (formerly RLRE Pegasus Property, s.r.o.) Hvězdova 1716/2b, 140 78, Prague 4
RLRE Jota Property, s.r.o. Hvězdova 1716/2b, 140 78, Prague 4	Phoenix Property, s.r.o. Hvězdova 1716/2b, 140 78, Prague 4
RLRE Epsilon Property, s.r.o. Hvězdova 1716/2b, 140 78, Prague 4	Perseus Property, s.r.o. Hvězdova 1716/2b, 140 78, Prague 4
RLRE Lyra Property, s.r.o. Hvězdova 1716/2b, 140 78, Prague 4	Athena Property, s.r.o. Hvězdova 1716/2b, 140 78, Prague 4
Raines Property, s.r.o. Hvězdova 1716/2b, 140 78, Prague 4	Jardin Property, a.s. (formerly Bezručova Investiční a.s.) Hvězdova 1716/2b, 140 78, Prague 4
Dione Property, s.r.o. Hvězdova 1716/2b, 140 78, Prague 4	Green Energie větrný park Bílčice, s.r.o. (formerly Helios Property, s.r.o.) Hvězdova 1716/2b, 140 78, Prague 4
Gaia Property, s.r.o. Hvězdova 1716/2b, 140 78, Prague 4	Chronos Property, s.r.o. Hvězdova 1716/2b, 140 78, Prague 4
Hera Property, s.r.o. Hvězdova 1716/2b, 140 78, Prague 4	Metis Property, s.r.o. Hvězdova 1716/2b, 140 78, Prague 4
Iris Property, s.r.o. Hvězdova 1716/2b, 140 78, Prague 4	Sirius Property, s.r.o. Hvězdova 1716/2b, 140 78, Prague 4
Pyrit Property, s.r.o. Hvězdova 1716/2b, 140 78, Prague 4	Dionysos Property, s.r.o. Hvězdova 1716/2b, 140 78, Prague 4
Raiffeisen FinCorp s.r.o. (formerly Themis Property, s.r.o.) Hvězdova 1716/2b, 140 78, Prague 4	Aither Property, s.r.o. Hvězdova 1716/2b, 140 78, Prague 4
Orchideus Property, s.r.o. Hvězdova 1716/2b, 140 78, Prague 4	Impuls Tuchoměřice Dlouhá 26, 110 00, Prague 1
Artemis Property, s.r.o. Hvězdova 1716/2b, 140 78, Prague 4	RLRE Ypsilon Property, s.r.o. Hvězdova 1716/2b, 140 78, Prague 4
Holečkova Property, s.r.o. (formerly KP a P s r.o.) Hvězdova 1716/2b, 140 78, Prague 4	Viktor Property, s.r.o. Hvězdova 1716/2b, 140 78, Prague 4

Euros Property, s.r.o. Hvězdova 1716/2b, 140 78, Prague 4	Appolon Property, s.r.o. Hvězdova 1716/2b, 140 78, Prague 4
Dike Property, s.r.o. Hvězdova 1716/2b, 140 78, Prague 4	Pontos Property, s.r.o. Hvězdova 1716/2b, 140 78, Prague 4
Hermes Property, s.r.o. Hvězdova 1716/2b, 140 78, Prague 4	Nike Property, s.r.o. Hvězdova 1716/2b, 140 78, Prague 4
Notos Property, s.r.o. Hvězdova 1716/2b, 140 78, Prague 4 (note: based on the contract on transfer of business share from 15 Oct 2009, it was transferred to Raiffeisenbank a.s. and then renamed as Transaction System Servis, s.r.o.)	PV Čekanice, s.r.o. (formerly Eirene Property, s.r.o.) Hvězdova 1716/2b, 140 78, Prague 4
RLRE Tellmer Property, s.r.o. Hvězdova 1716/2b, 140 78, Prague 4	Rheia Property, s.r.o. Hvězdova 1716/2b, 140 78, Prague 4
RESIDENCE PARK TŘEBEŠ, s.r.o. Hvězdova 1716/2b, 140 78, Prague 4	Matějská 24, s.r.o. Hvězdova 1716/2b, 140 78, Prague 4
UPC Real, s.r.o. Hvězdova 1716/2b, 140 78, Prague 4	Gama Project CZ, s.r.o. Hvězdova 1716/2b, 140 78, Prague 4
RLRE Investholding B.V. Utrechtsestraat 38 f, 6811LZ Arnhem, Holland	RLRE Orion Property, s.r.o. Hvězdova 1716/2b, 140 78, Prague 4
CRISTAL PALACE Property, s.r.o. Hvězdova 1716/2b, 140 78, Prague 4	Photon SPV 3 s.r.o. Hvězdova 1716/2b, 140 78, Prague 4
Photon Energie s.r.o. Hvězdova 1716/2b, 140 78, Prague 4	

Other countries:

Raiffeisen Bank Rt. Akadémia utca 6, Budapest, Hungary	Raiffeisen Bank Polska S.A. Piekna street 20, Warsaw, Poland
Raiffeisenbank a.d. Resavska St. 22, Belgrade, Serbia	Raiffeisen Bank S.A. Mircea Vodă Blvd. 44, 030669 Bucharest 3, Romania
Raiffeisenbank Austria d.d. Petrinjska street 59, Zagreb, Croatia	Raiffeisen Centrobank AG Tegetthofstrassel, 1020, Vienna, Austria
JSCB Raiffeisenbank Ukraine Zhylynskaya 43, Kiev, Ukraine	Raiffeisen Krekova Banka d.d. Slomškov trg 18, Maribor, Slovenia
RZB London Branch King William Street 10, London, United Kingdom	Raiffeisen–Leasing International GmbH Am Stadtpark 9, 1020 Vienna, Austria
RZB Singapore London Branch Raffles Place 45 – 01, Singapore	Raiffeisen-Leasing Bank AG Hollandstrasse 11-13, 1020 Vienna, Austria
Raiffeisen Informatik Service Ausland GmbH (RAISA) Hollandstarssse 11-13, 1020 Vienna, Austria	Raiffeisen Leasing d.o.o. Boulevard Avnoj – a45A Belgrade, Serbia
Tatra Banka, a.s. Hodžovo námestie 3, 811 06, Bratislava, Slovakia	Raiffeisen International GROUP IT GmbH Hollandstrasse 11+13, 1020 Vienna, Austria
Centralised Raiffeisen International Services and Payments S.R.L. Dimitre Pompei Bld. No. 9-9A, 020335 Bucharest, Romania	Eastern European Invest GmbH Am Stadtpark 9, 1030 Vienna, Austria
RZB Finance LLC 24 Grassy Plain Street, Bethel, CT 06801, U.S.A.	Raiffeisen Investment AG Krugerstrasse 13, A-1015 Vienna, Austria
Raiffeisen Malta Bank PLC 52, Il Piazzetta, Tower Road, SLM 1607 Sliema, Malta	

3. List of Contracts

3.1 List of Contracts with Controlling Entities

Raiffeisen Zentralbank Österreich AG

Legal act	Counterparty	Date of conclusion	Performance/Counter-performance
Sixth Amendment to the Contract for Subordinated Loan dated 21 Dec 2001	Raiffeisen Zentralbank Österreich AG	20 July 2005	Increase in the aggregate amount of the subordinated debt/payment of the contractual interest
The Agent Service Level Agreement (ASLA)	Raiffeisen Zentralbank Österreich AG	25 Sept 2001	Specification of principal requirements for the administration of securities by Raiffeisenbank a.s. in favour of RZB/payment of contractual fees
Commissionaire Contract	Raiffeisen Zentralbank Österreich AG	1 Oct 2001	Transactions with securities/payment of contractual fees
Contract for the Administration of Securities and Settlement of Securities Transactions	Raiffeisen Zentralbank Österreich AG	17 May 2002	Conditions of the administration of securities and settlement of securities transactions/payment of contractual fees
General Risk Participation Contract	Raiffeisen Zentralbank Österreich AG	18 May 2001	Contract for risk participation based on which 14 risk participation confirmations were issued in 2005/payment of contractual fees
Contract for the Establishment of the Pledge on Receivables arising from Deposits	Raiffeisen Zentralbank Österreich AG	30 Sept 2005	Establishment of the pledge on receivables arising from deposits
Contract for the Establishment of the Pledge on Receivables arising from Deposits	Raiffeisen Zentralbank Österreich AG	23 Nov 2005	Establishment of the pledge on receivables arising from deposits
Contract for the Establishment of the Pledge on Receivables arising from Deposits	Raiffeisen Zentralbank Österreich AG	25 April 2005	Establishment of the pledge on receivables arising from deposits
Pledge Contract for the Receivables arising from Deposits	Raiffeisen Zentralbank Österreich AG	3 June 2005	Establishment of the pledge on receivables arising from deposits
Counter-guarantees for the customs guarantee	Raiffeisen Zentralbank Österreich AG	9 Dec 2005	Issuance of the customs counter-guarantee
Counter-guarantees for the customs guarantee	Raiffeisen Zentralbank Österreich AG	9 Dec 2005	Issuance of the customs counter-guarantee
Bank guarantee	Raiffeisen Zentralbank Österreich AG	15 April 2005	Bank guarantee/fee for the issuance of the guarantee
Amendment No. 1 to the Contract for the Mediation of Payments and Representation dated 16 Oct 2001	Raiffeisen Zentralbank Österreich AG/Raiffeisen Kapitalanlage G.m.b.H.	26 July 2004	Mediation of payments and representation in the Czech Republic/payment of the fees according to the contract
Amendment No. 2 to the Contract for the Mediation of Payments and Representation dated 16 October 2001	Raiffeisen Zentralbank Österreich AG/Raiffeisen Kapitalanlage G.m.b.H.	24 Aug 2004	Mediation of payments and representation in the Czech Republic/payment of fees according to the contract
Risk Participation Confirmation	Raiffeisen Zentralbank Österreich AG	27 Dec 2006	Credit risk participation/payment of contractual fees
Risk Participation Confirmation	Raiffeisen Zentralbank Österreich AG	13 Oct 2006	Credit risk participation/payment of contractual fees
Risk Participation Confirmation	Raiffeisen Zentralbank Österreich AG	16 Nov 2006	Credit risk participation/payment of contractual fees
Risk Participation Confirmation	Raiffeisen Zentralbank Österreich AG	22 Dec 2006	Credit risk participation/payment of contractual fees
General TBMA/ISMA Repo Contract	Raiffeisen Zentralbank Österreich AG	13 Aug 2007	Definition of conditions for trading with securities and financial instruments
Risk Participation Confirmation	Raiffeisen Zentralbank Österreich AG	5 Sept 2007	Credit risk participation/payment of contractual fees
Credit Facility Agreement	Raiffeisen Zentralbank Österreich AG	7 Dec 2007	Intercompany loan/payment of contractual fees and interest
Agreement of an indirect participation in Target2	Raiffeisen Zentralbank Österreich AG	6 June 2008	Conditions of the indirect participation in the Target2 system for settlement of payments in EUR/payment of contractual fees

Risk Participation Confirmation	Raiffeisen Zentralbank Österreich AG	4 June 2008	Credit risk participation/payment of contractual fees
Margin pooling SLA	Raiffeisen Zentralbank Österreich AG	24 June 2008	Definition of services for margin pooling/payment of contractual fees
Cash-pool Gross Boarder Zero Balancing SLA	Raiffeisen Zentralbank Österreich AG	13 Oct 2008	Definition of services for cash pooling/payment of contractual fees

Raiffeisen International Bank–Holding AG

Legal act	Counterparty	Date of conclusion	Performance/Counter-performance
Advisory Services Contract	Raiffeisen International Bank-Holding AG	5 Jan 2005	Advisory in Risk, Treasury, HR and Controlling/payment of fees according to the contract
Advisory Services Contract	Raiffeisen International Bank-Holding AG	2 May 2005	Advisory in retail banking/payment of the fees according to the contract
Contract for the Lease of Non-residential Premises	Raiffeisen International Bank-Holding AG	2 May 2005	Lease of non-residential premises/payment of the lease
Prepayment Agreement	Raiffeisen International Bank-Holding AG	14 March 2008	Participation in the Retail Collections and Application Processing group program/payment of fees according to the group
Prepayment Agreement	Raiffeisen International Bank-Holding AG	14 March 2008	Participation in the Active Credit Portfolio Management group program/payment of fees according to the contract
International Group Marketing Agreement	Raiffeisen International Bank-Holding AG	12 March 2008	Coordination and financing of marketing activities in
the Raiffeisen group.	Raiffeisen International Bank-Holding AG	1 Sept 2008	Lease of non-residential premises/payment of the lease
Contract for the Lease of Non-residential Premises	Raiffeisen International Bank-Holding AG	1 Sept 2008	Lease of non-residential premises/payment of the lease
Agreement for the Group Programme "Basel II Retail"	Raiffeisen International Bank-Holding AG	1 Jan 2009	Agreement on the conditions of participation in the group programme "Basel II Retail"
Agreement for the Group Programme "Basel II"	Raiffeisen International Bank-Holding AG	2 Jan 2009	Agreement on the conditions of participation in the group programme "Basel II Retail"
Service Agreement	Raiffeisen International Bank-Holding AG	2 Jan 2009	Agreement on provision of consultancy and advisory Services in select areas/payment of contractual remuneration
International Group Marketing Agreement	Raiffeisen International Bank-Holding AG	12 March 2009	Agreement on cooperation and co-financing in marketing
Sub-licence Agreement for Debt Manager software	Raiffeisen International Bank-Holding AG	16 March 2009	Provision of sublicense for use of software/payment of contractual remuneration
"RSA Anti-eFraud Service" Agreement	Raiffeisen International Bank-Holding AG	28 Aug 2009	Provision of IT services in security for banking transactions/payment of the contractual remuneration
Internet/Firewall Checkup agreement	Raiffeisen International Bank-Holding AG	28 Aug 2009	Provision of IT services in security for Internet applications/payment of the contractual remuneration

In addition to contracts referred to above, the Bank and controlling entities entered into other bank transactions, predominantly loans and borrowings on the money market and fixed-term transactions from which the Bank received or on which it paid interest and fees in the year ended 31 December 2009.

In the reporting period, the controlled entity received or provided no other performance or counter-performance in the interest or at the initiative of the controlling entity or entities controlled by the controlling entity outside the scope of performance or counter-performance, which is customary within the controlled entity's relations with the controlling entity as the shareholder of the controlled entity.

3.2 List of Contracts with Other Related Parties

Raiffeisen stavební spořitelna a.s.

Legal act	Counterparty	Date of conclusion	Performance/Counter-performance
Contract for the Opening of the Current Investment Account	Raiffeisen stavební spořitelna, a.s.	2 Oct 2001	Opening and maintenance of an investment account/payment of contractual fees
Cooperation Contract	Raiffeisen stavební spořitelna a.s.	31 May 2002	Mediation of the sale of construction savings scheme/payment of contractual commissions
Contract for the Use of Call Centre	Raiffeisen stavební spořitelna a.s.	12 May 2004	Provisions of call centre services to RSTS/contractual fee
Contract for the Provision of Call Centre Services	Raiffeisen stavební spořitelna a.s.	23 June 2005	Provision of call centre services for RSTS/contractual fee
Cooperation Contract	Raiffeisen stavební spořitelna a.s.	18 May 2005	Cooperation in the sale of credit cards/contractual fee
Cooperation Contract	Raiffeisen stavební spořitelna a.s.	11 Nov 2005	Cooperation in the sale of credit cards/contractual fee
Contract for the Payment of Additional Expenses for mailing services and production of POS material	Raiffeisen stavební spořitelna a.s.	19 Oct 2005	Payment for the production and sending of advertising leaflets
Amendment No. 1 to the Contract for the Lease of Non-residential premises	Raiffeisen stavební spořitelna a.s.	23 Jan 2006	Lease of non-residential premises/ payment of the lease
Contract for the Mediation of Activities in the Form of Mutual Addressing of Clients	Raiffeisen stavební spořitelna a.s.	20 Dec 2006	Addressing of clients with the purpose of mutual offering of products/ mediation commission
Contract for the Purchase or Sale of Securities, Settlement of Transactions with Securities and Administration of Securities	Raiffeisen stavební spořitelna a.s.	2 April 2007	Sale, purchase and settlement of transactions with securities and stock exchange derivatives/payment of the contractual fee
Contract for the Cooperation in Provision of Advertising and Promotion at Raiffeisen Business Circle	Raiffeisen stavební spořitelna a.s.	16 April 2007	Promotion of RSTS at an event with clients/payment of the contractual fee
Contract for the Cooperation in Addressing of Clients	Raiffeisen stavební spořitelna a.s.	12 Nov 2007	Addressing of clients with the purpose of mutual offering of products/ mediation commission
Contract for the Participation in the Production of a TV Program	Raiffeisen stavební spořitelna a.s.	3 May 2007	Definition of conditions for the participation in the production of a TV program
Amendment No. 1 to the Contract for the Participation in the Production of a TV Program	Raiffeisen stavební spořitelna a.s.	18 Jan 2008	Definition of conditions for the participation in the production of a TV program
Cooperation Contract	Raiffeisen stavební spořitelna a.s.	15 Oct 2008	Definition of conditions of cooperation in mutual offering of products
Benefit Contract	Raiffeisen stavební spořitelna a.s.	15 Oct 2008	Definition of conditions for cooperation in mutual offering of products
Amendment No. 5 to the Cooperation Agreement from 31 May 2002	Raiffeisen stavební spořitelna a.s.	27 March 2009	Change of conditions for cooperating in mutual offering of products
Co-operation Agreement	Raiffeisen stavební spořitelna a.s.	1 June 2009	Definition of conditions for cooperating in mutual offering of products
Amendment No. 1 to the Cooperation Agreement from 01 June 2009	Raiffeisen stavební spořitelna a.s.	3 June 2009	Change of conditions for cooperating in mutual offering of products
Amendment No. 6 to the Cooperation Agreement from 31 May 02	Raiffeisen stavební spořitelna a.s.	23 Dec 2009	Change of conditions for cooperating in mutual offering of products

Raiffeisen – Leasing, s.r.o.

Legal act	Counterparty	Date of conclusion	Performance/Counter-performance
Credit Risk Cooperation Contract	Raiffeisen – Leasing, s.r.o.	12 Jan 2004	Provision of credit risk analyses/ payment of fees and payment of costs according to the contract
Treasury Cooperation Contract	Raiffeisen – Leasing, s.r.o.	30 June 2004	Treasury cooperation contract/payment of fees and costs according to the contract
Loan Contract	Raiffeisen – Leasing, s.r.o.	28 Nov 2005	Provision of a loan/payment of the contractual interest
Contract for the Non-exclusive Business Representation	Raiffeisen – Leasing, s.r.o.	30 Dec 2005	Business representation/payment of contractual commissions
Contract for the Provision of the Call Centre Services	Raiffeisen – Leasing, s.r.o.	25 Jan 2005	Provision of call centre services/ payment of the contractual fee
Lease Contract	Raiffeisen – Leasing, s.r.o.	11 May 2001	Operating leases of computers and office equipment/contractual fee
Lease Contract	Raiffeisen – Leasing, s.r.o.	11 May 2001	Operating lease of the equipment of the establishment/contractual fee
Lease Contract	Raiffeisen – Leasing, s.r.o.	11 May 2001	Operating lease of the equipment of the establishment/contractual fee
Lease Contract	Raiffeisen – Leasing, s.r.o.	5 Oct 2001	Operating lease of the IBM server and accessories/contractual fee
Lease Contract	Raiffeisen – Leasing, s.r.o.	11 Feb 2002	Operating lease of computers and office equipment/contractual fee
Lease Contract	Raiffeisen – Leasing, s.r.o.	11 Feb 2002	Operating lease of the set of glass and aluminium structures/contractual fee
Confidentiality Agreement	Raiffeisen – Leasing, s.r.o.	1 Jan 2006	Confidentiality regarding offers of products to customers of both parties
Contract for the Cooperation in Advertising and Promotion	Raiffeisen – Leasing, s.r.o.	6 Jan 2006	Mutual promotion and advertising/ payment of costs according to the contract
Cooperation Contract	Raiffeisen – Leasing, s.r.o.	31 March 2006	Mutual offering of products and services to customers of both parties
Credit Risk Cooperation Contract	Raiffeisen – Leasing, s.r.o.	1 Aug 2006	Provision of credit risk analyses/ payment of fees and payment of costs according to the contract
Agreement on Co-Operation and providing of some services	Raiffeisen – Leasing, s.r.o.	7 Sept 2006	Provision of system services and support in IT area/payment of fees and costs pursuant to the Agreement
Contract for the Administration of Documents and Provision of Certain Services	Raiffeisen – Leasing, s.r.o. MB Leasing a.s.	1 March 2006	Administration of documents of MB Leasing a.s./payment of the contractual fee
Bookkeeping Contract	Raiffeisen – Leasing, s.r.o. MB Leasing a.s.	1 March 2006	Bookkeeping for MB Leasing a.s./ payment of the contractual fee
Contract for the Lease of Non-residential Premises	Raiffeisen – Leasing, s.r.o.	26 Nov 2007	Lease of non-residential premises/ payment of the lease
Agreement on Non-Exclusive Business Representation	Raiffeisen – Leasing, s.r.o.	26 June 2008	Agreement of conditions of non- exclusive business representation/ commission payment
Agreement on Sublease of Non- Residential Premises	Raiffeisen – Leasing, s.r.o.	28 Aug 2008	Sublease of non-residential premises/ payment of rent
Amendment No. 4 to the Lease Contract dated 11 February 2002	Raiffeisen – Leasing, s.r.o.	29 Dec 2008	Definition of the lease termination
Amendment No. 5 to the Lease Contract dated 11 May 2001	Raiffeisen – Leasing, s.r.o.	29 Dec 2008	Definition of the lease termination
Amendment No. 1 to the Agreement on Non-exclusive Business Representation from 26 June 2008	Raiffeisen – Leasing, s.r.o.	29 April 2009	Change in contractual conditions/ payment of commission
Amendment No. 1 to the Agreement on Sublease of Non-Residential Premises from 28 August 2008	Raiffeisen – Leasing, s.r.o.	15 June 2009	Change in contractual conditions
Amendment No. 1 to the Cooperation Agreement in the area of risk management from 01 Aug 2006	Raiffeisen – Leasing, s.r.o.	16 June 2009	Change in contractual conditions
Amendment No. 5 to the Loan Agreement of 28 Nov 2005	Raiffeisen – Leasing, s.r.o.	30 Nov 2009	Change in contractual conditions

Raiffeisen – Leasing Real Estate, s.r.o.

Legal act	Counterparty	Date of conclusion	Performance/Counter-performance
Credit Risk Cooperation Contract	Raiffeisen – Leasing Real Estate, s.r.o.	12 Jan 2004	Provision of credit risk analyses/ payment of fees and settlement of costs according to the contract
Contract for the Use of the Electronic Banking	Raiffeisen – Leasing Real Estate, s.r.o.	19 Jan 2004	Installation of the electronic banking system/contractual fee
Escrow Account Agreement	Raiffeisen – Leasing Real Estate, s.r.o. FONTÁNA HOTEL, s.r.o.	19 Oct 2004	Agreement on opening an escrow account for depositing funds/payment of contractual fees
Amendment No. 1 to the Contract for the Use of the Electronic Banking dated 19 Jan 2004	Raiffeisen – Leasing Real Estate, s.r.o.	26 Oct 2005	Definition of the contractual fee
Contract for the Opening and Maintenance of the Current Account	Raiffeisen – Leasing Real Estate, s.r.o.	19 April 2004	Opening and maintenance of the current account/payment of contractual fees
Treasury Cooperation Contract	Raiffeisen – Leasing Real Estate, s.r.o.	30 Nov 2006	Treasury cooperation contract/payment of the fee and costs according to the contract
Amendment No. 1 to the Contract for the Special-Purpose Account dated 19 Oct 2004	Raiffeisen – Leasing Real Estate, s.r.o. FONTÁNA HOTEL, s.r.o.	1 Feb 2006	Definition of contractual terms
Agreement on the assignment of ownership interest	Raiffeisen – Leasing Real Estate, s.r.o.	15 Oct 2009	Transfer of 100% share of Notos Property, s.r.o./payment of purchase price

As of 31 December 2009, Raiffeisenbank a.s. had concluded 51 contracts for the opening and maintenance of the current account with companies controlled indirectly through Raiffeisen – Leasing Real Estate, s.r.o. (see list in Chapter 2) based on which it received standard contractual fees and paid standard contractual interest to the above companies.

As of 31 December 2009, Raiffeisenbank a.s. had concluded 61 contracts for the use of electronic banking, or rather authorisation to use electronic banking, with companies indirectly controlled through Raiffeisen – Leasing Real Estate, s.r.o. (see list in Chapter 2) based on which it received contractual fees from the above companies.

KHD, a.s.

Legal act	Counterparty	Date of conclusion	Performance/Counter-performance
Agreement on Setting up and Keeping a Bank Account	KHD, a.s.	13 Feb 2009	Establishing and maintaining a current bank account/payment of contractual fees

Real Invest Vodičkova, spol. s r.o.

Legal act	Counterparty	Date of conclusion	Performance/Counter-performance
Contract for the Lease of Non-residential premises	Real Invest Vodičkova, spol. s r.o.	26 Nov 2002	Lease of non-residential premises/ contractual fee

Raiffeisen finanční poradenství, s.r.o.

Legal act	Counterparty	Date of conclusion	Performance/Counter-performance
Business Representation Contract	Raiffeisen finanční poradenství s.r.o.	1 Oct 2005	Offering of products, advertising and promotional/contractual fee
Business Representation Contract	Raiffeisen finanční poradenství s.r.o.	10 Oct 2008	Offering of products, advertising and promotional/contractual fee

Raiffeisen Investment, s.r.o.

Legal act	Counterparty	Date of conclusion	Performance/Counter-performance
Contract for the Use of the Electronic Banking	Raiffeisen Investment, s.r.o.	2 Dec 2008	Installation of the electronic banking system/contractual fee
Agreement on Sublease of Non-Residential Premises	Raiffeisen Investment, s.r.o.	29 May 2009	Sublease of non-residential premises/ payment of contractual rent
Agreement on Setting up and Keeping a Bank Account	Raiffeisen Investment, s.r.o.	1 Oct 2009	Establishing and maintaining a current bank account/payment of contractual fees

Raiffeisen Bank Rt.

Legal act	Counterparty	Date of conclusion	Performance/Counter-performance
Agreement on the Opening of the Nostro Account	Raiffeisen Bank Rt.	2 Aug 2001	Maintenance of the nostro account/ payment of contractual fees
Contract for the Opening and Maintenance Securities Account	Raiffeisen Bank Rt.	11 July 2005	Definition of conditions for maintenance of securities account of RBCZ in Hungary/payment of contractual fees

Raiffeisenbank a.d.

Legal act	Counterparty	Date of conclusion	Performance/Counter-performance
Loan contract	Raiffeisenbank a.d.	21 Dec 2004	Provision of the loan/payment of the contractual interest
Amendment No. 1 to the Loan Contract dated 21 Dec 2004	Raiffeisenbank a.d.	30 March 2005	Definition of contractual relations until 30 April 2005
Loan Contract	Raiffeisenbank a.d.	14 June 2005	Provision of the loan/payment of the contractual interest

Raiffeisenbank Austria d.d.

Legal act	Counterparty	Date of conclusion	Performance/Counter-performance
Agreement on the Opening of the Nostro Account	Raiffeisenbank Austria d.d.	21 May 2001	Maintenance of the nostro account/ payment of contractual fees

Tatra Banka, a.s.

Legal act	Counterparty	Date of conclusion	Performance/Counter-performance
Risk Participation Confirmation	Tatra Banka, a.s.	18 May 2005	Credit risk participation/payment of contractual fees
Risk Participation Confirmation	Tatra Banka, a.s.	18 Aug 2005	Credit risk participation/payment of contractual fees
Risk Participation Confirmation	Tatra Banka, a.s.	16 Nov 2005	Credit risk participation/payment of contractual fees
Loan Contract	Tatra Banka, a.s.	17 May 2005	Provision of loan/payment of the contractual interest
Amendment No. 1 to the Loan Contract dated 17 May 2005	Tatra Banka, a.s.	16 Nov 2005	Definition of rights and obligations
Contract for the Pledge on State Bonds	Tatra Banka, a.s.	19 May 2005	Establishing pledge on bonds
Amendment No. 1 to the Contract on the Pledge on Bonds dated 19 May 2005	Tatra Banka, a.s.	16 Nov 2005	Definition of rights and obligations
Contract for the Syndicated Investment Loan	Tatra Banka, a.s.	12 Dec 2005	Provision of the loan/payment of the contractual interest

Risk Participation Confirmation	Tatra Banka, a.s.	30 Oct 2006	Credit risk participation/payment of contractual fees
Risk Participation Confirmation	Tatra Banka, a.s.	30 Oct 2006	Credit risk participation/payment of contractual fees
Risk Participation Confirmation	Tatra Banka, a.s.	30 Oct 2006	Credit risk participation/payment of contractual fees
Risk Participation Confirmation	Tatra Banka, a.s.	7 Dec 2006	Credit risk participation/payment of contractual fees
Risk Participation Confirmation	Tatra Banka, a.s.	18 Dec 2006	Credit risk participation/payment of contractual fees
Risk Participation Confirmation	Tatra Banka, a.s.	21 Dec 2006	Credit risk participation/payment of contractual fees
Risk Participation Confirmation	Tatra Banka, a.s.	21 Dec 2006	Credit risk participation/payment of contractual fees
Risk Participation Confirmation	Tatra Banka, a.s.	30 Oct 2007	Credit risk participation/payment of contractual fees
Risk Participation Confirmation	Tatra Banka, a.s.	22 Nov 2007	Credit risk participation/payment of contractual fees
Cooperation Contract	Tatra Banka, a.s.	30 Nov 2007	Mutual advisory on structured transactions in the Czech Republic and Slovakia/ payment of the contractual price
Amendment No. 4 to the Agreement on the Common Use of the Banker's Almanach On-line dated 15 June 2004	Tatra Banka, a.s.	10 June 2008	Change in the price of the annual subscription
Agreement on the Termination of the Loan Contract dated	Tatra Banka, a.s.	30 April 2008	Termination of the loan contract due to the completion of all contractual obligations
17 May 2005	Tatra Banka, a.s.	30 April 2008	Termination of the loan contract due to the completion of all contractual obligations
Risk Participation Confirmation	Tatra Banka, a.s.	27 Feb 2008	Credit risk participation/payment of contractual fees
Risk Participation Confirmation	Tatra Banka, a.s.	8 Dec 2008	Credit risk participation/payment of contractual fees
Risk Participation Confirmation	Tatra Banka, a.s.	19 Dec 2008	Credit risk participation/payment of contractual fees
Risk Participation Confirmation	Tatra Banka, a.s.	19 Dec 2008	Credit risk participation/payment of contractual fees
Risk Participation Confirmation	Tatra Banka, a.s.	26 Aug 2008	Credit risk participation/payment of contractual fees
Amendment no. 5 to the Agreement on Joint Use of the Banker's Almanach On-line from 15 June 2004	Tatra Banka, a.s.	8 June 2009	Prolongation of agreement duration
Agreement on the supply of software and license provisioning	Tatra Banka, a.s.	15 Dec 2009	Provision of software for debt collection/payment of contractual fee
Amendment no. 6 to the Agreement on Joint Use of the Banker's Almanach On-line from 15 June 2004	Tatra Banka, a.s.	16 Dec 2009	Agreement on a joint order

Raiffeisen Bank Polska S.A.

Legal act	Counterparty	Date of conclusion	Performance/Counter-performance
Contract for the Establishment of Pledge on Receivables from Deposits	Raiffeisen Bank Polska S.A./ OFO Polska Sp. Z o.o.	25 Aug 2005	Establishment of the pledge on receivables from deposits
Risk Participation Confirmation	Raiffeisen Bank Polska S.A.	22 Dec 2006	Credit risk participation/payment of contractual fees

Raiffeisen Bank S.A.

Legal act	Counterparty	Date of conclusion	Performance/Counter-performance
Agreement on Opening of Nostro Account	Raiffeisen Bank S.A.	19 Aug 2005	Maintenance of the nostro account/ payment of contractual fees

Raiffeisen Centrobank AG

Legal act	Counterparty	Date of conclusion	Performance/Counter-performance
Contract for Provision of Stock Exchange Analyses	Raiffeisen Centrobank AG	1 May 2005	Provision of analyses of the equity market on the Prague Stock Exchange/ payment of the contractual fee
Contract for Opening and Maintenance of Current/Correspondence Account	Raiffeisen Centrobank AG	23 Oct 2007	Opening and maintenance of current/ correspondence account/payment of contractual fees

Raiffeisen Krekova Banka d.d.

Legal act	Counterparty	Date of conclusion	Performance/Counter-performance
Loan Contract	Raiffeisen Krekova Banka d.d.	3 June 2005	Provision of the loan/payment of the contractual interest
Additional Agreement to the Loan Contract dated 3 June 2005	Raiffeisen Krekova Banka d.d.	3 June 2005	Determining of the loan amount
Amendment No. 1 to the Loan Contract dated 3 June 2005	Raiffeisen Krekova Banka d.d.	26 Aug 2005	Definition of the payment of interest
Loan Contract	Raiffeisen Krekova Banka d.d.	14 Sept 2005	Provision of the loan/payment of the contractual interest
Additional Agreement to the Loan Contract dated 14 Sept 2005	Raiffeisen Krekova Banka d.d.	6 Sept 2005	Determining the amount of used funds
Amendment No. 1 to the Loan Contract dated 14 Sept 2005	Raiffeisen Krekova Banka d.d.	1 Dec 2005	Extension of the loan drawing period

Raiffeisen – Leasing International GmbH

Legal act	Counterparty	Date of conclusion	Performance/Counter-performance
Creditor Agreement	Raiffeisen – Leasing International GmbH	10 March 2005	Agreement on common proceedings against debtors
Syndicate Contract	Raiffeisen – Leasing International GmbH	3 May 2004	Contract for cooperation in corporate governance
Amendment to the Creditor Contract dated 10 March 2005	Raiffeisen-Leasing International GmbH/ RLRE Kappa Property, s.r.o./ RLRE Lambda Property s.r.o.	24 June 2005	Additional modification to contractual relations
Contract for Common Refinancing	Raiffeisen-Leasing International GmbH/RLRE Kappa Property, s.r.o./RLRE Lambda Property s.r.o.	21 Oct 2005	Contract for the participation in refinancing of the loan
Contract for the Special-purpose Account	Raiffeisen-Leasing International GmbH/RLRE Kappa Property, s.r.o./RLRE Lambda Property s.r.o.	24 Oct 2005	Opening of an account with specific conditions for dealing with funds
Creditor Agreement	Raiffeisen-Leasing International GmbH/RLRE Kappa Property, s.r.o./RLRE Lambda Property, s.r.o.	29 Dec 2004	Agreement on the common future proceedings
Contract for Special Purpose Account	Raiffeisen-Leasing International GmbH/RLRE Kappa Property, s.r.o./RLRE Lambda Property s.r.o.	29 Dec 2004	Opening of an account with specific condition for dealing with funds

Raiffeisen – Leasing Bank AG

Legal act	Counterparty	Date of conclusion	Performance/Counter-performance
Contract for the establishment of a pledge for receivables from deposits	Raiffeisen-Leasing Bank AG	27 Jan 2005	Establishment of the pledge for the receivables from deposits

Raiffeisen Informatik Service Ausland GmbH (RAISA)

Legal act	Counterparty	Date of conclusion	Performance/Counter-performance
Maintenance Contract	Raiffeisen Informatik Service Ausland GmbH	3 Jan 2001	Contract on the maintenance of the CS/4 ++ software system/payment of contractual fee
Cooperation Contract	Raiffeisen Informatik Service Ausland GmbH	2 Aug 2002	Cooperation in IT/payment of contractual fees and refund of expenses

Raiffeisen International GROUP IT GmbH

Legal act	Counterparty	Date of conclusion	Performance/Counter-performance
Framework contract on Provisions of IT services	Raiffeisen International GROUP IT GmbH	27 April 2006	Provision of IT services/payment of the contractual price

Note: Raiffeisen Informatik Service Ausland GmbH (RAISA) was transformed into Raiffeisen International GROUP IT GmbH which became part of Raiffeisen International Bank – Holding AG in 2008.

Centralised Raiffeisen International Services and Payments S.R.L.

Legal act	Counterparty	Date of conclusion	Performance/Counter-performance
Contract for Provision of Advisory Services	Centralised Raiffeisen International Services and Payments S.R.L.	23 Feb 2007	Provision of services in SWIFT processing of payments/payment of the contractual price
Framework Cooperation Contract	Centralised Raiffeisen International Services and Payments S.R.L.	18 June 2007	Setting of the access to the SWIFT system/payment of contractual fees
Agreement on Processing and Protection of Data	Centralised Raiffeisen International Services and Payments S.R.L.	18 June 2007	Agreement on dealing with data and protection of data
Appendix No. 3 to the Framework Cooperation Contract	Centralised Raiffeisen International Services and Payments S.R.L.	8 Feb 2008	Cooperation in the group FiSa program, determining fees for scanning of transactions to sanctioned persons

Eastern European Invest GmbH

Legal act	Counterparty	Date of conclusion	Performance/Counter-performance
Intra Group Stand-by Facility Contract	Eastern European Invest GmbH	1 Aug 2007	Interbank loan/payment of contractual fees and interest
Amendment to Intra Group Stand-by Facility	Eastern European Invest GmbH	11 Dec 2007	Change in contractual conditions of the contract referred to above
Agreement on termination of the Intra Group Stand-by Facility Agreement	Eastern European Invest GmbH	31 Dec 2009	termination of contract

RZB Finance LLC

Legal act	Counterparty	Date of conclusion	Performance/Counter-performance
General Risk Participation Agreement	RZB Finance LLC	12 Sept 2007	Agreement on participation in credit risk based on which the below risk participation confirmations were issued/payment of contractual fees
Risk Participation Confirmation	RZB Finance LLC	12 Sept 2007	Credit risk participation/payment of contractual fees
Risk Participation Confirmation	RZB Finance LLC	6 Sept 2007	Credit risk participation/payment of contractual fees

Raiffeisen Investment AG

Legal act	Counterparty	Date of conclusion	Performance/Counter-performance
Subcontracting Service Agreement	Raiffeisen Investment AG	20 Oct 2008	Agreement on the provision of advisory services in the acquisition of SKLÁRNÝ KAVALIER, a.s./payment of the contractual interest

Raiffeisen Malta Bank PLC

Legal act	Counterparty	Date of conclusion	Performance/Counter-performance
Subordinated Loan Contract	Raiffeisen Malta Bank PLC	15 Sept 2008	Provision of the subordinated loan/payment of the contractual interest

In addition to contracts concluded in 2009 referred to above, the Bank and other related parties entered into other transactions in the reporting period, specifically loans and borrowings on the money market and fixed-term transactions from which the Bank received or paid interest and fees.

No agreements have been entered into with the other related entities given in the list in Chapter 2.

4. Other Legal Acts**4.1 Other Legal Acts with Controlling Entities****Raiffeisen International Bank-Holding AG**

Legal act	Counterparty	Date of conclusion	Performance/Counter-performance
Resolution of the regular General Meeting of Raiffeisenbank a.s. - Payment of dividends for 2008	Raiffeisen International Bank-Holding AG	21 April 2009	Payment of dividends based on the resolution of the annual general meeting

4.2 Other Legal Acts with Other Related Parties

Legal act	Counterparty	Date of conclusion	Performance/Counter-performance
Resolution of the regular General Shareholders Meeting of Raiffeisen stavební spořitelna, a.s. – Payment of dividends for 2008	Raiffeisenbank a.s.	29 April 2009	Payment of dividends based on the resolution of the general meeting
Resolution of the sole partner in the capacity of the General Shareholders Meeting of Notos Property, s.r.o. – change in name to Transaction System Servis, s.r.o. and change in company's statutory bodies	Transaction System Servis, s.r.o.	19 Oct 2009	none

5. List of Other Factual Measures

5.1 List of the Measures Adopted at the Initiative of Controlling Entities

Raiffeisen Zentralbank Österreich AG

Measure	Counterparty	Date
Increase of guarantee of Raiffeisen Zentralbank Österreich AG from Raiffeisenbank a.s. for MasterCard Europe	Raiffeisen Zentralbank Österreich AG	1 Sept 2008
Cancellation of guarantee of Raiffeisen Zentralbank Österreich AG from Raiffeisenbank a.s. for Visa Europe	Raiffeisen Zentralbank Österreich AG	October 2009

General Limits

The Bank has approved general limits for transactions with related parties that apply to current and term deposits, loans, repurchase transactions, treasury shares, letters of credit, provided and received guarantees based on the resolution of the controlling entity.

5.2 List of Measures Adopted in the Interest of Other Related Parties

None.

6. Final Statement of the Board of Directors of Raiffeisenbank a.s.

We state that the Report on Related Party transactions between the related parties of Raiffeisenbank a.s. prepared in accordance with Section 66a (9) of the Commercial Code for the reporting period from 1 January 2009 to 31 December 2009, to our best knowledge, includes all:

- Contracts between related parties;
- Performance and counter-performance provided to related parties;
- Other legal acts adopted in the interest of these parties; and
- All other factual measures adopted or made in the interest or at the initiative of these parties

concluded or effected in the reporting period and known to us on the date of signing of this report.

In identifying other related parties, the Board of Directors of Raiffeisenbank a.s. used the information provided by the controlling entities of the Bank, Raiffeisen Zentralbank Österreich AG and Raiffeisen International Bank-Holding AG.

In addition, we state that we are not aware that a detriment to assets was caused as a result of contracts, other legal acts and other factual measures concluded, made or adopted by the Bank in the reporting period from 1 January 2009 to 31 December 2009.

In Prague on 31 March 2010



Lubor Žalman
Chairman of the Board of Directors
and CEO



Martin Kolouch
Member of the Board of Directors
and Executive Director

Persons Responsible for the Annual Report

We hereby declare that the information presented in this Annual Report is truthful and that no material circumstances which could have an impact on the precise and accurate assessment of the securities issuer have been omitted.



Lubor Žalman
Chairman of the Board of Directors
and Chief Executive Officer
Raiffeisenbank a.s.



Karel Soukeník
Head of the Financial Controlling
& Accounting Division

Raiffeisen International and the RZB Group at a glance

Raiffeisenbank a.s. is a subsidiary of Raiffeisen International Bank-Holding AG, which in turn is a fully consolidated subsidiary of Vienna-based Raiffeisen Zentralbank Österreich AG (RZB). Founded in 1927, RZB is Austria's third-largest bank and the central institution of the Austrian Raiffeisen Banking Group, the country's largest banking group by total assets with the widest local distribution network.

RZB and Raiffeisen International have time and again underpinned their reputation as early movers and pioneers in CEE, having founded the first subsidiary bank in Hungary already in 1986, three years prior to the fall of the Iron Curtain. In more than 20 years of market presence, ten banks were founded and another ten were acquired. The resulting network covers the region with universal banks in the following 15 markets, servicing more than 15 million customers in over 3,000 business outlets.

■ Albania	Raiffeisen Bank Sh.a.
■ Belarus	Priorbank, OAO
■ Bosnia and Herzegovina	Raiffeisen Bank d.d. Bosna i Hercegovina
■ Bulgaria	Raiffeisenbank (Bulgaria) EAD
■ Croatia	Raiffeisenbank Austria d.d.
■ Czech Republic	Raiffeisenbank a.s.
■ Hungary	Raiffeisen Bank Zrt.
■ Kosovo	Raiffeisen Bank Kosovo J.S.C.
■ Poland	Raiffeisen Bank Polska S.A.
■ Romania	Raiffeisen Bank S.A.
■ Russia	ZAO Raiffeisenbank
■ Serbia	Raiffeisen banka a.d.
■ Slovakia	Tatra banka, a.s.
■ Slovenia	Raiffeisen Banka d.d.
■ Ukraine	VAT Raiffeisen Bank Aval

Raiffeisen International acts as these banks' steering company, owning the majority of shares (in most cases 100 or almost 100 per cent). Furthermore, many finance leasing companies (including one in Kazakhstan and in Moldova) are part of the Raiffeisen International Group. RZB owns about 70 per cent of Raiffeisen International's common stock. The balance is free float, owned by institutional and retail investors. The company's shares are traded on the Vienna Stock Exchange.

As per *preliminary and unaudited* figures published in February 2010, the Raiffeisen International Group posted a consolidated profit (after tax and minorities) of € 212 million in 2009. While this marks a decrease of 78 per cent against 2008, the result nevertheless underlines the strength of the company's operative business and business model when seen in light of the sharply deteriorated economic environment and the record result the Group achieved in the previous year. Raiffeisen International's balance sheet total declined by 11 per cent to € 76.3 billion as of year-end 2009, reflecting both currency effects and the reduction in lending business on account of the economic crisis.

As per *preliminary and unaudited* figures published in February 2010, the RZB Group's balance sheet total amounted to € 147.9 billion as of year-end 2009, down 6 per cent year-on-year. The Group achieved a pre-tax profit of € 824 million in 2009, up 38 per cent against the preceding year. This result represents a significant accomplishment when seen against the backdrop of world-wide crisis and the fact that most of the countries in the RZB Group's home market experienced recession in 2009. At the reporting date, the Group employed a staff of 59,800 worldwide.

In addition to its banking operations – which are complemented by a representative office in Russia (Moscow) – RZB runs several specialist companies in CEE offering solutions, among others, in the areas of M&A, real estate development, fund management and mortgage banking.

In Western Europe and the USA, RZB operates a branch in London and representative offices in Brussels, Frankfurt, Madrid, Milan, Paris, Stockholm, and New York. A finance company in New York (with representative offices in Chicago and Houston) and a subsidiary bank in Malta complement the scope. In Asia, RZB runs branches in Beijing (with representative offices in Harbin and Zhuhai), Xiamen and Singapore as well as representative offices in Ho Chi Minh City, Hong Kong, Mumbai and Seoul. This international presence clearly underlines the bank's emerging markets strategy.

RZB is rated as follows (as of March 2010):

■ Standard & Poor's	Short-term	A-1
	Long-term	A
■ Moody's	Short-term	P-1
	Long-term	A1

www.ri.co.at

www.rzb.at

Raiffeisen-Glossary

[Below are the definitions of some terms related to RBG, RZB, the RZB Group and Raiffeisen International. You may use them for the "company info" part of your annual report. When in doubt, please contact RI Communications in Vienna, we should all be internally consistent in portraying our roots and structure.]

Gable Cross The international Raiffeisen logo is the Gable Cross. It consists of two stylized crossed horses' heads and can be traced back hundreds of years to European folk traditions. It is a symbol of defense against evil and life's dangers and can still be found on rural houses in Central Europe. According to their founder's objectives, Raiffeisen's members have safeguarded themselves against economic hazards by uniting within the cooperative and therefore chose the Gable Cross as an emblem of protection under a shared roof. The logo has developed into an internationally well-known and very positively associated trademark and is in use around the world.

Raiffeisen Banking Group The Raiffeisen Banking Group (RBG) is Austria's largest banking group by total assets. As per year-end 2009, RBG's consolidated balance-sheet total amounted to € 260 billion. It represents about a quarter of all domestic banking business and comprises the country's largest banking network with 2,250 independent banks and branches and approximately 23,350 employees. RBG consists of Raiffeisen Banks on the local level, *Regional Raiffeisen Banks* on the provincial level and RZB as central institution. RZB also acts as the "link" between its international operations and RBG. Raiffeisen Banks are private cooperative credit institutions, operating as general service retail banks. Each province's Raiffeisen Banks are owners of the respective Regional Raiffeisen Bank, which in their entirety own approximately 88 per cent of RZB's ordinary shares.

The Raiffeisen Banks go back to an initiative of the German social reformer *Friedrich Wilhelm Raiffeisen* (1818 - 1888), who, by founding the first cooperative banking association in 1862, has laid the cornerstone of the global organization of Raiffeisen cooperative societies. Only 10 years after the foundation of the first Austrian Raiffeisen banking cooperative in 1886, already 600 savings and loan banks were operating according to the Raiffeisen system throughout the country. According to Raiffeisen's fundamental principle of self-help, the promotion of their members' interests is a key objective of their business policies.

Raiffeisen International Raiffeisen International Bank-Holding AG is a fully consolidated subsidiary of RZB. It acts as the steering company for the RZB Group's subsidiaries in Central and Eastern Europe, above all the Group's banking and leasing units. RZB is Raiffeisen International's majority shareholder owning about 70 per cent of the capital stock. The balance is free-float, owned by institutional and retail investors. Raiffeisen International's shares are traded on the *Vienna Stock Exchange*.

RZB Raiffeisen Zentralbank Österreich AG (RZB) is the central institution of the Austrian Raiffeisen Banking Group. Founded in 1927 and domiciled in Vienna, RZB is the third-largest Austrian bank and a specialist in commercial and investment banking. As the parent company of the RZB Group, it ranks among Central and Eastern Europe's leading banking groups, offering the full scope of commercial, investment and retail banking services practically throughout the region.

RZB Group The group owned and steered by RZB. Raiffeisen International forms the Group's largest unit, acting as holding and steering company for the network of banks and leasing companies in Central and Eastern Europe. The RZB Group's second geographical focus is Asia. Branches, specialised companies and representative offices in Europe and the USA complement the presence on the world's most important financial markets.

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The Raiffeisen Financial Group

in the Czech Republic

Raiffeisen stavební spořitelna a.s.



Raiffeisen stavební spořitelna (RSTS) has been operating in the Czech market since September 1993 (formerly under the name of AR stavební spořitelna). It has joined the Raiffeisenbank financial group in 1998 after Raiffeisen Bausparkasse GmbH increased its shareholding to 75 % and Raiffeisenbank a.s. took over the remaining 25 % of shares. In 2005, the majority shareholder transferred its stake to its subsidiary Raiffeisen Bausparkassen Holding GmbH, which became the link between Raiffeisen's building savings companies in Austria and in foreign countries. After merging Raiffeisen stavební spořitelna with the former HYPO stavební spořitelna, Raiffeisenbank's shareholding in RSTS dropped to 10 % as of 27 August 2008. Raiffeisen Bausparkassen Holding GmbH holds the remaining 90 %.

Building savings schemes from Raiffeisen stavební spořitelna still represent a profitable and safe form of savings with state support on one hand, while offering a wide range of attractive loans for financing clients' homes.

The year 2009 was a very successful one for Raiffeisen stavební spořitelna. At the end of the year, RSTS became the market's number two according to the volume of new loans. The number of new loans rose annually by 16.1 %. The volume of new loans reached the amount of CZK 10.7 billion, 9.9 percent up compared to the year before. RSTS acquired nearly 138 thousand new building savings contracts including increase agreements; in terms of the target amount, this represents CZK 44.1 billion koruna.

Successfully completing the data migration project in early September was a major event for the company. The project lasted from March 2008 and encompassed the transfer of more than 71 million accounting entries and 4.1 million documents to the new system. To facilitate and speed up the work of the company's sales representatives and the headquarters, a web application for concluding savings contracts has been launched. The image of a modern building savings company was supported further by implementing a project of on-line conclusion of savings contracts in autumn 2009.

Raiffeisen stavební spořitelna continuously aims at improving the quality of its services in both home financing and professional consulting. Raiffeisen stavební spořitelna offers all clients dynamics, efficiency, reliability, safety of deposits and maximum pro-client approach, as such are the values the company considers a solid basis for a beneficial and long-lasting partnership.

Raiffeisen stavební spořitelna a.s.

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Toll-free infoline: 800 11 22 11

Raiffeisen-Leasing, s.r.o.

Raiffeisen-Leasing, s.r.o. was founded in 1994, and as a part of the Raiffeisen group, specialises in providing leasing services to companies and individuals. The company's shareholders are Raiffeisenbank a. s. and Raiffeisen-Leasing International GmbH Wien.

In the beginning, Raiffeisen-Leasing primarily offered its services to the Raiffeisen group's clients. Over time, though, it has become a standard, universal leasing company offering professional and quality services to a wide variety of clients. In 2001, Raiffeisen-Leasing founded a subsidiary company to provide real estate financing – Raiffeisen-Leasing Real Estate, s.r.o. As a part of its strategic development and entry on the automobile finance market, Raiffeisen-Leasing, s.r.o. had integrated MB Leasing a.s. into its structures in 2006. With this integration, the company became a fully universal leasing company financing all kinds of commodities and providing its services to private individuals and corporate clients. The company's turnover amounted to approximately CZK 1.77 billion in 2009, and it has again financed client assets worth CZK 1.47 billion.

Raiffeisen-Leasing offers clients financial leasing in the traditional areas of financing machinery and equipment, large technological equipment, transportation technology, construction machinery, as well as Hi-tech technologies or solar power plants. The company has also introduced to the Czech market technology financing in the form of instalments. In the area of automobile finance, the company offers special-purpose loans in addition to leasing products.

Other products include supplier leasing to support dealers and manufacturers and leasing transactions for clients consolidating under standards different than those in the Czech Republic.

Because of the worldwide economic situation, Raiffeisen-Leasing will in 2010 focus primarily on providing optimal financing services with stronger support of those clients with longer and stable perspective. Also, Raiffeisen-Leasing will find proper solutions for already financed clients. The company will continue in the development of areas, as solar power plants and Hi-tech technologies.

Raiffeisen-Leasing, s.r.o.
 Hvězdova 1716/2b
 140 78 Prague 4
 Tel: 221 511 611
 Fax: 221 511 666
 E-mail: rl@rl.cz
 Internet: www.rl.cz



UNIQA pojišťovna – insurance

UNIQA pojišťovna commenced its operations on the Czech insurance market in 1993, originally under the name Cesko-rakouská pojišťovna. The company changed its name to UNIQA pojišťovna in 2001 as a part of the international strategy of the parent concern to integrate the company's identity under the brand name UNIQA. UNIQA's international concern has its headquarters in Vienna and is strong insurance group in Austria with more than one fifth of the market. With more than 30 subsidiary companies, UNIQA now operates in 21 countries throughout Europe. In 2009 the concern entered the Russian insurance market.

The UNIQA group has an „A“ rating with a stable outlook, last verified at the end of 2009.

The only shareholder of UNIQA pojišťovna is UNIQA International Versicherung-Holding, GmbH. The company's registered capital amounts to CZK 480 million. During 2010 it plans to increase this amount by 20 million to one half billions crowns.

UNIQA pojišťovna holds a universal insurance licence allowing the company to carry out business in the area of both life and non-life insurance. UNIQA currently offers virtually all types of insurance products covering all of its clients' needs.

In 2009, UNIQA pojišťovna held tenth position on the Czech insurance market. During the sixteen years of its existence, it has always been one of ten largest insurance companies on the Czech market. Currently, it provides its services at over 140 business locations throughout the Czech Republic. Its portfolio is comprised of 550,000 insurance contracts, with nearly CZK 5 billion in portfolio premiums annually.

UNIQA pojišťovna has closely cooperated with the Raiffeisen Group now for many years.

This cooperation has also proven successful in a number of other European countries where both brands are operating. Insurance is an integral part of financial services, and UNIQA pojišťovna develops optimised products for this purpose, such as leasing, credit and mortgage transactions. Some types of UNIQA insurance, e.g. travel insurance, may be arranged directly at Raiffeisenbank's branch offices. This helps significantly in simplifying clients' finances and creates important synergetic effects between Raiffeisen and UNIQA pojišťovna.

UNIQA pojišťovna, a.s.
Evropská 136
160 12 Prague 6
Tel: 225 393 111
Fax: 225 393 777
E-mail: uniqa@uniqa.cz
Toll-free infoline: 800 120 020

Raiffeisenbank branches

	Address	Phone
Beroun	Husovo náměstí 45, 266 01 Beroun	311 600 026
Brno – Alfa	Jánská 11, 601 00 Brno	542 424 811
Brno – Česká	Česká 12, 604 46 Brno	517 545 111
*Brno – Masarykova	Masarykova 30, 602 00 Brno	532 196 823
Brno – Gaute	Lidická 26, 602 00 Brno	532 195 620
*Brno – Jánská	Jánská 1/3, 601 00 Brno	542 221 370
Brno – Královo Pole	Malátova 2, 612 00 Brno-Královo Pole	517 546 153
Brno – Nám. Svobody	Nám. Svobody 2, 602 00 Brno	531 022 900
Brno – Olympia	Olympia, U dálnice 777, 664 42 Modřice	547 243 868
Česká Lípa	Nám. T.G.M 193, 470 01 Česká Lípa	487 525 704
České Budějovice	Náměstí Přemysla Otakara II. 13, 370 63 České Budějovice	386 707 411
České Budějovice	Milady Horákové 1498, 370 05 České Budějovice	385 790 111
*České Budějovice	Hrozenová 7, 370 01 České Budějovice	386 357 815
Český Krumlov	Náměstí Svornosti 15, 381 01 Český Krumlov	380 712 705
Děčín	Myslbekova 3/84, 405 01 Děčín	412 510 057
Domažlice	Msgr. B. Staška 68, 344 01 Domažlice	379 775 911
*Frýdek-Místek	J. V. Sládky 84, 738 02 Frýdek-Místek	558 441 310
Frýdek-Místek	Ostravská 2129, 738 02 Frýdek-Místek	558 647 820
*Haviřov	Hlavní třída 438/73, 736 01 Haviřov	596 808 311
*Hodonín	Národní třída 18A, 695 01 Hodonín	518 399 811
*Hradec Králové	V Kopečku 75, 500 01 Hradec Králové	495 069 666
Hradec Králové	S.K. Neumanna 487, 500 01 Hradec Králové	493 334 111
Cheb	Májová 16, 350 02 Cheb	354 433 629
Chomutov	Žižkovo náměstí 120, 430 01 Chomutov	474 930 909
*Jablonec nad Nisou	Komenského 8, 466 01 Jablonec nad Nisou	483 737 141
*Jihlava	Masarykovo náměstí 35, 586 28 Jihlava	567 578 911
*Karlovy Vary	Krále Jiřího 39, 360 01 Karlovy Vary	353 167 777
Karlovy Vary	Dr. Bechera 23, 360 01 Karlovy Vary	353 231 673
Kladno	Osvobozených politických vězňů 656, 271 01 Kladno 1	312 709 412
*Kolin	Kutnohorská 43, 280 02 Kolin	321 338 982
*Liberec	Na Rybníčku 1, 460 01 Liberec	485 340 033
Liberec	Jánská 9, 460 01 Liberec	482 711 730
Liberec	Pražská 6, 460 01 Liberec	483 519 080
*Mladá Boleslav	T. G. Masaryka 1009, 293 01 Mladá Boleslav	326 700 981
Mladá Boleslav – Bondy	V. Klementa 1459, 293 01 Mladá Boleslav	326 509 611
Most	Budovatelů 1996, 434 01 Most	476 140 211
Olomouc	nám. Národních hrdinů 1, 771 11 Olomouc	585 206 900
Olomouc	Třída Svobody 21, 771 11 Olomouc	585 204 800
*Opava	Horní náměstí 32, 746 01 Opava	553 759 311
Opava	Růžová 14, 702 00 Opava	552 620 208
*Ostrava – Na Hradbách	Na Hradbách 8, 702 00 Ostrava	595 131 411
Ostrava – Imperial	Týršova 6, 702 00 Ostrava	596 117 020
Ostrava – Poruba	Opavská 1114, 708 00 Ostrava-Poruba	596 912 835
*Ostrava – Dlouhá	Dlouhá 3, 702 00 Ostrava	596 111 863
Ostrava – Stodolní	Stodolní 2, 702 00 Ostrava	597 089 143
Ostrava – Tesco	Sjízdná 2, 721 00 Ostrava	596 966 432
Ostrava – Kotva	Výškovická 114, 702 00 Ostrava	596 797 011
Pardubice	K Polabinám 1893-4, 530 02 Pardubice	466 512 486
*Pardubice	17. listopadu 238, 530 02 Pardubice	466 610 016
*Písek	Velké náměstí 116, 397 01 Písek	382 759 111
Plzeň	Americká 1, 306 29 Plzeň	377 236 582
Plzeň	Americká 66, 306 29 Plzeň	377 279 411
*Plzeň	Bedřicha Smetany 11, 301 00 Plzeň	377 222 830
Plzeň – Olympia	Písecká 1, 301 00 Plzeň	377 462 493
*Praha 1 – Národní	Národní 9, 110 00 Praha 1	221 411 911
*Praha 1 – Vodčická	Vodčická 38, 111 21 Praha 1	221 141 261
Praha 1 – Jalta	Václavské náměstí 43, 110 00 Praha 1	222 115 590
Praha 1 – Na Poříčí	Na Poříčí 37, 110 00 Praha 1	222 311 612
Praha 1 – Palladium	Náměstí Republiky 1, 110 00 Praha 1	225 376 500
Praha 1 – Spálená	Spálená 16, 110 00 Praha 1	224 948 883
Praha 1 – Na Příkopě	Na Příkopě 24, 110 00 Praha 1	225 374 011
Praha 2 – Jugoslávská	Jugoslávská 21, 120 00 Praha 2	222 517 800
*Praha 2 – Bělehradská	Bělehradská 100, 120 00 Praha 2	221 511 281
*Praha 2 – Karlovo nám.	Karlovo náměstí 10, 120 00 Praha 2	224 900 711

Praha 2 – Hlavní nádraží	Hlavní nádraží, Wilsonova 300/8, 120 00 Praha 2	224 094 911
Praha 2 – Italská	Vinohradská 29, 120 00 Praha 2	234 702 411
Praha 3 – Flora	Chrudimská 7, 130 00 Praha 3	225 376 611
Praha 3 – Želivského	Želivského 16, 130 00 Praha 3	225 374 611
Praha 3 – Seifertova	Seifertova 29, 130 00 Praha 3	225 282 611
*Praha 4 – Budějovická	Olbrachtova 9, 140 21 Praha 4	225 541 011
Praha 4 – Novodvorská	Novodvorská 136, 140 00 Praha 4	241 406 914
Praha 4 – Háje	Arkalovská 4, 140 00 Praha 4	272 653 815
Praha 4 – City Tower	City Tower, Hvězdova 2b, 140 00 Praha 4	234 405 130
*Praha 5 – Anděl	Lidická 42, 150 00 Praha 5	251 010 811
Praha 5 – Zličín	Metropole Zličín, Řevnická 1/121, 150 00 Praha 5	226 082 264
Praha 5 – Zlatý Anděl	Nádražní 23, 150 00 Praha 5	251 510 444
*Praha 6 – Dejvická	Dejvická 11, 160 00 Praha 6	233 089 711
Praha 6 – Evropská	Evropská 136, 160 00 Praha 6	234 715 111
Praha 6 – Bělohorská	Bělohorská 71, 169 00 Praha 6	233 356 840
Praha 7 – Komunardů	Komunardů 21, 170 00 Praha 7	724 941 478
Praha 7 – Mil. Horákové	Milady Horákové 10, 170 00 Praha 7	233 028 011
Praha 8 – Kobylisy	stanice metra Kobylisy, 182 00 Praha 8	222 623 253
Praha 8 – Zenklova	Zenklova 22, 180 00 Praha 8	225 983 511
Praha 8 – Ládví	Kyselova 1658, 180 00 Praha 8	283 880 343
Praha 9 – Jandova	Jandova 135/2, 190 00 Praha 9	225 545 511
Praha 9 – Prosecká	Prosecká 64, 190 00 Praha 9	225 983 611
*Praha 10 – Vinohradská	Vinohradská 230, 100 00 Praha 10	274 001 779
Praha 10 – Moskevská	Moskevská 43, 100 00 Praha 10	271 078 813
Praha 10 – Hrušova	K Hrušovu 2, 102 00 Praha 10	281 004 728
Praha 10 – Švehlova	Švehlova 32, 102 00 Praha 10	272 656 215
Praha 10 – Eden	Vršovická 68b, 100 00 Praha 10	225 282 911
Prostějov	Hlaváčkovovo náměstí 3, 796 01 Prostějov	582 400 800
*Šumperk	17. listopadu 9, 787 01 Šumperk	583 219 734
Tábor	Bílková 960, 390 02 Tábor	381 201 611
*Tábor	9. května 542, 390 02 Tábor	381 582 894
*Teplice	28. října 7, 415 01 Teplice	417 816 061
Teplice	Masarykova 14, 415 01 Teplice	417 534 710
*Trutnov	Lipová 524, 541 01 Trutnov	499 810 290
Trinec	Nám. Svobody 528, 739 01 Trinec	558 944 901
Ústí nad Labem	Pařížská 20, 400 01 Ústí nad Labem	475 237 111
*Ústí nad Labem	Velká hradební 9, 400 01 Ústí nad Labem	474 434 111
*Zlín	Kvítková 552, 760 01 Zlín	577 008 040
Zlín	Nám. Míru 9, 760 01 Zlín	577 011 124
Znojmo	Obroková 15, 669 02 Znojmo	515 209 711
*Žďár nad Sázavou	Náměstí Republiky 42, 591 01 Žďár nad Sázavou	566 652 711

The "" signed branches offer also Business Centers for SME's. Except these "*" branches are SME services available also on following addresses:

	Address	Phone
Chomutov	Školní 1054, 430 01 Chomutov	474 930 909
Jičín	Jungmannovo nám. 1103, 506 50 Jičín	495 069 681
Olomouc	Karolíny Světlé 2, 771 11 Olomouc	585 206 926

Mortgage centres

	Address	Phone
Brno	Česká 12, 604 46 Brno	517 545 333
České Budějovice	Náměstí Přemysla Otakara II. 13, 370 63 České Budějovice	386 707 413
Hradec Králové	V Kopečku 75, 500 03 Hradec Králové	466 610 377
Liberec	Na Rybníčku 1, 460 01 Liberec	488 100 020
Olomouc	nám. Národních hrdinů 1, 771 11 Olomouc	585 206 928
Ostrava	Dlouhá 3, 702 00 Ostrava	596 111 863
Pardubice	K Polabinám 1893-4, 530 02 Pardubice	466 610 377
Plzeň	Americká 1, 306 29 Plzeň	379 305 542
Praha Budějovická	Olbrachtova 9, 140 21 Praha 4	225 541 016
Praha Karlovo nám.	Karlovo nám. 10, 120 00 Praha 2	224 900 724
Praha Dejvice	Dejvická 30, 160 00 Praha 6	233 326 827
Ústí nad Labem	Pařížská 20, 400 01 Ústí nad Labem	475 237 486

