



# Raiffeisenbank a.s.

## **Bond Programme for a maximum sum of outstanding bonds of EUR 1,000,000,000 with the duration of the programme for 30 years**

On the basis of this Bond Programme (hereinafter also referred to as the "**Bond Programme**" or "**Programme**"), Raiffeisenbank a.s., with its Registered Office in Prague 4 at Hvězdova 1716/2b, Postal Code: 140 78, ID 49 24 09 01, registered in the Companies Register administered by the Municipal Court in Prague, Section B, File 2051 (hereinafter also referred to as "**Raiffeisenbank a.s.**" or the "**Issuer**" or "**Raiffeisen**") is authorised to issue, in accordance with the generally binding legal regulations, individual bond issues (hereinafter also referred to as "**Bond Issues**" or "**Issues**" or "**Bonds**"). The total nominal value of all outstanding Bonds issued through this Bond Programme may not at any time exceed EUR 1,000,000,000. The duration of the Bond Programme, throughout which Raiffeisen will be permitted to conduct individual Bond Issues within the terms of the Programme will be 30 years.

This document constitutes the general prospectus (hereinafter referred to as the "**General Prospectus**" or "**Prospectus**") and the general conditions for the issuance of Bonds (hereinafter referred to as the "**General Conditions of Issuance**" or "**Conditions of Issuance**" in accordance with which the Bond Issues will be conducted. These General Conditions of Issuance of the Bond Programme and the General Prospectus are compiled in accordance with the relevant provisions of Act No. 256/2004 Coll., On the Capital Market, as amended, Act No. 190/2004 Coll., On Bonds as amended, and in accordance with the Commission Regulation (EC) No. 809/2004 implementing the Directive of the European Parliament and Council 2003/71/EC.

For each Bond Issue, the Issuer shall prepare an individual document (hereinafter referred to as the "**Issuance Supplement**"), which will include an addendum to the Bond Programme, i.e. an addendum to the General Conditions of Issuance of the Bond Programme for the relevant Bond Issue (hereinafter referred to as the "**Addendum**"). The Addenda to the Bond Programme will contain, specifically, the determination of the Date of Maturity of the individual Bond Issues, of the total nominal value of each Issue, of the nominal value and the number of Bonds in each Issue, the determination of the date of the issuance of the Bonds and the manner of their issuance, the determination of the yield of the Bonds of individual issues and their issue price, the determination of dates of payment of the yields of the Bonds and the Date of Maturity of their nominal value, in addition to the other conditions for the individual Bond Issues, which are either not defined within the General Conditions of Issuance of the Bond Programme (defined in the chapter "GENERAL CONDITIONS OF ISSUANCE OF THE BOND PROGRAMME" in this General Prospectus) or which will be adjusted in a different manner for the individual Bond Issues than for the General Conditions of Issuance of the Bond Programme.

Raiffeisenbank a.s. advises investors in Bonds that the Issuance Supplement may also contain additional information about the Issuer and the Bonds issued that is not included in this Basic Prospectus nor in any of its Addenda and which is or will be required, in accordance with the generally binding legal regulations, by the regulations of the individual regulated markets in securities or in the Multilateral Trading Facility, through which the relevant Issues could potentially be traded, or that is in other ways essential for investors. Raiffeisenbank a.s. additionally advises investors in Bonds that the bank may, at any time, prepare a Supplement to the Basic Prospectus and submit it to the Czech National Bank for approval. Each Supplement to the Basic Prospectus must be approved by the Czech National Bank and made public, so that each Issue that will be publicly offered or for which acceptance is to be requested on a regulated securities

market or through a Multilateral Trading Facility, is offered or its acceptance has been requested on a regulated securities market or through a Multilateral Trading Facility on the basis of the up-to-date Bond Prospectus.

Should the Issuer either decide to apply for the acceptance of any Issue of Bonds for trading on a regulated securities market or through a Multilateral Trading System as of the issue date or should the Bonds be placed through a public offering, the Issuance Amendment will also contain the final conditions of the Issue (hereinafter referred to as the "**Final Conditions**"), so that the Issuance Supplement, together with the Basic Prospectus (including any addenda thereto) will constitute the prospectus for the relevant issue.

Provided that the Bonds that constitute the relevant Issue are issued as quoted securities, the Issuer intends to request their acceptance for trading on the Prague Stock Exchange, Inc. (hereinafter also referred to as the "**PSE**") or on any other regulated securities market, which might replace the PSE. The specific market of the PSE to which bonds may be accepted for trading, will be specified in the relevant Issuance Supplement issued by the Issuer relevant to the Issuance of Bonds. The specific Issuance Supplement may also determine whether or not the Bonds will be traded on any other regulated securities market or through a Multilateral Trading Facility.

The General Conditions of Issuance of the Bond Programme defined in this General Prospectus, which will be the same for all individual Bond Issues, issued through this Bond Programme, were approved through the Decision of the Czech National Bank No. 2009/7097/570, referring to Ref. No. 2009/166/572, of 15<sup>th</sup> September 2009, which took effect on 16<sup>th</sup> September 2009. The change in the General Conditions of Issuance was approved through the Decision of the Czech National Bank No. 2011/11470/570, referring to Ref. No. 2011/109/572, of 23<sup>rd</sup> September 2011, which took effect on 23<sup>rd</sup> September 2011.

This General Prospectus was approved through the Decision of the Czech National Bank No. 2011/11574/570, referring to Ref. No. 2011/110/572, of 27<sup>th</sup> September 2011, which took effect on 27<sup>th</sup> September 2011.

The General Prospectus for Bonds was compiled on 2<sup>nd</sup> September 2011 in accordance with its status on the date of the compilation of the Prospectus, unless indicated otherwise.

The General Prospectus and the General Conditions of Issuance of the Bond Programme do not constitute either a public or any other type of offer for the purchase of any Bonds. The Issuer emphasises the fact that, in the event of their interest in buying the Bonds of the individual Issues that may be issued through this Bond Programme, it will be necessary for prospective buyers to make their own responsible investment decisions based on the information provided in this General Prospectus and in the General Conditions of Issuance, and additionally in the individual Issuance Supplements and any Addenda to the General Prospectus.

Propagation of this General Prospectus and the offering, sale and purchase of the Bonds of the individual Issues issued in accordance with this Bond Programme are restricted by law in some countries. Unless expressly stated otherwise in the relevant Issuance Supplement for the individual Bond Issue issued in accordance with this Bond Programme, the relevant Bonds will not be registered, authorised or approved by any administrative or other authority of any jurisdiction other than that of the Czech National Bank in the Czech Republic and, by analogy, their offering will not be permitted elsewhere than in the Czech Republic (see also the chapter "**IMPORTANT NOTICE**" in this General Prospectus).

**Raiffeisenbank a. s.**

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## IMPORTANT NOTICE

This document is the general prospectus for a Bond Programme, in accordance with the Act on the Capital Market. No government agency, with the exception of the Czech National Bank, nor any other entity has ratified this Basic Prospectus. Any statement to the contrary is false.

Prior to the issuance of the individual Bonds to be issued through this Bond Programme the Issuer will request approval of the relevant addendum to the Bond Programme from the Czech National Bank, i.e. the Addendum to the General Conditions of Issuance for the Bond Programme for this Bond Issue.

Any offer of Bonds issued by the Issuer in accordance with this Bond Programme will be carried out based on the conditions of this General Prospectus and its amendments and the information contained in the Final Conditions of the Offer (hereinafter referred to as the "**Issuance Supplement**") compiled for the individual Bond Issues. Any decision to subscribe for the Bonds offered should be based solely on the information contained in these documents in their entirety and on the terms of the offer, including an independent evaluation of the risks of investment in Bonds by each individual prospective buyer. In the event of any discrepancy between the information delineated in this General Prospectus and any of its supplements and individual Issuance Supplements the latest published data shall always be considered as valid.

Neither the Issuer nor any of the subscribers to the specific Issues referred to in the individual Issuance Supplements have authorised any additional statements or information about the Issuer, the Bond Programme or the Bonds other than those included in the General Prospectus and in any of its supplements and individual Issuance Supplements. No statement or information provided, other than those that have been approved by the Issuer or by the subscribers to specific Bond Issues may be relied upon. Unless otherwise indicated, all the information in this General Prospectus is valid as of the date of the compilation of the General Prospectus. Receipt of the General Prospectus at any time subsequent to the date of its issuance cannot guarantee that the information contained therein is valid at any time subsequent to the date of the release of this General Prospectus. This information may additionally also be further amended or supplemented by any amendments to the General Prospectus, i.e. any individual Issuance Supplements.

Neither the Czech Republic nor any of its institutions, government departments or its political entities (public administration or state administration bodies) shall be liable for the obligations of the Issuer, including the Issuer's obligations based on Bonds, nor shall they guarantee them in any other manner.

Propagation of this General Prospectus and the offering, sale and purchase of the Bonds are restricted by law in some countries. These Bonds will not be quoted, registered, authorised or approved by any administrative or other authority of any jurisdiction other than that of the Czech National Bank. Persons who obtain possession of this General Prospectus, are responsible for compliance with any restrictions that may apply in each individual country that are relevant to the offering, purchase or sale of Bonds, or to the possession and/or distribution of any materials relating to these Bonds.

The information contained in the chapters "*TAXATION IN THE CZECH REPUBLIC, REGULATION OF FOREIGN EXCHANGE*", "*ENFORCEMENT OF THE CIVIL LIABILITIES OF THE ISSUER*" and "*MORTGAGE BANKING*" is provided solely as general information and was obtained from publicly available sources. The information provided in these chapters cannot be regarded as being an indicator of future developments. Prospective buyers of the Bonds should rely solely on their own analysis of the factors delineated in these chapters and on their own legal, tax or other professional advisers. Foreign prospective buyers of the Bonds are recommended to consult their legal and other relevant advisers with regard to the provisions of the relevant legislation, in particular the foreign exchange and tax regulations of the Czech Republic and of the countries in which the prospective buyers reside and of any other relevant countries and, additionally, concerning all relevant international agreements and their potential impact on specific investment decisions.

No assumption or speculation concerning the future prospects by the Issuer, regarding its financial status, the scope of its business activities or its position in the market can be considered as a declaration or a binding pledge by the Issuer concerning future circumstances or results; these future circumstances or results may be dependent entirely or in part on factors and circumstances that are not directly and completely within the control of the Issuer. Prospective buyers of any Bonds issued in accordance with this Bond Programme should carry out an independent analysis of any factors or prospects defined in this General Prospectus, in any of its supplements or Issuance Supplements and carry out

additional independent investigation and undertake their investment decision on the basis of the results of such independent analysis and investigation.

By its acceptance of the Bond Programme, or any Issue of Bonds issued in accordance with this Bond Programme, for trading on the Prague Stock Exchange, the latter institution does not assume any obligations concerning these securities.

Owners of Bonds, including any prospective foreign investors, are encouraged, on an on-going basis, to regularly appraise themselves concerning all laws and other regulations governing both the holding of the Bonds and their sale or purchase to or from another country, in addition to any other transactions in the Bonds and to ensure that they are in compliance with the aforesaid laws and regulations.

The Issuer will, to the extent determined by the generally applicable laws and regulations governing the individual securities markets in which the Bonds will be accepted for trading (if applicable), be publishing reports concerning its economic results and its financial status and will meet its required obligations concerning this information.

The Issuer is obliged to maintain independent and supporting records concerning coverage of liabilities for the Mortgage Bonds issued (hereinafter also referred to as the "**Mortgage Bonds**"), in accordance with Provision No. 5 of the Czech National Bank, dated 11<sup>th</sup> June 2004, setting forth the content, management and registration requirements for the coverage of the Mortgage Bonds issued.

The General Prospectus, all annual and semi-annual reports by the Issuer, copies of audit reports relating to the Issuer, in addition to all the documents referred to in this General Prospectus are available free-of-charge to all interested parties on weekdays during normal business hours and may be viewed at the Issuer's headquarters in Prague 4 at Hvězdova 1716/2b, Postal Code: 140 78. These documents are also available in electronic form on the Issuer's website at [www.rb.cz](http://www.rb.cz).

If this General Prospectus for the Bond Programme is to be translated into another language, in the event of a conflict of understanding between the wording of the General Prospectus in the Czech language and the wording of the General Prospectus as it has been translated into the other language, the valid version of the General Prospectus is that which is written in the Czech language.

## SUMMARY

This document is a summary of the General Prospectus for the Bonds and represents an introduction to the General Prospectus for the Bonds. This summary provides the basic information about the Issuer, the offer programme and the Bond Programme shown in other places of this General Prospectus. This summary is not exhaustive and does not contain all the information that may be important for prospective investors in the Bonds. Any decision as to whether to invest in the Bonds should be based on consideration of the prospect of the Bonds in its entirety, i.e. the General Prospectus (including its potential addenda) and the Issuance Supplement for the relevant issue. Investors should in particular consider the factors specified in Chapter "Risk Factors."

In the event that a legal action regarding the information stated in the General Prospectus is filed, the complainant investor could be required to bear the costs incurred for any translation of the General Prospectus prior to the trial, unless provided otherwise in accordance with the governing law. Raiffeisenbank a.s., as the entity that compiled and translated a summary of the General Prospectus, is responsible for the accuracy of the information contained in this summary of the General Prospectus in the event that the summary of the General Prospectus is misleading or inaccurate in an interpretation combined with other sections of the General Prospectus or in the event that the General Prospectus in an interpretation combined with other sections of the General Prospectus does not contain a structured overview of the information necessary for evaluation of the nature of a security and related risks so that the addressee of the offer could decide based on such information and the General Prospectus as a whole whether the security is suitable for him.

### Summary Description of the Issuer

#### *Information about the Issuer*

Business title of the Issuer is Raiffeisenbank a.s. The Issuer is registered in the Companies Register administered by the Municipal Court in Prague, Section B, File 2051. The Issuer has been established on 25th June 1993, for an indefinite period, in accordance with judicial law of the Czech Republic and in accordance with Act No. 513/1991 Coll., The Commercial Code and Act No. 21/1992 Coll. On Banks. The legal form of the Issuer is a joint-stock company. The headquarters of the Issuer is Prague 4 at Hvězdova 1716/2b, Postal Code: 140 78; ID: 49 24 09 01.

The contact information for the Issuer is:

Website: [www.rb.cz](http://www.rb.cz)

e-mail: [info@rb.cz](mailto:info@rb.cz)

tel./fax: +420 234 401 111/+420 234 402 111

#### *Overview of business activities*

Raiffeisenbank a.s. is a major banking institution which, in the Czech Republic, provides a wide range of banking services to both private and corporate clients. It is one of more than a dozen financial institutions in the country that offers loans for mortgages, for which it also arranges state financial support.

Other key activities include, specifically, the provision of loans, acceptance of deposits from the public, payments and settlements, issuance of payment means, furnishing guarantees, establishing letters of credit, provision of collection agreements, the issuing of the Mortgage Bonds, financial brokerage, offering depository facilities, currency exchange, supplying banking information, rental of safety-deposit boxes, conducting foreign payments, investments in securities on its own behalf, trading on its own behalf or on behalf of clients (foreign securities, forward transactions - futures and options including exchange and interest trades, transferable securities), the management of clients' securities on their behalf in addition to consulting services (portfolio management),

custody and administration of investment instruments, mortgage banking.

#### Shareholders of the Issuer

As of the compilation date of the Prospectus, the majority shareholder of Raiffeisenbank a.s. is the Austrian financial institution Raiffeisen Bank International AG, whose parent company is Raiffeisen Zentralbank Österreich AG (RZB). Other shareholders of the Issuer include Raiffeisenlandensbank Niederösterreich - Wien AG and RB Prag-Beteiligungs GmbH.

#### Historical financial data of the Issuer

The historical financial data of the Issuer for the years of 2009 and 2010 presented in this document are based on the financial statements for the accounting periods ending 31<sup>st</sup> December 2009 and 31<sup>st</sup> December 2010 and have been compiled in compliance with the International Financial Reporting Standards as adopted by the EU.

*The following table presents an overview of the key historical economic indicators of Raiffeisenbank a.s. for the fiscal years ending 31<sup>st</sup> December 2009 and 31. December 2010. These data are based on the consolidated audited financial statements for the fiscal year ending 31<sup>st</sup> December 2010 and have been compiled in accordance with the International Financial Reporting Standards as adopted by the EU.*

**Table 1** Selected financial indicators of Raiffeisenbank a.s. as of 31<sup>st</sup> December 2009 and 31<sup>st</sup> December 2010

<i>(in thousands CZK)</i>	<b>2010</b>	<b>2009</b>
<b>Profit and Loss Account</b>		
Net interest income after provisions for credit risks	4,868,846	4,605,337
Net income from fees and commissions	1,877,579	1,595,246
Net profit from financial operations	519,732	812,007
General administrative expenses	(5,188,832)	(4,805,042)
Profit/Loss before tax	2,298,532	2,537,096
Profit/Loss after tax	1,802,885	1,996,228
<b>Balance Sheet</b>		
Receivables from banks	6,805,895	23,820,498
Loans and receivables from customers	155,931,680	145,691,649
Payables to banks	24,476,526	28,293,962
Payables to customers	126,010,052	130,203,103
Equity	14,068,703	13,286,359
Balance-sheet total	189,955,416	196,810,180
<b>Resources</b>		
Average number of employees	2,606	2,590
Number of affiliates	105	104

#### Interim financial data

The Issuer released the non-audited consolidated financial data for the first half of 2011 after the date of its last audited financial statement.

*Table 2 presents an overview of the key historical economic indicators of Raiffeisenbank a.s., based on unaudited consolidated financial statements, compiled in accordance with International Financial Reporting Standards adopted by the EU on 30<sup>th</sup> June 2011. Data as of 31<sup>st</sup> December 2010 are audited.*

**Table 2** Selected financial indicators of Raiffeisenbank a.s., as of 30<sup>th</sup> June 2011

<i>(in thousands CZK)</i>	<b>30. 6. 2011</b>	<b>30. 6. 2010</b>
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<b>Profit and Loss Account</b>		
Net interest income after provisions and adjustments for credit risks	2,757,038	2,480,340
Net income from fees and commissions	1,079,030	897,732
Net profit (loss) from financial transactions	463,497	57,505
General operating expenses	(2,833,863)	(2,445,574)
Profit from operations	1,567,536	1,190,905
Profit (loss) before tax	1,570,210	1,190,905
Total profit (loss) for accounting period	1,234,601	932,004
<i>(in thousands CZK)</i>		
	<b>30. 6. 2011</b>	<b>31. 12. 2010</b>
<b>Balance Sheet</b>		
Cash and receivables from central banks	6,487,998	3,444,727
Receivables from banks	12,624,126	6,805,895
Loans and receivables from customers	161,828,374	155,931,680
Payables to banks	21,984,127	24,476,526
Payables to customers	135,649,142	126,010,052
Total equity	15,291,414	14,068,703
Balance-sheet total	203,798,162	189,955,416

*Verification of the historical financial data; the auditor of the Issuer*

The historical financial data of the Issuer for the years of 2009 and 2010 presented in this document are based on the financial statements for the accounting periods ending 31st December 2009 and 31st December 2010 and have been audited. The Auditor of the Issuer is the company Deloitte Audit s.r.o., Karolinská 654/2, Postal Code: 186 00, Prague 8.

*Court and arbitration proceedings*

Raiffeisenbank a.s. is not and was not, from the end of the prior accounting period until the date of the compilation of the General Prospectus and during the past two accounting periods, a party in any court or arbitration proceedings that had or could have an impact on the financial situation or profitability of the Issuer or the group.

*Significant changes in the financial situation of the Issuer*

There were no significant changes in the financial situation of the Issuer or the financial group for the accounting period ending on 31st December 2010, after the date of the release of the audited financial statement of the Issuer until the date of the compilation of this General Prospectus

## Summary description of the Bonds

*Bond Programme*

The Issuer is authorised, in accordance with this Bond Programme, to issue the Bonds in such a way so that the total nominal value of all outstanding Bonds issued within this Bond Programme would not exceed at any moment EUR 1,000,000,000 with the duration of the Programme for 30 years at maximum. The Issuer will prepare a special document, the so-called Issuance Supplement for each issue of the Bonds that is considered the final offer of the issue of the Bonds and contains the Addendum to the Bond Programme, i.e. the Addendum to the General Conditions of Issuance of the Bond Programme for such an issue of the Bonds.

*Bonds*

Securities specified in the Addendum of the Bond Programme that are issued based on the Bond Programme.

*Currency*

The Bonds are denominated in EUR or in any other currency..

*Nominal value*

The nominal value of each Issue will be set by the Issuer and shown in the Addendum to the Bond Programme.

*ISIN*

The identification number assigned by Centrální depozitář cenných papírů, a.s. (Central Securities Depository) for every issue of the Bonds, reported to the Czech National Bank on the Issue Date at the latest and released as the

## Addendum to the Bond Programme.

<i>Issue price</i>	The issue price (or manner of its determination) of all the Bonds issued by the Issue Date will be defined in the Addendum to the Bond Programme. The issue price of any Bonds issued during the Issuance Period subsequent to the Issue Date will always be determined by the Issuer in accordance with the prevailing market conditions. Where relevant, the corresponding accrued aliquot interest will be added to the issue price of any Bonds issued subsequent to the Issue Date.
<i>Maturity</i>	The maturity of Bond Issues will be determined by the Issuer and shown in the Addendum to the Bond Programme.
<i>Appearance and form of the Bonds</i>	The Bonds can be issued as dematerialised or documentary shares. The appearance of the Bonds of a specific issue will be stated in the Addendum to the Bond Programme. The Bonds can be issued as bearer shares or registered shares. The form of the Bonds of a specific issue will be stated in the Addendum to the Bond Programme.
<i>Yield of the Bonds</i>	The Addendum to the Bond Programme sets the interest rate of the Bonds (yield). The Bonds marked in the relevant Addendum as Fixed Income Bonds will bear the fixed interest rate shown in that Addendum. The Bonds marked in the relevant Addendum as Floating Income Bonds will bear the floating interest rate shown in that Addendum or calculated based on the rules for calculating the interest rate specified in the Addendum. The Bonds marked in the relevant Addendum as Discounted Bonds will not bear any interest. The yield from such Bonds will be the difference between the issue price and the nominal value of each such Bond.
<i>Covering block</i>	<p>The Issuer declares that the nominal value of the Bonds that will be issued as part of this Bond Programme and that are as yet outstanding, which are the Mortgage Bonds, as well as their respective yield, throughout the duration of the Bond Programme is fully covered by the receivables from the mortgage loans, or by any substitute manner (covering) as defined by the Act on Bonds.</p> <p>In the event that, for whatever reason, the value of the Covering Block shall no longer be sufficient to fully cover the nominal value and the value of the related and unpaid yield of all issued and outstanding bonds, which are the Mortgage Bonds, and should it not be possible to increase the value of the Covering Block, the Issuer will redeem the Bonds which are the Mortgage Bonds on the open market, until such time as the total value of the Covering Block will fully cover the nominal value and the related yield of the already issued and outstanding Bonds which are the Mortgage Bonds.</p>
<i>Status of the Bonds</i>	The Bonds issued in accordance with the individual issues of this Bond Programme (and any further payment obligations of the Issuer to the Owners of the Bonds or the Owners of the Coupons, if issued, ensuing in connection with the Bonds or the Coupons) constitute direct, general, unsecured, unconditional and unsubordinated obligations of the Issuer, which are and will be maintained equivalent to each other in respect of the sequence of their satisfaction (on a pari passu basis) and at least equivalent to all other existing and future unsubordinated and unsecured obligations of the Issuer, with the exception of those obligations of the Issuer, for which it is stated otherwise, according to the mandatory provisions of generally binding legal regulations. The Issuer undertakes to treat equally, under the same conditions, all the Owners of the Bonds and the Owners of the

Coupons from the same Bond Issue.

In the event that some Bonds within the Bond Programme (based on the Addendum to the Bond Programme) are issued as subordinated Bonds, the obligations from such subordinated Bonds will constitute direct, unconditional and unsecured obligations of the Issuer, subordinated pursuant to Section 34 of the Act on Bonds that are and always will be maintained equivalent to each other (on a pari passu basis).

*Negative obligation*

The Issuer undertakes that, until the fulfilment of all its payment obligations arising from all the Bonds and Coupons (if issued) in accordance with these Conditions of Issuance, it will neither secure nor permit the securing with a lien or any other similar rights of a third party, which could restrict the rights of the Issuer to its present or future assets or revenues, of any Obligations, unless, simultaneously with the establishment of the aforesaid lien or any other similar rights of a third party, the Issuer ensures that its obligations arising from the Bonds and Coupons (if issued) are either (i) secured in an equal value to the aforesaid secured Obligations or (ii) secured by other means approved by the Declaration of the Meeting in accordance with Article 12 of these Conditions of Issuance.

In accordance with the Act on Bonds, Raiffeisenbank a.s. also undertakes that it will not pledge the assets used for guaranteeing the nominal value of the Bonds which are the Mortgage Bonds.

*Default on obligations*

In the case of default on obligations, the Owners of the Bonds can demand an immediate redemption of the Bonds under the conditions specified in the Conditions of Issuance.

*Governing law*

Czech law.

*Jurisdiction*

The Municipal Court in Prague.

*Taxation*

Repayment of the nominal value of the Bonds and payment of their interest yield will be executed without deduction of taxes and charges or fees of any kind, unless such deduction is required by relevant legislation of the Czech Republic valid as of the time of the aforesaid payment. If such deduction of taxes, charges or fees is required by the relevant legislation of the Czech Republic valid as of the date of the aforesaid payment, the Issuer shall not be obliged to pay the payees any additional sums as compensation for the aforesaid deductions of taxes or charges.

*Sale restrictions*

The local laws on selling and offering the Bonds may set specific restrictions in offering and selling the Bonds and distributing promotional materials, e.g. in the United States of America and the European Economic Area.

*General conditions of offering the Bonds, estimated costs*

The Bonds can be offer as part of a public offer of securities pursuant to Section 34 et sequentur of the Act on the Capital Market or based on non-public placement. The way the Bonds are offered is always set in the Addendum to the Bond Programme.

The Bonds will be offered for subscription or purchase in the Czech Republic, in particular to qualified or professional investors (local and foreign) in compliance with the applicable legal regulations through the Bond Issue Senior Manager. The Bonds can be offered to any other potential buyers at any Place of Payment after they were issued on the secondary market.

The cost of the offer of the Bonds will be specified in the relevant Issuance Supplement.

*Quotation*

The Issuer may or may not ask that the Bonds be accepted for trading of the regulated market of the PSE or any other regulated securities market or a multilateral trading facility for every issue that is part of the Bond Programme. The specific regulated market or the multilateral trading facility or the fact that the Issuer does not wish to ask that the Bonds be accepted for trading on any regulated securities market or multilateral trading facility will be stated in the relevant Issuance Supplement.

*Reasons for offer and use of yield*

The reasons for offering individual issues of the Bonds and the use of yield from the issue will be always stated in the relevant Issuance Supplement.

## Summary of risks relating to the Issuer and Bonds

Summary of risks relating to the Issuer

Risk factors relating to the Issuer include in particular the following factors:

i) Dependence of the Issuer on the economic performance of the Czech Republic, ii) Risks associated with a decline in interest rates, iii) Competition in the banking sector in the Czech Republic, iv) Market fluctuations that may affect the business and investment activities of the Issuer, v) Operational risks associated with conducting business in the banking sector, vi) Regulatory rules and their amendments that may affect the business of the Issuer, vii) The risk of litigation, viii) Exchange rate risks, ix) Risk of failure of information technologies, x) Risk of the loss of key staff and risk of the inability to recruit and to retain skilled staff, xi) Bond ratings may not reflect all the associated risks for the Issuer.

Summary of risks relating to the Bonds

Risk factors relating to the Bonds include in particular the following factors:

i) Liquidity of the Bonds, ii) Early redemption of the Bonds, iii) Bonds are unsecured obligations, iv) Changes in laws may affect the value of the Bonds, v) Exchange rate risk, vi) Return on investment in the Bonds may be affected by the tax burden, vii) Bonds with a fixed interest rate entail the risk of a drop in the bond price due to changes in market interest rates, viii) Bonds with a floating interest rate entail the risk of fluctuations in the interest rates or in the values of fundamental assets, ix) Discount Bonds entail the risk of a reduction in the value of the aforesaid Bonds due to changes in market interest rates, x) Special risk factors related to subordinated Bonds, xi) Specific risk factors related to the Mortgage Bonds.

*Raiffeisenbank a.s. notes that any additional risk factors associated with investing in the Bonds of any Issue of the Bond Programme may be identified in the relevant Issuance Supplement containing an Addendum for that specific Issue. This summary is not exhaustive and it is not a substitute for a professional analysis. Prospective buyers of the Bonds should consult with their financial, tax and/or other advisors concerning the risks associated with this type of investments and the suitability of this investment, in respect of the individual circumstances of the particular prospective buyer of the Bonds.*

This General Prospectus was compiled on 2<sup>nd</sup> September 2011.

## RISK FACTORS

*Buying and holding Bonds is linked to a variety of risks, of which those that the Issuer considers relevant are listed below. This summary is not exhaustive, nor does it substitute for a professional analysis or for any of the provisions in the conditions for issuance of the Bonds, neither does it restrict any rights or obligations based on the Conditions for the Issuance of the Bonds and nor does it constitute an investment recommendation. Any decision by parties with an interest in the offering and/or purchase of the Bonds should be based on the information contained in the General Prospectus, all of its Supplements, the relevant Issuance Supplement and, specifically, on their own analysis of the potential advantages and risks of the investment in Bonds to be anticipated by a prospective acquirer of the Bonds. The Issuer advises all prospective investors to discuss their investments in the Bonds, prior to proceeding further, with their financial, tax and/or other advisors that the prospective investor deems requisite.*

### **Risk factors that may affect the issuer's ability to fulfil its obligations to investors arising from these Bonds**

#### *Dependence of the Issuer on the economic performance of the Czech Republic*

The financial results of the Issuer will be influenced by the overall economic situation within the Czech Republic. The major portion of the Issuer's revenue is generated within the Czech Republic. An overall decline in the economic performance of the Czech Republic may adversely affect the profit of the Issuer, which in a severe situation could lead to the reduced ability or complete inability of the Issuer to fulfil its obligations in accordance with the terms of the Bonds. Net interest income constitutes a significant proportion of the operating results of the Issuer, which consists primarily of income from client loans and interest income from debt securities. Credit conditions in the client sector are also largely dependent on the economic performance of the Czech Republic. Any possible deterioration in credit conditions in the client sector, or in part of it, could have a negative impact on earnings and on the financial situation of the Issuer which could, in severe cases, jeopardise the Issuer's ability to meet its obligations in accordance with the Bonds.

#### *Risks associated with a decline in interest rates*

One of the sources of profit of the Issuer is the differential between the interest on loans and other assets and the interest paid to depositors and other creditors of the Issuer. If interest rates fall, the Issuer's interest income arising from loans and other assets will also drop. At the same time the interest paid to depositors and other creditors will also fall, however this decline may not be commensurate with the decline in revenues resulting from loans. The decrease in interest rates may thereby negatively affect the interest income of the Issuer and thereby also negatively affect its operating results and also its ability to meet its obligations in respect of the Bonds issued.

#### *Competition in the banking sector in the Czech Republic*

Raiffeisenbank a.s. is a bank conducting business on the basis of a banking licence in the Czech Republic. Several dozen banks and a number of specialised financial institutions currently operate in the Czech Republic - commercial and investment banks, specialised investment companies, mortgage banks, insurance companies, investment companies, brokerage companies, companies offering consumer loans and other specialised institutions that offer similar services to those of Raiffeisenbank a.s. There is therefore a high level of competition in the banking sector. Additionally, the competition is expected to increase further with the arrival of foreign banks and specialised financial institutions in the Czech banking market, as a result of the on-going liberalisation of financial services within the European Union. If Raiffeisenbank a.s. is not able to succeed amidst this increasing competition, this may adversely affect operating results and the ability to meet the obligations based on the Bonds issued.

#### *Market fluctuations that may affect the business and investment activities of the Issuer*

The Issuer undertakes a variety of investments and commercial transactions in the debt, equity, cash and derivatives markets. Entering into transactions in all these markets, the Issuer responds to certain assumptions and estimates concerning the current situation and future developments in these markets. Revenue generated from transactions concluded are often dependent on the development of market prices that are outside the control of the Issuer and are the result of numerous factors that cannot be controlled by the Issuer. In a situation in which market prices are moving in a direction that is contrary to the expectations of the Issuer, this may lead to a negative impact on economic performance of the Issuer and its ability to meet its obligations in respect of the Bonds.

*Operational risks associated with conducting business in the banking sector*

In its business dealings the Issuer faces the risk of losses due to operational errors and deficiencies; so-called operational risk. In the banking sector operational risks are associated particularly with the risk of losses due to inadequate or unsuccessful internal factors, human error or system error. Additionally the risk of loss can also be caused through the influence of external factors, including risks arising from the breach or non-fulfilment of legal requirements. Even if the Issuer has implemented a number of procedures, measures and internal control mechanisms to prevent such risks, it is conceivable that, in the future, these phenomena might occur and that the Issuer may suffer losses arising therefrom.

*Regulatory rules and their amendments that may affect the business of the Issuer*

The Issuer is subject to extensive banking regulation on the part of the Czech National Bank. The Issuer must comply with the regulations concerning adequate capital, prudent management, management of liquidity and other regulations established to limit risks, with which the Issuer's banking activities must comply. In the event of any change in the regulatory rules, the issuer will be required to adapt to the aforesaid changes. This may adversely affect the results of the operations of the Issuer and its ability to meet its obligations on the basis of the Bonds.

*The risk of litigation*

Litigation conducted against the Issuer can arise during the normal course of business, as it can also in relation to various requirements and demands of a specific nature. Even though the Issuer assumes that none of the litigation in which it is involved will have a significant impact on its financial position, future operating results or cash flows, the Issuer cannot, with reasonable certainty, estimate the ultimate outcome of such disputes and their impact on its economic results.

*Exchange rate risk*

Most of the revenue of Raiffeisenbank a.s. is denominated in Czech crowns. Given that the Bonds issued can be denominated in euros, there is a risk for the Issuer in adverse developments of the exchange rates. As a result of changes in the value of the euro against the Czech crown, the value of the principal and of interest payments which were established in that currency will also change. If depreciation of the Czech crown against the Euro were to take place, the value of the principal and the interest payments denominated in crowns will increase. In the aforesaid situation, the Issuer's revenues may not be sufficient to cover its obligations arising from the Bonds issued.

*Risk of failure of information technologies*

The activities of the Issuer are dependent on the utilisation of information technologies, whose functioning can be influenced by a number of problems, such as hardware or software malfunctions, physical destruction of key IT systems, computer hacking attacks, computer viruses, etc. Raiffeisenbank a.s. cannot exclude possibility that in the future it might not be able to improve and expand its computer systems in such a manner and at such a pace that would be required in terms of competition in the banking market. Raiffeisenbank a.s. may, due to this fact, also face sanctions by the regulatory authorities regarding the fact that its information systems are not in accordance with banking and information requirements. All these factors might have a negative impact on the economic situation of the Issuer and its ability to meet its obligations in regard to the Bonds.

*Risk of the loss of key staff and risk of the inability to recruit and to retain skilled staff*

The quality of the key staff of the Issuer, particularly of the Members of the Board, is essential for establishing and implementing the strategic objectives of the Issuer. The ability of Raiffeisen to identify growth potential and to successfully implement the strategy chosen is also dependent on the Issuer's ability to retain existing employees and to recruit new staff. The departure of managers and of regular employees, and the inability to find, acquire and retain a team of skilled employees could reflect adversely in the business, the financial position and the economic results of the Issuer. This fact would adversely affect the Issuer's ability to meet its obligations in regard to the Bonds issued.

*Bond ratings may not take into account all the associated risks for the Issuer*

Rating agencies may attribute a rating evaluation both to the Issuers and to all or part of the Bonds issued by the Issuer. The rating attributed by these rating agencies is based on the Issuer's financial position and it reflects only the views of these specific rating agencies. There is no guarantee that these reports will be valid indefinitely, nor that they will not be reviewed, revised, removed or completely cancelled by the relevant rating agencies due to a changed situation or a lack of necessary information or if in the opinion of the rating agencies it shall be required because of the circumstances. The Issuer may also be evaluated by other rating agencies and if their "unsolicited rating" is lower than

the comparable reports prepared by the designated rating agencies, the aforesaid informal ratings may adversely affect the value of the Bonds.

### **Risk factors relating to the Bonds issued**

#### *Liquidity of the Bonds*

Trading in bonds may be less liquid. Bonds may be issued as quoted securities, which means that the Issuer intends to request acceptance of the Bonds for trading on the PSE market. The specific PSE market on which the Bonds will be quoted, will be stated in the relevant Issuance Supplement. In the Issuance Supplement it may also be stated whether or not the Bonds will be quoted on other regulated securities market or through a Multilateral Trading Facility. The nature and extent of any secondary Bond Market cannot be predicted. Despite the fact that the Bonds may be quoted on a regulated market, or through a Multilateral Trading Facility, this does not necessarily mean that their liquidity will be greater. In the case of unquoted Bonds it may be difficult to evaluate the aforesaid bonds, a fact that may have a negative impact on their liquidity.

#### *Early redemption of the Bonds*

In the Issuance Supplement it may be defined whether the Issuer is entitled to repay the Bonds of the relevant Issue prior to their maturity, for tax reasons or based on an option. If the Issuer repays the Bonds of any Issue prior to their Date of Maturity, the Bond-holder is at the risk of a lower than anticipated yield. The Issuer may, for example, use its option rights whereby the yield of comparable securities in the capital markets will drop, which means that an investor may only be able to reinvest the proceeds paid in bonds with a lower yield.

#### *Bonds are unsecured obligations*

The Bonds constitute direct, unsecured, unconditional and unsubordinated (with the exception of the subordinated obligations specified below) obligations of Raiffeisenbank a.s., which are and will be maintained equivalent to each other in respect of the sequence of their satisfaction (on a pari passu basis) and at least equivalent to all other existing and future unsubordinated and unsecured obligations of Raiffeisenbank a.s., with the exception of those obligations of Raiffeisenbank a.s., for which it is stated otherwise according to the mandatory provisions of generally binding legal regulations. Consequently, the potential owners of the Bonds issued are subject to direct tangible risks, including the cessation of the payment of interest or of the principal or the loss of a significant part of the investment in the event that the Issuer (voluntarily or involuntarily) declares bankruptcy. The Issuer is authorised to issue the subordinated Bonds pursuant to Section 34 of the Act on Bonds. The obligations arising from such subordinated Bonds constitute direct, unconditional and unsecured obligations of the Issuer, subordinated pursuant to Section 34 of the Act on Bonds that are and will be maintained equivalent (on a pari passu basis) to each other.

#### *Changes in laws may affect the value of the Bonds*

Conditions and rights in connection with the Bonds are based on the law of the Czech Republic, valid as of the date of the compilation of this General Prospectus. The Issuer cannot make any warranties concerning the impact of possible changes in legislation or administrative practice on the value of the Bonds, subsequent to the date of the compilation of this General Prospectus.

#### *Exchange rate risk*

The Bonds issued as part of this Programme can be denominated in euros. When investing in Bonds denominated in foreign currencies, the risk and the potential gain depend on the interest income of the Bonds and developments in the exchange rate between the currency in which the Bond is issued and the currency in which the investment was made. Adverse monetary developments may negatively affect the overall final return or the amount of the redemption of the Bonds, while investments in the Bonds may, in the event of adverse developments in the exchange rate, also be loss-makers, notwithstanding the fact that the interest income from the Bonds will be paid out or that the return on the Bonds shall be on a discounted basis.

#### *Return on investment in the Bonds may be affected by the tax burden*

Potential buyers or sellers of the Bonds should be aware that they may be required to pay taxes or other charges, in accordance with the laws or the practices of the country in which a transfer of Bonds is undertaken, or any other country related to such a transaction. In some countries no official policy of the tax authorities nor court decisions concerning financial instruments such as Bonds may be available. Potential investors however should not, in the acquisition, sale or redemption of the Bonds, rely on the brief and general summary of tax issues contained in this Prospectus but should act in accordance with the recommendations of their tax advisor(s) in regard to their individual taxation. Any consideration of investing in accordance with the risks specified in this section should only be undertaken

subsequent to at least the examination of Chapter 12 "TAXATION IN THE CZECH REPUBLIC, FOREIGN EXCHANGE REGULATION" of this General Prospectus. Prospective investors in the Bonds should be aware that any changes in tax laws may result in the subsequent Bond yields being lower than originally estimated and/or that the investor may, on the sale or the maturity of the Bonds be remunerated with a lower amount than originally hypothesised.

#### *Bonds with a fixed interest rate*

Investment in the Bonds with a fixed interest rate carries the risk of a decline in the Bond price due to changes in interest market rates. If the interest market rates increase, the price of the aforesaid Bond usually drops to the level at which the proceeds from the Bond are approximately equal to the interest market rate. If, on the contrary, interest market rates decrease, the price of a Bond with a fixed interest rate usually increases to the level at which the proceeds from the aforesaid Bond are approximately equal to the market interest rate.

#### *Bonds with a floating interest rate*

The owner of a Bond with a floating interest rate is exposed to the risk of fluctuations in interest rates or in the values of fundamental assets. These Bonds, whose yield is dependent on the development of the values of fundamental assets, are a sophisticated financial instrument whose yield is dependent on the development of the values of fundamental assets (especially the exchange rate, financial or non-financial indices or baskets of the fundamental assets). Given the objective impossibility to accurately predict the possible development of such a fundamental asset, an investment in the aforesaid Bonds entails the risk that the resulting yields from the Bonds may be lower than the yield from common bonds over the same period.

#### *Discount Bonds*

Discount Bonds do not guarantee the right of payment of interest, but their issue price is usually lower than their nominal value. Interest income at the maturity of the Bond is the result of the difference between the issue price and the nominal value of the Bond (i.e. the amount received in repayment) and reflects the market interest rate. The owner of a discount Bond is exposed to the risk of a decrease in the price of the aforesaid Bond due to changes in market interest rates.

#### *Special risk factors related to the subordinated Bonds*

The Bonds can be issued as subordinated bonds pursuant to Section 34, Paragraph 1 of Act No. 190/2004 of Coll., on bonds, in its latest amendments. In the event that the Issuer goes into liquidation or a decision of bankruptcy of the Issuer is made, the claims related to these bonds will be satisfied after all other claims due from the Issuer are satisfied, with the exception of the claims with the same or similar subordination condition.

#### *Specific risk factors related to the Mortgage Bonds*

The Mortgage Bonds are Bonds of which the nominal value, as well as the value of the related interest income, is fully covered by the receivables of the mortgage loans or by a portion of these receivables, or in any substitute manner. Substitute coverage for the nominal value of the Mortgage Bonds and their related yield is possible for only up to 10% of this nominal value.

For full guaranteeing of the nominal value of the Mortgage Bonds, as well as their related income, only the receivables of the mortgage loans may be used. These receivables or their portions shall not, during the time of the aforesaid coverage, exceed 70% of the collateral value of the properties mortgaged to guarantee these claims. If the Issuer of the Mortgage Bonds should become insolvent, a claim by an owners of the aforesaid bonds will be satisfied in an insolvency proceeding from the mortgage assets, which consist of the assets used to guarantee the Mortgage Bonds. The costs associated with the management and liquidation of the mortgaged assets are satisfied from the proceeds of their and subsequently the claims of the owners of the Mortgage Bonds. In the event that the proceeds from the liquidation of the mortgage assets shall not be sufficient to satisfy the claims of the owners of the Mortgage Bonds in full, these receivables will be satisfied proportionately. Any unsatisfied portion of the aforesaid receivables is then recorded amongst other claims.

The value of the mortgaged property is determined by the Issuer as a collateral value in accordance with Section 29 of the Act on Bonds. As the collateral value is understood the open market value determined in accordance with the special legal regulations governing asset valuation, taking into account the permanent and long-term sustainable characteristics of property, the revenue obtainable by a third party from the proper management of property, the rights and any defects associated with the property and the local conditions in the real estate market, including its influence and anticipated development. Considered as the open market value is the amount that would have been raised through the sale of the same, or a similar property in the ordinary course of trade in the Czech Republic, as of the date of the valuation.

Although the Issuer maintains a conservative policy in determining the collateral value of mortgaged properties, it is possible that a significant deterioration in the real estate market could lead to a reduction in the revenue from the liens ensuring the guarantees for the mortgage loans. This would, in the event of any insolvency proceedings, in the case of the bankruptcy of the Issuer, create a reduction of the amount available for distribution amongst the owners of the Mortgage Bonds according to schedule.

## **SUBSCRIPTION AND SALE**

The Issuer is authorised, in accordance with this Bond Programme, to issue bonds in a total nominal value of EUR 1,000,000,000. The Czech National Bank has approved the General Conditions of Issuance of the Bond Programme and additionally also the General Prospectus for the Bonds. This approval authorises the Issuer, after approval of the relevant Supplement to the Bond Programme from the Czech National Bank and its publication as a part of the Final Conditions of the individual Bond Issues (hereinafter referred to as the "**Issuance Supplement**"), to offer the Bonds in the Czech Republic, in accordance with the generally binding legal regulations applicable in the Czech Republic on the date of the conducting of the relevant offer. This approval is also one of the prerequisites for a public offering of the Bonds in the Czech Republic, in accordance with the laws applicable in the Czech Republic on the date of the compilation of this General Prospectus.

The propagation of the General Conditions of Issuance, the General Prospectus for Bonds and the Issuance Supplement and the offer, sale or purchase of the Bonds are restricted by law in some countries. Entities who obtain possession of this General Prospectus are responsible for compliance with the aforesaid restrictions as exist in different respective countries, relating to the offer, purchase or sale of the Bonds and/or the possession and distribution of any materials relating to the Bonds.

Any public offer of the Bonds may be conducted only in accordance with the relevant legal regulations, in particular with Section 35 of Act No. 256/2004 Coll., On the Capital Market, as amended, at the earliest at the time of the publication of the General Prospectus and any supplement thereto, and with the relevant Issuance Supplement, in accordance with the Act on the Capital Market and the Act on Bonds.

In addition to the information defined above, the Issuer requires subscribers to and acquirers of the Bonds to comply with the provisions of all the relevant laws in the individual countries (including the Czech Republic), in which they will buy, offer, sell or transfer the Bonds or where they will distribute, publish or otherwise circulate this General Prospectus and the Conditions of Issuance of Bonds or any other offerings or promotional materials or information relating to the Bonds, sc. in every case at their own cost and regardless of whether this General Prospectus, these Conditions of Issuance or any offer or promotional materials or information relating to the Bonds shall be presented in written form or solely in electronic or other intangible form.

In accordance with Section 35, Paragraph 1 of the Act on the Capital Market any public offer of the Bonds may be carried out only if the Prospectus, no later than at the beginning of the public offering, has been approved by the Czech National Bank and has been made public.

Prior to approval and publication of the Conditions of Issuance of Bonds, the General Prospectus for Bonds and the relevant Issuance Supplement, the Issuer, the subscribers to the Bonds and all other persons to whom this General Prospectus will be made available, are obliged to comply with the above-defined restrictions regarding the public offer and if they offer the Bonds, they must do so solely in the manner and in accordance with the conditions specified in the relevant legislation (e.g. in accordance with Section 35, Paragraph 2 of the Act on the Capital Market). In such circumstances, they are required to inform the entities to whom they are making an offer of the Bonds, concerning the fact that the Conditions of Issuance, the General Prospectus, any of its Supplements and/or the relevant Issuance Supplement containing the Addendum of Conditions of Issuance have not yet received the approval of the Czech National Bank and been made public and, if the offer should be made based on the provisions of Section 35 Paragraph 2 of Act on the Capital Market, also to notify the aforesaid entities of this fact.

Any offer of these Bonds that is conducted by the Issuer (including the distribution of this General Prospectus or the General Conditions of Issuance to selected investors on a confidential basis) prior to the approval of this General Prospectus and/or the relevant Issuance Supplement, or the Conditions of Issuance by the Czech National Bank, and prior to their publication, is made based on the provisions of Section 35, Paragraph 2 (in particular item c)) of the Act on the Capital Market. Accordingly the Issuer emphasises to all prospective investors and other parties that the Bonds issued as part of the Issue for which any offer shall be made prior to the approval of the Conditions of Issuance, the

General Prospectus and/or a relevant Addendum to the Bond Programme, can be acquired only at a price equal to or exceeding the amount corresponding to EUR 100,000 for a single investor. Prior to the approval of the General Prospectus, or the Conditions of Issuance of the Bonds and/or a relevant Addendum to the Bond Programme by the Czech National Bank, and their publication, the Issuer shall not be bound by any order from any investor to subscribe for or to purchase any of the aforesaid Bonds, if the issue price of the Bonds required should be equivalent to a total of less than EUR 100,000 in Czech crowns.

## GENERAL CONDITIONS OF ISSUANCE OF THE BOND PROGRAMME

These Bonds are issued as part of and in accordance with this Bond Programme (hereinafter referred to as "**Bonds**" and "**Bond Programme**") by the Raiffeisenbank a.s. Company, with its Registered Office at Prague 4, Hvězdova 1716/2b, Postal Code: 140 78, ID 49 24 09 01, registered in the Companies Register administered by the Municipal Court in Prague, Section B, File 2051 (hereinafter also referred to as "**Raiffeisenbank a.s.**" or the "**Issuer**") in accordance with Act No. 190/2004 Coll., On Bonds (hereinafter referred to as "**Act on Bonds**"), and Act No. 256/2004 Coll., On the Capital Market (hereinafter referred to as "**Act on the Capital Market**"), both as amended, in relation to the relevant Bond Issue as of the date of approval of the relevant Addendum (as defined below) by the Czech National Bank. The Bonds are governed by these General Conditions of Issuance of the Bond Programme (hereinafter referred to as the "**Conditions of Issuance**") and additionally also by the relevant addendum to the Conditions of Issuance, defined in the Addendum to The Bond Programme (hereinafter referred to as the "**Addendum**").

These Conditions of Issuance, which will be identical for the individual Bond Issues, issued as part of the Bond Programme, have been approved by a Decision of the Czech National Bank, in accordance with the Act on Bonds and the Act on Securities No. 2009/7097/570 referring to Ref. No. 2009/166/572 of the 15<sup>th</sup> September 2009, which became effective on 16<sup>th</sup> September 2009. The change in the General Conditions of Issuance was approved through the Decision of the Czech National Bank No. 2011/11470/570, referring to Ref. No. 2011/109/572, of 23<sup>rd</sup> September 2011, which took effect on 23<sup>rd</sup> September 2011. The ISIN of the Bonds and Coupons (if issued and if required in accordance with the Act on Bonds) for each individual Bond Issue issued as a part of the Bond Programme will be assigned individually by the Czech National Bank and will be listed in the relevant Addendum. Each individual Bond Issue issued as a part of the Bond Programme may consist of quoted or unquoted and/or publicly offered Bonds, which will be specified in the relevant Addendum. (In order to avoid any ambiguity, the terms "**quoted Bonds**", "**unquoted Bonds**" and "**publicly offered Bonds**" will bear the definitions assigned to them in the Act on the Capital Market).

These Conditions of Issuance will, for each specific Bond Issue issued as part of the Bond Programme, always be specified in the Addendum that will be independently approved by the Czech National Bank, in accordance with the generally binding legal regulations. The Conditions of Issuance for each specific Bond Issue, issued as part of the Bond Programme, will therefore comprise the provisions of these Conditions of Issuance and the provisions contained in the relevant Addendum, as approved by the Czech National Bank.

Any provision of these Conditions of Issuance may be modified or altered by means of any of the Addenda for each specific Bond Issue issued as part of the Bond Programme. In the event of any conflict between these Conditions of Issuance and the relevant Addendum applicable to any specific Bond Issue issued as part of the Bond Programme, the provisions of the relevant Addendum will take preference, in respect of the specific Bond Issue. This does not affect the wording of these Conditions of Issuance in respect of any specific Bond Issue issued as a part of the Bond Programme.

Unless the relevant Addendum states otherwise and provided that no change shall occur in accordance with Article 11.1.2 of these Conditions of Issuance, the functions of the administrator in relation to the payments of interest income and the repayment of the Bonds will be undertaken by Raiffeisenbank a.s. itself. For any specific Bond Issue Raiffeisenbank a.s. can delegate an administrator for the services related to payments of interest income and the repayment of the Bonds, i.e. another individual entity with the appropriate permission to carry out the aforesaid activities (Raiffeisenbank a.s. or any other such individual entity hereinafter referred to as the "**Administrator**"), based on a contract for the management of the issuance and for the provision of payments (hereinafter also referred to as the "**Contract with the Administrator**"). In the circumstance that Raiffeisenbank a.s. shall be the Administrator, the activities of the Administrator related to the payment of interest income and the repayment of the Bonds shall be undertaken by Raiffeisenbank a.s., in accordance with the terms of management of the issue and of the provision for payments (also referred to as the "**Terms of Payment**"). A copy of the Terms of Payment or of the Contract with the Administrator (whichever is applicable) will be available for viewing by the Owners of the Bonds (as that term is defined below) and by the Owners of the Coupons (as that term is defined below), if issued, during working hours, at the designated premises of the Administrator (hereinafter also referred to as the "**Designated Premises**"), as set out in Article 11.1.1 of these Conditions of Issuance. Owners of the Bonds and Owners of the Coupons (if issued) are advised to familiarise themselves with the Terms of Payment or the Contract with the Administrator (whichever is

applicable); these are important, inter alia, for the actual conducting of payments to the Owners of the Bonds and the Owners of the Coupons (if issued).

Unless the relevant Addendum states otherwise and if no change shall take place in accordance with Article 11.2.2 of these Conditions of Issuance, then the activities of an agent for the calculations associated with the conducting of calculations in relation to certain specific Bond Issues (hereinafter also referred to as the "**Agent for the Calculations**"), will be provided by Raiffeisenbank a.s. itself. For any specific Bond Issue Raiffeisenbank a.s. can delegate an Agent for the Calculations associated with the conducting of calculations in regard to certain specific Bond Issues, i.e. another individual with the appropriate authority to conduct the aforesaid activities of Raiffeisenbank a.s..

Unless the relevant Addendum states otherwise and provided that no change shall take place in accordance with Article 11.3.2 of these Conditions of Issuance, then the activities of a quoting agent in respect of any Issuance of quoted Bonds on the relevant regulated market or through a Multilateral Trading Facility (hereinafter also referred to as the "**Quoting Agent**"), will be conducted by Raiffeisenbank a.s. itself. For any particular Bond Issue Raiffeisenbank a.s. can delegate a Quoting Agent for the offering of the aforesaid Bonds on the public market, i.e. another individual with the appropriate permission to carry out the aforesaid activities.

The Issuer is authorised to issue the Mortgage Bonds in accordance with the Decision of the Czech National Bank Ref. No. 1597/520 of 27<sup>th</sup> July 1999.

Some terms used in these Conditions of Issuance are defined in Article 15 of these Conditions of Issuance.

## **1. General Characteristics of Bonds**

### **1.1 Appearance, Form, Nominal Value and Other Characteristics of the Bonds**

Bonds issued based on this Bond Programme may be issued as dematerialised securities, or as certificated securities, in the form of registered or bearer bonds, as regular bonds or as Mortgage Bonds. The Bonds will each be issued with a nominal value, in a total estimated nominal value, in the number and in accordance with the numeration defined in the relevant Addendum. The currency of the Bonds, any assessment of the financial status (rating) of Raiffeisenbank a.s. and/or the Bonds and any rights of Raiffeisenbank a.s. to increase the size of the Bond Issue, including the conditions governing the aforesaid an increase and/or the right to issue Bonds up to the total nominal value of the relevant Bond Issue, even subsequent to the expiration of the issuance period, shall also be identified in the relevant Addendum.

Unless the relevant Addendum states otherwise, no pre-emption or exchange rights will be associated with the Bonds. The title of each Bond Issue issued as part of the Bond Programme will be defined in the relevant Addendum.

### **1.2 Owners of the Bonds and Owners of the Coupons; Transfer of the Bonds and the Coupons**

#### **1.2.1 Separation of the Rights to the Proceeds from the Bonds**

Separation of the rights to the proceeds from the Bonds issued as part of the Bond Programme by the issuance of coupons (hereinafter also referred to as "**Coupons**") as separate bearer securities, which carry the right of payment of proceeds, is possible only if provided for in the relevant Addendum.

#### **1.2.2 Transferability of the Bonds and the Coupons**

Unless the relevant Addendum provides otherwise, the transfer of the Bonds and the Coupons (if issued) is not restricted, however transfer of the Bonds may be suspended in connection with the issuance of specific units of Documentary Bonds (as defined in Article 1.2.4 of these Conditions of Issuance) and in connection with the repayment or early repayment of the Bonds (as defined in Article 7.3 of these Conditions of Issuance).

#### **1.2.3 Owners and Transfers of Dematerialised Bonds and Coupons**

(a) The owner of an dematerialised Bond (hereinafter also referred to as the "**Owner of the Bond**") and an dematerialised Coupon (if it is issued) (hereinafter also referred to as the "**Owner of the Coupon**") is the person who, in accordance with generally applicable laws, is registered as the owner of the aforesaid a Bond or Coupon (if issued) at the Prague Securities Centre, or in any other statutory record of the owners of dematerialised securities in the Czech Republic that shall replace the Prague Securities Centre (particularly the central depository), or in the records of any other party authorised or responsible for the management of a register of securities or a part of it, in accordance with the generally binding legal regulations of the Czech Republic (Prague Securities Centre, any of its legal successors

or other person(s) authorised or responsible for the management of dematerialised securities, or its part, in accordance with the legislation of the Czech Republic, collectively referred to also as the "**Centre**"; unless proven otherwise.

(b) The transfer of the Dematerialised Bearer and the Registered Bonds and Coupons (if issued) is conducted through the recording of such a transfer at the Centre, in accordance with the applicable regulations of the Centre.

(c) Raiffeisenbank a.s. and the Administrator shall regard every Owner of a Bond and Owner of a Coupon (if issued), as their lawful owner in every respect and carry out payments to them in accordance with these Conditions of Issuance and the relevant Addendum.

#### **1.2.4 Owners and Transfers of Documentary Bonds and Coupons**

(a) Unless the relevant Addendum provides otherwise, the Documentary Bonds will be represented by a documentary collective bond, without Coupons (hereinafter also referred to as the "**Collective Bond**"). The Collective Bond, on the relevant date of the issuance of the Bonds, will be placed in the custody and the management of the Administrator (or with another person authorised and qualified to carry out these activities, which will be defined in the relevant Addendum). The Owners of the Bonds share in the total nominal value of the Collective Bond through ownership of a certain number of Bond units, without these Bonds having been allocated a serial number. The Collective Bond is jointly owned by the shareholders of the Collective Bond (where referred to in the Conditions of Issuance or in the Addendum as Owners of the Bonds, in connection with their corresponding share of the Collective Bond, the aforesaid persons can be also identified as "**Shareholders**"). In the event of early repayment of some units of the Bonds, through which the Owners of the Bonds share the total nominal value of the Collective Bond, the total nominal value of the Collective Bond will be reduced accordingly. The Shareholders of the Collective Bond are the owners of the aforesaid a number of individual units, as corresponds to the size of their share in the Collective Bond and share all the rights of the Owners of the Bonds (including the right to receive payment of the Bond yield); they do not however have the right to obtain, at their own request, from Raiffeisenbank specific units of the Bonds and the Coupons (if issued), unless otherwise expressly stated in an Amendment. In the event that an Amendment states that the Owners have the right to obtain specific units of the Bonds and the Coupons (if issued), these specific units of the Bonds and the Coupons (if issued), will be issued to the Owners of the Bonds and to the Owners of the Coupons (if issued) by the Administrator (or by another person authorised and qualified to carry out the aforesaid activities, which will be determined in the relevant Addendum), on the dates and according to the conditions set forth in the relevant Addendum. Unless the relevant Addendum states otherwise, in the event that the Addendum states that the Owners have the right to obtain specific units of the Bonds and the Coupons (if issued), specific units of the Bonds and the Coupons (if issued) will be distributed to the Owners of the Bonds and to the Owners of the Coupons (if issued) at the Designated Premises of the Administrator (or at another site, which will be specified in the relevant Amendment) only in the event of default as referred to in Article 9 of these Conditions of Issuance, at the request of the Owner of the Bonds submitted at the earliest after the Administrator, in accordance with Article 9 of these Conditions of Issuance has received the first proper Notice of Early Redemption. The administrator (or another person authorised and qualified to carry out the aforesaid activities, who will be defined in the relevant Addendum) will carry out the actual issuance of the specific units of the Bonds and the Coupons (if issued) as soon as possible after (i) an application for exchange in accordance with the preceding sentence and (ii) the printing of specific units of the Bonds and the Coupons (if issued) in accordance with the relevant generally binding legal regulations. Raiffeisenbank a.s. is required to ensure the printing of specific units of the Bonds and the Coupons (if issued) as soon as is reasonably possible after the Administrator (or another person authorised and qualified to carry out the aforesaid activities, who will be defined in the relevant Addendum) announces receipt of the first application for the issuance of specific units of the Bonds and the Coupons (if issued) in accordance with this paragraph, or having been served such a request, undertakes, in connection with the relevant Bond issue the Administrator's activities him/herself. For the avoidance of all doubt, Raiffeisenbank a.s. will not be in default in meeting its obligations under this paragraph if the Addendum provides that the Owners have the right to obtain specific units of the Bonds and the Coupons (if issued), if the Bonds and the Coupons (if issued) are printed and their exchange will be made available to the Owners of the Bonds and the Owners of the Coupons (if issued) within the usual time period for the printing of certificated securities with similar characteristics to the Bonds.

(b) The rights attached to the Bonds in relation to Raiffeisenbank a.s. can be exercised by the aforesaid person who is (i) in the case of the Documentary Bearer Bonds the person which presents the bearer Bonds and (ii) in case of the Documentary Registered Bonds the person specified in the List of the Owners of the Bonds, which submits the relevant registered Bond; in the circumstances in which there is a Collective Bond, the Owner of the Bonds is in all cases the person who is registered in the record with the Administrator (or another person authorised and qualified to carry out the aforesaid activities, which will be listed in the relevant Addendum) as a person having share in the Collective Bond through a certain number of units of the Bonds. The Owner of the physical Coupon is the person who submits the relevant Coupon.

(c) The transfer of shares through which the specific Owner of the Bonds participates in the Collective Bond is conducted by a registration of this transfer in the records of the Administrator (or another person authorised and qualified to carry out the aforesaid activities, as defined in the relevant Amendment). Prior to the issuance of specific units of the Bonds and the Coupons (if issued), the Administrator (or another person authorised and qualified to perform the aforesaid activities, which will be defined in the relevant Amendment, who keeps records of shares in the Collective Bond) can make an announcement to the Owners of the Bonds in accordance with Article 13 of these Conditions of Issuance, by which the Administrator (or another person authorised and qualified to perform the aforesaid activities, which will be defined in the relevant Amendment, who keeps records of shares in the Collective Bond) may determine the date from which the transfers of shares in the Collective Bond will be suspended, while in accordance with the Administrator's announcement (or of another person authorised and qualified to perform the aforesaid activities, which will be defined in the relevant Amendment, who keeps records of the shares in the Collective Bond), the Owner of the Bonds is obliged to provide the necessary assistance for the suspension of the aforesaid transfers. The Administrator (or another person authorised and qualified to perform the aforesaid activities, which will be defined in the relevant Amendment, who keeps records of the shares in the Collective Bond) will not register any transfers of the shares in the Collective Bond after this date, however this date must not precede the date as of which the Owners of the Bonds will be entitled to collect specific units of the Bonds and the Coupons (if issued), by more than 7 (seven) working days.

(d) The transfer of Documentary Bearer Bonds and Coupons (if issued) is conducted by means of their transmission to the acquirer.

(e) The transfer of Documentary Registered Bonds is carried out by their endorsement in favour of the new Owner of the Bonds and their transmission; such a transfer does not become effective for Raiffeisenbank a.s. until the recording of such change of Ownership of the Bond to the List of Owners of the Bonds. Raiffeisenbank a.s. shall conduct the aforesaid recording immediately after receiving evidence of the aforesaid change.

(f) The transfer of shares in the Collective Bond is conducted by the recording of a new Shareholder in the place of an existing shareholder in the record of shares in the Collective Bonds held by the Administrator.

(g) Raiffeisenbank a.s. and the Administrator shall regard each Owner of a Bond and Owner of a Coupon (if issued), as their lawful owners in every respect and conduct payments to them in accordance with these Conditions of Issuance and their relevant Addendum.

## **2. The Date and Form of the Bond Issue, the Issue Price**

### **2.1 The Issue Date; The Issuance Period**

The issue date for each individual Bond Issue will be stated in the relevant Amendment. If Raiffeisenbank a.s. shall not issue as of the issue date all the Bonds constituting the relevant Bond Issue, the remaining Bonds can be issued at any time during the Issuance Period, even in successive steps, if not provided otherwise in the relevant Amendment. Raiffeisenbank a.s. shall notify, without undue delay after the expiration of the Issuance Period, the Owners of the Bonds and Owners of the Coupons (if issued), in the manner set forth in Article 13 of the Conditions of Issuance concerning the total nominal value of the Bonds constituting the relevant Bond Issue, only if the aforesaid total nominal value of all the Bonds issued as part of the relevant issue is lower or higher than the total estimated nominal value of the relevant Bond Issue. Raiffeisenbank a.s. is authorised to issue, as part of the relevant issue, Bonds up to the estimated total nominal value of the Bond Issue listed in the Amendment or at a higher volume of issuance than the estimated total nominal value of the issue listed in the Amendment, even after the expiration of the Issuance Period, in which circumstance Raiffeisenbank a.s. will decide and announce the additional issuance period in accordance with the relevant legal regulations.

### **2.2 Issue Price**

The issue price (or manner of its determination) of all the Bonds issued by the Issue Date will be defined in the Addendum. The issue price of any Bonds issued during the Issuance Period subsequent to the Issue Date will always be determined by Raiffeisenbank a.s. in accordance with the prevailing market conditions. Where relevant, the corresponding accrued aliquot interest will be added to the issue price of any Bonds issued subsequent to the Issue Date.

### **2.3 Manner and Place for Subscription to the Bonds**

How and where subscription to the individual Bonds issued in accordance with this Bond Programme will take place, including data concerning the persons who are involved in the distribution of the Bonds will be specified in the relevant Addendum.

### **3. Status of the Bonds; Declarations and Obligations of Raiffeisenbank a.s. relating to the Bonds and the Covering Block**

#### **3.1 Status of the Bonds**

The Bonds issued in accordance with the individual issues of this Bond Programme (and any further payment obligations of Raiffeisenbank a.s. to the Owners of the Bonds or the Owners of the Coupons, if issued, ensuing in connection with the Bonds or the Coupons) constitute direct, general, unsecured, unconditional and unsubordinated (with the exception of subordinated Bonds as specified below) obligations of Raiffeisenbank a.s., which are and will be maintained equivalent to each other in respect of the sequence of their satisfaction (on a pari passu basis) and at least equivalent to all other existing and future unsubordinated and unsecured obligations of Raiffeisenbank a.s., with the exception of those obligations of Raiffeisenbank a.s., for which it is stated otherwise, according to the mandatory provisions of generally binding legal regulations. Raiffeisenbank a.s. undertakes to treat equally, under the same conditions, all the Owners of the Bonds and the Owners of the Coupons from the same Bond Issue.

Based on the Addendum to the Bond Programme, the Bonds can be issued as subordinated Bonds. The obligations from subordinated Bonds will represent direct, unconditional and unsecured obligations of the Issuer, subordinated pursuant to Section 34 of the Act on Bonds that are and will be maintained equivalent (on a pari passu basis) to each other.

In the event that (i) the Issuer goes into liquidation or (ii) a decision of bankruptcy of the Issuer is made, the claims related to subordinated Bonds will be satisfied after all other claims due from the Issuer are satisfied, with the exception of the claims with the same or similar subordination condition. The claims from all subordinated Bonds and other claims with the same or similar subordination condition will be satisfied based on their order.

Subordinated claims in insolvency proceedings will not be satisfied until all claims in insolvency proceedings are fully satisfied under the conditions set in Act No. 182/2006 of Coll., on bankruptcy and its solution, in its latest amendments.

It is not permitted to credit a claim of the creditor from a subordinated Bond against its obligations toward the Issuer or a member of the regulated consolidation group of the Issuer unless stated otherwise in the Addendum to the Bond Programme.

The Issuer or another member of the regulated consolidation group of the Issuer will not accept claims from subordinated Bonds as a security.

#### **3.2 Declarations and Obligations of Raiffeisenbank a.s. relating to the Bonds and the Covering Block**

Raiffeisenbank a.s. hereby declares that it owes the nominal value of each Bond to the respective Owner of the Bond and the related interest yield from the bond to the respective Owner of the Bond or the Owner of the Coupon (if issued) and agrees to pay to him the interest income and to redeem the nominal value of the Bond, in accordance with these Conditions of Issuance and the Act on Bonds.

Raiffeisenbank a.s. additionally declares that the nominal value of the Bonds that will be issued as part of this Bond Programme and that are as yet outstanding, which are the Mortgage Bonds, as well as their respective yield, throughout the duration of the Bond Programme is fully covered by the receivables from the mortgage loans, or by any substitute manner (covering) as defined by the Act on Bonds (hereinafter also referred to as the "**Covering Block**").

Raiffeisenbank a.s. undertakes that it will not announce the first or any other Bond Issue, which are the Mortgage Bonds, and will not commence issuance of any of the aforesaid Bonds, if the Covering Block shall be insufficient to fully cover the nominal value and the related yield of the already issued and outstanding Bonds, which are the Mortgage Bonds, and additionally the total nominal value and the related yield of any other such proposed issue of Bonds, which are the Mortgage Bonds.

In the event that, for whatever reason, the value of the Covering Block shall no longer be sufficient to fully cover the nominal value and the value of the related and unpaid yield of all issued and outstanding bonds, which are the Mortgage Bonds, and should it not be possible to increase the value of the Covering Block, Raiffeisenbank a.s. will

redeem the Bonds which are the Mortgage Bonds on the open market, until such time as the total value of the Covering Block will fully cover the nominal value and the related yield of the already issued and outstanding Bonds which are the Mortgage Bonds.

Receivables from the mortgage loans denominated in the statutory currency of the Czech Republic may also be included as part of the Covering Block. The Issuer will on each working day during which the outstanding bonds which are the Mortgage Bonds are in the possession of any Owner of the Bonds other than the Issuer, conduct the conversion of the receivables constituting the Covering Block from the relevant currency of the aforesaid receivables to Euro currency. For the conversion of the receivables constituting the Covering Block from the respective currency of the aforesaid receivables to Euro currency the Issuer shall apply the market exchange rate of the Czech National Bank at the time of this conversion. In the event that the Czech National Bank shall not publish the market exchange rate for the conversion of the statutory currency of the Czech Republic to Euro currency, the conversion rate to the Euro currency of the European Central Bank shall be applied or of any other domestic central bank which shall be the legal successor of the European Central Bank.

#### **4. Negative Obligation**

Raiffeisenbank a.s. undertakes that, until the fulfilment of all its payment obligations arising from all the Bonds and Coupons (if issued) in accordance with these Conditions of Issuance, it will neither secure nor permit the securing with a lien or any other similar rights of a third party, which could restrict the rights of Raiffeisenbank a.s. to its present or future assets or revenues, of any Obligations, unless, simultaneously with the establishment of the aforesaid lien or any other similar rights of a third party, Raiffeisenbank a.s. ensures that its obligations arising from the Bonds and Coupons (if issued) are either (i) secured in an equal value to the aforesaid secured Obligations or (ii) secured by other means approved by the Declaration of the Meeting in accordance with Article 12 of these Conditions of Issuance.

In accordance with the Act on Bonds Raiffeisenbank a.s. additionally undertakes that it will not pledge the assets used for guaranteeing the nominal value of the Bonds which are the Mortgage Bonds.

As "**Obligations**" are understood any present or future financial obligations of the Issuer arising from the Bonds (including the Mortgage Bonds) that it has issued, which have a maturity period of at least 12 months.

#### **5. Yield**

##### **5.1 Fixed Income Bonds**

(a) Bonds defined in the relevant Addendum as Fixed Income Bonds will bear the fixed interest rate specified in that Addendum.

(b) The interest yield will accrue from the first day to the last day of each Yield Term, that is still included in the Yield Term, at an interest rate in accordance with paragraph (a) above.

(c) The interest yield for the Yield Term is payable in arrears on the Date of Interest Payment.

(d) The Bonds shall cease to be remunerated from the Date of Maturity of the Bonds unless, after compliance with all terms and conditions, the remuneration of the amount owed by Raiffeisenbank a.s. shall be unjustifiably retained or rejected. In such a case, the interest yield shall continue to accrue at the interest rate in accordance with paragraphs (a) and (b) above until (i) the date on which the Owners of the Bonds shall be paid all amounts due as of this date or (ii) the date on which the Administrator notifies the Owners of the Bonds that he has received all amounts due in connection with the Bonds, unless after the aforesaid notice another unjustifiable retention or rejection of payments shall occur, depending on which of the above stated possibilities should take place first.

(e) The amount of the interest yield pertaining to one Bond for each period of one common year is determined by multiplying the nominal value of this Bond (or its unpaid part, if the nominal value is not payable as a lump sum) by the corresponding interest rate (expressed as a decimal number). The amount of the interest yield pertaining to one Bond for any period shorter than one common year is determined by multiplying the nominal value of the Bond (or its unpaid part, if the nominal value is not payable as a lump sum), the relevant interest rate (expressed as a decimal number) and the relevant Fraction of Days.

##### **5.2 Floating Income Bonds**

(a) Bonds defined in the relevant Addendum as Floating Income Bonds will either bear a floating interest rate as specified in this Addendum or the rate calculated on the basis of the rules for the method for calculation of the interest rate specified in the Addendum.

(b) The Interest yield will accrue from the first day of each Yield Term to the last day that is still included in this Yield Term, at the interest rate applicable for this Yield Term.

(c) Unless the relevant Addendum provides otherwise, the interest rate applicable for each Yield Term will be determined by the Agent for the Calculation according to the rules specified in the Addendum. The Agent for the Calculation will communicate the interest rate for each Yield Term, immediately after its determination, to the Administrator, who will, without undue delay, give notice of it to the Owners of the Bonds, in accordance with Article 13 of these Conditions of Issuance, or in any other manner specified in the Addendum.

(d) The Interest yield for each Yield Term is payable in arrears on the Date of the Interest Payment.

(e) The Bonds shall cease to be remunerated as of the Date of Maturity of the Bonds unless, after compliance with all the terms and conditions the remuneration of the outstanding amount of Raiffeisenbank a.s. shall be unjustifiably retained or rejected. In the case of such a circumstance, the interest yield shall continue to accrue at the interest rate in accordance with paragraphs (a) and (b) above, until (i) the date on which the Owners of the Bonds shall be paid all amounts due as of this date or (ii) the date on which the Administrator notifies the Owners of the Bonds that he has received all the amounts due in connection with the Bonds unless, after such notice another unjustifiable retention or rejection of payments shall occur, depending on which of the above stated possibilities should take place first.

(f) The amount of the interest yield pertaining to one Bond for a period of one common year is determined by multiplication of the nominal value of the aforesaid Bond (or its unpaid part, if the nominal value is not payable as a lump sum) and the corresponding interest rate (expressed as a decimal number). The amount of the interest yield pertaining to one Bond for any period shorter than one common year is determined by multiplying the nominal value of the aforesaid Bond (or its unpaid part, if the nominal value is not payable as a lump sum), by the relevant interest rate (expressed as a decimal number) and by the relevant Fraction of Days.

### **5.3 Bonds with yield based on discount (Bonds Discount)**

(a) Bonds defined in the relevant Addendum as Discount Bonds will not bear interest. The yield of the aforesaid Bonds is represented by the difference between the issue price and the nominal value of each of the aforesaid Bonds.

(b) If the amount (nominal value or Discounted Value) in connection with any non-interest bearing Discount Bond shall not be duly repaid by Raiffeisenbank a.s. at its Date of Maturity, the amount due shall bear interest at the appropriate Discount Rate, until (i) the date when the Owners of the Bonds shall be paid all amounts due as of that date, or (ii) the date on which the Administrator notifies the Owners of the Bonds that he has received all amounts due in connection with the Bonds unless, after such notice, further unjustifiable retention or refusal of payments should take place, depending on which of the above stated possibilities occurs first. In cases involving calculation for a period shorter than one year, this calculation is carried out on the basis of the relevant Fraction of Days, as specified in the relevant Addendum.

## **6. Repayment of Bonds**

### **6.1 Final Redemption**

If early redemption of the Bonds of Raiffeisenbank shall not take place for the reasons set forth in these Conditions of Issuance or in the relevant Addendum relating to a particular Bond Issue, the nominal value of the Bonds (or other value, if specified in the Addendum as the value that Raiffeisenbank a.s. shall pay to the Owners of the Bonds at the maturity of the Bonds) will be repaid as of the Date of Final Maturity of the Bonds, in accordance with Article 7 of these Conditions of Issuance. Unless otherwise specified in the relevant Addendum, the entire nominal value of the Bonds (or other value, if specified in the Addendum as the value that Raiffeisenbank a.s. shall pay to the Owners of the Bonds at the maturity of the Bonds) will be paid in one sum on the Date of Final Maturity of Bonds.

### **6.2 Early Redemption in accordance with the Decision of Raiffeisenbank a.s.**

#### **6.2.1 Admissibility of an Early Redemption based on the Decision of Raiffeisenbank a.s.**

Unless otherwise specified in the relevant Addendum, Raiffeisenbank a.s. is not authorised on the basis of its own decision to repay the Bonds of the relevant Bond Issue prior to the Date of Final Maturity of the Bonds, with the exception of the early redemption of the Bonds owned by Raiffeisenbank a.s. and in accordance with Article 6.5 of these Conditions of Issuance.

#### **6.2.2 Notice of Early Redemption**

If the relevant Addendum sets forth a date or dates for early redemption of the Bonds based on the decision of Raiffeisenbank a.s., Raiffeisenbank a.s. has the right, in accordance with its own discretion, of early repayment of all outstanding Bonds of the relevant issue on the aforesaid date, provided, however, that the bank shall give notice of this decision to the Owners of the Bonds, in accordance with Article 13 of these Conditions of Issuance, no earlier than 60

(sixty) days and no later than 45 (forty-five) days prior to the effective date of the aforesaid early redemption (hereinafter also referred to as the "**Date of Early Redemption of the Bonds**").

### **6.2.3 Early Redemption**

Notice of early redemption based on the decision of Raiffeisenbank a.s., in accordance with Article 6.2.2 of these Conditions of Issuance, shall be irrevocable and commits Raiffeisenbank a.s. to early repayment of all the Bonds from the relevant Issue in accordance with the provisions of this Article 6.2 and the relevant Addendum. In such circumstances, all the outstanding Bonds of Raiffeisenbank a.s. of the relevant issue will be repaid in the amount set forth in the relevant Addendum, together with accrued and outstanding interest (if applicable). In the event that Coupons have been issued with the Bonds of the relevant Issue, all the Coupons that are not yet due and that are attached to the Bonds must be returned together with them, otherwise the Value of the Unused Coupon is deducted from the amount payable to the Owner of the Bond and will be paid to the relevant Owner of the Coupon, however only against the surrender of the relevant Coupon. All Coupons that are attached to the Bonds, which are not returned together with Bonds, become due on the same date as all the Bonds, with the Value of Unused Coupon.

## **6.3 Early Redemption based on the Decision of the Owner of the Bonds**

### **6.3.1 Permissibility of Early Redemption based on the Decision of the Owner of the Bonds**

Unless otherwise specified in the relevant Addendum, the Owner of the Bonds is not entitled to request the repayment of the Bonds prior to the Date of Final Maturity of the Bonds from the relevant Bond Issue, with the exception of early redemption of the Bonds in accordance with Articles 9, 12.4.1 and 12.4.2 of these Conditions of Issuance.

### **6.3.2 Notice of Early Redemption**

If the relevant Addendum sets forth a date or dates for early redemption of the Bonds in accordance with the decision of the owners of the Bonds, any Owner of the Bonds from the relevant Bond Issue has the right, in accordance with his own discretion, to request early redemption of a part or of all the outstanding Bonds from the relevant issue in his ownership on any such date, provided however, that he shall announce this decision by means of written notice to Raiffeisenbank a.s., delivered to the Administrator at the address of the Designated Premises of the Administrator no earlier than 60 (sixty) days and not later than 45 (forty-five) days prior to the effective date of the aforesaid early redemption (hereinafter also referred to as the "**Date of Early Redemption of the Bonds**"). To remove any doubt, it must be stated that the notice of early redemption based on the decision of the Owners of the Bonds, due to the existence of the Default, is effective, regardless of whether in the period from the time that the Default occurs, until the receipt of the aforesaid notification, a remedy of the Default is undertaken on the part of Raiffeisenbank a.s. The provisions of Article 9.3. are not affected by the previous sentence.

### **6.3.3 Early Redemption**

Notice of early redemption based on a decision by the Owners of the Bonds, in accordance with Article 6.3.2 of these Conditions of Issuance, shall be irrevocable and commits the Owners of the Bonds to accept the early redemption of all the Bonds from the relevant Issue, for which they requested early redemption in the notification in accordance with Article 6.3.2 above, in accordance with the provisions of this Article 6.3 and the relevant Addendum and to provide Raiffeisenbank a.s. or the Administrator all necessary cooperation that Raiffeisenbank a.s. or the Administrator may require in respect of the aforesaid early redemption. In such a case, however, always only after the return of the relevant Bond, will all the aforesaid outstanding Bonds of the relevant issue of Raiffeisenbank a.s. be repaid, in the amount set forth in the relevant Addendum, with accrued and outstanding interest (if applicable). In the event that Coupons have been issued with the Bonds of the relevant Issue, all Coupons that are not yet due and that are attached to the Bonds must be returned together with them, otherwise the Value of the Unused Coupon will be deducted from the amount payable to the aforesaid Owner of the Bond and will be paid to the relevant Owner of the Coupon, however only against the surrender of the relevant Coupon. All the Coupons that are attached to the Bonds that are not returned together with Bonds become due on the same date as all the Bonds, with the Value of Unused Coupon.

## **6.4 Redemption of the Bonds**

Unless otherwise specified in the relevant Addendum, Raiffeisenbank a.s. is entitled to redeem the Bonds in the market or otherwise, at any price.

## **6.5 Annulment of the Bonds**

The Bonds redeemed in accordance with the provisions of Article 6.4 of these Conditions of Issuance prior to their due date do not expire and it shall be at the discretion of Raiffeisenbank a.s. whether it will keep them as its property and/or it will transfer them again to a third party, or whether it will foreclose them prematurely. In the event that Raiffeisenbank a.s. prematurely forecloses the aforesaid Bonds, the Bonds shall expire without further provision due to the merger of the rights and obligations (Obligation) on behalf of one entity (in order to avoid confusion, the provisions of Article 7.3 of these Conditions on Issuance shall not apply).

### **6.6 Presumption of Repayment**

In the event that Raiffeisenbank a.s. pays the Administrator the entire amount of the nominal value of the Bonds (or the Discounted Value, in the event of early redemption of the Discounted Bonds or any such other value as is specified in the Addendum as the value that Raiffeisenbank a.s. pays to the Owners of the Bonds at maturity or early maturity of the Bonds) and the accrued interest income (if applicable) payable in connection with the repayment of the Bonds, in accordance with the provisions of articles 5, 6, 9, 12.4.1 and 12.4.2 of these Conditions of Issuance and in accordance with the relevant Addendum, all obligations of Raiffeisenbank a.s. related to the Bonds shall, for the purposes of Article 4 of these Conditions of Issuance be considered as fully repaid as of the date of the crediting of the specific amounts to the relevant account of the Administrator.

## **7. Payment Terms**

### **7.1 Currency of Payment**

Raiffeisenbank a.s. undertakes to pay the interest yield and to reimburse the nominal value of the Bonds (or the Discounted Value, in the case of early redemption of the Discount Bonds, or the aforesaid amount as is specified in the Addendum as the amount that Raiffeisenbank a.s. shall pay to the Owners of the Bonds at their maturity or at the early redemption of the Bonds) exclusively in the currency, in which the nominal value of the Bonds is denominated in the relevant Addendum, unless the payment of the interest yield and/or the repayment of the nominal value (or the Discounted Value, in the case of early redemption of the Discount Bonds, or the aforesaid amount as is specified in the Addendum as the amount that Raiffeisenbank a.s. shall pay to the Owners of the Bonds at their maturity or at the early redemption of the Bonds) is permitted, in accordance with the applicable Addendum, in another currency or currencies. The interest yield (if applicable) will be paid out to the Owners of the Bonds or the Owners of the Coupons (if issued) and the nominal value of the Bonds (or the Discounted Value, in the case of early redemption of the Discount Bonds, or the aforesaid amount as is specified in the Addendum as the amount that Raiffeisenbank a.s. shall pay to the Owners of the Bonds at their maturity or at the early redemption of the Bonds) will be paid to the Owners of the Bonds as provided in accordance with these Conditions of Issuance and with the tax, foreign exchange and other relevant generally binding legal regulations of the Czech Republic effective at the time of the payment and in accordance with them.

### **7.2 Payment Date**

Raiffeisenbank a.s. will, through the Administrator, conduct payments of interest yield (if applicable) and the repayment of the nominal value of the Bonds (or the Discounted Value, in the case of early redemption of the Discount Bonds, or the aforesaid amount as is specified in the Addendum as the amount that Raiffeisenbank a.s. shall pay to the Owners of the Bonds at their maturity or at the early redemption of the Bonds) on the dates defined in these Conditions of Issuance and the relevant Amendment (each such date - in particular the Date of Interest Payment, the Date of the Final Maturity of the Bonds and the Date of Early Redemption of the Bonds, as those terms are defined below, - hereinafter also referred to as the "**Payment Date**"). If the relevant Addendum set forth that Payment Dates shall be amended in accordance with the Working Day convention, it will be considered that if any Payment Date should fall on a day that is not a Working Day, the aforesaid Payment Date will always be moved in order to fall on a Working Day that is:

- (a) the next following Working Day, provided that the convention of the "**Following**" Working Day is defined in the Addendum or
- (b) the next following Working Day; however should the aforesaid following Working Day fall in the next calendar month, the Payment Date will instead be taken as the prior preceding Working Day, provided that the convention of the "**Revised-Following**" Working Day is defined in the Addendum or
- (c) the closest preceding Working Day, provided that the convention of the "**Preceding**" Working Day is defined in the Addendum,

while, if not stated otherwise in the relevant Addendum, Raiffeisenbank a.s. will not be liable for paying interest or any other additional sum for any time delay arising from the specified Working Day Convention.

### **7.3 Determination of Rights to receive Payments related to the Bonds**

### 7.3.1 Dematerialised Bonds

(a) Unless specified otherwise in these Conditions of Issuance, the beneficiaries, to whom Raiffeisenbank a.s. will pay the interest yield from dematerialised Bonds, are, (i) provided that there is no separation of the right to the Bond yield in accordance with Article 1.2.1 of these Conditions of Issuance, the persons who are recorded as the Owners of the Bonds at the Centre at the close of the Record Date for the payment of the interest yield (hereinafter also referred to as the "**Beneficiaries**") and (ii) provided that there is a separation of the right to the Bond yield in accordance with Article 1.2.1 of these Conditions of Issuance, the persons who are recorded as the Owners of the Coupons in the Centre at the close of the Record Date for the payment of the interest yield (hereinafter also referred to as the "**Beneficiaries**"). In determining the recipients of the interest yield neither Raiffeisenbank a.s. nor the Administrator will take into account any transfers of the Bonds or Coupons (if issued) carried out from the Ex-Coupon Date relating to the aforesaid payments, including the Ex-Coupon Date.

(b) Unless the Conditions of Issuance state otherwise, the authorised persons to whom Raiffeisenbank a.s. will pay out the nominal value of the dematerialised Bonds (or the Discounted Value, in the case of early redemption of the Discount Bonds, or the aforesaid amount as is specified in the Addendum as the amount that Raiffeisenbank a.s. shall pay to the Owners of the Bonds at their maturity or at the early redemption of the Bonds) are the persons who are recorded as the Owners of the Bonds at the Centre (hereinafter also referred to as the "**Beneficiaries**") at the close of the Record Date for repayment of the nominal value. In determining the recipient of the nominal value of the Bonds (or the Discounted Value, in the case of early redemption of the Discount Bonds, or the aforesaid amount as is specified in the Addendum as the amount that Raiffeisenbank a.s. shall pay to the Owners of the Bonds at their maturity or at the early redemption of the Bonds) neither Raiffeisenbank a.s. nor the Administrator will take into account any transfers of the Bonds or Coupons (if issued) carried out from the Ex-principal Date to the Date of Maturity of the Bonds. If it does not contravene the generally applicable legal regulations, transfers of all Bonds can be suspended from the Ex-Principal Date until the Date of Maturity of the Bonds; the Owner of the Bonds is obliged, based on the Administrator's demand, to provide the requisite cooperation in such a suspension of transfers.

Considered as the "**Ex-Principal Date**" is the day immediately following the Record Date for the repayment of the nominal value, providing that for the purpose of determining the Ex-Principal Date, the Ex-Principal Date should not be altered in accordance with the Working Day Convention.

Considered as the "**Ex-Coupon Date**" is the day immediately following the Record Date for the repayment of the interest yield, providing that for the purpose of determining the Ex-Coupon Date, the Ex-Coupon Date shall not be altered in accordance with the Working Day Convention.

### 7.3.2 Documentary Bonds

(a) Unless specified otherwise in these Conditions of Issuance, the beneficiaries, to whom Raiffeisenbank a.s. will pay the interest yield from Documentary Bonds are those persons who are registered with the Administrator or with another person authorised and qualified to carry out the aforesaid activities, as defined in the relevant Addendum, who keeps records of the shares in the Collective Bond and of the persons participating in the Collective Bond through a certain number of pieces of the Bond at the beginning of the Payment Date of the interest yield (hereinafter also referred to as the "**Beneficiaries**"). In determining the recipients of the interest yield neither Raiffeisenbank a.s. nor Administrator will take into account any transfers of the Bonds represented by the share in the Collective Bond that are made from the date immediately following the relevant Payment Date of the interest yield, inclusive. After the issuance of specific pieces of the Bonds in accordance with Article 1.2.4 of these Conditions of Issuance, considered as the Beneficiaries, to whom Raiffeisenbank a.s. will pay the interest yield from the Documentary Bonds (i) in the event of no separation of the right to the Bond yield in accordance with Article 1.2.1 of these Conditions of Issuance, will be the persons who submit the Bearer Bonds to the Administrator at the Designated Premises of the Administrator or the persons who are recorded as the Owners of the Registered Bonds on the List of the Owners of the Bonds and who will submit to the Administrator at the Designated Premises of the Administrator the relevant Registered Bond and, (ii) in the event of the separation of the right to the Bond yield, in accordance with Article 1.2.1 of these Conditions of Issuance, the persons who will submit to the Administrator the relevant Coupon at the Designated Premises of the Administrator.

(b) Unless specified otherwise in these Conditions of Issuance, the **Beneficiaries** to whom Raiffeisenbank a.s. will repay the nominal value of the Documentary Bonds (or the Discounted Value, in the case of early redemption of the Discount Bonds, or the aforesaid amount specified in the Addendum as the amount that Raiffeisenbank a.s. shall pay to the Owners of the Bonds at their maturity or at the early redemption of the Bonds) represented by a share of the Collective Bond, are persons who are registered (or another person authorised and qualified to carry out the aforesaid activities, as defined in the relevant Addendum, who keeps records of shares of the Collective Bond) as persons participating in the Collective Bond through a certain number of pieces of the Bonds at the beginning of the Payment Date of the interest yield (hereinafter also referred to as "**Beneficiaries**"). After the issuance of specific pieces of the Bonds, in accordance with Article 1.2.4 of these Conditions of Issuance, as the Beneficiaries, to whom Raiffeisenbank a.s. will repay the nominal value of the Documentary Bonds (or the Discounted Value, in the case of early redemption

of the Discount Bonds, or the aforesaid amount as is specified in the Addendum as the amount that Raiffeisenbank a.s. shall pay to the Owners of the Bonds at their maturity or at the early redemption of the Bonds) shall be considered, (i) in the case of Documentary Bearer Bonds, the persons who submit to the Administrator the relevant Bonds at the Designated Premises of the Administrator and (ii) in the case of Documentary Registered Bonds, the persons who are recorded as the Owners of the Registered Bonds in the List of the Owners of the Bonds and who submit to the Administrator the relevant Bonds at the Designated Premises of the Administrator. In determination of the recipient of the nominal value of the Bonds represented by a share on the Collective Bond (or the Discounted Value, in the case of early redemption of the Discount Bonds, or the aforesaid amount as is specified in the Addendum as the amount that Raiffeisenbank a.s. shall pay to the Owners of the Bonds at their maturity or at the early redemption of the Bonds) neither Raiffeisenbank a.s. nor the Administrator will take into account any transfers of the Bonds represented by a share of the Collective Bond made from the day following the Date of maturity of the Bonds.

## **7.4 Execution of Payments**

The Administrator will make payments in connection with the Bonds to the Beneficiaries through (i) a non-cash transfer to their bank account, administered by a bank in the Czech Republic, or (ii) in cash at the locations specified in the relevant Addendum (hereinafter also referred to as the "Place of Payment").

### **7.4.1 Non-cash Payments**

(a) The Administrator will make payments to the Beneficiaries by means of a non-cash transfer to their account administered by a bank in the Czech Republic, in accordance with the instructions that the relevant Beneficiaries shall furnish to the Administrator at the address of the Designated Premises of the Administrator, in a credible form, no later than 5 (five) Working Days prior to the Payment Date. This instruction shall take the form of a signed written statement, accompanied by an officially certified signature or signatures (except in the aforesaid cases in which the Instruction will be signed in front of a relevant employee of the Administrator by the Beneficiaries, who will provide a proof of their identity to this employee of the Administrator), which will contain sufficient information concerning the aforementioned account, permitting the administrator to proceed with payment and which will be accompanied by an original or a certified copy of a certificate of the tax residence of the payee for the relevant fiscal year and, in the case of legal entities, also additionally by an original or a certified copy of a valid certificate of incorporation or other similar records concerning the payee, not older than 3 (three) months (the aforesaid instruction, together with the certificate of incorporation, if applicable, and proof of residence for tax purposes and, where appropriate, other relevant attachments, shall be hereinafter also referred to as the "**Instruction**"). In the case of originals of official documents in a foreign language or official verification abroad, the attachment of a higher level or additional verification is required or an Apostille, in accordance with the Hague Apostille Convention (whichever is applicable), unless the relevant international convention (on legal aid) states otherwise. The Instruction must, in content and in form, comply with the reasonable requirements of the Administrator, while the Administrator shall be entitled to require sufficient satisfactory evidence that the person who has signed the Instruction, is entitled to sign the aforesaid Instruction on behalf of the Beneficiary. The aforesaid evidence must also be delivered to the Administrator no later than 5 (five) Working Days prior to the Payment Date. In this regard, the Administrator shall be specifically empowered to require (i) the submission of a power of attorney, if the Beneficiary shall be represented by another party (if necessary with an officially certified translation into the Czech language), and (ii) an additional verification of the Instruction by the Beneficiary. Notwithstanding this empowerment, neither the Administrator nor Raiffeisenbank a.s. shall be required to verify in any manner the accuracy, completeness or authenticity of the aforesaid Instruction, and shall have no liability for damages caused by the delay of the Beneficiary of delivery of the Instruction or other irregularities or defects in the aforesaid Instruction. If the Instruction contains all the provisions under this Article, it is communicated to the Administrator in accordance with this Article and if it meets the requirements of this Article in all other respects, it is considered as valid.

(b) The obligation of Raiffeisenbank a.s. to pay any amount due in connection with the Bonds shall be deemed to be duly conducted, in a timely manner, if the amount is paid to the Beneficiary in accordance with the correct Instructions, in accordance with Paragraph (a) of this Article and depreciation from the account of the Administrator of the aforesaid amount occurs no later than on the relevant due date. Should any Beneficiary fail to provide the correct Instruction to the Administrator in accordance with Paragraph (a) of this Article, the obligation of Raiffeisenbank a.s. to pay any amount due shall be deemed to have been fulfilled properly and in a timely manner to the aforesaid Beneficiary, if the relevant amount is paid to the Beneficiary, in accordance with the corrected Instruction and with Paragraph (a) of this Article and if this no later than within 5 (five) Working Days from the date on which the Administrator received the proper Instruction this amount has been depreciated from the account of the Administrator, providing that the aforesaid Beneficiary is not entitled to any interest or additional payment for such a time delay.

(c) In the event of the execution of any payments based on the submission or presentation of specific pieces of Documentary Bonds or Coupons (if issued), the condition for the execution of the payment on the date of their maturity, in accordance with Paragraph (b) of this Article, is that the Documentary Bonds or Coupons (if issued) shall be

submitted or presented to the Administrator by the relevant Beneficiary, in accordance with Article 7.3.2. of these Conditions of Issuance, no later than 5 (five) Working Days prior to the Payment Date. In the event that the Beneficiary submits or presents the relevant Bonds or Coupons (if issued) to the Administrator later, the Administrator will make the payment within 5 (five) Working Days from the date of the submission or presentation of the aforesaid Bonds or Coupons (if issued), provided that the aforesaid Beneficiary is not entitled to any interest or additional payment for the aforesaid time delay. Other conditions of this Article 7.4.1 concerning timely delivery of a proper Instruction to the Administrator remain unaffected.

(d) Neither Raiffeisenbank a.s. or the Administrator are responsible for a delay in payment of any amount due caused by the fact that (i) the Beneficiary has not provided a proper Instruction in a timely manner or has not supplied the additional documents and information required of him by this Article 7.4.1, (ii) the aforesaid Instruction, documentation or information were incomplete, incorrect or false, or (iii) that the aforesaid delay was caused by circumstances beyond the reasonable control of Raiffeisenbank a.s. or of the Administrator; the Beneficiary, in this case, is not entitled to any additional payment or interest for the aforesaid time delay in the relevant payment.

#### **7.4.2 Cash Payments**

(a) At the request of the Beneficiary, the Administrator will make payments in connection with the Bonds to the Beneficiary in cash at the Place of Payment, if the aforesaid payment is not in violation of the relevant laws. The Administrator is authorised to require the identification of the Beneficiary or sufficiently satisfactory evidence that the person who requests the cash payment is authorised to accept the payment in cash on behalf of the Beneficiary. In this regard, the Administrator is entitled to require (i) the presentation of a document proving the identity of the Beneficiary (in the case of natural persons, an identity card or passport); in the circumstance that the Beneficiary is a legal entity registered in the Companies Register or based on any other similar evidence, it is also necessary to submit an original or an officially certified copy of a valid certificate of incorporation or other similar evidence regarding the aforesaid entity, not older than 3 (three) months, (ii) the original or a certified copy of the certificate of tax residence of the payee for the relevant fiscal period and, if the Beneficiary shall be represented, also (iii) a power of attorney with an officially certified signature. In the case of originals of official foreign documents or official verifications from abroad, the attachment is required of a higher or further verification, or Apostille in accordance with the Hague Apostille Convention (whichever is applicable), unless the relevant international convention (on legal aid) states otherwise. Notwithstanding this empowerment, neither the Administrator nor Raiffeisenbank a.s. shall be required in any manner to verify the accuracy, completeness or authenticity of the documents submitted, and shall have no liability for damages caused by delay of delivery of the required documents to the Beneficiary or any other irregularities or defects of the aforesaid documents. If the Instruction contains all the provisions under this Article and is communicated to the Administrator in accordance with this Article, and in all other respects meets the requirements of this Article, it is considered as proper. Execution of cash payments in connection with the Bonds is governed by the business conditions of the Administrator valid at the time of the payment. It is possible to be familiarised with the current business conditions of the Administrator for the execution of cash payments at the Designated Premises of the Administrator during the time both when the Designated Premises of the Administrator are open to the public and through the Internet data network at the web address [www.rb.cz](http://www.rb.cz).

(b) The obligation of Raiffeisenbank a.s. to pay any amount due in connection with the Bonds shall be deemed to be duly conducted in a timely manner, if the amount due is paid to the Beneficiary in cash, in accordance with Paragraph (a) of this Article on the relevant Payment Date, or on such a date as is practicable in accordance with the Administrator's technical possibilities. If any Beneficiary shall fail to provide all the documents required by the Administrator in accordance with Paragraph (a) of this Article, the Administrator shall not execute the payment, provided that the aforesaid Beneficiary is not entitled to any interest or additional payment for the aforesaid time delay in making the relevant payment.

(c) In the event of the execution of any payment(s) on the basis of a submission or the presentation of specific pieces of Documentary Bonds or Coupons (if issued), the condition of a cash payment on its due date in accordance with paragraph (b) of this article is that the relevant Documentary Bonds or Coupons (if issued) shall be submitted or presented by the relevant Beneficiary to the Administrator in accordance with Article 7.3.2. of these Conditions of Issuance on the Payment Date. The other conditions under this Article 7.4.2 relating to the timely delivery of required documents to the Administrator shall remain unaffected.

(d) Neither Raiffeisenbank a.s. nor the Administrator are responsible for a delay in the payment of any amount due caused by the fact that (i) the Beneficiary has not provide the documents and information required from him in this Article 7.4.2, (ii) the aforesaid documents or information were incomplete, incorrect or false, or (iii) that the aforesaid delay was caused by circumstances beyond the reasonable area of influence of Raiffeisenbank a.s. or of the Administrator; the Beneficiary in this case is not authorized to any additional payment or interest for such time delay of the relevant payment.

Raiffeisenbank a.s. and the Administrator are jointly authorized to decide on changes in the manner of execution of payments, provided that the aforesaid changes shall not be injurious to the Owners of the Bonds. The aforesaid decision will be communicated to the Owners of the Bonds and the Owners of the Coupons (if issued) in accordance with the provisions of Article 13 of these Conditions of Issuance.

## **8. Taxation**

Repayment of the nominal value of the Bonds (or the Discounted Value, in the case of early redemption of the Discount Bonds or Bonds with their yield based on any such criteria, specified in the Addendum as the amount that Raiffeisenbank a.s. shall pay to the Owners of the Bonds at maturity or for early repayment of the Bonds) will be executed without deduction of taxes or charges of any kind, unless the aforesaid deduction of taxes or charges shall be required by relevant legislation of the Czech Republic effective as of the time of the aforesaid payment. Interest income from the Bonds will be taxed as a withholding tax levied at source, in the circumstance that the aforesaid tax withholding is required by the relevant legislation of the Czech Republic. If any such deduction of tax for charges shall be required by the relevant legislation of the Czech Republic valid as of the date of the aforesaid payment, Raiffeisenbank a.s. shall not be obliged to pay to the Owners of the Bonds or the Owners of the Coupons (if issued) any additional sums as compensation for the aforesaid deductions of taxes or charges, unless the relevant Addendum states otherwise.

Additionally Raiffeisenbank a.s. shall not be obliged to compensate the Owners of the Bonds or the Owners of the Coupons (if issued) in any other amount as compensation for the deduction of taxes or charges; if such deduction should occur solely on the grounds that the aforesaid Owner of the Bonds or an Owner of the Coupons (if issued) has not transmitted to Raiffeisenbank a.s. in a timely manner the proper documents proving that the Owner of the Bonds or the Owner of the Coupons (if issued) is entitled to receive the repayment or payment defined in the first sentence of this Paragraph without the aforesaid deduction.

## **9. Early Maturity of the Bonds in Cases of Default**

### **9.1 Cases of Default**

If any of the following circumstances should occur and these aforesaid circumstances should continue (all of these situations are hereinafter jointly referred to as the "**Defaults**"):

- (a) in accordance with Article 7 of these Conditions of Issuance, no payment in connection with the Bonds which relates to the aforesaid payment, shall be executed within 10 (ten) Working Days prior to the date of its maturity; or
- (b) should Raiffeisenbank a.s. fails to comply with or to perform any of its other significant obligations, as defined in these Conditions of Issuance (including the obligations defined in Article 4 of these Conditions of Issuance) and if such default is capable of remedy and fails to be remedied for forty-five (45) calendar days from the date on which Raiffeisenbank a.s. is notified in writing regarding this fact by the Owner of a Bond or the Owner of a Coupon (if issued), which has not as of the aforesaid date been repaid or repurchased or annulled, by a letter addressed to Raiffeisenbank a.s. and delivered to the Administrator at the address of the Designated Premises of the Administrator; or
- (c) Raiffeisenbank a.s. fails to comply with the statutory requirements for covering the nominal value and the relative yield of the Bonds, which are the mortgage bonds, for a period longer than 3 (three) months; or
- (d) if any other Obligation or Obligations of Raiffeisenbank, which in its/their aggregate sum exceed the amount of 500,000,000 CZK (five hundred million Czech crowns) or their equivalent in any other currency, is not duly paid by Raiffeisenbank a.s. within 20 (twenty) calendar days from the date of their maturity or any period of deferral. This does not apply to cases in which Raiffeisenbank a.s. makes a bona fide claim, in the prescribed manner to void its Obligation in terms of its amount or its justification and executes the payment within the time limit imposed by a final decision of the court or other authority, by which it has been required to make payment; or
- (e) Raiffeisenbank a.s. (i) shall cease to be licensed to operate as a bank or (ii) shall cease to be authorised to issue mortgage bonds, or (iii) the General Meeting of Raiffeisenbank a.s. decides that Raiffeisenbank a.s. shall not continue to operate as a bank nor to issue mortgage bonds, while the Default in accordance with this item (e) of Paragraph 9.1 of the Conditions of Issuance shall be applied only if there are outstanding Bonds, which are governed by these Conditions of Issuance which are mortgage bonds and only in relation to these Bonds, which are mortgage bonds (i.e. in relation to the Bonds, which are mortgage bonds, the Default in accordance with this item (e) of Paragraph 9.1 of the Conditions of Issuance is not the Default in relation to the Bonds, which are not mortgage bonds, or

(f) (i) Raiffeisenbank a.s. becomes insolvent, or (ii) an obligation will arise for Raiffeisenbank a.s. obliging it to file a proposal for bankruptcy proceedings, or (iii) bankruptcy shall be declared on the assets of Raiffeisenbank a.s., or (iv) a proposal for liquidation proceedings against Raiffeisenbank a.s. shall be dismissed by the court for lack of assets; or (g) a relevant court shall issue a final decision or adopt a valid resolution on the liquidation of Raiffeisenbank a.s.; or (h) some other specific Defaults shall occur in connection with the individual Bond issues, which will be defined in the relevant Addendum;

then:

(x) in the case of all interest-bearing dematerialised Bonds, or all interest-bearing Documentary Bonds, any Owner of the Bonds may at his own discretion, by written notification addressed to Raiffeisenbank a.s. and delivered to the Administrator at the address of the Designated Premises of the Administrator to request early redemption of the nominal value of the Bonds which he owns (hereinafter also referred to as "**Notice of Early Redemption**") or other such amount as is defined in the Addendum as the amount that Raiffeisenbank a.s. will pay to the Owners of the Bonds in the event of early redemption of the Bonds), and the outstanding interest yield on these Bonds accrued to date, in accordance with Article 5.1 or 5.2 of these Conditions of Issuance, on the Date of Early Maturity of the Bonds, and Raiffeisenbank a.s. will be obliged to redeem the aforesaid Bonds (with accrued and outstanding interest yield) in accordance with Article 9.2 of these Conditions of Issuance. If Coupons are issued with the Bonds of the relevant issue, all the Coupons that are not yet due must be returned together with any Bond to which they are attached, otherwise the Value of the Unused Coupons will be deducted from the amount payable to the aforesaid Owner of the Bond and will be paid to the current Owner of the Coupon, however only against submission of the Coupon. All Coupons pertaining to a Bond which is regulated by the Notice of early redemption, and which are not returned together with the Bond, shall become due on the same date as the relevant Bond, with the Value of Unused Coupons; or,

(y) in the case of Discount Bonds which do not bear any interest, any Owner of these may at his own discretion, by written notification addressed to Raiffeisenbank a.s. and delivered to the Administrator at the address of the Designated Premises of the Administrator request early redemption of the Bonds, which he owns, (hereinafter also referred to as "**Notice of Early Redemption**") in the amount of the Discounted Value of the aforesaid Bonds (or in such other amount, that is defined in the Addendum as the amount that Raiffeisenbank a.s. will pay to the Owners of the Bonds in the event of early redemption of the Bonds) on the Date of Early Maturity of the Bonds, and Raiffeisenbank a.s. is obliged to redeem the aforesaid Bonds (with accrued and outstanding interest yield) in accordance with Article 9.2 of these Conditions of Issuance.

## **9.2 Redemption of Early Maturing Bonds**

All amounts payable by Raiffeisenbank a.s. to any Owner of the Bonds, in accordance with item (x) or (y) of the preceding Paragraph 9.1 of these Conditions of Issuance become due on the last Working Day of the month following the month in which the Owner of the Bond delivered to the Administrator, at the Designated Premises, the relevant Notice of Early Redemption for Raiffeisenbank a.s. (hereinafter also referred to as the "**Date of Early Redemption of the Bonds**").

## **9.3 Revocation of the Requests for Early Redemption of the Bonds**

The Notice of Early Redemption may be revoked by the specific Owner of the Bonds, however only in relation to his Bonds and only if the aforesaid revocation is addressed to Raiffeisenbank a.s. and delivered to the Administrator at the address of the Designated Premises of the Administrator prior to the relevant amounts becoming payable, in accordance with paragraph 9.2 of these Conditions of Issuance. The aforesaid revocation shall not affect the Notice of Early Redemption of other Owner of the Bonds.

## **9.4 Other Conditions for the Early Redemption of the Bonds**

For the early redemption of the Bonds in accordance with this Article 9 the mutatis mutandis provisions of Article 7 of these Conditions of Issuance shall be applied.

## **10. Expiration**

The rights attached to the Bonds shall expire ten years from the date on which they could first be exercised.

## **11. Administrator, Agent for the Calculations and Quoting Agent**

### **11.1 Administrator**

### **11.1.1 Administrator and the Designated Premises of the Administrator**

Unless provided otherwise in the Addendum and provided that no change takes place in accordance with Paragraph 11.1.2 of these Conditions of Issuance, the Administrator is Raiffeisenbank a.s. Unless provided for otherwise in the Addendum and if no change takes place in accordance with Paragraph 11.1.2 of these Conditions of Issuance, the Designated Premises of the Administrator is at the following address:

Raiffeisenbank a.s.  
Hvězdova 1716/2b  
140 78 Prague 4

### **11.1.2 Another or an Additional Administrator and the Designated Premises of the Administrator**

Raiffeisenbank a.s. reserves the right to appoint at any time another or an additional Administrator and to determine a different or an additional Designated Premises of the Administrator. Prior to the issuance of any specific Bond Issue, the relevant Designated Premises of the Administrator and the Administrator will be identified in the relevant Addendum, should these differ from the Designated Premises of the Administrator and the Administrator defined in Paragraph 11.1.1 of the Conditions of Issuance. If a change of the Administrator or of the Designated Premises of the Administrator takes place in regard to a specific Bond Issue that has already been issued, Raiffeisenbank a.s. shall notify the Owners of the Bonds concerning any and all changes of the Designated Premises of the Administrator and the Administrator, as set forth in Article 13 of these Conditions of Issuance, and any such amendment shall become effective after the expiration of 15 (fifteen) calendar days from the date of the aforesaid notification, unless the aforesaid notice provides for a later effective date. In any case, any change that would otherwise have taken effect less than 30 (thirty) calendar days before or after the Payment Date of any sum, in connection with the Bonds or the Coupons (if issued), will become effective 30 (thirty) days after the aforesaid Payment Date.

### **11.1.3 Relationship between the Administrator and the Owners of the Bonds**

In connection with discharging obligations, in accordance with the Contract with the Administrator concluded between the Raiffeisenbank a.s. and the Administrator (other than Raiffeisenbank a.s.), the Administrator acts as the agent of Raiffeisenbank a.s. and is not in any legal relationship with the Owners of the Bonds.

## **11.2 Agent for the Calculations**

### **11.2.1 Agent for the Calculations**

Unless provided otherwise in the Addendum and provided that no change takes place in accordance with Paragraph 11.2.2 of these Conditions of Issuance, the Agent for the Calculations is Raiffeisenbank a.s.

### **11.2.2 Another or an Additional Agent for the Calculations**

Raiffeisenbank a.s. reserves the right to appoint another or an additional Agent for the Calculations. Prior to the issuance of any particular Bond Issue, any other or additional Agent for the calculations will be defined in the relevant Addendum. If a change of the Agent for the Calculations takes place for a particular, already issued, Bond Issue, Raiffeisenbank a.s. shall notify the Owners of the Bonds regarding any and all the aforesaid changes in the Agent for the Calculations, in the manner set forth in Article 13 of these Conditions of Issuance and any such amendment shall become effective following the expiration of 15 (fifteen) calendar days from the date of the aforesaid notification, unless the aforesaid notice provides for a later effective date. However, in all circumstances, any change that would otherwise have taken effect less than 15 (fifteen) calendar days before or after the date when the Agent for the Calculations shall have undertaken any calculations in connection with the Bonds, will become effective 15 (fifteen) days after the aforesaid date as the Agent for the Calculations has concluded the calculations in connection with the Bonds.

### **11.2.3 Relationship of the Agent for the Calculations to the Owners of the Bonds**

In connection with discharging the obligations in accordance with the Contract with the Agent for the Calculations, concluded between the Raiffeisenbank a.s. and the Agent for the Calculations (other than Raiffeisenbank a.s.), the Agent for the Calculations acts as the agent of Raiffeisenbank a.s. and is not in any legal relationship with the Owners of the Bonds.

## **11.3 Quoting Agent**

### **11.3.1 Quoting Agent**

Unless provided otherwise in the Addendum and provided that no change takes place in accordance with Paragraph 11.3.2 of these Conditions of Issuance, the Agent for the Calculations is Raiffeisenbank a.s.

### **11.3.2 Another or an Additional Quoting Agent**

Raiffeisenbank a.s. reserves the right to appoint another or an additional Quoting Agent. Prior to the issuance of any particular bond issue any different or additional Quoting Agent will be specified in the relevant Addendum.

### **11.3.3 Relationship of the Quoting Agent to the Owners of the Bonds**

In connection with discharging the obligations in accordance with the Contract with the Quoting Agent concluded between the Raiffeisenbank a.s. and the Quoting Agent (other than Raiffeisenbank a.s.) the Quoting Agent acts as the agent of Raiffeisenbank a.s. and is not in any legal relationship with the Owners of the Bonds.

## **12. Meetings and Amendments to the Conditions of Issuance**

### **12.1 Competences and Convening a Meeting**

#### **12.1.1 Right to call a Meeting**

Raiffeisenbank a.s. or the Owner of the Bonds or the Owners of the Bonds may convene a Meeting, if this is necessary for a decision concerning the common interests of the Owners of the Bonds, in accordance with these Conditions of Issuance, the relevant Amendment and the Act on Bonds. The costs of organising and convening the Meeting shall be borne by the convenor, except in such cases in which any Owner of the Bonds or the Owners of the Bonds shall call a Meeting, which was not convened by Raiffeisenbank a.s. itself, although this should have done in accordance with item 12.1.2.1 of the Conditions of Issuance (in such a case, the costs of organising and convening the Meeting are always borne by Raiffeisenbank a.s.). The convenor, if it is the Owner of the Bonds or the Owners of the Bonds, is required, no later than on the date of the publication of the notice of the Meeting (see Paragraph 12.1.3 of these Conditions of Issuance); (i) in the case of dematerialised Bonds or Documentary Bonds, represented by the Collective Bonds and the Documentary Registered Bonds, to deliver to the Administrator a request for the provision of evidence which relates to the Meeting regarding the total number of all the Bonds in the Issue, entitling participation in the Meeting called by him (or them), i.e. an extract from the relevant Register, regarding the extent of the relevant Issue, and (ii) as applicable, to make an advance payment to the Administrator for the costs associated with his services in relation to the Meeting. Proper and timely receipt of the request, in accordance with item (i) above and advance payment of expenses in accordance with the item (ii) above are prerequisite for the valid convening of the Meeting by the relevant Owner of the Bonds or the Owners of the Bonds.

#### **12.1.2 A Meeting called by Raiffeisenbank a.s.**

12.1.2.1 Raiffeisenbank a.s. shall immediately convene a Meeting and thereby seek for the opinion of the Owners of the Bonds which were issued in one Issue, in the event of:

- (a) any proposal for (i) changes to these Conditions of Issuance, apart from any amendments to these Conditions of Issuance effected by Amendments, or (ii) changes to an existing Amendment, relating to a specific Bond Issue; this is not applicable if this is just a change of the business name of Raiffeisenbank a.s., of the headquarters of Raiffeisenbank a.s., or other such changes, for which the consent of the Owners of the Bonds is not necessary, in accordance with valid legislation (in particular Section 12, Paragraph 6 of Act No. 190/2004 Coll., On Bonds, as amended);
- (b) a proposal for the transformation of Raiffeisenbank a.s.;
- (c) a proposal to conclude a control agreement or a contract on profit transfer, regardless of which contractual party Raiffeisenbank a.s. shall represent;
- (d) a proposal to conclude a contract for the sale of the Raiffeisenbank a.s. company or its part, a contract for the leasing of the company or its parts, regardless of which contractual party Raiffeisenbank a.s. shall represent, except in the aforesaid cases in which the proper and timely repayment of the obligations connected with Bonds cannot be placed in jeopardy;
- (e) a delay in the satisfaction of rights connected with issued Bonds by more than 7 days following the date on which the aforesaid rights may be exercised;
- (f) a proposal for an application for the exclusion of the Bonds from trading on a regulated market;
- (g) a proposed amendment to the duration of the Bond Programme or a change the maximum allowable volume of outstanding Bonds issued in accordance with the Bond Programme, if it is reasonable to foresee that such a change might affect the exercise of the rights associated with the Bonds;
- (h) other changes that might significantly impair the ability of Raiffeisenbank a.s. to fulfil its obligations arising from the issued Bonds; or

(i) a proposal for joint action in the case of the occurrence of any Defaults in relationship to a specific Bond Issue (Any changes in accordance with items (a) to (i) of this paragraph 12.1.2.1 of the Conditions of Issuance are hereinafter referred to as the "**Principal Changes**").

12.1.2.2 Raiffeisenbank a.s. shall immediately convene a joint Meeting of the Owners of all issued and outstanding Bonds in accordance with the Bond Programme and through this meeting seek the opinions of the Owners of the aforesaid Bonds concerning the Principal Changes, with the exception of the Principal Change in accordance with item a) of Paragraph 12.1.2.1 of the Conditions of Issuance if such a change is not related to all the Bonds issued in accordance with the Bond Programme. For the aforesaid joint Meeting of the Owners of the aforesaid Bonds the provisions of these Conditions of Issuance shall apply mutatis mutandis in regard to the Meeting.

### **12.1.3 Notice on Convening the Meeting**

The convenor is required to publish the Notice on convening the Meeting in accordance with legal regulations, especially with the Act on Bonds and these Conditions of Issuance no later than fifteen (15) calendar days prior to the date of holding the Meeting, unless the relevant Addendum for a relevant Bond Issue sets forth an extended period. If the Owner of the Bonds or the Owners of the Bonds are the convenor, they are required to deliver the notice on convening the Meeting at the same time to Raiffeisenbank a.s. to the address of the Designated Premises of the Administrator. Unless the relevant Amendment provides otherwise, the notice on convening the Meeting must include at least (i) the business name, identification number and registered office of Raiffeisenbank a.s., (ii) an indication of the Bonds relevant to the Meeting, at least to the extent of the title of the Bond, its issue date and its ISIN, (iii) the place, date and time of the Meeting, with the provisions that the Meeting venue may only be in Prague, that the date of the Meeting shall fall on a day that is a Working Day and that the time of the convening of the meeting shall not be earlier than 4:00 p.m., (iv) the agenda of the Meeting, including the complete proposals for resolutions concerning the specific agenda items, and (v) the Record Date for participation in the Meeting. The Meeting is empowered to decide only on the proposals in the resolutions defined in the notice on convening it.

## **12.2 Persons qualified to Attend and Vote at the Meeting**

### **12.2.1 Dematerialised Bonds**

Unless otherwise specified in the Addendum, only the aforesaid Owner who was registered as the Owner of the dematerialised Bonds of the relevant Issue in the records of the Centre at 24:00 on the day immediately preceding the date of the holding of the Meeting (i.e. 00:00 of the date of the holding of the Meeting) is entitled to attend the meeting and to vote at it, and the aforesaid person shall be for the purpose of the Meeting considered as the Owner of the Bonds, as of the date of the Meeting, or a person submitting the certificate as a person on whose account the relevant number of Bonds was recorded in the records of the Centre at 24:00 on the day immediately preceding the date of the holding of the Meeting, demonstrating him as being the Owner of the Bonds and these are recorded on the account of the aforementioned person because of their administration by the aforesaid person. The certificate in accordance with the preceding sentence shall be in its content and in its form satisfactory for the Administrator. Any transfers of the Bonds effected during the day of the Meeting shall be disregarded.

### **12.2.2 Documentary Bonds**

Unless otherwise specified in the Amendment, only the aforesaid Owner of the Documentary Bonds of the relevant Issue is entitled to attend the meeting and vote at it, who, in the case of the Documentary Bonds participated in a share of the Collective Bond, as registered with the Administrator (or with another person with the appropriate permission to perform the aforesaid activities, which will be defined in the relevant Addendum) as a person participating in the Collective Bond, with a certain number of pieces of the Bonds at 00:00 on the date of the holding the Meeting (i.e. a person participating in the Collective Bond with a certain number of pieces of Bonds at the end of the accounting day immediately preceding the day of the holding of the Meeting), or a person submitting the certificate as a person to whose account the relevant number of Bonds were recorded in the records of the Administrator at 00:00 on the date of the holding of the Meeting, demonstrating him as being the Owner of the Bonds and these are recorded to the account of the aforementioned person because of their administration by the aforesaid person (or accompanying another person with the appropriate permission to perform the aforesaid activities, as will be defined in the relevant Addendum). The certificate in accordance with the preceding sentence shall be in its content and in its form satisfactory for the Administrator. After the issuance of the specific pieces of Documentary Bonds, only the aforesaid Owner of the Documentary Bonds shall be entitled to participate in the Meeting and to vote at it, who is, (i) in the case of the Registered Documentary Bonds, listed in the List of the Owners of the Bonds at 00:00 on the date of the holding the Meeting and submits, prior to the Meeting, the relevant Bond or Bonds, and who, (ii) in the case of Documentary

Bearer Bonds submits, prior to the Meeting the relevant Bond or Bonds. Any transfers of the Bonds representing a share in the Collective Bond and transfers of Registered Bonds effected during the day of the Meeting shall be disregarded.

### **12.2.3 Voting rights**

Every Owner of the Bonds who is entitled to participate at the Meeting has as many votes out of the total votes as corresponds to the ratio between the nominal value of the Bonds that the aforesaid Owner of the Bonds has in his possession, and the total outstanding nominal value of the Bond Issue. No voting right is associated with the Bonds owned by Raiffeisenbank a.s., which have not been prematurely redeemed by Raiffeisenbank a.s. within the definition of Article 6.5 of these Conditions of Issuance, and they do not count for the purposes of constituting a quorum of the Meeting.

### **12.2.4 Participation of other persons at the Meeting**

Raiffeisenbank a.s. is required to participate in the Meeting, either represented personally or by proxy. The Owners of the Coupons (if issued) are entitled to attend the Meeting without voting rights. Also entitled to attend the Meeting are the Administrator and guests invited by Raiffeisenbank a.s. and/or the Administrator.

## **12.3 Conduct of the Meeting; Decisions of the Meeting**

### **12.3.1 Quorum**

The meeting represents a quorum if it is attended by an Owner of the Bonds or Owners of the Bonds of the relevant Issue, who are qualified to vote in accordance with Article 12.2 of these Conditions of Issuance, and the nominal value of whose Bonds is greater than 30% of the total nominal value of the issued and outstanding Bonds of the relevant Issue. Before starting the Meeting, Raiffeisenbank a.s., itself or through the Administrator, will provide the information concerning the numbers of all the Bonds whose Owners of the Bonds are entitled, in accordance with these Conditions of Issuance or with the relevant Addendum, to participate in the Meeting and to vote thereat.

### **12.3.2 Chairman of the Meeting**

The Meeting convened by Raiffeisenbank a.s. is presided over by a Chairman appointed by Raiffeisenbank a.s. The Meeting convened by the Owner of the Bond or the Owner of the Bonds is presided over by a Chairman elected by a simple majority of the Owners of the Bonds present, for whom the right to vote at the relevant Meeting is associated with this ownership.

### **12.3.3 Joint Representative**

The Meeting may, through a resolution, elect a natural or a legal person as the joint representative and invest him/her with the joint application of rights in any court or any other authority or with the control of the fulfilment of the Conditions of Issuance and the relevant Addendum. The aforesaid joint representative may be withdrawn by the Meeting in the same manner in which he was elected, or be replaced by another joint representative.

### **12.3.4 Decisions of the Meeting**

The Meeting decides on the issues presented in the form of resolutions. The resolution adopting the amendment of the Conditions of Issuance and/or the Addendum relating to the Bonds that were issued as part of one Issue, which need the approval of the Meeting, in accordance with Paragraph 12.1.2.1 (a) of these Conditions of Issuance or the establishment and/or withdrawal of the joint representative of the Owners of the Bonds, is considered as accepted if the Owner of the Bond or the Owners of the Bonds voted for it, who have, in accordance with Paragraph 12.2 of these Conditions of Issuance at least three quarters of the votes of all those Owners of the Bonds present at the Meeting. Other resolutions are accepted if a simple majority of those Owners of the Bonds who are present votes for them, with which voting right are linked, according to Article 12.2 of the Conditions of Issuance.

### **12.3.5 Adjournment of the Meeting**

If within one hour from the beginning of the Meeting there is no such quorum, the Meeting shall then (i) in the event that it was convened at the request of the Owner of the Bond or Owners of the Bonds be automatically dissolved and (ii) in the event that it was convened by Raiffeisenbank a.s., the Meeting shall be adjourned to such time and place as is designated by the Chairman of the Meeting. Concerning the holding of a substitute meeting the provisions apply mutatis mutandis to the holding of the regular Meeting.

## **12.4 Some Other Rights of the Owners of the Bonds**

#### **12.4.1 The Consequences of Voting against Certain Resolutions of the Meeting**

The person, who was as an Owner of the Bonds, entitled to attend and to vote at the Meeting in accordance with Article 12.2 of these Conditions of Issuance, and in accordance with the minutes of that Meeting did not vote for the resolution adopted at the Meeting for the proposals of the resolution, in accordance with Article 12.1.2 of these Conditions of Issuance, or did not attend the relevant Meeting (hereinafter also referred to as the "**Applicant**") may, within 30 days after the publication of the resolution of the relevant Meeting request the early repayment of the nominal value of the Bonds (or the Discounted value, in the case of early redemption of the Discount Bonds or Bonds with a yield based on another such value, which is defined in the Addendum as the value which Raiffeisenbank a.s. pays to the Owners of the Bonds at maturity or early maturity of the Bonds), which he owned as of (i) 24:00 on the day immediately preceding the date of the holding the Meeting, or at 00:00 on the day of the holding of the Meeting in the case of dematerialised Bonds, registered Documentary Bonds or the Bonds which are represented by the Collective Bond or (ii) at the time of the opening of the relevant Meeting, in the case of bearer Documentary Bonds and from which he is not alienated at that time, as well as the related interest income for the aforesaid bearer Bonds accrued in accordance with these Conditions of Issuance (if applicable). This right must be exercised by the Applicant by means of a written notice within thirty days from the date of publication of the resolutions of the relevant Meeting (hereinafter also referred to as the "**Application**") addressed to Raiffeisenbank a.s. and delivered to the Administrator at the address of the Designated Premises of the Administrator, otherwise this right expires. The sums referred to above become payable 30 (thirty) days from the date that the Application was delivered to the Administrator (hereinafter also referred to as the "**Date of Early Redemption of the Bonds**").

The application must specify the number of pieces of the Bonds the repayment of which the Applicant requests in accordance with Paragraph 12.4.1 of the Conditions of Issuance. The Application must be in writing, signed by the Applicant, provided with the signature(s) of the Applicant on the Application, that must be authenticated (except in cases where either the Application is signed in front of an employee of the Administrator by the Applicant or by persons authorised to act on behalf of the Applicant, who satisfactorily demonstrate their identity to the aforesaid employee of the Administrator). The Applicant must also, at the same time, deliver to the Administrator at the address of the Designated Premises of the Administrator all the documents required for making the payment, in accordance with Article 7 of these Conditions of Issuance.

If the meeting discussed the resolution for the proposals referred to in Paragraph 12.1.2 of these Conditions of Issuance, a notarial deed must be drawn up concerning the participation in the Meeting and the decisions of the Meeting. If the meeting adopted some of the resolutions of the proposals set forth in Paragraph 12.1.2 of these Conditions of Issuance, then the names of all the Owners shall be listed in the notarial deed indicating the names of all the Owners of the Bonds who are entitled to vote at the Meeting, in accordance with Article 12.2 of these Conditions of Issuance and those who agreed to the change and also the number of pieces of the Bonds of the relevant Issue (or the size of the share in the respective Collective Bond) which each of these Owners of the Bonds has in his possession as of the Record Date of attending the Meeting.

#### **12.4.2 Resolution on the Early Redemption of the Bonds**

If any of the matters referred to in Article 12.1.2 of these Conditions of Issuance is on the agenda of the Meeting and the resolution proposed concerning any of these matters is not approved by the Meeting, then the Meeting can, even outside its agenda, decide that Raiffeisenbank a.s. is required, in the event that Raiffeisenbank a.s. is acting in conflict with the aforesaid resolution of the Meeting, to proceed with early redemption of the nominal value of the Bonds according to the request of the Owners of the Bonds (or the Discounted value, in the case of early redemption of the Discount Bonds or Bonds with a yield based on another such value, which is defined in the Addendum as the value that Raiffeisenbank a.s. pays to the Owners of the Bonds at maturity or early maturity of the Bonds) of the relevant Issue and the proportion of the Bond yield (if applicable). These amounts become payable, in respect of the Owners of the Bonds who request early redemption of the Bonds in accordance with this paragraph 12.4.2 of Conditions of Issuance, 1 (one) month after the date of the Meeting, if Raiffeisenbank a.s. shall act in contravention of the relevant resolution of the aforesaid Meeting (hereinafter also referred to as the "**Date of Early Redemption of the Bonds**").

#### **12.4.3 Returning of the Bonds and the Coupons**

If Coupons were issued with the Bonds of the relevant Issue, these outstanding Coupons that are attached to the Bonds must also be returned, together with the Bonds, otherwise the Value of Unused Coupon shall be deducted from the amount payable to the Owner of such a Bond and will be paid to the Owner of such a Coupon, but only against the submission of the relevant Coupon. All Coupons that are attached to the Bond, the early maturity of which applies to them, in accordance with Article 12.4.1 or 12.4.2 of these Conditions of Issuance, and that are not returned together with the Bond, become due on the same date as the relevant Bond, at the Value of Unused Coupon.

### **12.5 Minutes of the Meeting**

Raiffeisenbank a.s. either provides the minutes from the Meeting itself or through its designated representative, in which it records the decisions of the Meeting, in particular the resolutions adopted by the aforesaid Meeting. Raiffeisenbank a.s. is obliged to retain the minutes of the Meeting until the time of the expiration of the rights attached to the Bonds. These Minutes of the Meeting are available to be viewed by the Owners of the Bonds during working hours at the Designated Premises of the Administrator. Raiffeisenbank a.s. publishes the information regarding the aforesaid conclusions and the resolutions adopted, on its own behalf or through its designated representative (specifically the Administrator) in the manner prescribed in Article 13 of these Conditions of Issuance. If the Meeting discussed the resolutions referred to in Article 12.1.2 of these Conditions of Issuance, a notarised deed must additionally be drawn up, in accordance with law and with these Conditions of Issuance, regarding the participation at the Meetings and the decisions taken at the Meetings.

### **13. Notice**

Any notice to the Owners of the Bonds in accordance with these Conditions of Issuance shall be valid if it is published in the Czech language in *Hospodářské noviny* (or, if it will not be possible to publish the aforesaid notice in *Hospodářské noviny*, in any two other Czech newspapers), unless the Addendum states otherwise. As the date of each such notice shall be considered the date of first publication. Notice of publication of the Conditions of Issuance and any notice of the Issuance of Bonds, in accordance with Paragraph 2.1 of these Conditions of Issuance, will be published in the Commercial Bulletin. The Issuer also publishes the Conditions of Issuance and Notices on its website at [www.rb.cz](http://www.rb.cz) as is requisite, in accordance with the Act on the Capital Market and/or the Act on Bonds. It is considered that the notification to the Owners of the Coupons (if issued) is duly performed in the manner of a notice to the Owners of the Bonds, prepared in accordance with Article 2.1 of these Conditions of Issuance. Unless the relevant Addendum provides otherwise, the notices of publication of the Prospectus and the Addendum and any notice of the Issuance of the Bonds, in accordance with Article 2.1 of these Conditions of Issuance, will be published in the Commercial Bulletin.

### **14. Governing Law; Language**

All rights and obligations concerning the Bonds shall be governed by and construed in accordance with the Czech law. The court of competent jurisdiction to resolve any disputes between Raiffeisenbank a.s. and the Owners of the Bonds or the Owners of the Coupons (if issued) in connection with the Bonds, resulting from the Conditions of Issuance and any Addendum thereto, is the Municipal Court in Prague. These Conditions of Issuance and the Addenda may be translated into English and/or other languages. In such cases, should there be any dispute concerning the different language versions, the Czech version will be decisive.

### **15. Definitions**

For the purpose of these Conditions of Issuance the following terms bear the meanings set forth below:

"**Administrator**" shall have the meaning as defined in the introductory section of these Conditions of Issuance.

"**Agent for the Calculations**" shall have the meaning as defined in the introductory section of these Conditions of Issuance.

"**Czech National Bank**" refers to the Czech National Bank, which is the administrative authority in the area of the Capital Market, based on Act No. 15/1998 Coll. On Oversight of the Capital Market, as amended, or any other entity who may in the future hold the same competences as the Czech National Bank does currently.

"**Issue Date**" refers to the date indicating the first day when the Bonds of the relevant Issue may be issued to the first assignee; this is specified in the relevant Addendum.

"**Date of Final Maturity of the Bonds**" refers to the date designated as such in the Addendum.

**"Date of Early Redemption of the Bonds"** shall have the meaning as defined in Paragraphs and Articles 6.2.2, 6.3.2, 9.2, 12.4.1 and 12.4.2 of these Conditions of Issuance and additionally any other possible day designated as such in the Addendum.

**"Date of Maturity of the Bonds"** refers to either or both the Date of Final Maturity of the Bonds and the Date of Early Redemption of the Bonds.

**"Payment Date"** refers to each Interest Payment Date, the Date of Final Maturity of the Bonds and the Date of Early Redemption of the Bonds.

**"Interest Payment Date"** refers to the date designated as such in the Addendum.

**"Discount Rate,"** in relation to the Discount Bonds, refers to the interest rate specified as such in the relevant Addendum, without running interest. In the event that the Discount Rate is not defined in the relevant Addendum to the Conditions of Issuance, it will be equal to the interest rate at which the Discounted Value of the Bond, as of the Issue Date, would be equal to the Issue Price of the Bonds as of the Issue Date (i.e. the interest rate to be used when rediscounting the nominal value of the Bonds from the Date of Maturity of the Bonds to the issue date, in order that the Discounted Value of the Bond as of the Issue Date would be equal to the Issue Price of the Bonds as of the Issue Date). In order to avoid any possible doubt: the Discount Rate is not identical with the discount rate of the Czech National Bank.

**"Discounted Value"**, in relation to the Discount Bonds without interest, refers to the nominal value of the aforesaid Bond, discounted at a Discount Rate from the Date of Maturity of the Bonds to the date on which the Discounted Value is calculated. In cases involving the calculation of a period of less than one year, this calculation is conducted on the basis of the relevant Fraction of Days.

**"Bonds"** have the meaning as defined in the introductory section of these Conditions of Issuance.

**"Bond Programme"** refers to the Bond Programme of Raiffeisenbank a.s., for a maximum sum of outstanding bonds of EUR 1,000,000,000, with the duration of the programme for 30 years.

**"Addendum"** refers to an addendum to these Conditions of Issuance for each individual Bond Issue issued in accordance with the Bond Programme.

**"Issuance Period"** refers to the period of 18 (eighteen) months following the Issue Date, during which the Bonds of the relevant Issue may be issued, unless the relevant Addendum defines a different period.

**"Conditions of Issuance"** refers to these General Conditions of Issuance of the Bond Programme.

**"Value of Unused Coupon"** refers to the amount of the interest Coupon discounted as of the Date of Early Redemption of the Bond, at a discount rate designated by the Agent for the Calculations or (if the Agent for the Calculations has not been nominated by the Administrator) in good faith and in a commercially sound manner, based on the market interest rates at the relevant time. At the same time, however, the Discount Rate designated by the Agent for the Calculations or the Administrator, in accordance with the preceding sentence, shall not be less than the rate by which the aggregated Discounted Value of all the aforesaid undue Coupons as of the aforesaid Date of Early Redemption of the Bonds, would be higher than the nominal value (or such other amount as may be defined in the Addendum as the value that Raiffeisenbank a.s. will pay to the Owners of the Bonds in the event of early redemption of the Bonds) of the Bond, to which the aforesaid unused Coupons belong.

**"Instruction"** shall have the meaning as defined in Article 7.4.1 (a) of these Conditions of Issuance.

**"Quoting Agent"** shall have the meaning as defined in the introductory section of these Conditions of Issuance.

**"Covering Block"** shall have the meaning as defined in Paragraph 3.2 of these Conditions of Issuance.

**"Coupons"** shall have the meaning as defined in Article 1.2.1 of these Conditions of Issuance.

**"Beneficiaries"** shall have the meaning defined in Paragraph 7.3 of these Conditions of Issuance.

**"Notice of Early Redemption"** shall have the meaning as defined in Paragraph 9.1 of these Conditions of Issuance.

**"Place of Payment"** shall have the meaning as defined in Paragraph 7.4 of these Conditions of Issuance.

**"Payment Terms"** shall have the meaning as defined in the introductory section of these Conditions of Issuance.

**"Working Day"** means any day on which banks are open in the Czech Republic and on which settlement of foreign exchange transactions is undertaken and when the TARGET system is also open for the settlement of transactions.

**"Event of Default"** shall have the meaning as defined in Paragraph 9.1 of these Conditions of Issuance.

**"Record Date for the Repayment of the Nominal Value"** means, in relation to dematerialised Bonds, the date one month prior to the respective Date of Maturity of the Bonds, unless the Addendum states otherwise and, in relation to the Documentary Bonds (including the Bonds represented by the Collective Bond) the Date of Maturity of the Bonds, provided however that, for the purpose of the determination of the Record date for the repayment of the nominal value the Date of Maturity of the Bonds shall not be moved in accordance with the Working Day Convention.

**"Record Date for the Payment of Interest"** in relation to dematerialised Bonds is the date one month prior to the respective Date of payment of the interest and, in relation to the Documentary Bonds (including the Bonds represented by the Collective Bond), the Date of payment of the interest, provided however, that for the purpose of the determination of the Record date for the payment of the interest the Date of payment of the interest shall not be altered in accordance with the Working Day Convention.

**"Collective Bond"** shall have the meaning as defined in Article 1.2.4 (a) of these Conditions of Issuance.

**"List of the Owners of the Bonds"** is the list of the Owners of the Documentary Registered Bonds, administered by a relevant Administrator or another person authorised to perform the aforesaid activity in the relevant Addendum.

**"Meeting"** means the meeting of the Owners of the Bonds, which were issued in one issue, unless provided otherwise in the Conditions of Issuance.

**"Contract with the Administrator"** shall have the meaning as defined in the introductory section of these Conditions of Issuance.

**"Centre"** shall have the meaning as defined in Article 1.2.3 (a) of these Conditions of Issuance.

**"Designated Premises of the Administrator"** means a designated premises and the place of payment of the Administrator.

**"Owner of the Bond"** shall have the meaning as defined in Paragraph 1.2 of these Conditions of Issuance.

**"Owner of the Coupon"** shall have the meaning as defined in Paragraph 1.2 of these Conditions of Issuance.

**"Yield Term"** indicates the period starting from the Issue Date (inclusive) and ending on the first Date of the Payment of Interest (excluding that day) and subsequently, every other immediately following period beginning on the Date of the Payment of Interest (inclusive) and ending on the next following Date of the Payment of Interest (excluding that day), until the Date of the Final Maturity of the Bonds, providing however, that unless stated otherwise in the relevant Addendum, for the purposes of the determination of the beginning of any Yield Term the Date of the payment of the interest shall not be moved in accordance with the Working Day Convention.

**"General Prospectus"** shall mean the prospectus of the Bond Programme, compiled in accordance with the Act on the Capital Market and approved by the Czech National Bank on 27<sup>th</sup> September 2011, Ref. No. 2011/11574/570, referring to Ref. No. /2011/110/572, which became effective on the 27<sup>th</sup> September 2011, and of which these Conditions of Issuance form an integral part.

**"Act on Bonds"** shall have the meaning as defined in the introductory section of these Conditions of Issuance.

**"Act on the Capital Market"** shall have the meaning as defined in the introductory section of these Conditions of Issuance.

**"Fraction of Days"**, for the purpose of calculating interest on the Bonds for periods shorter than one year: means

(a) if the relevant Addendum defines the Fraction of Days according to the interest convention "The actual number of days/actual number of days", or "Act/Act", the fraction of the actual number of days in the period for which the interest is set, and the number 365 (or in the event that any part of the period for which the interest is set falls within a leap year, then the sum of (i) the actual number days in that part of the period for which interest is set, which fall in the leap year, divided by the number 366 and (ii) the actual number of days in that part of the period, for which interest is set that corresponds with an ordinary year, divided by the number 365);

(b) if the relevant Addendum defines the Fraction of Days according to the interest convention "The actual number of days/365" or "Act/365", the proportion of the actual number of days in the period for which the interest is set, and the number 365;

(c) if the relevant Addendum defines the Fraction of Days according to the interest convention "The actual number of days/360" or "Act/360", the proportion of the actual number of days in the period for which the interest is set, and the number 360;

(d) if the relevant Addendum defines the Fraction of Days according to the interest convention "30/360" or "360/360", the proportion of the number of days in the period for which the interest is set and the number 360 (where the number of days is determined based on a year of 360 days, divided into 12 months of 30 days, provided that in the case that (i) the last day of the period for which the interest is set falls on the 31<sup>st</sup> day of the month and at the same time the first day of the same period is other than the 30<sup>th</sup> or 31<sup>st</sup> day of the month, the number of days in the month, on which 31<sup>st</sup> day falls on the last day of the period, will not be reduced to 30 days or that (ii) the last day of the period for which the interest is set falls in February, February will not be extended to a month with 30 days);

(e) if the relevant Addendum defines the Fraction of Days according to the interest convention "30E/360" or "BCK Standard 30E/360", the proportion of the number of days in the period for which the interest is set, and the number 360 (whereby the number of days is determined based on a year of 360 days, divided into 12 months of 30 days and the entire calendar year).

**"Applicant"** shall have the meaning as defined in Article 12.4.1 of these Conditions of Issuance.

**"Application"** shall have the meaning as defined in Article 12.4.1 of these Conditions of Issuance.

## TEMPLATE OF THE FINAL CONDITIONS

Below is a template of the Final Conditions of the Bond Issue (hereinafter referred to as the "**Issuance Supplement**") which shall be compiled for each individual Bond Issue, issued as part of an approved Bond Programme, for which it will be necessary to compile a securities prospectus.

In the event that it shall not be necessary to compile a securities prospectus for each individual Bond Issue, the Issuer shall simply prepare an Addendum to the Bond Programme, which will be approved by the Czech National Bank in accordance with the Act on Bonds and published in accordance with the relevant statutory provisions. The Final Conditions will, in accordance with the relevant legal regulations, be notified to the Czech National Bank and published in the same manner as the General Prospectus.

### ISSUANCE SUPPLEMENT – Final Conditions of the Bond Issue

Through the decision of the Czech National Bank No. 2009/7097/570, referring to Ref. No. 2009/166/572, of 15<sup>th</sup> September 2009, which took effect on 16<sup>th</sup> September 2009, the General Conditions of Issuance of the Bond Programme (hereinafter referred to as the "**General Conditions of Issuance**" or the "**Conditions of Issuance**") of Raiffeisenbank a.s., with its headquarters in Prague 4 at Hvězdova 1716/2b, Postal Code: 140 78, ID 49 24 09 01, registered in the Companies Register administered by the Municipal Court in Prague, Section B, File 2051 (hereinafter also referred to as "**Raiffeisenbank a.s.**") were approved in a maximum sum of issued and outstanding Bonds of EUR 1,000,000, 000, with the duration of the programme for 30 years (hereinafter referred to also as the "**Bond Programme**"). On the basis of the same decision the General Prospectus for the Bond Programme was also approved, which together with the Bond Programme, constituted one document pursuant to Section 13, Paragraph 5 of Act No. 190/2004 of Coll., in its latest amendments.

In respect to Section 36i, Paragraph 2 of Act No. 256/2004 of Coll., on capital markets, in its latest amendments (hereinafter referred to as the "**ACM**" or the "**Act on the Capital Market**," the new General Prospectus was approved on 27<sup>th</sup> September 2010 through Decision of the Czech National Bank no. 2011/11574/570 referring to Ref. No. 2011/110/572, which went into effect on 27<sup>th</sup> September 2011 (hereinafter referred to as the "**General Prospectus**") and is accordance with Section 36i of Act no. 256/2004 Coll. on capital markets, in its latest amendments, effective for a period of twelve months from its initial publication i.e. until 27<sup>th</sup> September 2012. If Raiffeisenbank a.s. makes a public Bond offering after this date, it shall publish a new General Prospectus approved by the Czech National Bank ensuring that the public offering is based on a valid General Prospectus (possibly updated through addenda to the General Prospectus). Such General Prospectuses (and their possible addenda) will be available in electronic form to all interested parties on the Raiffeisenbank a.s. website at [www.rb.cz](http://www.rb.cz).

This Issuance Supplement has been compiled in order to supplement the Conditions of Issuance and it constitutes, together with the General Prospectus and any supplements to the General Prospectus, the entire Conditions of Issuance and the Prospectus for the Bonds. This Issuance Supplement consists of:

- (i) an Addendum to the Bond Programme, which is the Addendum to the Conditions of Issuance, approved by the Czech National Bank, Ref. No. [\*] of [\*], which became effective on the [\*] (hereinafter referred to as the "Addendum to the Conditions of Issuance");
- (ii) other relevant information concerning this Bond Issue or Raiffeisenbank a.s., which is not included in the General Prospectus and any supplements thereto that are not included in the Addendum to the Bond Programme.

(hereinafter referred to as the "Issuance Supplement")

*Neither The Addendum to the Bond Programme nor the Bonds (as that term is defined in the Addendum to the Bond Programme) have been approved or registered in accordance with any regulation or any self-governing body of any jurisdiction other than the Czech National Bank, in accordance with the laws of the Czech Republic. Distribution of this Issuance Supplement and the offer, sale or purchase of the Bonds may be restricted by law in some jurisdictions. Raiffeisenbank a.s. requires any person who obtains possession of this Issuance Supplement to make themselves acquainted with all of these restrictions and to respect them.*

*The offer for the Bonds is conducted in accordance with the General Prospectus, the Conditions of Issuance, all the hitherto published Supplements to the General Prospectus and this Issuance Supplement. Any decision to subscribe or purchase the Bonds offered should be based solely on the information contained in these documents in their entirety, as*

a whole, and on the terms of the offer, including an independent evaluation of the risks of investments in Bonds carried out by each of the prospective buyers.

**Raiffeisenbank a.s. reminds all prospective buyers of the Bonds that full details concerning Raiffeisenbank a.s. and of the offer of the Bonds are available only by combining the General Prospectus, all its supplements that have been published and this Issuance Supplement.**

The General Prospectus and its supplements that have been published are available for study at the headquarters of Raiffeisenbank in Prague 4 at Hvězdova 1716/2b, Postal Code: 140 78 during the normal working hours of Raiffeisenbank a.s. and also in electronic form at the Internet address [www.rb.cz](http://www.rb.cz).

## ADDENDUM TO THE BOND PROGRAMME

The Addendum to the Bond Programme together with the Conditions of Issuance defines the conditions for the issuance of the bonds specified below that are issued as a part of this Bond Programme (hereinafter also referred to as the "**Bonds**").

Terms that are not defined here and to which a specific meaning is attributed in the Conditions of Issuance, have their meaning defined within the latter, unless the context of their application for this Bond Programme indicates otherwise.

In the event of any discrepancies between the Conditions of Issuance and this Addendum to the Bond Programme, the provisions of this Addendum to the Bond Programme take precedence. However, this does not affect the wording of the Conditions of Issuance in relation to any specific Bond Issue issued as part of this Bond Programme.

The following Bond Conditions specify the general Conditions of Issuance in connection with this bond Issue for the Bond Programme defined in the General Prospectus, as described above.

1	ISIN of Bonds:	[*]
2	A regulated market or a multilateral trading facility to which the Issuer intends to apply for acceptance for trading:	[*]
3	Nature of the Bonds:	[dematerialised/documentary]
4	Form of the Bonds:	[bearer/ registered]
5	Nominal value of each Bond:	[* EUR or any other currency]
6	Total estimated nominal value of the Bonds issued, as of the Issue Date:	[*EUR or any other currency]
7	The Number of Bonds issued as of the Issue Date:	[*] pieces
8	Numbering of the Bonds:	[in the event that they will be represented by a Collective Bond they will not be numbered; after the issuance of any specific pieces of the Bond Issue, each Bond will be assigned a serial number] / –
9	Currency in which the Bonds are denominated:	EUR or any other currency
10	Right of the Issuer to increase the volume of the Bonds / conditions for such increase:	[NO / YES; in accordance with Section 11 of the Act on Bonds the Issuer is authorised to issue bonds (i) in a greater volume than is the estimated total nominal value of the Bond Issue, even after the Issuance Period, or (ii) up to the

	estimated total nominal value, even after the Issuance Period. In such cases the Issuer defines the Additional Issuance Period, which ends at the latest on the Record Date for the repayment of the nominal value, and publishes it in the same manner as this Addendum to the Bond Programme]	
11	Pre-emption and the exchange rights attached to the Bonds (if other than as mentioned in Article 1.1 of the Conditions of Issuance)	[*]
12	Title of Bonds:	[*]
13	Type of Bonds:	Regular Bonds / Mortgage Bonds
14	The possibility of separation of the right to the bond yield by issuing Coupons (if other than as specified in Article 1.2.1 of the Conditions of Issuance):	[YES / NO]
15	Restrictions to the transferability of the Bonds and / or the Coupons (if issued):	[*]
16	Issue Date:	[*]
17	The manner of and the period of issuance of Bonds (Issuance Period) (if other than as specified in Article 2.1 of the Conditions of Issuance):	[*]
18	Issue price of the Bonds as of the Issue date, or manner of its definition:	[*]
19	Manner and location for subscription to the Bonds / information concerning the persons who are involved in issuing the Bonds:	[*].
20	Interest yield:	[fixed / floating]
21	Fraction of Days:	[*]
22	In the case of the Bonds with a fixed coupon interest yield:	
22.1.1.	The interest rate of the Bonds (nominal):	[*]
22.1.2.	Payment date of interest:	[*]
22.1.3.	End of the interest period of the Bonds (if other than as specified in Article 5.1 (d) of the Conditions of Issuance):	[*]
23	In the case of the Bonds with a floating interest rate:	
23.1.1.	The interest rate and/or the rules for definition of the interest rate valid for each	[*]

## Yield Period:

23.1.2.	Payment date of interest:	[*]
23.1.3.	End of the interest period of the Bonds (if other than as specified in Article 5.2 (e) of the Conditions of Issuance)	[*]
24	In the event of the Discount Bond:	
24.1.1.	Discount rate:	[*]
24.1.2.	End of the interest period of the Bonds (if other than as specified in Article 5.3 (b) of the Conditions of Issuance)	[*]
25	Other than nominal value that the Issuer shall pay the Owners of the Bonds at maturity (the "other value"):	[*]
26	Date of Final Maturity of the Bonds:	[*]
27	Method of payment of the nominal value of the Bonds, or other value (if other than as stated in Article 6.1 of the Conditions of Issuance):	[*]
28	Early redemption of the nominal value of the Bond based on the decision of the Issuer:	[*]
28.1.1.	Dates as of which the Bonds may be redeemed prematurely based on the decision of the Issuer / the values at which the Bonds will be redeemed as of such date:	[*]-
29	Repurchase of the Bonds by the Issuer (if other than as specified in Article 6.4 of the Conditions of Issuance):	[*]
30	Working Day Convention for the definition of the Payment Date:	[Following]
31	Payment of interest or any other additional amounts for any time delay (if other than as specified in Article 7.2 of the Conditions of Issuance):	[*]
32	Place of Payment:	[Designated premises of the Administrator]
33	Compensation for taxes or charges by the Issuer (if other than as specified in Article 8 of the Conditions of Issuance):	[*]
34	Specific cases of default (other than as specified in Article 9.1 of the Conditions of Issuance):	[*]
35	Administrator:	[*]

36	Designated premises of the Administrator:	[*.]
37	Another or additional Agent for the Calculations:	[*]
38	Another or additional Quoting Agent:	[*]
39	The manner of publication of the notice convening the Meeting / the contents of the notice convening the Meeting (if other than as specified in Article 12.1.3 of the Conditions of Issuance):	[*]
40	Persons entitled to attend the Meeting and vote at it (if other than as defined in Article 12.2 of the Conditions of Issuance):	[*]
41	Date of Early Redemption of the Bonds (if other than as specified in Article 15 of the Conditions of Issuance):	[*]
42	A change of the starting date for the duration of the Yield period (if other than as specified in Article 15 of the Conditions of Issuance):	[*]
43	The assessment of the financial status of the Issuer (rating):	[*]
44	Status of the Bonds:	[*]
45	Information concerning any and all other Addenda, clarifications or changes to the Conditions of Issuance in relation to this Bond Issue:	[*]

## OTHER IMPORTANT INFORMATION

In accordance with Section 36i of the Act on the Capital Market, this General Prospectus is, for the purposes of the public offering and the acceptance of securities for trading on a regulated market, valid for twelve months from its first publication, i.e. by [\*]. If the issuer wishes to make a public offer of the Bonds subsequent to that date, the Issuer shall publish a new general prospectus approved by the Czech National Bank, in order that the public offer should always proceed on the basis of a valid general prospectus (or the General prospectus amended through supplements). Such general prospectuses (and their supplements) will be available to all interested parties in electronic form on the website of the Issuer at [www.rb.cz](http://www.rb.cz).

**Important notice: The following text contains a template for Other Information, specific to a particular Bond Issue, which is not contained in the Addendum to the Bond Programme.**

RISK FACTORS	[If different from the risk factors defined in the General Prospectus]
REASONS FOR THE OFFER AND USAGE OF THE YIELD FROM THE BOND ISSUE	[*]
- Estimated cost of the offer of the Bonds	
CONDITIONS OF THE OFFER	[*]
- Conditions, statistics, date of the offer, expected schedule and conditions of application for the offer:	[*]
- Plan for the distribution and allotment of securities:	[*]
- Determination of the price:	[*]
- Location and subscription:	[*]
GENERAL INFORMATION	
- Acceptance for trading and manner of trading:	[*]
- Interests of the individuals and legal entities involved in the issue/offer:	[*]
ADDITIONAL INFORMATION	[*]

## GENERAL PROSPECTUS

### 1. RESPONSIBLE PARTIES

#### 1.1. The Entities responsible for the information provided in the General Prospectus

The entity responsible for the information provided in the General Prospectus is the Issuer – Raiffeisenbank a.s., with its Registered Office in Prague 4, at Hvězdova 1716/2b, Postal Code: 140 78 ID: 49 24 09 01, registered in the Companies Register administered by the Municipal Court in Prague, Section B, File 2051, on behalf of which act Ing. Rudolf Rabiňák, Member of the Board of Directors, and Mgr. Jan Kubín, Member of the Board of Directors.

#### 1.2. Affidavit

The Issuer declares that, having expended all reasonable care, the information contained in this General Prospectus are to the best of its knowledge in accordance with all the known facts, as of the date of its completion, and that no facts have been concealed that might alter the purport of this General Prospectus.

On behalf of Raiffeisenbank a.s.

*(signature illegible)*

.....  
Ing. Rudolf Rabiňák  
Member of the Board of Directors

*(signature illegible)*

.....  
Mgr. Jan Kubín  
Member of the Board of Directors

## 2. AUTHORISED AUDITORS

Verification of the consolidated and unconsolidated financial statement of the Issuer for the annual periods ending on 31<sup>st</sup> December 2009 and 31<sup>st</sup> December 2010 that were compiled in accordance with International Financial Reporting Standards as adopted by the EU, was carried out in accordance with Act No. 524/1992 Coll. On Auditors and the Chamber of Auditors of the Czech Republic, as amended, the International Standards on Auditing and the related applicable clauses of the Chamber of Auditors of the Czech Republic, by the auditing company **Deloitte Audit s.r.o.**, with its Registered Office at Karolínská 654/2, Prague 8, Postal Code: 186 00, ID: 49 62 05 92, registered in the Companies Register administered by the Municipal Court in Prague, Section C, File 24349, registered in the List of Audit Companies with the Chamber of Auditors of the Czech Republic, Certificate No. 79.

The authorised auditor for the financial year ending on 31<sup>st</sup> December 2009 was the auditor Michal Petrman, Certificate No. 1105.

The auditor's opinion concerning the unconsolidated financial statement of the Issuer was issued for the period ending on 31<sup>st</sup> December 2009:

- the financial statement provides a true and accurate picture of the financial position of Raiffeisenbank a.s. as of the 31<sup>st</sup> December 2009, and of the costs, revenues and results of its operations and its cash flow for the year ending on that date, in accordance with the International Financial Reporting Standards as adopted by the EU.

The auditor's opinion concerning the consolidated financial statement of the Issuer was issued for the period ending on 31<sup>st</sup> December 2009:

- the consolidated financial statement provides a true and accurate picture of the financial position of Raiffeisenbank a.s. as of the 31<sup>st</sup> December 2009, and of the costs, revenues and results of its operations and its cash flow for the year ending on that date in accordance with International Financial Reporting Standards as adopted by the EU.

The authorised auditor for the financial year ending on 31<sup>st</sup> December 2010 was the auditor Diana Rádl Rogerová, Certificate No. 2045.

The auditor's opinion concerning the consolidated financial statement of the Issuer was issued for the period ending on 31<sup>st</sup> December 2010:

- the consolidated financial statement provides a true and accurate picture of the financial position of Raiffeisenbank a.s. as of the 31<sup>st</sup> December 2010, and of the costs, revenues and results of its operations and its cash flow for the year ending on that date, in accordance with the International Financial Reporting Standards as adopted by the EU.

The auditor's opinion concerning the unconsolidated financial statement of the Issuer was issued for the period ending on 31<sup>st</sup> December 2010:

- the financial statement provides a true and accurate picture of the financial position of Raiffeisenbank a.s. as of the 31<sup>st</sup> December 2010, and of the costs, revenues and results of its operations and its cash flow for the year ending on that date in accordance with International Financial Reporting Standards as adopted by the EU.

The full wording of the audited consolidated and unconsolidated financial statements of the Issuer, prepared in accordance with the International Financial Reporting Standards as adopted by the EU for the financial periods ending on 31<sup>st</sup> December 2009 and 31<sup>st</sup> December 2010, respectively, are referred to in the General Prospectus and constitute an integral part thereof.

The above mentioned consolidated and unconsolidated financial statements for financial periods ending on 31<sup>st</sup> December 2009 and 31<sup>st</sup> December 2010 are also part of the annual reports of the Issuer for the year of 2009 and 2010. These reports as well as any other consequent annual reports of the Issuer are available to all interested parties

during regular working hours at the Issuer's headquarters – Prague 4, Hvězdova 1716/2b, Postal Code: 140 78 – and at Raiffeisenbank website: [www.rb.cz](http://www.rb.cz) under section Infoservice / Bank Introduction / Annual Reports<sup>i</sup>

The auditor reports regarding the consolidated and unconsolidated financial statements of the Issuer, prepared in accordance with the International Financial Reporting Standards as adopted by the EU for the financial periods ending 31<sup>st</sup> December 2009 and 31<sup>st</sup> December 2010 are available to all interested parties during regular working hours at the Issuer's headquarters. The auditor reports are also part of the annual reports of the Issuer for the year of 2009 and 2010 and are referred to in the General Prospectus.

### **3 RISK FACTORS**

Buying and holding the Bonds is linked with a number of risks, of which those that the Issuer considers as fundamental, are listed in the introductory section of this General Prospectus, in the chapter "RISK FACTORS". This summary is not exhaustive and does not take the place of an expert analysis nor of any provision of the Conditions of Issuance of the Bonds, nor does it affect any rights or obligations in accordance with the Conditions of Issuance of the Bonds and nor is it in any way a recommendation for investment. Any decision of interested parties concerning subscribing to and/or buying the Bonds should be based on the information contained in this General Prospectus, any or all of its supplements, the relevant Issuance Supplement and particularly on independent analysis of the risks and benefits of investment in the Bonds carried out by the prospective acquirers of the Bonds. The Issuer advises all prospective investors that they discuss their investments in the bonds with their financial, tax and/or other advisors, whom prospective investors consider as reliable before proceeding further.

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<sup>i</sup> *Translator's note:* links used to respective documents correspond to actual site structure of Raiffeisenbank's English pages as these slightly differ from view of the same site switched to the Czech language.

## 4. INFORMATION ABOUT THE ISSUER

### 4.1 History of the Issuer

Raiffeisenbank a.s. is an important banking institution that provides a wide range of banking services to private and corporate customers in the Czech Republic. Raiffeisenbank is a member of the Austrian financial group Raiffeisen that also offers products and services in the Czech Republic in the area of Building Savings (Raiffeisen stavební spořitelna a.s.), Insurance (UNIQA pojišťovna a.s.) and Leasing (Raiffeisen-leasing s.r.o.).

The founder of the Raiffeisen financial group was Friedrich Wilhelm Raiffeisen (1818 - 1888), who, in Anhausen in 1862 founded the first cooperative banking association. In the mid 1890's more than 600 such institutions were operating in Austria according to the Raiffeisen system. The Raiffeisen system soon became popular not only in Europe but also spread overseas. Friedrich Wilhelm Raiffeisen initiated the structural changes on the pillars of which several future strong banking systems were built. In Austria, Raiffeisenbank was gradually to become the largest private financial group.

The majority shareholder of Raiffeisenbank a.s. is the Austrian financial institution, Raiffeisen Bank International AG (51%). Additional shareholders of the Issuer include Raiffeisenlandesbank Niederösterreich – Wien AG (24%) and RB Prag-Beteiligungs GmbH (25%). Raiffeisen International Bank Holding AG successfully joined the Austrian Stock Exchange in the year 2005. Its initial public offer (IPO) became the largest in Austrian history and one of the most successful worldwide.

The Austrian banking group has provided financial services for over 140 years and is one of the strongest financial companies operating in the field of commercial and investment banking in Central and Eastern Europe. In this region the group operates in 17 markets where it serves over 14 million clients at more than 3,000 business premises.

As of the 30<sup>th</sup> June 2011 Raiffeisenbank a.s. served clients in a network of 118 branches and client centres. Raiffeisenbank a.s. also provides its services through specialised mortgage centres and personal and corporate advisors.

### 4.2 General Information about the Issuer

Name of the Company:	Raiffeisenbank a.s.
Place of Registration:	the company is registered in the Companies Register administered by the Municipal Court in Prague, Section B, File 2051
ID:	49 24 09 01
Date of Incorporation:	25 <sup>th</sup> June 1993
Registered Address:	Prague 4, Hvězdova 1716/2b, Postal Code: 140 78
Legal System and Legal Form:	Raiffeisenbank a.s. was established for an indefinite period, in accordance with the legal system of the Czech Republic, pursuant to Act No. 513/1991 Coll. Commercial Code and Act No. 21/1992 Coll., On banks. The legal status of the Issuer is that of a joint stock company.
Website:	www.rb.cz
E-mail:	info@rb.cz
tel./fax:	+420 234 401 111/+420 234 402 111

The business objectives of Raiffeisenbank a.s., in accordance with the provisions of Section 2 of its Articles are:

- Banking and financial transactions and other activities defined by a banking licence issued in accordance with Act No. 21/1992 Coll.;
- the company is also authorised to establish branch offices or other organisational units at home and abroad, as well as to establish subsidiaries and to make its own equity investments provided that they comply with the generally binding legal regulations.

### 4.3 Investments

The dominant focus of the investments of the Issuer is in information technology (hereinafter also referred to as "IT") and the upgrading or construction of a branch network.

#### 4.3.1 Investments in the Field of Information Technology

Below are listed the significant investments in the field of information technology from January to July 2011:

- Project for the deployment of a new main banking system and related systems of the Issuer. In the period from January to July 2011, almost 388.7 million CZK were invested.
- Other continuing project activities. In the period from January to July 2011, almost 62.9 million CZK were invested.

Table 3 below provides rough estimates of IT spending in 2010.

**Table 3** Estimates of IT spending in 2010

Title of the project	Amount (in million CZK)
Project for deployment of a new main banking system for the Issuer	686.6
Other continuing projects	153.1
Other IT spending	217.5

Table 4 below provides rough estimates of IT spending from August to December 2011.

**Table 4** Estimates of IT spending from August to December 2011

Title of the project	Amount (in million CZK)
Project for deployment of a new main banking system for the Issuer	579.8
Other continuing projects	164.8
Other IT spending	255.3

All investments in the area of information technologies have been financed from own resources.

#### 4.3.2 Upgrading and Expansion of the Branch Network

In the scope of the investment for the upgrading and expansion of the branch network 236 million CZK (including VAT.) were invested in 2010. During the period from January 2011 to July 2011, 172 million CZK (including VAT.) were invested. The significant on-going investments in this area include:

- Between January and July 2011, Raiffeisenbank a.s. opened new offices in Prague 5 - Hůrka, Prague 10 - Štěrboholy, Prague 8 - Thámova, Prague 1 - Valentinská, Prague 4 - Pražského povstání, Přerov, Brno - Campus, Hradec Králové, Prague 4 - Budějovická and new consulting centres in Liberec, Frýdek-Místek, Pardubice, Brno-Olympii, Jihlava and Ostrava - Dlouhá.
- Branch offices are being redesigned - a new business model is applied in selected current branch offices - large reconstructions in Prague Jalta and Opava.
- By the end of 2011, Raiffeisenbank a.s. is preparing to open new branches and consulting centres or to expand in the following locations: Prague 1 - Václavské náměstí, Prague 1 - Mostecká, Prague 1 - Rytířská, Prague 3 - Jiřího z Poděbrad, Prague 5 - Barrandov, Prague 9 - Černý most, České Budějovice, Ostrava - Tesco, Prague - Metropole Zličín, Karviná and Uherské Hradiště.

Other investments in this area are planned for smaller projects in already existing branches.

These investments carried out in the area of upgrading and building up the branch networks, concluded and on-going, are financed from the Issuer's own resources.

## 5. SUMMARY OF THE BUSINESS ACTIVITIES CONDUCTED BY THE ISSUER

### 5.1. Principal Activities

Raiffeisenbank a.s. is an important banking institution that provides a wide range of banking services both private and corporate clients in the Czech Republic. It is one out of more than a dozen financial organisations in the Czech Republic that provides mortgage loans.

The principal activities of the Issuer include, specifically:

- acceptance of deposits from the public;
- provision of loans;
- investments in securities on its own account;
- financial leasing\*;
- payments and settlements;
- issuance of payment means;
- provision of guarantees;
- establishing letters of credit;
- payment collection;
- provision of investment services;
- general investment services pursuant to Section 8 Paragraph 2 a),b),c),d),e), of Act No. 591/1992 Coll., in its latest amendments;
- additional investment services pursuant to Section 8 Paragraph 3 a) - g);
- issuing of mortgage bonds;
- financial brokerage;
- depository services;
- currency exchange (purchase of foreign currency);
- provision of banking information;
- trading on its own account or the account of clients in foreign exchange values;
- rental of safety-deposit boxes;
- activities directly related to those listed in the banking licence.

\* Activities which the bank does not conduct directly.

Raiffeisenbank a.s. in addition to possessing a banking licence:

- is a licensed broker;
- as of 30<sup>th</sup> June 2005, is listed in the Register of the Ministry of Finance as a "captive insurance broker". Currently this register is administered by the Czech National Bank.

Neither the conducting nor the provision of any of these activities by Raiffeisenbank a.s. has been restricted or excluded by any competent authority.

Raiffeisenbank a.s. is obliged to adhere to the regulatory requirements of the Czech National Bank. These regulations include limits and other restrictions concerning capital adequacy, classification of loans and off-balance liabilities, the credit risk of Raiffeisenbank a.s. associated with clients, liquidity, interest rate risk and the currency status of Raiffeisenbank a.s.

## 5.2. Portfolio of Products and Services

Below is a list of the products and services of the Issuer. The data are valid as of the date of the compilation of the General Prospectus.

### Products for Private Clients

- eKonto
- Kompletkonto – package for managing personal finances in four versions, i.e. Student, Start, Klasik and Optimum
- Zlaté konto (prestigious personal account)
- Current Account in CZK
- Current Account in a foreign currency
- Efektkonto – Savings Account
- Včelička Savings Account
- eKonto Garant
- Kompletkonto Savings Account
- eKonto Savings Account
- eKonto Flexi Savings Account
- Term Deposits (one-off, revolving, Bonus Deposit, Kombi Deposit)
- Promissory notes
- Internet Banking
- GSM Banking
- Telephone Banking
- Infoservice – SMS and email messages
- Online Payments
- Mortgage Loan Flexi
- Mortgage Loan Klasik
- Mortgage Loan Klasik Plus
- Mortgage Loan Profit
- Variable Mortgage Loan
- Offset Mortgage Loan
- Variable mortgage Loan
- American Mortgage Loan Univerzál
- Mortgage Loan to “Zelená k úsporám” programme
- The Triga and Triga Plus package of insurance products
- Mortgage Bonds
- Development projects
- Consumer Quick Loan
- Low instalments Loan
- Purpose-Bound Home Loan
- Purpose-Bound Loan for other investments
- Loan for One Click
- “Green” Loans
- Overdraft on Current Account
- Visa and MasterCard debit cards
- Visa and MasterCard credit cards
- Animal Life credit card
- Exclusive programme credit cards
- Vodafone credit card
- Domestic and foreign payments
- Cheques and foreign exchange services
- Cash Transactions
- Premium Bonds
- Open-ended Mutual Funds, Raiffeisen (regular or one-time investments)
- Model Portfolio
- Personal Finance Plan
- Premium Deposits
- Investment Bonds
- Private Banking
- Brokerage and other services

### Products for Corporate Clients

- Business eKonto
  - Business eKonto Premium
  - Current Account
  - Multicurrency Account Základ, Plus, Základ zdarma and Plus zdarma
  - Transparent Account
  - Profikonto
  - Pluskonto
  - Benefitkonto
  - Dualkonto
  - Electronic Banking – Home Banking
  - Internet Banking
  - GSM Banking
  - Telephone Banking
  - Infoservice – SMS and email messages
  - Domestic and foreign payments
  - Cash Operations
  - Card products of Visa and MasterCard companies
  - Business Quick Loan
  - Business Overdraft
  - Hypokredit
  - Financing for owners of building units
  - Loans for housing cooperatives
- Other loan transactions – overdrafts, operation capital loans, investment loans, mortgage loans, project financing, structured financing, municipal financing, syndicated loans, instalment loans to finance operational needs and investments
- Trade and export financing - loans to finance the production, export loans, export customer loans, commodity financing of resources
  - Factoring
  - Forfeiting
  - Purchase of receivables
  - Bank Guarantees
  - Term Deposits
  - Mortgage Bonds
  - Overnight Investment
  - Safety-deposit boxes and vaults
  - Deposit Transactions
  - Collection and processing of cash
  - Interest Compensation
  - Cheques and foreign exchange services
  - Documentary Trading
  - Provision of terminals for accepting credit and debit cards
  - Treasury Products
  - Research and Analysis of Markets
  - Brokerage
- ### Investment Banking
- Investment Banking Services
  - Investment Bonds
  - Portfolio Management
  - Foreign Investment Funds
  - Investment Advisory

- Safety-deposit Boxes and Vaults
- Western Union Services
- Pension Insurance ING
- Life and Accident Insurance UNIQA
- Vehicle Liability Insurance UNIQA
- Life and Accident Insurance UNIQA
- Building Savings of Raiffeisen stavební spořitelna
- Raiffeisen Life Insurance DIVIDENDA
- Research and Analysis of Markets

#### **Private Banking**

- Regular Banking Services
- Investment banking
- Financial planning

### **5.3. List of Newly Introduced Products and Services**

As of 1<sup>st</sup> January 2011 Raiffeisenbank a.s. has introduced the following new products and services:

#### **Raiffeisenbank a.s. facilitates access to capital for medium-sized companies**

In January 2011 Raiffeisenbank a.s. offered a new service that facilitates access to capital for medium-sized companies. Raiffeisenbank a.s. became the first and currently the only Czech authorised advisor for joining the Polish stock exchange New Connect. Thus it is able to help medium-sized companies with preparations and the subscription of shares on this dynamically developing market. In addition to classical bank loans, small and medium-sized companies thus have a new opportunity to finance their further growth or to start an entirely new business model.

The Polish stock exchange New Connect is designed mostly for small and medium-sized growing companies that, thanks to additional capital, have a chance to dynamically grow. The advantage is that the issue of individual companies on this market can be very small, i.e. below one million EUR, which provides an opportunity mostly for small and medium-sized companies that cannot issue their shares on other stock exchanges due to their current market capitalisation. In addition of the aforesaid subscribed capital amount, New Connect has many other advantages for small and medium-sized companies: it is less costly to join the stock exchange, the information obligation is less strict and the market focuses mainly on risk-oriented investors.

Raiffeisenbank a.s. as an authorised advisor provides comprehensive services in joining the Polish stock exchange New Connect as well as in the process of subscription. The first step is to propose a suitable structure of the entire transaction and to prepare all documents and applications. Raiffeisenbank a.s. then contacts potential investors, places the shares on the market and provides a year-long supervision over the company, including necessary training and consultations.

#### **Kombi deposit**

In February 2011, Raiffeisenbank a.s. expanded its premium banking product portfolio for Kombi deposit that combines the advantages of term deposits and investments in mutual funds. If a client purchases selected mutual funds for at least 100 thousand Czech Crowns and combines them with a term deposit of at least 200 thousand Czech Crowns for at least one year, the client of Raiffeisenbank a.s. will receive both interest and bonus interest. This bonus interest up to 1.5% p.a. is provided on six-month term deposits, on the double amount invested in mutual funds. The total yield on such term deposit can be up to 4.5% p.a. Kombi deposit is suitable for clients who have never invested in mutual funds and are looking for a yield higher than the current market interest rate on deposits.

#### **Vodafone credit card**

The mobile phone operator Vodafone and the Raiffen Group started cooperating in combining mobile phone and financial services. In the first phase, Raiffeisenbank a.s. and the mobile phone operator Vodafone provide their clients with a partner credit card. In comparison with similar credit cards, this credit card is unique because it provides the clients with an immediate direct benefit; the clients do not have to collect any points or use any other form of loyalty programme. The clients will be able to call within the Vodafone network for free on weekends for every 2,000 CZK charged to this credit card. Therefore, if the client charges over 8,000 CZK a month to this Vodafone credit card, he can call every weekend during the following month for free.

The Vodafone credit card is free of charge and if the client charges at least 5,000 CZK to the Vodafone credit card a month, no credit card fee is charged. The interest-free period is 60 days, which is also unusual. After 60 days, the interest rate is 2.09% p.m. (25.08% p.a.). The maximum credit limit is 200 thousand CZK.

### **Raiffeisen life insurance DIVIDENDA**

In April 2011, Raiffeisenbank a.s., as the first bank in the Czech Republic, started, in cooperation with UNIQA pojišťovnou a.s., a new life insurance called Raiffeisen life insurance DIVIDENDA with the unique opportunity of doubling funds in case of a claims-free record. This insurance is another part of the financial planning of Raiffeisenbank a.s. focusing on premium clientele. It is very flexible and responds to the client's needs and situation as needed.

Thanks to the so-called risk dividend (the insurance company shares part of the generated profit with the client), the client will receive an additional valorised yield, which is credited to the client's insurance policy at the end of the insurance term.

Moreover, the clients will receive back part of the funds through the bonus for a claims-free record from injury insurance in case that no insurance event occurs. Raiffeisen life insurance DIVIDENDA is tax-deductible, of course.

In addition to the basic types of insurance, Raiffeisen life insurance DIVIDENDA offers insurance of children's serious illnesses. Part of the insurance is also an exclusive healthcare programme for adults and children – a physician on call, examination of children by a renowned specialist. The insurance also offer better injury insurance for women.

Raiffeisen life insurance DIVIDENDA can be also expanded for a voluntary savings part where the clients can choose from five different investment programmes, from a guaranteed yield to 100% investments in shares. The current guaranteed yield is 2.4% p.a. To optimize the yield on investment, the client can use the so-called INVESTPLAN – an instrument that protects the already generated yield by transferring it slowly to more conservative investment programmes.

### **Expansion of offered Raiffeisen mutual funds**

In June 2011, Raiffeisenbank a.s. started offering new mutual funds, Raiffeisen Aktive Commodities and Raiffeisen Inflationschutz Fonds. For experienced investors who seek new opportunities, Raiffeisenbank a.s. prepared the commodity fund Raiffeisen Aktive Commodities. The portfolio of this new fund is distributed to all categories of raw materials, of which one-third is invested in energies, agricultural commodities and industrial and noble metals. The fund Raiffeisen Aktive Commodities is designed as a fund of funds, which allows to distribute strategies and investment styles. The fund is designed for investors experienced with investments in securities, who seek a new opportunity to distribute their portfolio. The recommended minimum investment time is eight years.

Raiffeisenbank a.s. also offers the fund Raiffeisen Inflationschutz Fonds that should protect the clients from inflation. The fund is designed for the clients who worry about loss of purchasing power and about inflation.

Both new mutual funds are in euro and expand the current offer of Raiffeisenbank a.s., which allows the clients to invest in more than thirty Raiffeisen funds in CZK and foreign currency.

### **Development of private banking**

In the first quarter of 2011, Raiffeisenbank a.s. also started to develop private banking under the name Friedrich Wilhelm Raiffeisen. Within five years, Raiffeisenbank a.s. would like to become one of the leading banks in this fastest growing client segment.

## **5.4. Position of the Issuer on the Market**

*The given data on the current market position of the Issuer and its market share is based on the Methodology and reports of the Czech National bank (see item 10.8. "Third Party Information" of the General Prospectus).*

The first half-year 2011 was influenced with the growing uncertainty of the future development of the world economy due to e.g. the growing problems in Greece and the unexpected slowdown of the economic growth of developed economies. It is thus obvious that the world economy will feel the impact of the financial crisis longer than originally expected.

The banking sector of the CR was also affected by this general uncertainty and the first half of 2011 did not bring the significant recovery that the market hoped for. Nevertheless, the Issuer was able to adapt to the situation and showed a very good economic performance.

In the first half of 2011, the total volume of assets increased by 7.3%, which reflected in an increase in the Issuer's market share to 4.5%. The Issuer remains the fifth strongest company of the Czech banking market. The mentioned

success is proven by the almost 4% increase in total loans resulting in the increase in the market share to 7.1% and by the 7.5% increase in total deposits resulting in the market share of 4.8%.

The segment of clients among legal entities is traditionally the strongest area of the Issuer. In the first half of 2011, the total volume of their deposits went up by 2.1%, which reflected in an increase in the market share to 5.6%. Over 75% of the deposits of legal entities represent deposits from non-financial companies. Their deposits grew by 0.5%, which - together with the 9% drop of the market, represents an increase in the market share to 8.3%. Loans provided by the Issuer to legal entities were higher by 6.0% as compared to the end of 2010, which resulted in an increase in the market share to 7.0%. With respect to non-financial companies, the Issuer's market share went up to 9.3% thanks to the 8.8 growth rate while the market grew only by 3.8%.

The Issuer also shows long-term excellent results in the segment of physical entities, where the share on deposits and loans of the bank has grown lately. In spite of the fact that in the first half of 2011 the economic crisis affected the personal financial situation of its clients, the Issuer showed an increase in total deposits by more than 14%, which increased its market share to 4.2%. In loans, the Issuer strengthened its position with the market share of 7.4%. Almost 75% of the loans provided to physical entities are mortgage loans, the volume of which grew by 1.2% in the first half of 2011, and the Issuer now manages 8.6% of all mortgage loans. The Issuer also achieved better results in consumer loans than the market did, and, thanks to the 1.6% growth rate, increased its market share to 8.8%.

The Issuer pays special attention to the group of physical entities - self-employed persons. Small businesses in the first half of 2011 withdrew about 2.6% of their account funds, and the market share of Raiffeisenbank a.s. thus slightly dropped to 4.6%. Nevertheless, the Issuer remained a reliable partner of its clients and supported them with its active loan policy. The total volume of provided loans grew by 5.6% and the market share of the Issuer thus went up to 6.3%.

#### 5.4.1 Market Shares of the Issuer

Following Table 5 shows the market shares of Raiffeisenbank a.s. for the year 2010 and as of 30. 6. 2011.

**Table 5** Market shares of Raiffeisenbank a.s. in the year 2010 and as of 30. 6. 2011

Market shares of Raiffeisenbank a.s.	30. 6. 2011	2010
Assets	4.53%	4.30%
Deposits - in total	4.79%	4.50%
- non-term deposit	6.04%	5.79%
- term deposit	3.08%	2.73%
- Legal entities	5.59%	5.41%
- non-financial groups	8.30%	7.51%
- Physical entities	4.22%	3.78%
- Self-employed	4.57%	4.80%
Loans - in total	7.14%	7.00%
- mortgage	6.95%	7.15%
- consumer	8.64%	8.46%
- Legal entities	6.96%	6.67%
- non-financial groups	9.34%	8.91%
- Physical entities	7.40%	7.45%
- mortgages	8.55%	8.81%
- consumer loans	8.80%	8.63%
- Self-employed	6.34%	6.03%

Source: Methodology and reports of the Czech National Bank

## 6. ORGANISATIONAL STRUCTURE OF THE ISSUER

Raiffeisenbank a.s. is a part of Raiffeisen International Bank AG (hereinafter referred to as "**RBI**"), a leading universal bank in Central and Eastern Europe and one of the major providers of corporate and investment banking in Austria. RBI was founded in October 2010 by a merger of part of Raiffeisen Zentralbank Österreich AG (hereinafter also referred to as "**RZB**") and Raiffeisen International Bank-Holding AG. RBI is a fully consolidated subsidiary company of RZB that holds 78.5% of the shares. The remaining shares are traded on the Viennese Stock Exchange.

RBI offers corporate and investment banking for Austrian and international companies, a large banking and leasing network in Central and Eastern Europe as well as investment and corporate banking services in Asia and major world financial centres. The subsidiary companies of the group operate in the following countries of Central and Eastern Europe:

Albania	Raiffeisen Bank Sh.a.
Belarus	Priorbank, OAO
Bosnia and Herzegovina	Raiffeisen Bank d.d. Bosna i Hercegovina
Bulgaria	Raiffeisenbank (Bulgaira) EAD
Czech Republic	Raiffeisenbank a.s.
Croatia	Raiffeisenbank Austria d.d.
Kosovo	Raiffeisen Bank Kosovo J.S.C.
Hungary	Raiffeisen Bank Zrt.
Poland	Raiffeisen Bank Polska S.A.
Romania	Raiffeisen Bank S.A.
Russia	ZAO Raiffeisenbank
Slovak Republic	Tatra banka, a.s.
Slovenia	Raiffeisen banka d.d.
Serbia	Raiffeisenbank a.d.
Ukraine	VAT Raiffeisen Bank Aval

Responsibility for these markets in Central and Eastern Europe rests with RBI, which controls the majority shares (in most of them, it holds 100% or almost 100%). Many leasing companies are also part of the group (including one in Kazakhstan and one in Moldova).

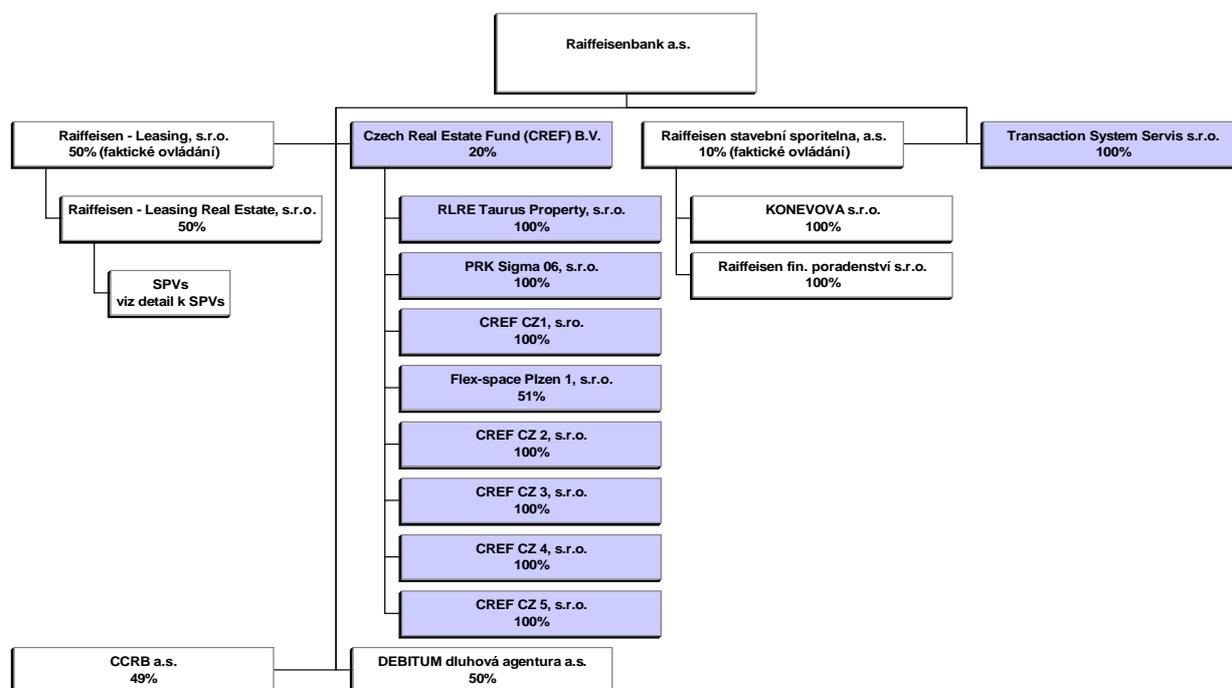
In Western Europe and the USA, RZB has a branch in London and representative offices in New York, Frankfurt, Milan, Madrid, Paris and Stockholm and a financial company in New York and a subsidiary company in Malta. In Asia, RBI operates branches in Beijing, Xiamen and Singapore, a financial company in Hong Kong and representative offices in Ho Chi Minh City, Hong Kong, Mumbai and Seoul. Through this international presence, RBI underscores its strategy focusing on developing markets.

In addition to banking transactions, the group operates in the region also through specialised companies, e.g. in mergers and acquisitions, real estate, funds, leasing and mortgage banking. RBI's continuous efforts to improve quality regularly result in many local and international awards, including those from prestigious magazines such as The Banker, Euromoney and Global Finance.

## 6.1 Ownership Interests of the Issuer

Chart 1, which follows, provides information concerning the relationships of Raiffeisenbank a.s. with its subsidiaries and with the entities in which the Raiffeisenbank a.s. holds a direct or indirect share of the equity and the voting rights. The data are valid as of the date of the compilation of the General Prospectus.

**Chart 1** Ownership interests of Raiffeisenbank a.s.



Note:

Given the fact that Raiffeisenbank a.s. and the other shareholders of Raiffeisen stavební spořitelna, a.s. (hereinafter also referred to as "**RSTS**") and Raiffeisen - Leasing, s.r.o. (hereinafter referred to as "**RLCZ**") act in conformity in accordance with Section 66b of the Commercial Code, the Issuer is, within the meaning of Section 66a Paragraph 4 of the Commercial Code, the controlling entity of RSTS and RLCZ.

**Table 6** List of companies in which Raiffeisenbank a.s. is the controlling entity, in accordance with Section 66a), Paragraph 4 of the Commercial Code.

Business name	Registered office, ID	Equity (in thousand CZK)	The Issuer's Share of equity and of voting rights (in %)
Raiffeisen stavební spořitelna, a.s.	Koněvova 2747/99, Prague 3 ID: 49241257	650.000	10
Raiffeisen - Leasing, s.r.o.	Hvězdova 1716/2b, Prague 4 ID: 61467863	50.000	50
Transaction System Services s.r.o.	Hvězdova 1716/2b, Prague 4 IČ: 28 49 09 16	200	100

The following Table 7 displays general information about the companies that are controlled by the Raiffeisen - Leasing Real Estate, s.r.o. Company (see Chart 2). The data are valid as of the date of the compilation of this General Prospectus.

**Table 7** Companies controlled by the Raiffeisen – Leasing Real Estate, s.r.o. Company

Business name	Registered Address, ID	Equity (in thousand CZK)	Issuer's Share of the Equity and of the voting rights (as %)
RLRE Alpha Property, s.r.o.	Hvězdova 1716, Prague 4, Postal Code 14078, ID: 26 71 27 92	200	100 1)
RLRE Beta Property, s.r.o.	Hvězdova 1716, Prague 4, Postal Code 14078, ID: 26 71 28 31	200	100 1)
RLRE Gamma Property, s.r.o.	Hvězdova 1716, Prague 4, Postal Code 14078, ID: 25 75 78 49	10 000	100 1)
RLRE Eta Property, s.r.o.	Hvězdova 1716, Prague 4, Postal Code 14078, ID: 27 17 31 60	200	100 1)
RLRE Jota Property, s.r.o.	Hvězdova 1716, Prague 4, Postal Code 14078, ID: 27 19 17 02	200	100 1)
Impuls Tuchoměřice, s.r.o.	Dlouhá 1, Prague 1, Postal Code 110 00 ID: 27 20 40 22	200	50 1)
RLRE Hotel Ellen, s.r.o.	Hvězdova 1716, Prague 4, Postal Code 14078, ID: 25239813	100	100 1)
RLRE Investholding B.V.	Utrechtsestraat 38 f, 6811 LZ Arnhem ID: 9143624	18 thou. EUR	100 1)
RLRE Ypsilon Property, s.r.o.	Hvězdova 1716, Prague 4, Postal Code 14078, ID: 27383016	200	50 1)
RLRE Orion Property, s.r.o.	Hvězdova 1716, Prague 4, Postal Code 14078, ID: 27449637	465	96 1)
RLRE Lyra Property, s.r.o.	Hvězdova 1716, Prague 4, Postal Code 14078, ID: 27450414	200	100 1)
RLRE Dorado Property, s.r.o.	Hvězdova 1716, Prague 4, Postal Code 14078, ID: 27369196	200	100 1)
Gaia Property, s.r.o.	Hvězdova 1716, Prague 4, Postal Code 14078, ID: 27905250	200	100 1)
Raiffeisen FinCorp, s.r.o.	Hvězdova 1716, Prague 4, Postal Code 14078, ID: 27903362	200	100 1)
Sirius Property, s.r.o.	Hvězdova 1716, Prague 4, Postal Code 14078, ID: 27906108	200	100 1)
Perseus Property, s.r.o.	Hvězdova 1716, Prague 4, Postal Code 14078, ID: 27617645	200	100 1)
Phoenix Property, s.r.o.	Hvězdova 1716, Prague 4, Postal Code 14078, ID: 27617653	200	100 1)
Raines Property, s.r.o.	Hvězdova 1716, Prague 4, Postal Code 14078, ID: 27616096	200	100 1)
Iris Property, s.r.o.	Hvězdova 1716, Prague 4, Postal Code 14078, ID: 27937810	200	100 1)
Hera Property, s.r.o.	Hvězdova 1716, Prague 4, Postal Code 14078, ID: 27928527	200	100 1)
Luna Property, s.r.o.	Hvězdova 1716, Prague 4, Postal Code 14078, ID: 27929965	200	10 1)
Jardin Property, a.s.	Hvězdova 1716, Prague 4, Postal Code 14078, ID: 27395308	13 350	100 1)
Dione Property, s.r.o.	Hvězdova 1716, Prague 4, Postal Code 14078, ID: 27955214	200	100 1)
RLRE Epsilon Property, s.r.o.	Hvězdova 1716, Prague 4, Postal Code 14078, ID: 27104117	200	100 1)
RLRE Carina Property, s.r.o.	Hvězdova 1716, Prague 4, Postal Code 14078, ID: 27571866	200	10 1)
Dionysos Property, s.r.o.	Hvězdova 1716, Prague 4, Postal Code 14078, ID: 28188951	200	100 1)
Chronos Property, s.r.o.	Hvězdova 1716, Prague 4, Postal Code 14078, ID: 28180682	200	100 1)
CRISTAL PALACE Property, s.r.o.	Hvězdova 1716, Prague 4, Postal Code 14078, ID: 26188554	400	100 1)
Metis Property, s.r.o.	Hvězdova 1716, Prague 4, Postal Code 14078, ID: 28180682	200	100 1)
Orchideus Property, s.r.o.	Hvězdova 1716, Prague 4, Postal Code 14078, ID: 28188918	200	100 1)
Pyrit Property, s.r.o.	Hvězdova 1716, Prague 4, Postal Code 14078, ID: 28181913	200	100 1)
UPC Real, s.r.o.	Hvězdova 1716, Prague 4, Postal Code 14078, ID: 27926818	200	100 1)

Appolon Property, s.r.o.	Hvězdova 1716, Prague 4, Postal Code 14078, ID: 28373669	200	90 2)
Artemis Property, s.r.o.	Hvězdova 1716, Prague 4, Postal Code 14078, ID: 28374771	200	100 1)
Viktor Property, s.r.o.	Hvězdova 1716, Prague 4, Postal Code 14078, ID: 28374754	200	100 1)
Athena Property, s.r.o.	Hvězdova 1716, Prague 4, Postal Code 14078, ID: 27955231	200	90 2)
Kalypso property, s.r.o.	Hvězdova 1716, Prague 4, Postal Code 14078, ID: 27939260	200	10 1)
Euros Property, s.r.o.	Hvězdova 1716, Prague 4, Postal Code 14078, ID: 28456777	200	100 1)
Pontos Property, s.r.o.	Hvězdova 1716, Prague 4, Postal Code 14078, ID: 28455070	200	100 1)
Bondy Centrum s.r.o.	Hvězdova 1716, Prague 4, Postal Code 14078, ID: 27221474	200	10 1)
Green Energie větrný park Bílčice, s.r.o. (wind park)	Hvězdova 1716, Prague 4, Postal Code 14078, ID: 27954951	200	50 1)
Holečkova Property, s.r.o.	Hvězdova 1716, Prague 4, Postal Code 14078, ID: 26722941	210	100 1)
Matějská 24, s.r.o.	Hvězdova 1716, Prague 4, Postal Code 14078, ID: 28203691	200	100 1)
RLRE EDEN INVEST s.r.o.	Hvězdova 1716, Prague 4, Postal Code 14078, ID: 26349981	72 004	99,97 3)
Residence Park Trebeš, s.r.o.	Hvězdova 1716, Prague 4, Postal Code 14078, ID: 27891399	20 000	100 1)
Dike Property, s.r.o.	Hvězdova 1716, Prague 4, Postal Code 14078, ID: 28490983	200	100 1)
Hermes Property, s.r.o.	Hvězdova 1716, Prague 4, Postal Code 14078, ID: 28490991	200	100 1)
Nike Property, s.r.o.	Hvězdova 1716, Prague 4, Postal Code 14078, ID: 28490975	200	100 1)
Rheia Property, s.r.o.	Hvězdova 1716, Prague 4, Postal Code 14078, ID: 28491530	200	100 1)
Photon SPV 3, s.r.o.	Hvězdova 1716, Prague 4, Postal Code 14078, ID: 28525957	200	100 1)
Photon Energie, s.r.o.	Hvězdova 1716, Prague 4, Postal Code 14078, ID: 27455335	200	100 1)
JIHOČESKÁ EKO-ENERGETIKA, s.r.o.	Hvězdova 1716, Prague 4, Postal Code 14078, ID: 28089588	5 400	100 1)
Photon SPV 8, s.r.o.	Hvězdova 1716, Prague 4, Postal Code 14078, ID: 28539257	200	100 1)
Exit 90 SPV, s.r.o.	Hvězdova 1716, Prague 4, Postal Code 14078, ID: 28539249	200	100 1)
FORZA SOLE, s.r.o.	Hvězdova 1716, Prague 4, Postal Code 14078, ID: 29029520	200	100 1)
Elektrárna Dynín, s.r.o.	Hvězdova 1716, Prague 4, Postal Code 14078, ID: 28122364	200	100 1)
Michalka - Sun s.r.o.	Hvězdova 1716, Prague 4, Postal Code 14078, ID: 29203368	200	100 1)
DBK Energy s.r.o.	Hvězdova 1716, Prague 4, Postal Code 14078, ID: 28703405	200	100 1)
GS55 Sazovice s.r.o.	Hvězdova 1716, Prague 4, Postal Code 14078, ID: 29206570	200	100 1)
Solar - efekt s.r.o.	Hvězdova 1716, Prague 4, Postal Code 14078, ID: 62416774	200	100 1)
Onyx Energy projekt II s.r.o.	Hvězdova 1716, Prague 4, Postal Code 14078, ID: 24698288	200	100 1)
Onyx Energy s.r.o.	Hvězdova 1716, Prague 4, Postal Code 14078, ID: 28030800	200	100 1)
Photon SPV 4 s.r.o.	Hvězdova 1716, Prague 4, Postal Code 14078, ID: 28525981	200	100 1)
Photon SPV 6 s.r.o.	Hvězdova 1716, Prague 4, Postal Code 14078, ID: 28525914	200	100 1)
Photon SPV 10 s.r.o.	Hvězdova 1716, Prague 4, Postal Code 14078, ID: 29015936	200	100 1)
Photon SPV 11 s.r.o.	Hvězdova 1716, Prague 4, Postal Code 14078, ID: 29015944	200	100 1)

Selene Property, s.r.o.	Hvězdova 1716, Prague 4, Postal Code 14078, ID: 24814873	200	100 1)
MATEJKOVA s.r.o.	Hvězdova 1716, Prague 4, Postal Code 14078, ID: 27630145	200	100 1)
Trojске vyhledy s.r.o.	Hvězdova 1716, Prague 4, Postal Code 14078, ID: 24720879	200	100 1)
ALT POHLEDY s.r.o.	Hvězdova 1716, Prague 4, Postal Code 14078, ID: 28807928	200	100 1)
Tyche Property, s.r.o.	Hvězdova 1716, Prague 4, Postal Code 14078, ID: 24141348	200	100 1)

## Note:

- 1) indirect interest of Raiffeisenbank a.s. in the equity and voting rights, which is represented by the share held by the Raiffeisen - Leasing Real Estate, s.r.o. Company;
- 2) remaining 10% stake is an indirect share of Raiffeisenbank a.s. in the equity and voting rights, which is represented by the share of the Raiffeisen FinCorp, s.r.o. Company;
- 3) indirect interest of Raiffeisenbank a.s. in the equity and voting rights is represented by a 99.97% share of the RLRE HOTEL ELLEN s.r.o. Company and by a 0.03% share of the RLRE Beta Property s.r.o. Company.

## 7. INFORMATION ON TRENDS FOR THE ISSUER

In the first half of this year Raiffeisenbank a.s. generated a net consolidated profit of 1,234 billion Czech Crowns, which represents a 32% year-to-year increase. The profit increase in the first half of 2011 is mainly a result of lower additions to adjustments.

The situation in additions to adjustments is improving mainly in the corporate sector, and moreover Raiffeisenbank a.s. is able to collect bad debts. The profit also increased because Raiffeisenbank a.s. has no exposition with respect to state bonds in any country of Southern Europe and does not face any loss caused by problems in these countries. The overwhelming majority of its portfolio includes the bonds of the Czech Republic, less than 1% represents the bonds of Germany and several hundredths of per cent represent the bonds of other EU states.

The net interest yield in the first half of 2011 reached 2,757 billion Czech Crowns, which represents an 11% year-to-year increase. Income from fees at the end of the first half year of 2011 was 1.08 billion Czech Crowns, which represents a 16% year-to-year increase. Reserves and adjustments to credit risk in the first half of 2011 dropped to 777 million Czech Crowns from 1,018 billion in the same period of 2010. The operational costs went up by 13% from year to year, to 2.83 billion Czech Crowns.

Since the beginning of 2011, the total consolidated assets went up by 7.3% to 203.8 billion Czech Crowns. Since the beginning of 2011, the total loans went up by 3.8% to 161.8 billion Czech Crowns, in particular in corporate loans. During the first half of 2011, the volume of deposits went up by 7.6% to 135.6 billion Czech Crowns. Households mainly increased deposits on savings accounts eKonto Flexi; just in the second quarter of 2011, deposits went up by more than 9 billion Czech Crowns.

In the second quarter of 2011, Raiffeisenbank a.s. increased its capital by almost one billion Czech Crowns (the shareholders thus immediately reinvested the paid dividends), and another 752 million Czech Crowns provided the retained profit from 2010. The consolidated equity of Raiffeisenbank a.s. thus went up in the first half of 2011 by 8.7% from year to year, to 15.3 billion Czech Crowns.

In 2011 Raiffeisenbank a.s. is going through its largest expansion in history, wishing to become the best bank for premium clients in the Czech Republic. The concept Raiffeisen Premium Banking has its own design and is designed for the clients with an income of over 25,000 Czech Crowns a month. By the end of 2011 and during the year of 2012, Raiffeisenbank a.s. would like to open about 40 new branches and consulting centres. Since January 2011, Raiffeisenbank a.s. opened almost 20 new business premises (some new branches are opened even on weekends) and reconstructed or expanded about 15 branches. Currently, Raiffeisenbank a.s. services clients at 118 branches and many other consulting and mortgage centres. Raiffeisenbank a.s. will keep focusing on Prague and large cities of over 50,000 inhabitants.

Hand in hand with the expansion of branches comes an increase in the number of employees. During the past year, Raiffeisenbank a.s. hired more than 400 employees and, at the end of June, employed 3,020 employees. Raiffeisenbank a.s. hires new employees mainly for direct customer servicing. The number of IT experts keeps growing as well.

In the first quarter of 2011, Raiffeisenbank a.s. also started developing private banking under the name of Friedrich Wilhelm Raiffeisen. Within five years, Raiffeisenbank a.s. would like to become one of the leading banks in this fastest growing client segment. Raiffeisenbank a.s. offers so-far unique services, e.g. open architecture and private accounts for family endowments.

Out of many new services, we should mention e.g. the fact that Raiffeisenbank a.s. is the first bank to use data boxes for drawing corporate loans, which saves time to clients and requires less paperwork. The new investment funds protect against inflation and fluctuations on the stock markets – commodity fund and anti-inflation fund.

Since the beginning of 2011, Raiffeisenbank a.s. received a number of awards. It was declared the best bank in the Czech Republic in the PwC study and took the first and second place at Golden Crown Competition.

## 8. ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES

### 8.1. The Board of Directors of the Issuer

The Board of Directors of the Issuer has 6 members who are elected and suspended by the Supervisory Board. The term of office of individual board members is five years; re-election is permissible.

The Board is the statutory body that is responsible for managing the company's operations, and acts on its behalf and makes the decisions concerning all company matters, except those that are the prerogative of the General Meeting or of the Supervisory Board.

**Mgr. Lubor Žalman**, Chairman of the Board of Directors and the Chief Executive Officer

Date of birth: 22<sup>nd</sup> January 1966

Residing at: Pod Šibeničkami 778, 251 64 Mnichovice, Czech Republic

Education: Mathematics and Physics Faculty of the Charles University in Prague

Mr. Lubor Žalman has been the Chairman of the Board of Directors of Raiffeisenbank a.s. since May 2004. Prior to that he worked as the Project Manager at Home Credit International a.s.. From 1999 to 2002 he worked at McKinsey&Company first as a Senior Associate, later as the Engagement Manager. Between 1991 and 1998, he served in a variety of executive positions at Komerční banka, a.s.

Memberships in the Bodies of other companies: None

**Mgr. Mario Drosc**, Vice-Chairman of the Board of Directors and Executive Director

Residing at: Irská 796/5, 160 00 Prague 6, Czech Republic

Date of birth: 13<sup>th</sup> December 1968

Education: Comenius University in Bratislava – Faculty of Mathematics and Physics; University of Cambridge – economics and financial theory.

Mr. Mario Drosc has been a Member of the Board of Raiffeisenbank a.s. since September 2006. In May 2010 he was elected Vice-Chairman of the Board and appointed Deputy Chief Executive Officer. From 2002 to June 2006 he was a member of the Board of Directors of Slovak VÚB, a.s., where he was responsible for retail banking. Before that he worked at Komerční banka a.s. and at the McKinsey&Company consulting company.

Memberships in the Bodies of other companies: None

**Ing. Rudolf Rabiňák**, Member of the Board and Executive Director

Date of birth: 21<sup>st</sup> February 1958

Residing at: K Tuchoměřicům 146, 164 00 Prague 6, Czech Republic

Education: Institute of Chemical Technology Prague, Food Chemistry

A Member of the Board of Raiffeisenbank a.s. since April 2001, responsible for the area of corporate banking. Prior to his appointment, he worked for nine years at Citibank a.s.

Membership in the Bodies of other companies: None

**Mgr. Alexandr Borecký**, Member of the Board and Executive Director

Date of birth: 22<sup>nd</sup> April 1967

Residing at: Högerova 1098/15, 152 00 Prague 5, Czech Republic

Education: Masaryk University Brno (Mathematics)

On the Board he is responsible for risk management. He formerly worked for eBanka a.s. from the year 2002. Between 1993-2002 he worked at Komerční banka a.s. and held, amongst other positions, that of Deputy Director for the Approval of Corporate Transactions and Director of the Department of Special Activities.

Membership in the Bodies of other companies: None

**Mgr. Martin Kolouch**, Member of the Board and Executive Director

Date of birth: 11<sup>th</sup> May 1972

Residing at: Högerova 1098/15, 152 00 Prague 5, Czech Republic

Education: Charles University in Prague (demography and economics)

Board Member in charge of IT and Organisation. He began working at eBanka a.s. in 2002 and from August 2006 served there as Chairman of the Board. Previously he had worked at Komerční banka a.s. and the Deloitte & Touche consulting company.

Membership in the Bodies of other companies: Board Member of Transaction Systém Servis s.r.o.

**Mgr. Jan Kubín**, Member of the Board and Executive DirectorDate of birth: 19<sup>th</sup> January 1973

Residing at: Na rovnosti 14A/2742, 130 00 Prague 3, Czech Republic

Education: Charles University in Prague, Faculty of Social Sciences, majoring in Economics with a focus on banking and capital markets; postgraduate study in Economics, Konstanz Universität, Germany.

Board Member of Raiffeisenbank a.s. since July 2007, responsible for the Operations Area. He has worked at Raiffeisenbank a.s. since 2004, when he joined the bank with the position of CFO. Before joining Raiffeisenbank a.s. he worked for six years as a consultant and project manager at the McKinsey&amp;Company consulting company.

Membership in the Bodies of other companies: Board Member of Transaction Systém Servis s.r.o.

**8.2. Supervisory Board of the Issuer**

The Supervisory Board of the Issuer has 9 members. The term of office of Members of the Supervisory Board is five years. Six of the members of the Supervisory Board are elected by the General Meeting and three members by the Personnel of the Issuer. Re-election is possible.

The Supervisory Board supervises the Board of Directors and the conducting of the business of the Issuer. The Supervisory Board reviews the annual, extraordinary and consolidated and, as necessary, also the interim financial statements and proposals for profit distribution or payment of losses and presents its findings to the General Meeting. Approval of the Supervisory Board and of the General Meeting is required for the conclusion of a contract on the basis of which the Issuer shall acquire or dispose of assets, when the value of the assets to be acquired or disposed of during the accounting period exceeds one third of the total equity, based on the latest annual financial statements or on the consolidated financial statements. For the purpose of carrying out their duties, members of the Supervisory Board may request the assistance of experts in the respective area that the Supervisory Board is required to supervise, as stated above.

The Supervisory Board oversees the efficiency and effectiveness of the management and control system of the company as a whole, evaluating it at least once each year. The Supervisory Board shares in directing, planning, and evaluating internal audit and compliance activities. The Supervisory Board establishes the principles for and makes decisions regarding the compensation of members of the Board of Directors and Head of internal audits.

**Dr. Herbert Stepic**, Chairman of the Supervisory BoardDate of birth: 31<sup>st</sup> December 1946

Residing at: Hertlgasse 1, 1160 Vienna, Austria

Education: Hochschule für Welthandel (University of World Trade)

In 1995 he was appointed Managing Director of Raiffeisen Zentralbank Österreich AG. He has been working at Raiffeisen Zentralbank Österreich AG Zentralbank since 1973.

Membership in the Bodies of other companies: Since 2001, the CEO of Raiffeisen International Bank-Holding AG. Also occupies positions in the executive and supervisory bodies of companies within the Raiffeisen Holding Group.

**Mag. Reinhard Karl**, Member of the Supervisory BoardDate of birth: 2<sup>nd</sup> November 1964

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

Education: University of Salzburg, Law; MBA University of Linz.

Since 1991 he has worked in the ERSTE group in corporate banking, since 2002 as Head of Corporate Banking. Since 2009 he has been a Member of the Board of Raiffeisenlandesbank Niederösterreich Wien AG.

Membership in the Bodies of other companies: None

**Dr. Kurt Hütter**, Member of the Supervisory BoardDate of birth: 10<sup>th</sup> January 1949

Residing at: Johanner-Kepler-Str. 8, 4210 Gallneukirchen, Austria

Education: Kepler University, Linz

From 1993 he has worked at Raiffeisenlandesbank Oberösterreich, since 2002 he has also been responsible for the Czech market.

Membership in the Bodies of other companies: he holds positions in the executive and supervisory bodies of companies within the Raiffeisen Holding Group.

**Dkfm. Rainer Franz**, Member of the Supervisory Board

Date of birth: 17<sup>th</sup> March 1943

Residing at: Stromová 40, 831 01 Bratislava, Slovak Republic

Education: M.A. - University of Vienna; MBA -University of Notre Dame, Ind., USA

From 1972-1979 he worked at Chase Bank - New York; during the years 1979-1986 in the DG Bank - Frankfurt am Main; and from 1986-1990 he worked at the Commercial Bank of Greece. Since 1998, he has worked at the Tatra Bank, a.s. as the Chairman and CEO. He is currently a member of the Board of Directors of the Ukrainian Bank AVAL.

Membership in the Bodies of other companies: holds positions in the executive and supervisory bodies of companies within the Raiffeisen Holding Group.

**Dr. Kurt Bruckner**, Member of the Supervisory Board

Residing at: Pressagasse 31/31, 1040 Vienna, Austria

Date of birth: 4<sup>th</sup> February 1955

Education: Vienna University of Economics and Business

From 1984 he worked at Raiffeisen Zentralbank AG in different managerial positions in Credit Risk Management. From 2004 he works at Raiffeisen International as the Head of Risk Management - Corporates and LRGs.

Membership in the Bodies of other companies: holds positions in the executive and supervisory bodies of the companies within the Raiffeisen Holding Group.

**Mag. Klement Haller**, Member of the Supervisory Board

Residing at: Castellezgasse 29/19, 1020 Vienna, Austria

Date of birth: 5<sup>th</sup> May 1965

Education: Karl-Franzens Universität Graz, Business Administration

From 1991 – 2008, he worked in different positions at Creditanstalt (later on Bank Austria Creditanstalt), last as the Head of Retail Segmentmanagement. From November 2008, he works at Raiffeisen International as the Head of Department Corporate Banking and Product Management.

Membership in the Bodies of other companies: holds positions in the executive and supervisory bodies of the companies within the Raiffeisen Holding Group.

**Edita Čermáková**, Member of the Supervisory Board

Residing at: Murmanská 12/1471, 100 00 Prague 10, Czech Republic

Date of birth: 6<sup>th</sup> October 1955

Education: Secondary school – gymnasium (completed in 1975)

She is a member of the Supervisory Board of Raiffeisenbank a.s. since 12<sup>th</sup> May 2011. She has worked at Raiffeisenbank a.s. since 2000. She currently holds the position of the Head of the Organizational Unit Loan Support.

Membership in the Bodies of other companies: None.

**Ing. Petr Rögner**, Member of the Supervisory Board

Residing at: Lucemburská 10, 130 00 Prague 3 - Vinohrady, Czech Republic

Date of birth: 15<sup>th</sup> March 1951

Education: University of Economics, Faculty of Economics

He is a member of the Supervisory Board of Raiffeisenbank a.s. since 12<sup>th</sup> May 2011. He has worked at Raiffeisenbank a.s. since 2002. He currently works as the quality management specialist. He used to work at Citibank a.s. as the Head of Cash Management.

Membership in the Bodies of other companies: None.

**Ing. Michal Přádka, MBA**, Member of the Supervisory Board

Residing at: Starodvorská 525, Krmelín, 739 24, Czech Republic

Date of birth: 26<sup>th</sup> January 1977

Education: University of Mining – Technical University in Ostrava, Faculty of Economics, Finance, Liverpool John Moores University (MBA)

He is a member of the Supervisory Board of Raiffeisenbank a.s. since 12<sup>th</sup> May 2011. He has worked at Raiffeisenbank a.s. since 2007 as the regional director for Northern Moravia. He used to work at eBanka, a.s. as the Ostrava Division Director.

Membership in the Bodies of other companies: None.

### **8.3. Information concerning the Top Management of the Issuer**

The following persons are considered to hold executive managerial positions:

#### *The Chairman of the Board*

- is elected and recalled by the Supervisory Board, to which he/she is also responsible for his/her actions. The Chairman of the Board is elected by the Members of the Board of Directors upon recommendation from the Supervisory Board. The Chairman of the Board is also the Chief Executive Officer.

#### *The Vice-Chairman of the Board*

- is elected and recalled by the Supervisory Board, to which he/she is also responsible for his/her actions. The Vice-Chairman of the Board is elected by the Members of the Board of Directors upon recommendation from the Supervisory Board.

#### *Members of the Board*

- are elected and recalled by the Supervisory Board, to which they are also responsible for their actions. A Member of the Board is also an Executive Director.

#### *The Chief Executive Officer*

- is the Bank's top Chief Executive and oversees its activities. The CEO (Chairman of the Board) is responsible to the Supervisory Board for his/her actions. Directly subordinate to the CEO in the management structure are:

- directors of divisions or departments or team leaders,
- other employees.

#### *The Deputy Chief Executive Officer*

- is the executive manager of the bank and directs its activities. He/she is responsible for the activities defined by internal bank guidelines and reports to the Board of Directors. Directly subordinate to Deputy Chief Executive Officers in the management structure are:

- directors of divisions, departments or teams, possibly managers of departments or teams or team leaders,
- other employees.

#### *The Executive Director*

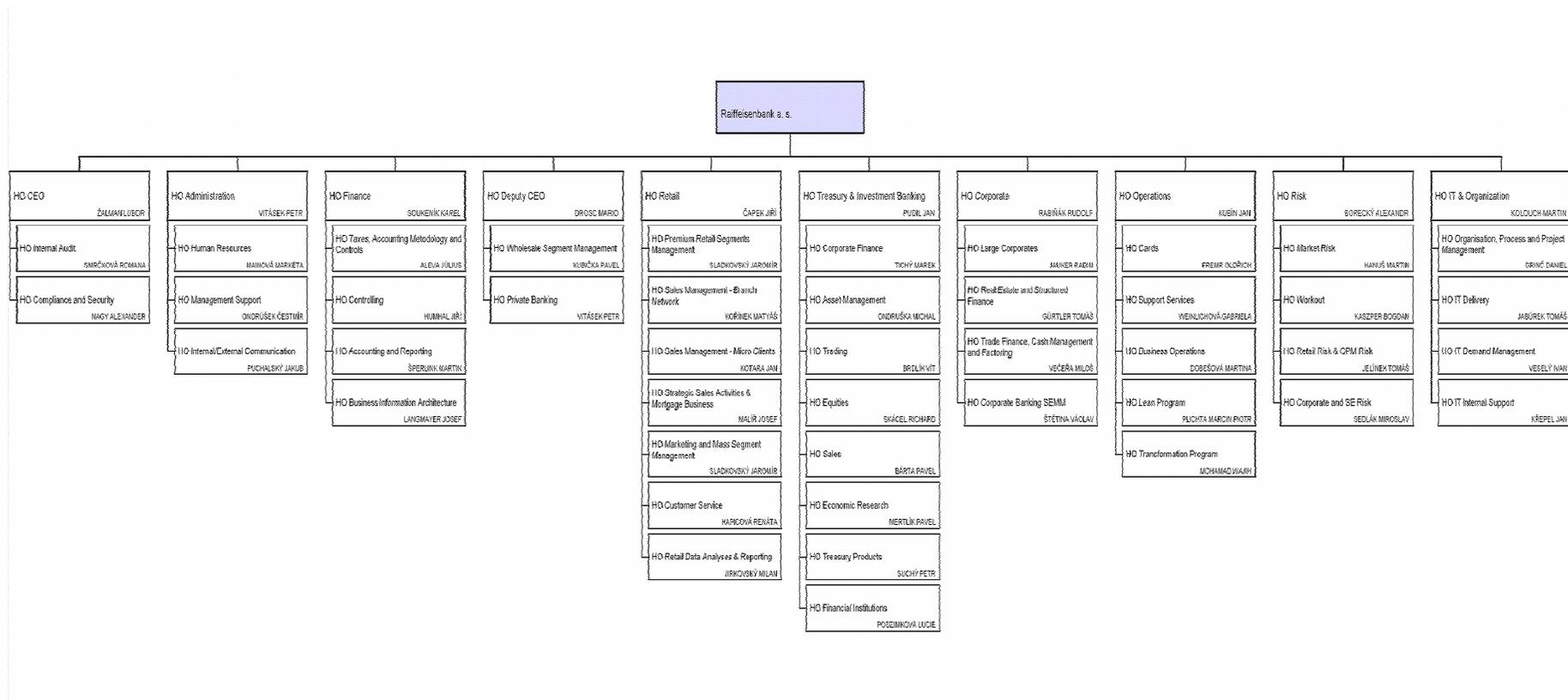
- is responsible for the activities defined by internal bank guidelines. An Executive Director – Member of the Board - reports to the Board of Directors. An Executive Director not a Member of the Board reports to the CEO, Deputy CEO, or competent Executive Director on the Board, according to the management structure. Directly subordinate to Executive Directors in the management structure are:

- directors of divisions, departments or teams, possibly managers of departments or teams or team leaders, other employees.

### 8.4. Organisational Structure of Raiffeisenbank a. s.

Chart 2 presents the organisational structure of Raiffeisenbank a.s., which is valid as of the date of the compilation of the General Prospectus.

**Chart 2** Organisational structure of Raiffeisenbank a.s.



### **8.5. Declaration of the Conflict of Interest at the level of the Administrative, Management and Supervisory Bodies**

The Issuer declares that there are no potential conflicts of interest between the duties to the Issuer of the persons referred to in Chapter 8 "*ADMINISTRATIVE, MANAGERIAL AND SUPERVISORY BODIES*" of this General Prospectus and their private interests or other duties.

## 9. MAJOR SHAREHOLDERS

The majority shareholder of Raiffeisenbank a.s. is Raiffeisen Bank International AG, which is a subsidiary of Raiffeisen Zentralbank Österreich AG.

In accordance with the Articles of the Issuer, none of shareholders is allowed to influence the activity of Raiffeisenbank in any other manner than by the weight of their vote. None of the members of its bodies, as of the above date, had a significant stake in Raiffeisenbank a.s.

Shown in Table 8 below is the hierarchy of the shareholders holding a stake of more than 5%. The data are valid as of the date of the compilation of the General Prospectus.

**Table 8** Structure of shareholders of the Issuer

Structure of shareholders	Stake in %
Raiffeisen Bank International AG, Vienna, Austria	51.0
Raiffeisenlandensbank Niederösterreich - Wien AG, Raiffeisenplatz 1, Vienna, Austria	24.0
RB Prag-Beteiligungs GmbH, Europaplatz 1 a. 4020 Linz, Austria	25.0

### 9.1. General Information concerning the Major Shareholder

Name of the Company:	<b>Raiffeisen Bank International AG</b>
Registered address:	Am Stadtpark 3, a-1030 Vienna, Austria
Place of registration:	The Company is registered in the Companies Register held at the Business Court in Vienna under Reg. No. N 122119 m.
Main object of business:	Provision of a full range of banking and financial services

Raiffeisen Bank International AG was founded by a merger of former Raiffeisen International Bank-Holding AG with selected business activities of Raiffiesen Zentralbank Österreich. The merger came into effect on 11 October 2010. As of this date, Raiffeisen Bank International AG became the legal successor of Raiffiesen Zentralbank Österreich as to all assets and liabilities that are part of the commercial banking of Raiffiesen Zentralbank Österreich. The merger has no impact on the shareholding structure or busienss activities of the Issuer.

Table 9 shows the structure of the shareholders of Raiffeisen Bank International AG as of the date of the General Prospectus.

**Table 9** Structure of shareholders in Raiffeisen Bank International AG

Structure of shareholders	Stake in %
Raiffeisen Zentralbank Österreich AG	78.5
Institutional Investors	15.4
Others	6.1

### 9.1.1 Financial Indicators of Raiffeisen Bank International AG

#### Method of Consolidation

Raiffeisen Bank International Bank AG and the companies that it controls belong to the consolidated group Raiffeisenlandesbanken-Holding GmbH (hereinafter referred to as the "Group"), which is the financial holding company Raiffeisen Zentralbank Österreich.

The Consolidated Financial Statements for the Financial Year 2010 and the comparable values for the Financial Year 2009 have been prepared in full accordance with the International Financial Reporting Standards - hereinafter IFRS - and the interpretations approved by the International Accounting Standards Board (IASB) and Regulation (EC) No. 1606/2002 of the European Parliament and of the Council on the application of international accounting standards,

as adopted by the European Union, including the interpretation by the International Financial Reporting Interpretations Committee (IFRI/SIC) which was in force in 2010.

The Consolidated Financial Statements have been prepared on the basis of the standards applied throughout the entire Group and the individual financial statements of the fully consolidated members of the Group are in accordance with IFRS. The consolidated companies prepared their financial statements up to and including 31<sup>st</sup> December 2010, with the exception of two subsidiary companies which compiled temporary financial statements up to 30<sup>th</sup> June 2010 due to dividend policy and seasonal business transactions.

**Table 10** Consolidated Unit of the Raiffeisen Bank International AG

Name of the company	Headquarters	Type of company	Share in the consolidation unit in %
Centralised Raiffeisen International Services&Payments S.R.L.	Bucharest- Romania	Consulting company providing bank services	100.0
Centrottrade Chemicals AG	Zug - Switzerland	Other	100.0
Centrottrade Deutschland GmbH	Eschborn - Germany	Other	100.0
Centrottrade Minerals&Metals inc.	Chesapeake - USA	Other	100.0
Centrottrade Singapore Pte. Ltd.	Singapore	Other	100.0
F.J. Elsner & Co. Gesellschaft mbH	Innsbruck - Austria	Other	100.0
F.J. Elsner Trading Gesellschaft mbH	Vienna - Austria	Other	100.0
Golden Rainbow International Limited	Tortola - British Virgin Islands	Financial institution	100.0
ICS Raiffeisen Leasing s.r.l	Chisinau - Moldavia	Financial institution	87.2
JLLC „Raiffeisen-leasing“	Minsk - Byelorussia	Financial institution	83.9
Kathrein & Co. Privatgeschäftsbank Aktiengesellschaft	Vienna- Austria	Bank	100.0
Kathrein & Co. Vermögensverwaltung GmbH	Vienna - Austria	Financial institution	80.0
OOO Raiffeisen-Leasing	Moscow - Russia	Financial institution	87.5
Priorbank JSC	Minsk - Byelorussia	Bank	87.7
Raiffeisen Bank Aval JSC	Kiev - Ukraine	Bank	96.2
Raiffeisen Bank d.d. Bosna i Hercegovina	Sarajevo - Bosnia and Herzegovina	Bank	97.0
Raiffeisen Bank Kosovo J. S. C.	Pristina - Serbia	Bank	100.0
Raiffeisen Bank Polska S. A.	Warsaw- Poland	Bank	100.0
Raiffeisen Bank S. A.	Bucharest - Romania	Bank	99.5
Raiffeisen Bank Sh.a.	Tirana - Albania	Bank	100.0
Raiffeisen Bank Zrt.	Budapest - Hungary	Bank	70.3
Raiffeisen banka a.d.	Beograd - Serbia	Bank	100.0
Raiffeisen Banka d. d.	Maribor - Slovenia	Bank	86.3
Raiffeisen Centrobank AG	Vienna - Austria	Bank	100.0
Raiffeisen Energy Service Ltd.	Budapest - Hungary	Other	72.7
Raiffeisen Equipment Leasing Kft.	Budapest - Hungary	Financial institution	72.7
Raiffeisen Factoring Ltd.	Zagreb - Croatia	Financial institution	73.6
Raiffeisen Insurance Agency Sp.z.o.o.	Warsaw- Poland	Consulting company providing bank services	87.5
Raiffeisen Leasing d. o. o.	Sarajevo - Bosnia and Herzegovina	Financial institution	85.8
Raiffeisen Leasing IFN S.A.	Bucharest - Romania	Financial institution	87.2
Raiffeisen Leasing Kosovo LLC	Pristina - Kosovo	Financial institution	92.5
Raiffeisen Leasing sh.a.	Tirana - Albania	Financial institution	93.8
Raiffeisen Lizing Zrt.	Budapest - Hungary	Bank	72.7
Raiffeisen Malta Bank plc.	Sliema - Malta	Bank	100.0
Raiffeisen Mandatory Pension Fund Management Company d.d.	Zagreb - Croatia	Financial institution	73.6
Raiffeisen Leasing (Bulgaria ) EAD	Sofia - Bulgaria	Financial institution	100.0
Raiffeisenbank a.s.	Prague - Czech Republic	Bank	51.0
Raiffeisenbank Austria d.d.	Zagreb - Croatia	Bank	73.6
Raiffeisen-Leasing d.o.o.	Zagreb - Croatia	Financial institution	74.3
Raiffeisen-Leasing Österreich Gesellschaft m.b.H.	Vienna - Austria	Financial institution	51.0
Raiffeisen-Leasing Polska S.A.	Warsaw - Poland	Financial institution	87.5
Raiffeisen-Leasing Real Estate, s.r.o.	Prague - Czech Republic	Financial institution	69.0
Raiffeisen-Leasing, společnost s.r.o.	Prague - Czech Republic	Financial institution	63.0
RB International Finance (Hong Kong) Ltd.	Hong Kong	Financial institution	100.0

RB International Finance (USA) LLC	New York - USA	Financial institution	100.0
Regional Card Processing Center s.r.o.	Bratislava - Slovakia	Consulting company providing bank services	100.0
RI Eastern European Finance B.V.	Amsterdam - Netherlands	Financial institution	100.0

## 9.1.2 Selected Financial Indicators of Raiffeisen Bank International AG

### 9.1.2.1 Financial data of Raiffeisen Bank International AG for the financial period 2009 - 2010

Tables 11 and 12 below provide the consolidated report of the financial situation contained in the audited financial statement of Raiffeisen Bank International AG for the financial years ending 31<sup>st</sup> December 2010 and 31<sup>st</sup> December 2009, prepared in accordance with International Financial Reporting Standards (IFRS). The data are in millions of euros.

**Table 11** Consolidated report of the financial situation - assets - of Raiffeisen Bank International AG

(million EUR)

Balance-sheet	2010	2009
Cash	4 806	4 179
Receivables from banks	21 532	10 310
Receivables from clients	75 657	50 514
Loan loss provision	(4 755)	(3 084)
Financial assets held for trading	8 068	3 709
Derivatives	1 488	332
Financial investments	19 630	7 270
Ownership interests in associates and unconsolidated subsidiaries	4	5
Intangible assets	1 219	971
Tangible assets	1 453	1 244
Other assets	2 066	820
<b>Total assets</b>	<b>131 173</b>	<b>76 275</b>

**Table 12** Consolidated report of the financial situation - liabilities - of Raiffeisen Bank International AG

(million EUR)

Balance-sheet	2010	2009
Payables to banks	33 659	20 110
Payables to clients	57 633	42 578
Documentary payables	16 555	2 526
Reserves for payables and charges	671	311
Trading payables	5741	514
Derivatives	1 263	259
Other payables	1 243	504
Subordinated capital	4 001	2 470
Equity	10 403	7 000
Consolidated capital	8 250	5 790
Consolidated profit	1 087	212
Minority interest	1 065	997
<b>Total - Liabilities and Equity</b>	<b>131 173</b>	<b>76 275</b>

Note:

The financial data shown in the consolidated report of the financial situation are not fully comparable. The financial data for the comparative period of 2009 are based on the consolidated financial data of Raiffeisen International Bank-Holding AG with selected business activities of Raiffeisen Zentralbank Österreich. The merger came into effect on 11 October 2010. As of this date, Raiffeisen International Bank-Holding AG changed its name to Raiffeisen Bank International AG.

Table 13 provides the consolidated Profit and Loss Account contained in the audited financial statements of Raiffeisen Bank International AG for the financial years ending 31<sup>st</sup> December 2010 and 31<sup>st</sup> December 2009, prepared in accordance with International Financial Reporting Standards (IFRS). The data are in millions of euros.

**Table 13** Consolidated Profit and Loss Account of Raiffeisen Bank International AG

(million EUR)

<b>Profit and Loss Account</b>	<b>2010</b>	<b>2009</b>
Interest income	6 364	5 588
Regular income from associated companies	200	2
Interest expenses	200	(2 654)
<b>Net interest income</b>	<b>3 578</b>	<b>2 936</b>
Adjustments	(1 194)	(1 737)
<b>Net interest income after deduction of adjustments</b>	<b>2 384</b>	<b>1 198</b>
Income from fees and commissions	1 753	1 441
Expenses from fees and commissions	(262)	(218)
<b>Net income from fees and commissions</b>	<b>1 490</b>	<b>1 223</b>
Trading profit	328	186
Differences on derivatives	(84)	8
Net profit from financial operations	137	41
General operating expenses	(2 979)	(2 269)
Other operational income/expenses	6	(20)
Income from sale of assets within the group	4	76
<b>Profit before tax</b>	<b>1 287</b>	<b>367</b>
Income tax	(110)	(80)
<b>Net profit for financial period</b>	<b>1 177</b>	<b>287</b>
Share of revenues from associated companies	(89)	(74)
<b>Consolidated net profit for financial period</b>	<b>1 087</b>	<b>212</b>

Note:

The financial data shown in the consolidated statement of the financial situation are not fully comparable. The financial data for the comparative period of 2009 are based on the consolidated financial data of Raiffeisen International Bank-Holding AG with selected business activities of Raiffeisen Zentralbank Österreich. The merger came into effect on 11 October 2010. As of this date, Raiffeisen International Bank-Holding AG changed its name to Raiffeisen Bank International AG.

### 9.1.2.2 Financial data of Raiffeisen Bank International AG as of 30<sup>th</sup> June 2011

Table 14 provides the consolidated unaudited Balance-Sheet in an abridged version of Raiffeisen Bank International AG for the interim financial period as of 30<sup>th</sup> June 2011 and 31<sup>st</sup> December 2010, prepared in accordance with International Financial Reporting Standards (IFRS). The data are in millions of euros.

**Table 14** Consolidated balance in abridged version of Raiffeisen Bank International Bank AG

(million EUR)

<b>Balance-sheet</b>	<b>30. 6. 2011</b>	<b>31. 12. 2010</b>
Receivables from banks	24 972	21 532
Receivables from clients	79 431	75 657
Payables to banks	34 829	33 659
Payables to clients	63 625	57 633
Equity	10 483	10 404
<b>Balance sum</b>	<b>137 556</b>	<b>131 173</b>

The following Table 15 provides the consolidated unaudited Profit and Loss Account in abridged version of Raiffeisen Bank International AG for the interim financial period as of 30<sup>th</sup> June 2011 and 30<sup>th</sup> June 2010, prepared in accordance with International Financial Reporting Standards (IFRS). The data are in millions of euros.

**Table 15** Consolidated Profit and Loss Account in abridged version of Raiffeisen Bank International AG

(million EUR)

<b>Profit and Loss Account</b>	<b>30. 6. 2011</b>	<b>30. 6. 2010</b>
<b>Net interest income after deduction of adjustments</b>	<b>1 781</b>	<b>1 780</b>
<b>Net income from fees and commissions</b>	<b>737</b>	<b>715</b>
Trading profit	256	192
General operating expenses	(1 514)	(1 425)
<b>Profit before tax</b>	<b>879</b>	<b>579</b>
<b>Net profit for financial period</b>	<b>677</b>	<b>516</b>

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<b>Consolidated net profit for financial period</b>	<b>615</b>	<b>472</b>
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## 10. FINANCIAL DATA CONCERNING THE ASSETS AND LIABILITIES, FINANCIAL SITUATION, PROFIT AND LOSS OF THE ISSUER

Raiffeisenbank a.s. reports its financial performance in accordance with the International Financial Reporting Standards (IFRS) and interpretations approved by the International Accounting Standards Board (IASB), as adopted by the European Union.

The full version of the audited unconsolidated and consolidated financial statements of the Issuer for the accounting periods ending 31<sup>st</sup> December 2009 and 31<sup>st</sup> December 2010, compiled in accordance with International Financial Reporting Standards as adopted by the European Union, are part of the Issuer's annual reports for 2009 and 2010 and are included in this General Prospectus as a reference and constitute an integral part thereof (see Section 15 "LIST OF REFERENCED INFORMATION").

The annual reports of the Issuer for 2009 and 2010 along with any subsequent annual reports of the Issuer are available to all interested parties during regular working hours of the Issuer at its registered office in Prague 4, Hvězdova 1716/2b, Postal code: 140 78 as well as in digital form on the internet at [www.rb.cz](http://www.rb.cz) under Infoservice / Bank Introduction / Annual Reports.

### 10.1. Registered Capital of the Issuer

The registered capital of Raiffeisenbank a.s. as of the date of the compilation of this General Prospectus is CZK 7,511,000,000 and is fully paid off. It consists of 751,100 pieces of shares with a nominal value of CZK 10,000. All shares are dematerialised and registered.

On 28<sup>th</sup> April 2011, the General Meeting of Raiffeisenbank a.s. approved to increase the registered capital of the bank by 947 million Czech crowns, from the current 6,564 billion CZK. The increase in the registered capital of the Issuer was registered in the Companies Register. All shareholders participated in the increase of the registered capital, based on their current shares. The shareholding structure of the Issuer remains the same.

The Issuer did not issue any priority or employee shares, nor any convertible or priority bonds.

**Table 16** Changes in the registered capital in 2009, 2010 and as of 30. 6. 2011

	2009	2010	30. 6. 2011
<b>Registered capital (in millions of CZK)</b>	6 564	6 564	7 511

### 10.2. Articles of Association of the Issuer

The Articles of Association of the Issuer, for the period of the validity of this General Prospectus and any supplements thereto, are available for study on request, in the form of a brochure, free of charge, during normal working hours, together with the other documents to which this General Prospectus refers, at the headquarters of Raiffeisenbank a.s., in Prague 4, Hvězdova 1716/2b, Postal Code: 140 78.

### 10.3. Information concerning Legal and Arbitration Proceedings

From the end of the prior accounting period to the date of the compilation of the General Prospectus and during the past two reporting periods, Raiffeisenbank a.s. was not involved in any legal or arbitration proceedings which might have an impact on the financial status or the profitability of the Issuer or of the Group.

### 10.4. Significant Change in the Financial Status of the Issuer

*The Issuer declares that since the end of the last financial year for which audited financial details have been disclosed there has been no significant change in the financial status of the Issuer or of the entire financial group that could affect the Issuer's ability to meet its obligations connected with the Bonds.*

In March 2006, the Issuer carried out the synthetic securitisation of a portfolio of Corporate Banking loans granted in an original amount of 183 million euros. The risk was assumed by the German state-owned KfW Bank, with the participation of the European Investment Fund. The maturity of this entire transaction will take place in March 2016. This transaction is linked with loans meeting the SME criteria of the European Union, with a maximum amount of 225 million euros. As of 31 July 2011, the size of the loan portfolio included in the securitisation was 1,241,966,209 CZK. By taking this step the Issuer intended to partially eliminate the risk arising from the portfolio that it held of loans granted to small and medium-sized enterprises. This measure partially reduced the overall credit risk arising from the loans granted, which may have a positive effect on the overall financial status of the Issuer.

As of the 7<sup>th</sup> July 2008 the integration of the Issuer with eBank was successfully completed in the form of a merger. Raiffeisenbank a.s., as the successor company, took over all the assets, rights and obligations of eBank, a.s. as the acquired company. As of this date, eBank a.s. was removed from the Companies Register. The record date of the merger of these two companies is the 1<sup>st</sup> January 2008.

### **10.5. Significant Contracts of the Issuer; Patents and Licences.**

The Issuer, as of the date of the compilation of this General Prospectus, has not concluded any significant contracts that could give rise to the liability of or a claim against any member of the Group, which would be of significance in terms of the Issuer's ability to meet any liabilities arising in respect of the issued Bonds.

The Issuer is not dependent on any patents or licences, nor any industrial, commercial or financial contracts, nor any manufacturing processes that would be of fundamental significance to the business implementation or profitability of the Issuer.

### **10.6. Published Documents**

During the period of the validity of this General Prospectus and of any supplements thereto, the following documents, in the form of a brochure, together with the other documents to which this General Prospectus refers, are available on request for study, free of charge, during normal working hours from Raiffeisenbank a.s., at its headquarters in Prague 4, Hvězdova 1716/2b, Postal Code: 140 78.

- a) Memorandum and Articles of Association of the Issuer;
- b) The Annual Reports of the Issuer for the years 2009 and 2010, an integral part of which also constitutes the complete audited, consolidated and unconsolidated financial statements of the Issuer for the financial years ending 31<sup>st</sup> December 2009 and 31<sup>st</sup> December 2010; and any subsequent annual reports of the Issuer;
- c) historical financial data concerning the Issuer and its subsidiaries, for each of the two financial years preceding the publication of this General Prospectus.

The Annual Reports of the Issuer for the years 2009 and 2010, an integral part of which are also the complete audited consolidated and unconsolidated financial statements of Raiffeisenbank a.s. for the years ending 31<sup>st</sup> December 2009 and 31<sup>st</sup> December 2010, together with any subsequent annual reports of the Issuer, are also available in electronic form on the Internet at [www.rb.cz](http://www.rb.cz) in the section Infoservice / Bank introduction.

### **10.7. Securities Issued**

#### **10.7.1 Bond Issues**

##### **1. Bond Programme of Mortgage Bonds of Raiffeisenbank a.s.**

Maximum total of outstanding mortgage bonds:	3,000,000,000 CZK
Duration of the programme:	10 years
Period of Maturity for any bonds issued through this programme:	5 years

A Bond Programme of mortgage bonds with a maximum sum of outstanding mortgage bonds of 3,000,000,000 CZK, a programme duration of 10 years, and longest period of maturity for any bonds issued based on this programme of 5 years. A prospectus containing the general conditions of issuance for this Bond Programme was approved by the Securities Commission of the Czech Republic Ref. No. 45/N/972/2004/2 of 30<sup>th</sup> January 2004, which became effective on 30<sup>th</sup> January 2004.

As of the date of the compilation of the General Prospectus, all mortgage bonds issued as part of the Bond Programme of Mortgage Bonds of Raiffeisenbank, a.s. were paid off.

## 2. Bond Programme of Mortgage Bonds of Raiffeisenbank a.s.

Maximum total of outstanding mortgage bonds:	3,000,000,000 CZK
Duration of the programme:	5 years

A Bond Programme of mortgage bonds with a maximum sum of outstanding mortgage bonds of 3,000,000,000 CZK, a programme duration of 5 years, and longest period of maturity for any bonds issued based on this programme of 7 years. A prospectus containing the general conditions of issuance for this Bond Programme was approved by the Securities Commission of the Czech Republic Ref. No. 45/N/47/2005/1 of 10<sup>th</sup> May 2005, which became effective on 13<sup>th</sup> May 2005.

Table 17 lists still outstanding mortgage bonds that were issued through the above mentioned Bond Programme.

**Table 17** Outstanding mortgage bonds

Name of the bond issue	ISIN	Issuance date	Sum of issue (thousand CZK)	Interest yield (% p.a.)	Date of Date of Maturity of the bonds
Mortgage Bond eBanka, a.s. 4,50/10	CZ0002000557	29. 11. 2005	500 000	4.50	29. 11. 2010
Mortgage Bond eBanka, a. s. 5,30 / 14	CZ0002001316	14. 11. 2007	500 000	5.30	14. 11. 2014
Mortgage Bond eBanka, a. s. 6,00/17	CZ0002001696	12. 12. 2007	500 000	6.00	12. 12. 2017
Mortgage Bond eBanka, a.s. VAR/22	CZ0002001704	12. 12. 2007	1 000 000	fluctuating	12. 12. 2022

## 1. Bond Programme of Raiffeisenbank a.s.

Maximum sum of the outstanding bonds:	20,000,000,000 CZK
Duration of the programme:	15 years

A Bond Programme of Raiffeisenbank a.s. with a maximum sum of outstanding bonds of 20,000,000,000 CZK, and a programme duration of 15 years. The prospectus for the Bond Programme, containing the general conditions of issuance of this Bond Programme, was approved by a decision of the Czech National Bank of 7<sup>th</sup> September 2006, Ref. No. 45/N/108/2006/3 2006/7164/540, which became effective on the 8<sup>th</sup> September 2006.

Table 18 lists still outstanding bonds that were issued under the above mentioned Bond Programme. The data is valid as of the date of compilation of the General Prospectus.

**Table 18** Outstanding bond issues

Name of the bond issue	ISIN	Issuance date	Sum of issue (thousand CZK)	Interest yield (% p.a.)	Date of Date of Maturity of the bonds
Mortgage bond Raiffeisenbank a.s.. 4,40/11	CZ0002000888	4. 10. 2006	1,800,000	4.40	4. 10. 2011

Mortgage bond Raiffeisenbank a.s. 4.80/12	CZ0002000946	16. 2. 2007	1,300,000	4.80	16. 2. 2012
Premium bond Garantinvest V VAR/12	CZ0003701245	21. 2. 2007	100,000	floating	21. 2. 2012
Premium bond Garantinvest VI VAR/12	CZ0003701294	2. 4. 2007	200,000	floating	2. 4. 2012
Bond RBCZ ZERO/14	CZ0003701302	21. 5. 2007	300,000	-	21. 5. 2014
Mortgage bond Raiffeisenbank a.s. 5.00/12	CZ0002001175	12. 9. 2007	1,300,000	5.00	12. 9. 2012
Mortgage bond Raiffeisenbank a.s. 4.90/12	CZ0002001662	12. 12. 2007	1,500,000	4.90	12. 12. 2012
Mortgage bond Raiffeisenbank a.s. 5.10/17	CZ0002001670	12. 12. 2007	1,500,000	5.10	12. 12. 2017
Mortgage bond Raiffeisenbank a.s. 5.50/17	CZ0002001928	20. 12. 2007	2,000,000	5.50	20. 12. 2017
Mortgage bond Raiffeisenbank a.s. 4.30/13	CZ0002002058	26. 11. 2008	3,000,000	4.30	26. 11. 2013

## 2. Bond Programme of Raiffeisenbank a.s.

Maximum sum of outstanding bonds: 50,000,000,000 CZK

Duration of the programme: 15 years

A Bond Programme of Raiffeisenbank a.s. with a maximum sum of outstanding bonds of 50,000,000,000 CZK and a programme duration of 15 years. The general conditions of issuance were approved by a decision of the Czech National Bank of 20<sup>th</sup> November 2008, Ref. No. 2008 /13442/570 referring to Ref. No. 2008/330/572, which became effective on the 20<sup>th</sup> November 2008.

Table 19 lists the still outstanding bonds that were issued under the above mentioned Bond Programme. The data is valid as of the date of the compilation of the General Prospectus.

**Table 19** Outstanding bond issues

Name of the bond issue	ISIN	Issuance date	Sum of issue (thousand CZK)	Interest yield (% p.a.)	Date of Maturity of the bonds
Mortgage bond Raiffeisenbank a.s. 4.45/11	CZ0002002066	10. 12. 2008	2,000,000	4.45	10. 12. 2011
Mortgage bond GARANTINVEST IX 3.00/12	CZ0002002074	18. 2. 2009	250,000	3.00	18. 2. 2012
Mortgage bond GARANTINVEST X. 3.00/12	CZ0002002108	28. 8. 2009	250,000	3.00	28. 8. 2012
Mortgage bond GARANTINVEST XI 3.00/12	CZ0002002140	14. 10. 2009	250 000	3.00	14. 10. 2012
Premium bond GARANTINVEST XII VAR/12	CZ0003702052	21. 10. 2009	100 000	Variable	21. 10. 2012
Bond RBCZ ZERO II/14	CZ0003702409	15. 7. 2010	400 000	Discounted yield	15. 7. 2014
Premium bond GARANTINVEST XIII VAR/13	CZ0003702433	11. 8. 2010	150 000	Variable	11. 8. 2013
Mortgage bond Raiffeisenbank a.s. VAR/13	CZ0002002249	16. 11. 2010	1 000 000	Variable	16. 11. 2013
Premium bond GARANTINVEST XIV VAR/14	CZ0003702482	12. 11. 2010	100 000	Variable	12. 11. 2014
Bond RBCZ ZERO III/13	CZ0003402508	1. 12. 2010	400 000	Discounted yield	1. 12. 2013
Mortgage bond GARANTINVEST XV 2,80/14	CZ0002002272	19. 1. 2011	250 000	2.80	19. 1. 2014
Mortgage bond GARANTINVEST XVI 2,80/14	CZ0002002280	9. 2. 2011	1 000 000	2.80	9. 2. 2011
Bond RBCZ ZERO IV/13	CZ0003702813	2. 3. 2011	400 000	Discounted yield	2. 3. 2013
Bond RBCZ ZERO V/13	CZ0003702847	13. 4. 2 011	500 000	Discounted yield	13. 4. 2011
Mortgage bond GARANTINVEST XVII 3,30/16	CZ0002002314	4. 5. 2011	500 000	3.30	4. 5. 2011
Bond RBCZ ZERO VI/14	CZ0003702870	18. 5. 2011	75 000	Discounted yield	18. 5. 2011
Bond RBCZ KOMB /2015	CZ0003702920	15. 6. 2011	125 000	Combined	29. 5. 2015
Bond RBCZ 4,45/16	CZ0003702938	1. 7. 2011	200 000	4.45	1. 7. 2016
Bond RBCZ ZERO VII/14	CZ0003702946	20. 7. 2011	125 000	Discounted yield	27. 6. 2014
Mortgage bond GARANTINVEST XVIII 2,80/14	CZ0002002371	27. 7. 2011	2 000 000	2.80	27. 7. 2014
Mortgage bond GARANTINVEST XIX 3,20/16	CZ0002002363	27. 7. 2011	500 000	3.20	27. 7. 2016



### 3. Bond Programme of Raiffeisenbank a.s.

Maximum volume of outstanding bonds: 1,000,000,000 EUR

Duration of the programme: 30 years

A Bond Programme with a maximum volume of outstanding bonds of 1,000,000,000 EUR and programme duration of 30 years. The general conditions of issuance were approved by the decision of the Czech National Bank of 15<sup>th</sup> September 2009, Ref. No. 2009/7097/570 referring to Ref. No. 2009/166/572, which became effective on the 16<sup>th</sup> September 2009.

One issue of mortgage bonds (see the parameters in Table 20) as part of the Bond Programme. Based on the decision of the Issuer as the sole owner of all outstanding bonds of the said issue, the issue was redeemed early as of 25<sup>th</sup> July 2011 in compliance with the general conditions of issuance.

**Table 20** Bonds issued as part of 3. Bond Programme of Raiffeisenbank a.s.

Name of the bond issue	ISIN	Issuance date	Sum of issue (thousand CZK)	Interest yield (% p.a.)	Maturity date	Early redemption date
Mortgage bond Raiffeisenbank a.s. 4,10/14	CZ0002002124	8. 10. 2009	100 000	4.10	8. 10. 2014	25. 7. 2011

#### 10.7.2 Issue of investment certificates

##### Investment certificate programme

The prospectus for this investment certificate programme containing the general conditions of issuance of this investment certificate programme, was approved by the decision of the Czech National Bank of 13<sup>th</sup> November 2009, Ref. No. 2009/9028/570, referring to Ref. No. 2009/196/572, which became effective on the 13<sup>th</sup> November 2009.

Table 21 lists the outstanding investment certificates which have been issued through the aforementioned Bond Programme.

**Table 21** Investment certificates issued

Name of certificate issued	ISIN	Date of issue	Volume of issue (thou. CZK)	Underlying asset	Maturity date
Long turbo certificates EUR/CZK TL 23,100	CZ0000300074	21. 2. 2011	25 000 000	EUR/CZK currency pair	21. 2. 2012
Short turbo certificates EUR/CZK TS 25,300	CZ0000300066	21. 2. 2011	25 000 000	EUR/CZK currency pair	21. 2. 2012

#### 10.8. Information from Third Parties

The Issuer confirms that should information have come from a third party, such information has been accurately reproduced and, in accordance with the knowledge of the Issuer and to the extent to which it is able to ascertain from information published by that third party, no facts have been omitted, by which the information reproduced might be inaccurate or misleading.

Source of information:

Information about the market share of Raiffeisenbank a.s.

- Czech National Bank, Na Příkopě 28, 115 03 Prague 1, www.cnb.cz

## 11. DESCRIPTION OF SECURITIES

The manner and form of the Bond Issue issued under this Bond Programme (hereinafter referred to as the "**Bonds**" and the "**Bond Programme**"), their number and their nominal value within the relevant issue will be defined in the relevant amendment to the General Conditions of Issuance of the Bond Programme (hereinafter referred to as the "**Conditions of Issuance**") specified in the Addendum to the Bond Programme (hereinafter referred to as the "**Addendum**"). The Bonds are not the subject of any pre-emption or exchange rights, unless the relevant Addendum for the specific Bond Issue states otherwise. Transferability of the Bonds and/or the Coupons (if issued) is not restricted, unless the relevant Addendum for the specific Bond Issue states otherwise (see Paragraph 1.2.2 of Conditions of Issuance).

Some potential risk factors related to the Issuer, its business and the Bonds are listed in section of this Prospectus titled "**RISK FACTORS**". Any additional risk factors related to individual Bond Issues issued under the Bond Programme will be specified in the relevant Addendum.

The net income from the issue, the basis for the offer and the intended use of the income will be specified in the relevant Addendum.

The Bonds will be created in accordance with the laws of the Czech Republic, specifically in accordance with the Act of the Czech Republic No. 190/2004 Coll., On Bonds, as amended, taking into account the relevant provisions of the laws of the Czech Republic, No. 256/2004 Coll., On the Capital Market, as amended, and No. 591/1992 Coll., Act on Securities, as amended, or in accordance with any relevant laws that might supersede these laws.

The currency of the Bond Issue will be defined in the relevant Addendum.

Unless the relevant Addendum states otherwise, the Bonds constitute direct, general, unsecured, unconditional and unsubordinated obligations of Raiffeisenbank a.s., which are and will be maintained to each other in respect of the sequence of their satisfaction (*pari passu*) and at least equivalent to all other existing and future unsubordinated and unsecured obligations of Raiffeisenbank a.s., with the exception of those obligations of Raiffeisenbank a.s., for which it is stated otherwise according to the mandatory provisions of generally binding legal regulations.

In the event that some Bonds of the Bond Programme (based on the Addendum) are issued as subordinated Bonds, the obligations from such subordinated Bonds will represent direct, unconditional and unsecured obligations of the Issuer, subordinated pursuant to Section 34 of the Act on Bonds, which are and always will be equivalent (*pari passu*) to each other.

Description of the rights attached to the Bonds and/or Coupons (if issued), including any restrictions of these rights, and procedures for the exercise of these rights are defined in Conditions of Issuance of the Bonds and in the relevant Addendum. The Conditions of Issuance are available for interested parties on the website of Raiffeisenbank a.s. [www.rb.cz](http://www.rb.cz), and also in the form of a brochure at the headquarters of Raiffeisenbank a.s. in Prague 4, Hvězdova 1716/2b, Postal Code: 140 78, at such times as Raiffeisenbank a.s. is open to the public.

Interest conditions for the Bonds, including the definition of the interest rate of the Bonds (or a description of the rules for setting the interest rate for the Bonds), the date from which the interest becomes payable, the due date of interest and the method for calculating the issue price are defined by the Conditions of Issuance and the relevant Addendum. Entitlement to interest and/or repayment of principal, in accordance with Article 10 of the Conditions of Issuance, expires 10 years from the date on which it could first be applicable.

Raiffeisenbank a.s., in accordance with the rules defined in the Conditions of Issuance, may appoint an Agent for the Calculations. However, if no Agent for the Calculations is appointed, Raiffeisenbank a.s. will itself undertake all the calculations necessary for determination of the interest rate of the Bonds.

The Date of Final Maturity of the Bonds is defined in the Addendum. The bonds will be repaid in accordance with the Conditions of Issuance and the Addendum, specifically in accordance with Articles 5 and 6 of the Conditions of Issuance. The Bonds can be repaid earlier under certain circumstances, either at the initiative of Raiffeisenbank a.s. (for details see Paragraph 6.2 of the Conditions of Issuance), or at the initiative of the Owner of the Bonds (for details see Paragraphs 6.3 and 12.4 of the Conditions of Issuance).

Raiffeisenbank a.s. does not require any specific representation of the Owners of the Bonds.

The Conditions of Issuance of the Bond Programme were approved through the Decision of the Czech National Bank, Ref. No. 2009/7097/570, referring to Ref No. 2009/166/572, of 15<sup>th</sup> September 2011, which took effect on 16<sup>th</sup> September 2011. A change in the General Conditions of Issuance was approved by the Decision of the Czech National Bank from 23<sup>rd</sup> September 2011, Ref. No. 2011/11470/570, referring to Ref No. 2011/109/572, which came into effect on 23<sup>rd</sup> September 2011.

The General Prospectus of the Bond Programme was approved by the Decision of the Czech National Bank No. 2011/11470/570, referring to Ref. No. 2011/109/572, of 27<sup>th</sup> September 2010, which took effect on 27<sup>th</sup> September 2011.

Expected issue dates for each Bond Issue will be defined separately in the relevant Addendum.

Transferability of bonds is not restricted, unless the relevant Addendum states otherwise for the relevant Bond Issue.

Repayment of the nominal value of the Bonds (or the Discounted Value, in the case of early redemption of the Discount Bonds or Bonds with their yield based on any such criteria, specified in the Addendum as the amount that Raiffeisenbank a.s. shall pay to the Owners of the Bonds at maturity or for early repayment of the Bonds) will be executed without deduction of taxes or charges of any kind, unless the aforesaid deduction of taxes or charges shall be required by relevant legislation of the Czech Republic valid as of the time of the aforesaid payment. Interest income from the Bonds will be taxed as a withholding tax levied at source, in the circumstance that the aforesaid tax withholding is required by the relevant legislation of the Czech Republic. If any such deduction of tax for charges shall be required by the relevant legislation of the Czech Republic valid as of the date of the aforesaid payment, Raiffeisenbank a.s. shall not be obliged to pay to the Owners of the Bonds or the Owners of the Coupons (if issued) any additional sums as compensation for the aforesaid deductions of taxes or charges, unless the relevant Addendum states otherwise (see Article 8 of these Conditions of Issuance). More detailed information regarding the manner of taxation of the interest yield and the nominal value of the Bonds is listed in Chapter 12 "TAXATION IN THE CZECH REPUBLIC, FOREIGN EXCHANGE REGULATION".

Information regarding the conditions of offering the Bonds to prospective clients for subscription/purchase will be listed in the relevant Addendum.

Information regarding the acceptance of the Bonds for trading on a regulated market or in a Multilateral Trading Facility or any communication from Raiffeisenbank a.s. that it does not intend to apply for the acceptance of the Bonds for trading on a regulated market or in a Multilateral Trading Facility, will be listed in the relevant Addendum.

Other required provisions will be included in the relevant Addendum.

## 12. TAXATION IN THE CZECH REPUBLIC, FOREIGN EXCHANGE REGULATION

*Prospective purchasers of any Bonds issued as part of this Bond Programme are advised to consult their own legal and tax advisers concerning the tax and legal implications of buying, selling and holding of bonds and of receiving interest payments on bonds in accordance with the tax and foreign exchange regulations valid in the Czech Republic and in their own countries of residence, as well as in any countries in which income from the possession and sale of bonds may be taxed.*

The following brief summary of the taxation of Bonds and of the foreign exchange regulations in the Czech Republic is based mainly on Act No. 586/1992 Coll., the Income Tax Act, as amended (hereinafter also referred to as the "**Act on Income Tax**") and Act No. 219/1995 Coll., the Foreign Exchange Act, as amended (hereinafter referred to as the "**Foreign Exchange Act**") and the related legislation valid as of the date of the compilation of this General Prospectus, as well as on the usual interpretation of these acts and other regulations applied by Czech administrative offices and other government bodies as they are known to Raiffeisenbank a.s. as of the date of the compilation of this General Prospectus. All the information stated below is liable to change, depending on any amendments to the relevant legislation that may take place after such date or to the interpretation of these laws, which may be applied after that date.

The issuer, under certain conditions, is the payer of a tax that is deducted from the Bond yield (see herein below).

### Interest Income

The interest (including investment earnings payable at the maturity of the bonds in the form of the difference between the nominal value of the Bond and its lower issue price), that is paid to the Owners of the Bonds - natural persons - and also to legal persons who are tax non-residents of the Czech Republic and who do not conduct business in the Czech Republic through a permanent establishment, is generally subject to a withholding tax levied at source ( i.e. withheld by the Issuer when paying the interest). The rate of this withholding tax is 15%, except as modified for tax non-residents in accordance with a relevant agreement for the avoidance of double taxation (see below). In the event that the interest goes to a legal person who is a tax resident of the Czech Republic or to a permanent establishment in the Czech Republic belonging to tax non-residents of the Czech Republic, it is not subject to the withholding tax, however the Owner of the Bond shall include this interest in his general tax base, in accordance with the time period to which it relates.

In the event that the interest goes to the permanent establishment in the Czech Republic of a legal person who is not a tax resident of a Member State of the European Union or of the European Economic Area, the Issuer is required to withhold tax in the amount of 10% of the income. The withholding tax is accounted as part of the total tax liability of that permanent establishment.

An agreement on the avoidance of double taxation between the Czech Republic and the country of which the recipient of the interest is a resident, may exclude the taxation of interest in the Czech Republic or reduce the tax rate. The claim for modification of the tax in accordance with the provisions of the agreement on the avoidance of double taxation may be subject to factual proof showing that the relevant agreement on the avoidance of double taxation actually covers the recipient of the interest payment (specifically the presentation of a valid certificate of tax residence, a declaration of the ownership of income received etc.).

Certain categories of taxpayers (e.g. foundations, the guarantee fund for traders in securities, etc.), under certain circumstances qualify, in regard to interest income, for exemption from income tax.

### Profit / Loss from Sales

Profit or loss realised by the Owner of the Bonds at the time of the sale of the Bond is subject to taxation in the Czech Republic (i) if the Bonds are sold by a tax resident of the Czech Republic or a tax non-resident of the Czech Republic based on his permanent establishment located in the Czech Republic, or (ii) if the purchase price of the Bonds sold is paid by a tax resident of the Czech Republic or a tax non-resident of the Czech Republic based on his permanent establishment located in the Czech Republic and the seller is a tax resident of the Czech Republic (unless the relevant

agreement on the avoidance of double taxation between the Czech Republic and the country, of which is the person selling the Bonds is a tax resident states otherwise).

Certain categories of taxpayers (e.g. natural persons who do not have Bonds included amongst their business assets, etc.) are exempt from income tax on their profit from the sale of the Bonds under certain circumstances. In the event of the sale of the Bonds by an owner of the Bonds, who is a tax resident of a non-EU state or of a country outside the European Economic Area, to a purchaser who is a resident of the CR, or to the permanent establishment of a tax non-resident of the Czech Republic, situated in the Czech Republic, the purchaser is generally required, when paying the purchase price for the Bonds, to deduct income tax in the amount of 1% of that income. The tax authority may (but does not have to) consider that the tax liability of the taxpayer has been met through the implementation of the income tax deduction, in accordance with the preceding sentence. The agreement on the avoidance of double taxation between the Czech Republic and the country of which the Owner of the Bonds is a resident, may exclude the taxation of interest in the Czech Republic. The claim for taxes in accordance with the provisions of the agreement on the avoidance of double taxation may be subject to proof of facts demonstrating that the relevant agreement on the avoidance of double taxation actually applies to the recipients of the interest payment (specifically the presentation of a valid certificate of tax residence, the declaration of the ownership of the income payable etc.).

### **Foreign Exchange Regulation**

The Bonds are not foreign securities within the meaning of the Foreign Exchange Act. Their issuance and acquisitions is not subject to foreign exchange regulations in the Czech Republic. Unless any relevant international agreement on the protection and promotion of investments, concluded between the Czech Republic and the country of which is the payee is a resident, does not provide otherwise, or does not provide preferential treatment, foreign Owners of the Bonds may, provided that they meet certain conditions, in accordance with the legislation of the Czech Republic, buy funds in a foreign currency for Czech currency or funds in a foreign currency for a different foreign currency without foreign exchange restrictions and transfer the yield from the Bonds, the amounts paid by the Issuer in exercising the rights of the Owners of the Bonds on the early redemption of the Bonds by the Issuer or the repaid nominal value of the Bonds from the Czech Republic in a foreign or in Czech currency.

## 13. MORTGAGE BANKING

### THE MORTGAGE CODE

*Raiffeisenbank a.s. has acceded to the Mortgage Code created under the auspices of the European Commission. Raiffeisenbank a.s., by its signing of the Code, pledges itself to a transparent approach and to the adequate provision of information concerning housing loans.*

The Convention of a voluntary code on the provision of pre-contractual information relating to housing loans, a part of which is the mortgage code, will mainly provide clients with access to information about housing loans, and this information should be presented in the same form and in the same manner throughout the entire European Union. This Code is one of a number of pan-European attempts to establish rules, on a voluntary basis, for the granting of mortgage loans. In 2001, this Convention, under the auspices of the European Commission, was signed by European representatives of associations of credit institutions and consumer organisations. In September 2005 the Czech Banking Association acceded to the Code. Raiffeisenbank, in January 2006, became the first domestic bank to approve accession to the Code of Conduct between banks and clients. Raiffeisenbank a.s. takes for granted the vast majority of the points contained in the Code, and its criteria surpass the minimum standards.

The following section contains only a brief summary of the legislation, based on the wording of the legislation that is in force as of the date of the publishing of this General Prospectus, and all the information below is subject to change depending on any amendment in the legislation made subsequent to this date. Prospective Bond purchasers are advised to consult their lawyer, concerning the tax and other implications of the purchase, possession and sale of the Bonds.

### 13.1. Mortgage Loan

In accordance with Act No. 190/2004 Coll., On Bonds (hereinafter referred to as the "Act"), a loan is considered as a mortgage loan, when its repayment, including attribution, is secured by a lien on property, even that which is under construction, provided that the liabilities of the debt do not exceed twice the collateral value of the pledged property.

For proper coverage of the nominal value of mortgage bonds, as well as of their relative income only liabilities based on mortgage loans may be used. Such liabilities, or their parts, shall not during the time of such coverage, exceed 70% of the collateral value of the pledged properties securing these liabilities. The Property that is the subject of the collateral and that secures a claim against a mortgage loan or a part of it, must not bear the lien of a third party that would be in higher priority order over the lien provided securing the liability included in the coverage of mortgage bonds, throughout the whole period during which this liability is included in the coverage, with the exception of the lien referred to in Section 30, Paragraph (2) of the Act. Property is not considered as burdened in case of a prior incurred lien or limiting the transfer of property, if such secured claim of a third party is extinguished due to the use of the mortgage loan for its repayment.

If there is a lien on the property serving as collateral for a mortgage loan, securing a loan from building savings or a loan for co-operative housing, the claim of the mortgage loan or its part, maximally in the amount of 70% of the difference between of collateral value of the mortgaged property and the claim from the loan from building savings or from the loan for co-operative housing can be used for the purpose of covering liabilities from issued mortgage bonds.

The price of the mortgaged property is determined by the bank at a collateral value, in accordance with Section 29 of the Act. The collateral value means the open market value, determined in accordance with a special law governing the valuation of assets, taking into account the permanent and long-term sustainable characteristics of the property, the yield attainable by a third party through the proper management of the property, the rights and defects associated with the property and the local market conditions for real estate, including its status and its anticipated development. Considered as an open market value is the price that would be attained by the sale of the same or a similar property in the regular course of trade in the Czech Republic, as of the valuation date. Additionally also considered are all the circumstances that influence the price, but not reflected in that amount is the influence of any extraordinary circumstances in the market, any personal relationships between the seller and the buyer nor the influence of special considerations. Understood as extraordinary circumstances in the market are, for example, a state of distress of the seller or the buyer, or the consequences of natural or other calamities. As personal relationships are understood, specifically, property relationships, family or other personal relationships between the seller and the

buyer. The special favour means a special value attached to the property resulting from a personal relationship to it. The Mortgage value of pledged properties must not exceed their usual price.

The bank shall not stipulate the early repayment of a mortgage loan in the case of its cancellation, if the liquidation of the bank shall subsequently follow.

If the debtor (the beneficiary of the mortgage loan) is declared insolvent, the mortgage bank will hold the position of a secured creditor who is entitled to settlement of his claim through the liquidation of the collateral (property) at any time during the bankruptcy proceedings and he is not required to wait for a court order. Secured creditors will be satisfied from the proceeds of liquidation in accordance with the order in which the legal grounds arose for their entitlement to satisfaction from the liquidation of the collateral. For the order of a statutory lien, crucial is the date of its recording in the real estate cadastre. A lien of the mortgage bank shall cease through the liquidation of the collateral (property).

Starting on 1 January 2011, purpose-bound mortgage loans of up to 1,880,000 CZK are also regulated by Act No. 145/2010 of Coll., on consumer loans, that imposes on creditors many obligations to better protect debtors, e.g. the obligation of the bank to provide its clients with detailed pre-contractual information, the right of the client to withdraw from a loan contract, limited fees for early repayment, mandatory requirements of advertising and mandatory information in loan contracts.

### **13.2. Mortgage Bank as Pledgee**

Liabilities from mortgage loans used to cover the nominal value of bonds and the value of the related yield, are under enhanced protection, which stems from the fact that in respect to the sale of property in a judicial auction the mortgage lender (mortgage bank) shall be satisfied immediately following the payment of the costs of the state associated with the implementation of the auction.

Since 1<sup>st</sup> May 2000 a creditor whose claim is secured by a lien on the property, is not dependent on the sale of the property in a judicial auction, even if the property owner disagrees with the sale. According to the law on public auctions, which took effect on that date, the pledgee may propose the implementation of an involuntary public auction, provided that the claim has been approved by an enforceable court decision, enforceable arbitration or documented by an enforceable notarial or executor's deed, which contains the particulars defined in the special legal regulation. An involuntary auction can be implemented even if the mortgage lien was entered or registered in the real estate cadastre before 1<sup>st</sup> May 2000, if the pledgee provides an affidavit in the form of a notarial deed that he has an unsettled claim against the debtor, which is not being settled. If the mortgage bank files for a involuntary auction in error, it will be responsible for the damage caused; it is not possible to waive this liability. A public auction may be conducted only by a person specifically authorised to do so.

Participants in the auction, amongst other individuals, must not be persons who are not permitted to acquire the ownership and rights to the objects of the auction, or persons, in the case of whom an exclusion, restriction or impairment of competition might occur as a result of their acquisition of the object of the auction; nor also shall anybody participate in the auction on their behalf. The items auctioned must not be objects or rights which, on the basis of an enforceable decision of a court or of a public authority, cannot be disposed of. An estimate of the value of the property to be auctioned shall not be, as of the date of the auction, older than six months and the price must be defined according to an expert opinion. Information provided for by law or provided voluntarily by the auction participants are publicly accessible at one location, at the so called "central address".

From a defined moment (after receipt of written notice of the intended carrying out of the execution of the appellant's rights) any legal steps undertaken by the owner or the pledger will be void, through which the object of the auction might be alienated, encumbered or leased or by which new obligations would be incurred in respect of the object of the auction, reducing its value or limiting the possibility of its disposal. This does not apply if the object of the auction has not been auctioned off or if the auction was nullified and a repeated auction is not scheduled, and if the auctioneer cancelled the auction or if the auction was declared null and void. The person who has the object of the auction in his possession, is required, following a previous request, at the time specified in this request, to permit the conducting of the estimate, as well as an inspection of the object of the auction. The time of the visit must be stated in the request with regard to the nature of the object to be auctioned; in the case of property usually three weeks after the sending of the request. Failing that, an estimate can be conducted based on the data that are available to the auctioneer.

If after settling the costs of the auction it is possible from the proceeds to satisfy only a portion of the claims filed by the creditors, these claims shall be satisfied in the following order: (i) claims secured by a lien, if these should, in accordance with a special law, be satisfied preferentially regardless of their place in the order, and claims secured by a possessory lien, (ii) claims filed against a mortgage loan used for the coverage of the nominal value of mortgage bonds, (iii) claims filed secured by a lien or by a restriction against the transfer of the property; in the event that more of these liens are attached to the object of the auction they shall be satisfied according to the order of their origination, and (iv) claims that constitute taxes, fees, public health insurance, social security insurance and contributions to the state employment policy, if these became due in the last 3 years prior to the auction and have been filed by the authorised auction creditors, in the event that more claims of these auction creditors are filed, their claims shall be satisfied proportionally.

In the event of an involuntary auction, the debtor, the pledger or the owner, if this is a different person from the pledger, is entitled to ask the court to pronounce the auction void, if the appellant was not entitled to propose the implementation of an involuntary auction; in such cases the court pronounces the auction void. This right expires unless it is exercised within 1 year after the fall of hammer. The debtor, the pledger or the owner, if this is a different person than the pledger, shall be entitled in cases in accordance with this paragraph to request the court for a preliminary injunction, that prohibits the applicant from filing a proposal for the auction, the auctioneer from conducting the auction and the auction bidder from dealing in the property auctioned.

If the debtor (the beneficiary of a mortgage loan) is declared insolvent, a mortgage bank shall have the position of a secured creditor who is entitled for his claim to be satisfied in the course of the liquidation of the collateral (property) at any time during the bankruptcy proceedings without the necessity of waiting for a court order. Secured creditors shall be satisfied from the proceeds of the liquidation in the order in which the legal grounds of their entitlement arose to satisfaction based on the liquidation of the collateral. For the order for a statutory lien the crucial date is that of its entry into the real estate cadastre. The lien of the mortgage bank shall cease to exist following the liquidation of the collateral (property).

### **13.3. Mortgage Bonds**

Mortgage bonds may be issued only by a bank that has been authorised in accordance with Act No. 21/1992 Coll. On Banks, as amended. The Czech National Bank approves the conditions of issuance, together with the prospectus, if the Act on the Capital Market requires approval of the prospectus.

Mortgage bonds are bonds, the nominal value of which, in addition to the value of the relative interest yield, is fully covered by claims from mortgage loans or by parts of these claims, or in any substitute manner. Substitute coverage of the nominal value of mortgage bonds and of their relative yield is possible only up to 10% of this nominal value, and only in cash, through deposits at the Czech National Bank, through deposits at the Central Banks of an EU Member State or another state of the European Economic Area or with the European Central Bank, by state bonds or securities issued by the Czech National Bank, pursuant to special legislation, by state bonds or securities issued by EU Member States or other countries forming the European Economic Area, their central banks and the European Central Bank, by bonds issued by financial institutions based on international treaty, to which the Czech Republic is a contractual party, or by financial institutions with which the Czech Republic has concluded an international treaty.

No lien shall arise on the basis of the mortgage bond issued, and its owner does not have the status of a lien creditor. The Mortgage Bank shall not establish a lien on the claims from mortgage bonds. The mortgage bank is obliged to keep separate and cogent records concerning the issuance of mortgage bonds and their coverage, in accordance with Provision No. 5 of the Czech National Bank of 11<sup>th</sup> June 2004, setting forth the content, the manner of maintaining records and the requirements for the records of the coverage of the mortgage bonds issued.

If the issuer of mortgage bonds becomes insolvent, the claims of the owners of mortgage bonds shall be satisfied in an insolvency proceeding from the mortgage assets, which consist of assets used for the coverage of mortgage bonds. From the proceeds of liquidation of the mortgage assets the substantive costs associated with the management and liquidation of mortgage assets, and after their liquidation the claims of the owners of the mortgage bonds shall be satisfied. If the proceeds from the liquidation of the mortgage assets shall not be sufficient for the satisfaction of the claims of the owners of the mortgage bonds in full, their claims shall be satisfied proportionally. The unsatisfied portion of such claims shall be included, when scheduling, among the other claims.

### 13.4. Taxation

In Chapter 12 "TAXATION IN THE CZECH REPUBLIC, FOREIGN EXCHANGE REGULATION" of this General Prospectus detailed information is provided concerning the taxation of the interest yield from mortgage bonds, profit/loss on sales and foreign exchange regulation.

### 13.5. Regulation of Mortgage Banks

The activities of the mortgage bank, like those of any other bank, are regulated in accordance with Act No. 21/1992 Coll., On banks, as amended, and are subject to supervision by the Czech National Bank.

The Act on Banks contains several provisions that restrict the activities of banks, not only in the area of trade but also in the field of corporate law. Prior consent of the Czech National Bank is requisite for (i) the conclusion of a contract for the sale of a company or of part of it, (ii) for the decision of the General Meeting to liquidate a bank and for the merger of a bank with a liquidated bank, (iii) for a decrease in the authorised capital of a bank, with the exception of a reduction due to a loss, (iv) for a resolution of the General Meeting that the current bank will continue to conduct activities for which a banking licence is required. Without this approval, the legislative amendments are invalid. In addition, the bank has the obligation towards the Czech National Bank to provide information about proposed changes to the Articles of Incorporation, proposed personnel changes in the statutory body and in the positions of top management, about the intention to open branch offices or a representative office abroad and the plan to establish a legal entity abroad or to become materially involved in it.

The bank may acquire shares in another legal entity, to establish a separate legal entity or to participate in its establishment if

- a) it does not become a partner with unlimited liability
- b) this does not involve an entity who has a qualifying holding in this bank, unless this involves the subscribed securities of this entity, held for a short term for the purpose of trading and the bank complies with the rules for acquiring, financing and evaluation of assets defined by the Czech National Bank in accordance with the Act on Banks,
- c) there are no legal or other barriers to the provision of information to the bank by this entity and to the provision of this information by the bank for the purposes of supervision of the activities of the bank and maintaining the transparency of the consolidated group, of which the bank is a member, and close connections within the consolidated group do not prevent the exercise of supervision over the activities of the bank or
- d) the investment is in line with the overall strategy of the bank and the bank manages risks associated with this investment, especially given the potential liabilities of the bank arising from it.

Apart from these statutory exceptions, a qualified holding of the bank in a legal entity shall not exceed (i) in one legal entity 15% of the bank's capital and (ii) in total in all legal entities, 60% of the bank's capital. A qualified holding is defined as a direct or indirect shareholding of more than 10% of the authorised capital or of the voting rights and the effecting of significant influence on the management of such a legal entity.

The bank also is not entitled to conduct business with persons who have a special relationship with it, which would not be conducted with other entities, due to its nature, objectives or risks. The bank shall be required to conduct trades in securities or in the rights deriving from securities on own behalf, only under the most favourable conditions under professional care and without taking advantage of information obtained in connection with its transactions on behalf of the client and vice versa, unless the information is publicly available. In carrying out the investment trades the bank must not use information obtained in connection with its credit business and vice versa.

The prior, and exceptionally also subsequent, consent of the Czech National Bank is required for the acquisition of a direct or indirect shareholding in the bank in the amount of at least 10%, 20%, 33% or 50% of the voting rights or for reaching or exceeding these specified limits. A decrease in the shareholding in the bank below these limits shall be notified to the Czech National Bank. The absence of approval by the Czech National Bank may cause the Czech National Bank to suspend the owner of the shares from exercising some of his shareholders' rights. In compliance with the statutory conditions, the Czech National Bank can block the access of certain shareholders to the General Meeting and propose a court annulment of a resolution of the General Meeting.

On the basis of its legal authorisation the Czech National Bank instigated a number of measures relating to prudent bank operation. According to these, for example, are regulated (a) the rules for liquidity and the creation of minimum required reserves, (b) capital adequacy, (c) credit exposure, (d) the classification of liabilities from loans and the creation of reserves and the adjustments for such liabilities (e) conditions for unsecured foreign exchange positions (f) the principles for creating portfolios of securities and shares by banks and covering the risk of devaluation of securities and shares by adjustments. These measures shall be applied to the branches of foreign banks to the extent specified in accordance with the relevant measures. Banks are additionally obliged to prepare and submit information about their business in the scope and according to deadlines set forth by the Czech National Bank.

The Czech National Bank may, within the scope of its supervisory capacity, apply remedies of varying intensity, including the introduction of forced administration and the withdrawal of a banking licence. For shortcomings in banking activities the Czech National Bank may impose a fine of up to 50 million Czech crowns.

If the Czech National Bank discovers a breach of the law in the activities of a mortgage bank in connection with the issuance of mortgage bonds, it imposes measures directed to the remedying of the shortcomings discovered, particularly suspending or forbidding the issuance of securities or ordering that the mortgage bank prematurely refund the nominal value and yield of a mortgage bond. Another measure by the Czech National Bank may be also imposition of a fine.

A mortgage bank that has issued publicly-traded mortgage bonds is obliged to send to the Czech National Bank reports on the results of its operations and its financial status for the previous year or half year and must, without delay, give notice, for example, concerning any changes in its financial status or other fact that might impair its ability to meet its liabilities. A violation of these reporting obligations is also punishable by the Czech National Bank, which may impose a fine for these deficiencies.

### **13.6. General Conditions of the Market**

#### *Housing resources*

Currently, in the Czech Republic, there are about 4.3 million dwellings. In the CR there is no overall housing deficit. Imbalances are caused mainly due to the improper distribution of the housing stock. On the other hand, we can confirm that the housing stock is largely neglected - the total required cost for its maintenance and repair are estimated in the order of hundreds of millions of crowns. Starting in 1991, a significant decrease was observed in state and cooperative construction and an increase in the proportion of dwellings in family houses. The current structure of the housing stock in terms of housing types is as follows:

Rental housing:	31%
Cooperative sector:	20%
Owner-occupied housing:	49%

After 1994, the number of started dwellings began to increase. The most active field remains in the growth in the number of started dwellings in family houses; however there was also a significant increase in the number of started dwellings in residential buildings. What can also be seen as a positive trend in this development is the fact that the dynamics of the increase in the number of completed dwellings are still at the level of the dynamics of the growth rate of newly started dwellings (the difference in the numbers of started and of completed dwellings has not altered significantly).

Fortunately the rise in the cost of housing did not affect the demand for mortgage loans because it was offset by a decline in interest rates, recorded until practically the end of 2006. The highest demand for mortgage loans was recorded in the year 2007. As early as the following year a relatively sharp decline in construction occurred on the Czech market, partly due to the rising interest rates, partly due to increases in VAT and partly due to the onset of the economic crisis. In 2009 this decline in construction continued due to a reduction in demand during a time of economic uncertainty and to the increasing interest rates. It was not until the second quarter of 2010 that sales began to recover; due to falling interest rates and revived economic growth the decline in mortgage lending halted and a growth trend began. The increasing interest in mortgage loans continues in 2011 as well. It is estimated that the total annual volume of new mortgage loans will exceed 100 billion CZK. However, it is necessary to point out that part of this increase is due to the refinancing of old mortgage loans, the percentage of which keeps growing, and that some mortgage loans are provided at the expense of building savings loans.

### Rent

In accordance with the Act on Rent Deregulation adopted in 2006, a progressive significant increase in the maximum basic rent has been occurring since 2007 (varying according to the size of the municipality); existing regulated rents are at an "artificial price", which still usually does not reflect the situation in the market place, does not reflect the quality of the rented property and usually is not even sufficient to cover its acquisition and operational costs. By the year 2012 the concordance of regulated and market rents should have been substantially effected. There is also a gradual outflow of the tenants from the apartments under regulation – i.e. a transition to deregulated rents that are negotiated by agreement between the new tenant and the landlord. Rent deregulation is one of the factors in the increasing demand for mortgage loans.

The goal of the new system is to achieve an equilibrium of rent in the local housing markets, while ensuring protection against extreme demands and complying with the necessities of the social context; i.e. the progressive (regionally differentiated) termination of the current manner of regulation of the maximum basic rent.

### State housing assistance programmes

The state is no longer exercising the function of an investor in housing and does not own a housing stock. However, at the same time, it respects the particularities of the housing market, which necessitate a certain degree of state intervention. Financial intervention by the state is concentrated in several basic areas such as promoting the construction of rental housing and technical infrastructure, support for the repair of housing stock and the provision of state loans for repairs, modernisation and expansion of the housing stock. Implementation of support for housing is carried out primarily through the State Housing Development Fund.

The programmes announced for the support of housing and for the repair of housing stock in 2011:

Support in the area of housing financed by the Ministry for Regional Development:

- Support for the regeneration of housing estates of prefabricated buildings, focusing on revitalising public spaces in prefabricated housing with more than 150 flats.
- Support for the construction of technical infrastructure for the subsequent construction of apartment buildings and family houses, focusing on investment in vacant building plots for subsequent housing construction.
- Support for the construction of supported housing, focusing on the construction of social rental municipal housing for persons who are disadvantaged in their access to housing because of their age, health or for other reasons that result from the special needs in this field.
- Support for the replacement of lead piping, focusing on the exchange of pipes in houses in order to improve the quality of drinking water.

Support in the area of housing financed by the State Housing Development Fund:

- Provision of low-interest loans to young people under 35 years of age for the construction or acquisition or repair of housing, aimed at young couples or parents acquiring owner-occupied or cooperative housing for their housing needs or repairing their own or their cooperative dwellings (Loan 300).
- Provision of interest-rate subsidies for commercial loans (the "New Panel" programme), focusing on the comprehensive renovation of residential buildings constructed with panel technology.
- Assistance after floods - low-interest loans and grants for amelioration of the consequences of the floods of 2010.
- Loan guarantees for the construction of rental housing..
- Support to municipalities
- Loans to refurbish the housing fund.

Support in the area of housing financed by the Ministry of the Environment:

Programme Zelená úsporám (Green for Savings) – this is a grant programme for the support of renewable resources and for energy saving, including the following aspects:

- Saving energy on heating
- Support for buildings of the passive energy standard
- Use of renewable resources for electricity for domestic heating and for heating water

This program is funded by the sale of emission allowances.

Information regarding selected programmes:

Programme for the provision of financial assistance for repairing the housing stock (PANEL)

The objective of support is to assist the owners of residential houses and dwellings built with the panel technology system, carried out between 1950-1990 with the essential repairs of the most serious defects that can cause an emergency condition in the apartment building. Following the Government Decree No. 325/2006 Coll., which amends the Government Decree No. 299/2001 Coll. on support for repairs, upgrading and regeneration of prefabricated apartment buildings, some changes occurred in terms of this programme for the support of the repair and modernisation of prefabricated apartment buildings, with effect from the 1<sup>st</sup> July 2006.

The programme assists in obtaining two types of aid:

- Interest-rate subsidies.
- Cost-subsidised guarantees for the repayment of loans.

The receiver of the aid may be natural or a legal entity who owns or jointly owns a flat or a non-residential space in a panel house, regardless of whether or not any community of owners is operative in the building.

Support can be obtained for any type of bank loan (the original restrictions against mortgage loans and building savings loans have been cancelled). Loans in foreign currencies can also receive support.

The subject of repairs – sufficient is the stabilisation of static disorder and/or improvement to the thermal properties of the building, if necessary.

Limit of the supported amount of the loan is 5,500 CZK per m<sup>2</sup> of the floor space in dwellings in the house to be repaired.

Loan to cover part of the costs associated with the construction or acquisition of a dwelling by certain people aged under 36 year, provided by the State Housing Development Fund in accordance with the Government Decree No. 616/2004 Coll.

This loan amounting to more than 300 thousand CZK at an interest rate of 2% can be granted to applicants, who are married, of whom at least one spouse is not older than 36, or are not married and are not older than 36 in the year of filing the application and take permanent care of at least one underage child. This can also be combined with a mortgage loan and a loan from a Building Society; its maturity is 20 years with a grace period of 10 years on the principal. On the 2<sup>nd</sup> August 2006, the government adopted an amendment to Government Decree No. 616/2004 Coll., which will also allow the granting of this loan for the repayment of capital to housing cooperatives, provided that the borrower shall, by repayment of the capital gain the lease rights for a co-op dwelling.

State financial support for mortgage lending for housing in accordance with Government Decree 244/1995 Coll. was cancelled with effect from 1<sup>st</sup> February 2004 – the legal relationships arising in accordance with the above-mentioned Government Decree during its period of validity (before the coming into force of the cancellation Government Decree No. 33/2004 Coll.) as well as the rights and obligations arising from them shall be governed by the existing legislation.

Allowances for mortgage loans for persons under 36 years of age

Government Decree No. 249/2002 Coll., On terms for allowances for mortgage loans to persons of under 36 years of age, defines the conditions for granting allowances for mortgage loans to persons under 36 years of age from the state budget for the acquisition of older housing.

The applicant (beneficiary or acquirer) may only be a natural person of under 36 years of age who is not an owner or co-owner of an apartment building, family house or dwelling unit, except for property that was purchased with a mortgage loan, for which allowances can be requested. A beneficiary may not acquire the entitlement for the allowances based on this regulation repeatedly.

The allowance is provided for a period of up to 10 years for the repayments of a mortgage loan granted for the purchase of a flat or a family house with one flat, including land, that is at least two years old or its relevant areas which are purchased together with the flat or family house with one flat in the territory of the Czech Republic for exclusive ownership or ownership based on the community property of spouses, which must last throughout the utilisation of the allowance including permanent residence. Change of ownership can occur only in the event of the transfer of the ownership to another natural person.

Allowances are provided for a loan or for a part of it for the purchase of a dwelling up to the amount of CZK 800,000, or for buying a family house with one dwelling unit up to the amount of CZK 1.5 million.

The amount of allowances is always valid for the duration of the interest rate stipulated by the mortgage bank in the Credit Agreement up to a maximum of five years and it is always adjusted as of the 1st February of the relevant calendar year, depending on the actual average market interest rate of a mortgage loan. If these rates range above 8% per annum, then the allowance is equal to 4 percentage points; in the interval of 8-7% it is equal to 3 percentage points; in the interval of 7-6% to 2 percentage points and in the interval of 6-5% to only 1 percentage point. In the event of a decrease in market interest rates below 5%, this allowance is not provided. As of the 1<sup>st</sup> February 2009 the allowance provided was at the level of 1%.

Allowances in accordance with this Decree shall not be eligible for buying a dwelling or a family house with one apartment, for which support is provided in accordance with a special law on the promotion of mortgage loans for housing construction.

In the Czech Republic over a dozen subjects that currently operate in the mortgage market have obtained the authorisation to operate as mortgage banks. The main mortgage lenders, in addition to Raiffeisenbank a.s., are Komerční Banka, a.s., Česká spořitelna, a.s., Československá obchodní Banka, a.s., UniCredit Bank Czech Republic, a.s., Hypoteční Banka a.s., GE Money Bank, a.s., LBBW Bank CZ a.s., Wüstenrot hypoteční Banka, a.s.

### **13.7. The Business Strategy of Raiffeisenbank a. s.**

The anticipated economic growth in the Czech Republic in the medium term, after overcoming the consequences of the current economic crisis, including the expected growth in funding housing needs, together with subjective factors such as the reorganisation and transformation of the loan portfolio, provide strong preconditions for the successful implementation of the business activities of Raiffeisenbank a.s. in the field of mortgage banking.

Raiffeisen's strategy is to provide mortgage loans within a complete portfolio of products.

### **13.8. Types of Loans and other Products Provided**

The purpose of the mortgage loans provided by Raiffeisenbank a.s. is (i) the construction or purchase of the property, (ii) purchase of the interests in the property, (iii) the reconstruction, modernisation and repairs of the property and (iv) the settlement of the loan or credit used for the investment in the property.

Properties, for which Raiffeisenbank a.s. provides mortgage loans, are especially family houses, apartment buildings, dwelling units and building plots. Investments in properties of a production character or premises for the provision of services are provided in the segment of natural persons only in exceptional cases.

The basic mortgage, out of the range of mortgages from which the bank's clients can choose, is the Klasik loan. In the case of this loan the distribution ratio of the loan amount and the annuity payments are optimised. The loan is provided for up to 90% of the collateral value of the properties by which it is secured (included in the coverage of mortgage bonds is only the portion up to 70%). As in case of other mortgage products, clients can choose a fixed interest rate for 1 to 7, 10 or 15 years with a loan maturity of 5-30 years.

The Profit mortgage loan was developed for those clients who are interested in investing in properties as a source of rent and thereby securing a steady income for the future, which is not so dependent on the working activity of the owner.

The Univerzál American Mortgage is a loan for which the purpose of the loan is neither documented nor monitored. The loan maturity is 20 years; the loan is provided for up to 65% of the collateral value of the pledged property. Applicable to this loan is that each owner of the mortgaged property must simultaneously also become a debtor in the credit agreement.

For the EQUI loan the applicants does not document his income in the standard form, but its level is declared in the form of an affidavit. The loan is provided for up to 50% of the collateral value of the pledged property; its maturity is a maximum of 20 years.

In addition, Raiffeisen administers the agenda of clients who meet the requirements of Government Decree No. 244/1995 Sb. and receive state financial support for the interest on a loan. This aid may be paid for a maximum of 20 years. Since 2002, an allowance for the interest on a mortgage loan for purchasing an older property was assigned for the support young people of up to 36 years of age in accordance with the Government Decree No 249/2002 Coll.

A unique feature in the product portfolio of Raiffeisenbank a.s. is the Variable Mortgage - the client has available a credit limit for an agreed period, the payment and drawdown of which he regulates in accordance with his own options and needs. The Variable Mortgage was awarded two Bronze crowns in the competition for financial products in 2008, in 2009 its purpose-bound variant was awarded the Golden Crown as the best product in the mortgage category, and in 2010 the product was awarded the Silver Crown.

Now Raiffeisenbank offers customers the option of offsetting their savings against the unpaid principal of their mortgage. The Klasik Offset Mortgage thus allows clients to considerably reduce mortgage interest costs.

One of the tools for underpinning the expected development of the secondary mortgage market is the Minimax mortgage loan, intended for the consolidation of the client's debts and improvement of his/her cash flow.

Other products are being prepared by the Department of Project Financing, in which Raiffeisenbank, a.s. is creating models for the financing of public construction projects, in particular residential multi-functional housing complexes and promoting its credit exposure by their implementation. This product is primarily intended for large investors, such as housing associations or municipalities. Aspects of this project financing are also (i) development of an optimal model of financing and (ii) financing the construction phase, including the utilities and related amenities, with the most effective combination of own funds of individual investors, loans and state funding.

### **13.9. Lending Business Rules**

Raiffeisenbank a.s. has a set of rules that governs the policy of credit exposure and the activities of individual departments in the Bank's management. At the same time procedures have been approved at Raiffeisenbank a.s., which determine the implementation of the individual operations throughout the entire lending process. Credit approval is separated from the actual trading activities in order to reduce credit risk.

### **13.10. Credit Management**

The philosophy of Raiffeisenbank a.s. in the area of loans is to grant a loan on the basis of the demonstrable ability of the borrower to generate a strong cash flow through his activities, sufficient to repay the debt regardless of whether this is a mortgage or another type of loan.

If the loan applicant is a natural person, Raiffeisenbank a.s. evaluates the level and structure of his revenue, and/or the income of any other co-applicants - family members and their spending, including future spending to repay loans or on Life insurance.

Raiffeisenbank a.s. also evaluates the client, if he is a natural person, in terms of personal risk factors, based on age and the occupation performed. This can have the effect of a potential restriction of the terms of the credit engagement.

The CDD process, in the case of a business entity, includes an in-depth examination of the ownership structure, also including any significant relationships of the relevant client with a focus on the groups that are economically related to

the company, evaluation of the client's status in the relevant sector (the principle competitors, the latest developments, etc.). Particular attention is paid to off-balance records (not just to off-balance liabilities, but also checking for any liabilities that might result in the client's obligation to pay, deliver, or purchase, that could seriously impair the client's financial position), cash flow and other relevant issues.

Generally speaking, the goal of the credit assessment process is to prepare a true picture of the client's status; this analysis attempts to uncover any known significantly negative factors within the company that could lead the company into serious financial distress.

In the organisational structure of Raiffeisenbank a.s. trading activity is strictly separated from the approving authorities for the process of lending, as also is the risk monitoring process of Raiffeisenbank a.s.

### **13.11. Securing of Loans**

Raiffeisenbank a.s. ensures its claims under the mortgage loans from a lien on the property, which must meet the requirements defined by the law. As the subject of a pledge Raiffeisenbank a.s. accepts land, buildings approved for use, but also those under construction, flats and commercial spaces. In the case of buildings, both completed (approved for use), and unfinished buildings with access from public roads provided; buildings can be located on the land of a pledger or of a third party. A lien against a building on extraneous land might be accepted by Raiffeisenbank a.s. but only if there a land easement for building on the extraneous land, a loan contract, a lease contract for at least the duration of the loan relationship, or if the client submits an agreement for a future contract for the relevant land containing conditions for sale of land that are satisfactory for Raiffeisenbank a.s.

Raiffeisenbank a.s. adopts as collateral properties that are valued in accordance with its own methodology. If a mortgage loan is on the borderline of being an acceptable risk, Raiffeisenbank a.s. usually requires additional securing of the debt. An arbitration clause is a standard aspect of loan agreements, the application of which can accelerate the settlement of any risky debts.

### **13.12. Appraisal of Properties**

In accordance with the legislation the mortgage bank defines the lien value of the property, which is the subject of the collateral. The lien value for mortgage bonds and bank lending at the open market value after supervision of the appraisal.

Raiffeisenbank a.s. developed its own methodology for the appraisal of this value and has established an organisational unit whose job it is to methodically guide the external appraisers and departments dealing with lending activity within Raiffeisen.

Raiffeisenbank a.s. understands the open market value as the price that would be obtained when selling the same or similar properties, specifically in accordance with their status and location, as of the valuation date.

The appraisal of the open market value is mostly submitted to Raiffeisen by external collaborators - appraisers who follow the methodology of Raiffeisen. Prior to making the appraisal, the appraiser is required to collect all the necessary documents relating to the properties, including photographs, and to carry out a local inspection in situ.

For the valuation usually Raiffeisen methodology is used, based on the fundamental principles of a market valuation of real estate that is in line with recognised international standards. An estimation of the open market value is generally based on the instrumental values of other properties, i.e. material, yield and correlation, and in particular on local knowledge, market conditions, the status and utilisation of the evaluated property. Within this methodology the current open market value is defined and the "future value" (after the completion of unfinished work) or the "minimal value" (after demolition or dismantling prior to the reconstruction). For the valuation the principle of prudence is applied in evaluating the available information.

### **13.13. Contractual Arrangements of the Loan Relationship**

Conditions for granting, utilisation and repayment of the loan are regulated between Raiffeisen and the clients through a Loan Contract. An essential precondition for the utilisation of the loan is the creation or application for registration of a lien on the property, insurance of the property and the indemnity of immobilisation. A loan for construction, reconstruction, modernisation or repair is usually utilised gradually, depending on the progress of the work and increase in the value of the collateral; loans for purchase, refund of a previously granted credit or settlement of the ownerships of the property are typically utilised in a single lump-sum.

The interest rate in the contract for provision of the mortgage loan is agreed as fixed, with a set duration, which, in accordance with the client's choice, can be established for one year, three years, five, ten or fifteen years. Before the expiration of this stipulated period Raiffeisen will notify the client about a new interest rate (based on price developments in the financial markets). If the client does not agree with the change in the interest rate, the loan becomes due on the date of the expiration of the current interest period, unless the parties agree otherwise. The client is obliged to repay the mortgage loan provided in the form of monthly annuity payments. For selected products (e.g. mortgages combined with life insurance) a different payment model can be utilised, e.g. monthly payment of interest and repayment of principal at the end of the agreed maturity. Raiffeisen has the right to collect payments from a client's current account, which is established for this purpose.

The client is entitled to early repayment of the loan; however in this case Raiffeisenbank a.s. can require a charge from him for early repayment, in the amount defined in the tariffs of Raiffeisenbank a.s. This does not apply in the event of early repayment on the date of the termination of the interest rate, in the event of the so-called turbo variant and in the event of early repayment of a consumer loan where Raiffeisenbank a.s. is only entitled to compensation of the cost of early repayment up to the limit pursuant to Act No. 145/2010 of Coll., on consumer loans.

Raiffeisenbank a.s., in accordance with the contract for the mortgage loan, may charge the client, in addition to the interest on the loan, also the interest on arrears, until the interest rate stipulated in the loan contract increased by an amount in accordance with the applicable tariff; in accordance with the loan contract Raiffeisenbank a.s. may take additional measures to protect its interests, especially to restrict or terminate the utilisation of the loan, increase the interest rate on the loan or require its early repayment.

### **13.14. State Aid**

Raiffeisenbank a.s., on 6<sup>th</sup> December 2002, concluded with the Ministry of Regional Development a Contract for securing the provision of state financial support for mortgage lending for housing and allowances for mortgage loans to persons under 36 years, in addition to measures for the control of compliance with the terms of this support and these allowances. This contract follows from a previous contractual arrangements and defines the updated process conditions of Raiffeisen, its clients and government bodies in making claims and examining the conditions for the disbursement of the state aid.

### **13.15. Covering the Claims under the Bonds**

#### **13.15.1. Management of the Covering of the Bond Issue**

In accordance with Act No. 190/2004 Coll., On Bonds, Raiffeisen maintains a separate record concerning the coverage of the nominal value of the Bonds and their relative yields. To this effect, Raiffeisen adopted an internal regulation which governs the work procedures and the competences of individual departments in this area.

In managing the coverage Raiffeisenbank a.s. starts from the statutory requirement of covering the Bonds through the presence of two blocks, namely a block of mortgage debt on the one hand, and a block of the claims under the Bonds (principal and accrued interest) on the other hand; Raiffeisen can, for the purposes of the coverage, compare the subsets of these basic blocks, consisting of claims under the Bond Issues with the corresponding receivables from mortgage loans intended for covering the Bond Issues.

Raiffeisen through its expert department continuously monitors and analyses the real estate market in the Czech Republic and development in property prices. The current market situation is immediately reflected in the supervision of the Real Estate that is carried out. At the same time the security coefficients are applied when approving a loan, which, according to the type of the property, also take into account a possible drop in prices over the long term. If, on the

basis of a revaluation, caused either by a possible drop in prices or by, e.g., damage to the property as a result of natural disasters (flood, fire, etc.) the open market value of the mortgaged property will decrease below the threshold needed for covering the mortgage bonds, Raiffeisen excludes such a loan claim from coverage.

In the context of management of coverage Raiffeisen has defined limits that can be altered only by the Asset-liability Committee (ALCO) based on analysis conducted by the department of the administration of mortgage bonds. Limited too, for example, is also the amount of the assets intended for the substitute coverage or for the volumes of the mortgage loans covered by sources other than the mortgage bonds.

In the case of any discrepancy between the status of the portfolio of mortgage bonds, and the portfolio of receivables from mortgage loans intended for coverage, Raiffeisen has the option to use the statutory substitute coverage in a total amount of up to 10% of the nominal value. In the event that such a situation should occur, Raiffeisen will use its assets portfolio for the substitute coverage. Raiffeisen, in accordance with statutory provisions, generates continuously in its information system the current status of the block receivables from the mortgage loans intended for the regular coverage of the mortgage bonds. On the basis of these data a working report is processed, in which is recorded the regular coverage of the mortgage bonds, including any mismatch of blocks. The relevant department of Raiffeisen carries out continuous monitoring of the coverage. According to the results of this monitoring Raiffeisen proceeds to individual measures to remedy any negative situation, as necessary. The ALCO Committee decides about individual steps leading to an increase in the scale of the substitute coverage (within the legal limit) or alternatively to the repurchase of the mortgage bonds.

### 13.15.2 Summary of Covering the Claims from Mortgage Loans and the Issuance of Mortgage Bonds

The following tables 22 to 26 provide the detailed structure and breakdown of the mortgage loans utilised to cover the claims under the mortgage bonds issued. Unless otherwise indicated, the data on mortgage loans valid in accordance with the Act for covering the claims under the bonds in the following tables are valid as of the 30<sup>th</sup> June 2011.

**Table 22** Breakdown of loans according to the debtor's legal status

<b>Breakdown of loans according to the debtor's legal status</b>				
	<b>Number</b>		<b>Amount</b>	
	Loans	of total in %	Loans	of total in %
PHYSICAL ENTITIES	20 160	99.26	38 020 874 077.36	94.78
LEGAL ENTITIES				
Commercial companies	100	0.49	1 666 580 898.96	4.15
Housing associations	41	0.20	377 259 466.10	0.94
Municipalities	9	0.04	49 132 475.30	0.12
<b>Total</b>	<b>20 310</b>	<b>100.00</b>	<b>40 113 846 917.72</b>	<b>100.00</b>

**Table 23** Breakdown of loans according to the time period until the maturity of the loan

<b>Breakdown of loans according to the time period until the maturity of the loan</b>				
	<b>Number</b>		<b>Amount</b>	
	Loans	of total in %	Loans	of total in %
less than 5 years	166	0.82	192 641 288.72	0.48
5 - 10 years	1 510	7.43	2 314 843 413.95	5.77
10 - 15 years	2 670	13.15	4 734 106 983.54	11.80
over 15 years	15 964	78.60	32 872 255 231.51	81.95
<b>Total</b>	<b>20 310</b>	<b>100.00</b>	<b>40 113 846 917.72</b>	<b>100.00</b>

**Table 24** Breakdown of loans according to the sum of the principal

<b>Breakdown of loans according to the sum of the principal</b>	
<b>Number</b>	<b>Amount</b>

	Loans	of total in %	Loans	of total in %
less than 500 (thousand CZK)	3 115	15.34	1 203 271 937.24	3.00
500 – 1,000 (thousand CZK)	5 579	27.47	4 393 877 705.23	10.95
1,000-2,000 (thousand CZK)	5 871	28.91	8 781 951 082.18	21.89
2,000-3,000 (thousand CZK)	2 785	13.71	7 020 021 295.22	17.50
3,000-4,000 (thousand CZK)	1 305	6.43	4 615 183 334.38	11.51
4,000-5,000 (thousand CZK)	708	3.49	3 233 444 835.64	8.06
5,000-10,000 (thousand CZK)	781	3.85	5 261 329 185.38	13.12
10,000-15,000 (thousand CZK)	83	0.41	1 042 359 810.31	2.60
15,000 and more (thousand CZK)	83	0.41	4 562 407 732.14	11.37
<b>Total</b>	<b>20 310</b>	<b>100.00</b>	<b>40 113 846 917.72</b>	<b>100.00</b>

**Table 25** Breakdown of loans according to their interest rates

<b>Breakdown of loans according to the interest rate</b>				
	<b>Number</b>		<b>Amount</b>	
	Loans	of total in %	Loans	of total in %
less than 4.00 %	447	2.20	4 089 052 803.37	10.19
4.01-5.00 %	4 319	21.27	10 206 383 890.03	25.44
5.01-6.00 %	7 477	36.81	15 460 084 611.67	38.54
6.01-7.00 %	4 172	20.54	5 847 524 499.73	14.58
7.01-8.00 %	1 409	6.94	1 771 498 519.69	4.42
8.01-9.00 %	1 378	6.78	1 428 697 839.10	3.56
9.01-10.00 %	1 108	5.46	1 310 604 754.13	3.27
<b>Total</b>	<b>20 310</b>	<b>100.00</b>	<b>40 113 846 917.72</b>	<b>100.00</b>

**Table 26** Breakdown of loans according to the ratio loans / open market value

<b>Breakdown of loans according to the ratio loans / open market value</b>				
	<b>Number</b>		<b>Amount</b>	
	Loans	of total in %	Loans	of total in %
less than 10 %	377	1.86	507 534 714.45	1.27
10-20 %	1 080	5.32	2 701 250 598.94	6.73
20-30 %	1 500	7.39	1 664 529 747.73	4.15
30-40 %	1 914	9.42	2 774 718 728.81	6.92
40-50 %	2 776	13.67	4 696 638 323.70	11.71
50-60 %	2 533	12.47	4 518 375 574.59	11.26
60-70 %	3 287	16.18	6 783 199 183.04	16.91
70-80 %	2 816	13.87	6 394 261 500.94	15.94
80-90 %	3 275	16.13	8 150 000 662.37	20.32
over 90 %	752	3.70	1 923 337 883.15	4.79
<b>Total</b>	<b>20 310</b>	<b>100.00</b>	<b>40 113 846 917.72</b>	<b>100.00</b>

### 13.15.3. Listing of Issued and Outstanding Mortgage Bonds

The following Table 27 lists information concerning outstanding mortgage bonds issued by Raiffeisenbank a.s. The data are valid as of the date of the compilation of this General Prospectus.

**Table 27** Information concerning outstanding mortgage bonds issued by Raiffeisenbank a.s. denominated in Czech crowns

Name of the mortgage bond issue	ISIN	Sum of issue (billion CZK)	Interest yield (% p.a.)	Issuance date	Date of the maturity of the bonds
Mortgage bond Raiffeisenbank a.s. 4,40/11	CZ0002000888	1.800	4.40	4. 10. 2006	4. 10. 2011
Mortgage bond Raiffeisenbank a.s. 4,80/12	CZ0002000946	1.300	4.80	16. 2. 2007	16. 2. 2012
Mortgage bond Raiffeisenbank a.s. 5,00/12	CZ0002001175	2.000	4.80	12. 9. 2007	12. 9. 2012
Mortgage bond Raiffeisenbank a.s. 4,90/12	CZ0002001662	3.000	4.90	12. 12. 2007	12. 12. 2012
Mortgage bond Raiffeisenbank a.s. 5,10/17	CZ0002001670	5.500	5.10	12. 12. 2007	12. 12. 2012
Mortgage bond Raiffeisenbank a.s. 5,50/17	CZ0002001928	2.000	5.50	20. 12. 2007	20. 12. 2012
Mortgage bond eBanka, a.s. 5,30/14	CZ0002001316	0.500	5.30	14. 11. 2007	14. 11. 2014
Mortgage bond eBanka, a.s. 6,00/17	CZ0002001696	0.500	6.00	12. 12. 2007	12. 12. 2017
Mortgage bond eBanka, a.s. VAR/22	CZ0002001704	1.00	VAR	12. 12. 2007	12. 12. 2022
Mortgage bond Raiffeisenbank a.s. 4,30/13	CZ0002002058	3.00	4.30	26.11.2008	26. 11. 2013
Mortgage bond Raiffeisenbank a.s. 4,45/11	CZ0002002066	2.00	4.45	10.12.2008	10. 12. 2011
Mortgage bond GARANTINVEST IX 3,00/12	CZ0002002074	0.250	3.00	12. 1. 2009	12. 1. 2012
Mortgage bond GARANTINVEST X 3,00/12	CZ0002002108	0.250	3.00	28. 8. 2009	28. 8. 2012
Mortgage bond GARANTINVEST XI 3,00/12	CZ0002002140	0.250	3.00	14. 10. 2009	14. 11. 2012
Mortgage bond Raiffeisenbank a.s. VAR/13	CZ0002002249	1.00	VAR	16. 11. 2010	16. 11. 2013
Mortgage bond GARANTINVEST XV 2,80/14	CZ0002002272	0.25	2.80	19. 1. 2011	19. 1. 2014
Mortgage bond GARANTINVEST XVI 2,80/14	CZ0002002280	1.00	2.80	9. 2. 2011	9. 2. 2014
Mortgage bond GARANTINVEST XVII 3,30/16	CZ0002002314	0.50	3.30	4. 5. 2011	4. 5. 2016
Mortgage bond GARANTINVEST XVIII 2,80/14	CZ0002002371	2.00	2.80	27. 7. 2011	27. 7. 2014
Mortgage bond GARANTINVEST XIX 3,20/16	CZ0002002363	0.50	3.20	27. 7. 2011	27. 7. 2016

## 14. RECOVERY OF CIVIL LIABILITIES TO THE ISSUER

The information contained in this chapter is presented solely as general information for the characterisation of the legal situation, and was obtained from publicly available documents. Prospective purchasers of any Bonds issued under this Bond Issue should not rely solely on the information contained herein, and they are advised to discuss with their legal advisers the issue of the recovery of private liabilities to the issuer in each respective country.

Raiffeisenbank a.s. did not consent to the jurisdiction of foreign courts in connection with any judicial process initiated on the basis of a purchase, nor has it appointed any representative for proceedings in any state. Consequently, it may be impossible for a purchaser of the Bonds to bring an action or to initiate any proceedings against Raiffeisenbank a.s. in a foreign country or to require any ruling against Raiffeisenbank a.s. in foreign courts or the implementation of judicial decisions issued by such courts, based on the provisions of foreign law.

Recognition and enforcement of judicial decisions is governed within the EU, inter alia in the Czech Republic, by the directly applicable Council Regulation (EC) No. 44/2001 of 22nd December 2000, On jurisdiction and recognition and enforcement of judicial decisions in civil and commercial matters. In cases in which the Czech Republic has concluded an international treaty with a certain state on the recognition and enforcement of judicial decisions, the enforcement of judicial decisions of such a state is carried out in accordance with the provisions of the relevant international treaty. In the case of the absence of such agreements, the decisions of foreign courts may be recognised and enforced in the Czech Republic under the conditions set forth by Act No. 97/1963 Coll., On international private and procedural law, as amended. In accordance with this Act, the decisions of the judicial bodies of foreign states in the matters referred to in Section 1 of the above-mentioned Act on International Private and Procedural Law, foreign court settlements, and foreign notarial documents (collectively referred to as "foreign decisions") shall not be recognised and enforced, if (i) a decided case falls within the exclusive prerogative of the Czech Republic or if the proceeding could not be conducted by any authority of a foreign state, if the provisions concerning the jurisdiction of the Czech Republic shall be used for the assessment of the competence of a foreign body; or (ii) a final decision has been issued by the Czech authority concerning the same legal relationship or the final decision of an authority of a third country was accepted in the Czech Republic; or (iii) the right to properly participate in the proceedings was withdrawn from the party against whom the decision was made in the proceedings of the foreign authority, especially if s/he was not properly summoned for the purpose of the proceedings; or (iv) recognition of foreign decisions would be contrary to the public policy of the Czech Republic; or (v) reciprocal recognition and enforcement of the decision is not guaranteed (mutuality is not required if the foreign decision is not directed against a citizen of the Czech Republic or a legal entity residing in the Czech Republic), or (vi) the relevant foreign authority did not confirm that the decision of the foreign authority had become effective; or (vii) the decision of a foreign authority was not super-legalised by the Czech Ministry of Justice or apostilled in accordance with the Convention Abolishing the Requirement of Legislation for Foreign Public Documents concluded on the 5th October 1966 in the Hague. The Czech Ministry of Justice may, after consultation with the Ministry of Foreign Affairs and other appropriate ministries, make a declaration of reciprocity in regard to a foreign state. Such a declaration is binding for the courts of the Czech Republic and for other government bodies. If the statement of reciprocity is not issued in relation to a specific country that does not automatically mean that there is no reciprocity. Recognition of reciprocity in such cases will depend on the factual situation regarding the recognition of decisions by the Czech Republic in the relevant country.

The Courts of the Czech Republic however would not meritoriously entertain a claim made in the Czech Republic on the basis of any violation of public law on the part of Raiffeisenbank a.s. in any state other than the Czech Republic, in particular any claim for the breach of any foreign law relating to the issuance and offering of securities.

## 15. LIST OF REFERENCED INFORMATION

- **Annual Report of Raiffeisenbank a.s. for the year 2009**

- released at [www.rb.cz / Infoservice / About Bank / Annual Reports/2009 Annual Report](http://www.rb.cz/Infoservice/AboutBank/AnnualReports/2009AnnualReport);

Annual Report of Raiffeisenbank a.s. for the year 2009 includes:

- Auditor's Report on Raiffeisenbank a.s. for the year 2009 (see Financial Section, Pages 28-29);
- Unconsolidated Financial Statements for the financial period ending 31<sup>st</sup> December 2009 (see Financial Section, Pages 30-91);
- Consolidated Financial Statements for the financial period ending 31<sup>st</sup> December 2009 (see Financial Section, Pages 92-163).

- **Annual Report of Raiffeisenbank a.s. for the year 2010**

- released at [www.rb.cz / Infoservice / About Bank / Annual Reports/2010 Annual Report](http://www.rb.cz/Infoservice/AboutBank/AnnualReports/2010AnnualReport);

Annual Report of Raiffeisenbank a.s. for the year 2010 includes:

- Auditor's Report on Raiffeisenbank a.s. for the year 2010 to the Unconsolidated and Consolidated Financial Statements for the financial period ending 31<sup>st</sup> December 2010 (see Financial section, Pages 28-29);
- Unconsolidated Financial Statement for the financial period ending 31<sup>st</sup> December 2010 (see Financial section, Pages 30-89);
- Consolidated Financial Statement for the financial period ending 31<sup>st</sup> December 2010 (see Financial section, Pages 90-156).

- **Semi-annual Report of Raiffeisenbank a.s. for the first half of 2011**

- released at [www.rb.cz / Infoservice / About Bank / Semi-annual Reports/2011 Semi-annual Report](http://www.rb.cz/Infoservice/AboutBank/Semi-annualReports/2011Semi-annualReport);

Semi-annual Report of Raiffeisenbank a.s. for the first half of 2011 includes:

- Consolidated Interim Financial Statement for the financial period ending 30<sup>th</sup> June 2011 (see Pages 4-17)

## 16. FINANCIAL INFORMATION CONCERNING THE ISSUER

The following section shows:

- Interim unaudited and consolidated financial data of Raiffeisenbank a.s. as of the 31<sup>st</sup> March 2011
- Interim unaudited and consolidated financial data of Raiffeisenbank a.s. as of the 30<sup>th</sup> June 2011 containing consolidated reports of the financial situation and consolidated reports on the total profit (loss) for the said time periods, including comparable time periods. The full version of the interim financial statement for the first half of 2011 is included in the General Prospectus by reference (see Chapter 15 "*LIST OF REFERENCED INFORMATION*").

**Interim consolidated and unaudited financial data of Raiffeisenbank a.s.  
as of 31<sup>st</sup> March 2011**

## Consolidated financial results of Raiffeisenbank a.s. as of 31<sup>st</sup> March 2011

### Consolidated report of the financial situation

Table 28 below presents the consolidated report on the financial situation of Raiffeisenbank a.s. as of 31<sup>st</sup> March 2011 and 31<sup>st</sup> December 2010. All figures are given in thousands of CZK. Data were prepared according to the International Financial Reporting Standards adopted by the EU. Data as of 31<sup>st</sup> March 2011 are not audited.

**Table 28** Consolidated report of the financial situation as of 31<sup>st</sup> March 2011 and 31<sup>st</sup> December 2010.

(thou. CZK)

<b>Balance Sheet</b>	<b>31. 3. 2011</b>	<b>31. 12. 2010</b>
<b>Assets in total</b>		
Cash and deposits in central banks	8 293 958	3 444 727
Receivables from banks	4 429 452	6 805 895
Loans and receivables from clients	160 756 970	155 931 680
Adjustments to loans and receivables from clients	-6 002 253	-5 736 235
Positive fair value of financial derivatives	768 516	1 056 603
Securities held to maturity	14 564 930	14 483 575
Securities valued at fair value against expenses or revenues	8 128 479	8 762 652
Securities for sale	535 816	535 983
Ownership interests in subsidiary, associated and jointly controlled companies	4 083	54 526
Fixed intangible assets	1 670 680	1 561 736
Fixed tangible assets	1 378 708	1 311 923
Deferred tax receivable	91 632	220 842
Other assets	2 982 419	1 521 509
<b>TOTAL ASSETS</b>	<b>197 603 390</b>	<b>189 955 416</b>
<b>Liabilities and Equity</b>		
Payables to banks	23 797 952	24 476 526
Payables to clients	126 284 522	126 010 052
Negative fair value of financial derivatives	1 672 733	1 652 219
Issued debt securities	19 023 120	16 263 756
Income tax payable	0	257 287
Deferred tax payable	22 603	18 495
Reserves	895 319	307 459
Subordinated loan	6 321 086	3 968 706
Other payables	6 748 317	2 932 213
<b>TOTAL LIABILITIES</b>	<b>184 765 652</b>	<b>175 886 713</b>
<b>Equity</b>		
Registered capital	6 564 000	6 564 000
Legal reserve fund	348 745	348 745
Revaluation difference	188 292	186 412
Retained profit	5 129 510	5 166 661
Profit for accounting period	607 190	1 802 885
Total equity	<b>12 837 738</b>	<b>14 068 703</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>197 603 390</b>	<b>189 955 416</b>

## Consolidated Profit/Loss Account

Table 29 below presents the consolidated profit/loss account of Raiffeisenbank a.s. as of 31<sup>st</sup> March 2011 and 31<sup>st</sup> March 2010. Data were prepared according to the International Financial Reporting Standards adopted by the EU. Figures are not audited and are given in thousands of CZK.

**Table 29** Consolidated Profit/Loss Account of Raiffeisenbank a.s. as of 31<sup>st</sup> March 2011 and 31<sup>st</sup> March 2010

<b>Profit/Loss Account</b>	<b>31. 3. 2011</b>	<b>31. 3. 2010</b>
Interest income and similar income	2 304 927	2 267 442
Interest expense and similar expenses	-530 486	-568 000
<b>Net interest income</b>	<b>1 774 442</b>	<b>1 699 442</b>
Change in reserves and adjustments to credit risks	-431 516	-600 287
<b>Net interest income after reserves and adjustment to credit risks</b>	<b>1 342 926</b>	<b>1 099 155</b>
<b>Net income from fees and commissions</b>	<b>641 785</b>	<b>578 921</b>
Net profit from financial transactions	257 097	138 881
Dividend income	3 672	574
Other operating revenues	37 912	116 764
General operating expenses	-1 509 615	-1 362 224
<b>Profit before income tax</b>	<b>773 777</b>	<b>572 071</b>
Income tax	-166 587	-137 792
<b>Net profit for accounting period for bank's shareholders</b>	<b>607 190</b>	<b>434 278</b>
<b>Other total profit( loss)</b>		
Profit (loss) from revaluation of sold securities	102	446
Tax on profit from other total profit (loss) components	0	0
<b>TOTAL PROFIT (LOSS) FOR ACCOUNTING PERIOD</b>	<b>607 292</b>	<b>434 724</b>

**Interim unconsolidated and unaudited financial data of Raiffeisenbank a.s.  
as of 30<sup>th</sup> June 2011**

## Consolidated report of the financial situation

Table 10 presents the consolidated report of the financial situation of Raiffeisenbank a.s. as of 30<sup>th</sup> June 2011 and 31<sup>st</sup> December 2010. All figures are given in thousands of CZK. Data were prepared according to the International Financial Reporting Standards adopted by the EU. Data as of 30<sup>th</sup> June 2011 are not audited.

**Table 10** Consolidated report of the financial situation of Raiffeisenbank a.s. as of 30<sup>th</sup> June 2011 and 31<sup>st</sup> December 2010

(thou CZK)

<b>BALANCE SHEET</b>	<b>30. 6. 2011</b>	<b>31. 12. 2010</b>
<b>Assets</b>		
Cash and deposits in central banks	6 487 998	3 444 727
Receivables from banks	12 624 126	6 805 895
Loans and receivables from clients	161 828 374	155 931 680
Adjustments to loans and receivables from clients	(6 191 089)	(5 736 235)
Positive fair value of financial derivatives	851 994	1 056 603
Securities held to maturity	14 499 177	14 483 575
Securities valuated at fair value against expenses or revenues	7 959 167	8 762 652
Securities for sale	536 498	535 983
Ownership interests in subsidiary, associated and jointly controlled companies	56 854	54 526
Fixed intangible assets	1 876 711	1 561 736
Fixed tangible assets	1 395 961	1 311 923
Deferred tax receivable	57 810	220 842
Other assets	1 814 581	1 521 509
<b>TOTAL ASSETS</b>	<b>203 798 162</b>	<b>189 955 416</b>
<b>Liabilities and Equity</b>		
Payables to banks	21 984 127	24 476 526
Payables to clients	135 649 142	126 010 052
Negative fair value of financial derivatives	1 707 094	1 652 219
Issued debt securities	17 553 035	16 263 756
Income tax payable	2 598	257 287
Deferred tax payable	20 869	18 495
Reserves	179 844	307 459
Subordinated loan	6 320 075	3 968 706
Other payables	5 089 964	2 932 213
<b>TOTAL LIABILITIES</b>	<b>188 506 748</b>	<b>175 886 713</b>
<b>Equity</b>		
Registered capital	7 511 000	6 564 000
Legal reserve fund	441 015	348 745
Revaluation difference	187 140	186 412
Retained profit	5 918 385	5 166 661
Profit for accounting period	1 233 874	1 802 885
Total equity	<b>15 291 414</b>	<b>14 068 703</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>203 798 162</b>	<b>189 955 416</b>

### Consolidated Profit/Loss Accounts as of 30<sup>th</sup> June 2011

Table 11 below presents the Consolidated profit/loss account of Raiffeisenbank a.s. as of 30<sup>th</sup> June 2011 and 30<sup>th</sup> June 2010. Data were prepared according to the International Financial Reporting Standards adopted by the EU. Figures are not audited and are given in thousands of CZK.

**Table 11** Consolidated Profit/Loss Account of Raiffeisenbank a.s. as of 30<sup>th</sup> June 2011 and 30<sup>th</sup> June 2010  
(thou CZK)

<b>PROFIT/LOSS ACCOUNT IN TOTAL</b>	<b>31. 6. 2011</b>	<b>31. 6. 2010</b>
Interest income and similar income	4 702 214	4 591 156
Interest expense and similar expenses	(1 169 386)	(1 092 484)
<b>Net interest income</b>	<b>3 532 828</b>	<b>3 498 672</b>
Change in reserves and adjustments to credit risks	(775 790)	(1 018 332)
<b>Net interest income after reserves and adjustment to credit risks</b>	<b>2 757 038</b>	<b>2 480 340</b>
Income from fees and commissions	1 358 735	1 204 225
Expenses from fees and commissions	(279 705)	(306 493)
<b>Net income from fees and commissions</b>	<b>1 079 030</b>	<b>897 732</b>
Net profit from financial transactions	463 497	57 505
Dividend income	30 624	33 805
Other operating revenues	71 210	167 097
General operating expenses	(2 833 863)	(2 445 574)
Operating profit	<b>1 567 536</b>	<b>1 190 905</b>
Share on revenues from associated companies	2 674	
<b>Profit before income tax</b>	<b>1 570 210</b>	<b>1 190 905</b>
Income tax	(336 337)	(259 786)
<b>Net profit for accounting period for bank's shareholders</b>	<b>1 233 873</b>	<b>931 119</b>
<b>Other total profit( loss)</b>		
Profit (loss) from revaluation of sold securities	899	1 092
Tax on profit from other total profit (loss) components	(171)	(207)
<b>TOTAL PROFIT (LOSS) FOR ACCOUNTING PERIOD</b>	<b>1 234 601</b>	<b>932 004</b>

**ISSUER**

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Prague 4

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