

SEMI-ANNUAL REPORT

2015



Raiffeisen
BANK

Client inspired banking

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Comments to the consolidated results of Raiffeisenbank group for the 1st half of 2015

Over the first six months of this year, the Czech economy evolved very well and the healthy environment also led to an increased demand for banking products, especially in terms of mortgages and consumer loans.

Raiffeisenbank's sales results for the first half of this year were excellent. In consumer loans, the bank topped its monthly sales record. In the first half of the year the bank sold nearly 4,000 mortgages worth 8 billion crowns in total. Loans for businesses and large corporate clients were rising as well.

Net consolidated profit for the period of the Group reached up the amount of CZK 1.495 billion against CZK 1.122 billion in first half of 2014. The increase in profits is caused mainly by business success of the Group, higher net interest income, and higher net profit from operations on financial market. On expense side, there is positive impact of lower net creation of provision for credit risks and lower operating expenses due to cost saving activities from previous years.

Net interest income of the Group reached CZK 3.206 billion against CZK 2.933 billion in 2014. Net income from fees and commissions decreased from CZK 1.010 billion to CZK 969 million. The net profit on financial operations increased from CZK 554 million to CZK 670 million. Due to cost saving initiatives, the Group managed to decrease its expenses. In first half of year 2015, there has been decrease in general administration expenses from CZK 2.609 billion to CZK 2.595 billion.

Total assets of the Group reached CZK 232.4 billion. Since beginning of the year, the total assets increased almost by CZK one billion. Volume of loans provided increased from CZK 174.5 billion to CZK 185.2 billion in first half of 2015.

Equity of the Group increased from CZK 23.721 billion since beginning of the year 2015 to CZK 23.960 billion as of 30 June 2015. Bank capital adequacy ratio reached 16.05% as of 30 June 2015.

The bank introduced various new products in the course of the first six months of 2015. Since February, Raiffeisenbank has been offering its new eKonto Flexi savings account, one of the market's best choices among savings accounts. Deposits held in the account are not subject to any notice period or other terms and conditions. The new savings accounts can be obtained free of charge with eKonto SMART or eKonto KOMPLET accounts.

In cooperation with UNIQA, an insurance company, Raiffeisenbank launched a new simple product tailored to fit the needs of small and medium-sized businesses. Since this June,

they can get a discounted insurance bundle with their business account, protecting them against the most frequent business risks.

Also, Raiffeisenbank introduced its new offer for parents this June. Clients taking their parental or maternal leave can get free eKonto SMART account maintenance, providing they will attain a monthly turnover of 5 thousand crowns, instead of the original 15 thousand crowns. The condition of three outgoing payments still applies, but so do all the account benefits including unlimited withdrawals from all ATMs in the Czech Republic or a preferential rate of 1.3% applied to savings accounts. Regarding the eKonto KOMPLET account, the limit of incoming payments, required for discounted account maintenance applicable to mothers and fathers on parental or maternal leave, is also lowered from CZK 15 thousand to CZK 5 thousand a month.

During the first half of 2015 Raiffeisenbank was working on a complete redesign of its website available at www.rb.cz. In addition to new graphics, the bank's website comes with a friendlier and easier structure and layout. Launched this April, the new website uses a responsive design to accommodate all users of desktop computers, as well as smartphones and tablets.

Furthermore, the bank develops its concept of professional advisory and long-term financial planning. This year, Raiffeisen investiční společnost (Raiffeisen investment management company) will continue to strengthen its market position and reveal new products; its recent products include, for example, the Raiffeisen optimal allocation fund, introduced in April. It is a mixed special fund pursuing a multi-asset strategy, which means that it is designed for investments in a wide range of investment instruments including commodity derivatives and foreign exchange in order to achieve best possible results.

This May, a panel of professionals of the Zlatá koruna (Golden Crown) competition awarded Raiffeisenbank for high quality of its products, as the bank secured four third places in the categories of New Product of the Year, Mortgages, Business Accounts, and Payment Cards.

In the second half of this year, Raiffeisenbank will continue to build up its position of a bank keeping a primary focus on affluent clients interested in high quality service, active management of their finance, and professional advisory. Also, cost awareness remains one of the bank's priorities.

To access the bank's semi-annual report, follow this link: <https://www.rb.cz/en/about-us/obligatory-published-information/annual-reports>

Raiffeisenbank a.s.

Interim Consolidated Financial Statements Prepared in Accordance with International Financial Reporting Standards as Adopted by the European Union for the Period Ended 30 June 2015.

Components of the Interim Consolidated Financial Statements:

- Interim Consolidated Statement of Comprehensive Income
- Interim Consolidated Statement of Financial Position
- Interim Consolidated Statement of Changes in Equity
- Interim Consolidated Cash Flow Statement

Interim Consolidated Statement of Comprehensive Income for the Period Ended 30 June 2015

CZK thousand	30. 6. 2015	30. 6. 2014
Interest income and similar income	3,357,114	3,315,518
Interest expense and similar expense	(151,097)	(382,154)
Net interest income	3,206,017	2,933,364
Change in provisions for credit risks	(545,675)	(598,334)
Net interest income after provisions for credit risks	2,660,342	2,335,030
Fee and commission income	1,337,785	1,341,845
Fee and commission expense	(369,271)	(331,324)
Net fee and commission income	968,514	1,010,521
Net profit on financial operations	669,808	554,118
Dividend income	30,000	36,000
General administrative expenses	(2,595,007)	(2,609,959)
Other operating income/(expenses), net	151,213	27,212
Operating profit	1,884,870	1,352,922
Share in income of associated undertakings	4,933	39,891
Profit/(loss) before income tax	1,889,803	1,392,813
Income tax	(394,970)	(270,241)
Net profit for the period attributable to:	1,494,833	1,122,572
- the parent company's shareholders	1,422,147	1,124,528
- non-controlling interests	72,686	(1,956)
Other comprehensive income		
Items that can be reclassified to income (or expenses) in the future:		
Gains / (losses) on available for sale securities	-	-
Gains/(losses) from revaluation of cashflow hedge reserve	(23,747)	-
Foreign exchange rate gains/(losses) from the translation of the financial statements denominated in foreign currencies	(1,947)	9,258
Tax on profit attributable to components of other comprehensive income	4,882	(1,759)
Total comprehensive income attributable to:	(20,812)	7,499
- the parent company's shareholders	(20,812)	7,499
- non-controlling interests	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD ATTRIBUTABLE TO:	1,474,021	1,130,071
- the parent company's shareholders	1,401,335	1,132,027
- non-controlling interests	72,686	(1,956)

Interim Consolidated Statement of Financial Position As of 30 June 2015

CZK thousand	30. 6. 2015	31. 12. 2014
ASSETS		
Cash and balances with central banks	6,320,940	4,265,943
Securities at fair value through profit or loss	4,271,397	6,904,538
Positive fair value of financial derivative transactions	3,280,448	4,218,289
Assets held for sale	32,629	-
Securities available for sale	517,005	517,011
Loans and advances to financial institutions	21,175,664	29,568,275
Loans and advances to customers	185,160,514	174,541,869
<i>of which: change in the fair value of hedged items</i>	-	(234)
Provisions for loans and advances	(6,615,189)	(6,669,688)
Fair value remeasurement of portfolio-remeasured items (loans and advances to customers)	167,158	387,011
Income tax receivable	3,311	1,427
Deferred tax asset	20,020	20,393
Securities held to maturity	12,467,594	12,420,499
Other assets	1,590,807	1,158,953
Equity investments in associates	54,834	49,901
Intangible fixed assets	1,750,402	1,794,918
Property and equipment	1,070,290	1,172,066
Investment property	1,164,582	1,117,427
TOTAL ASSETS	232,432,406	231,468,832
LIABILITIES AND SHAREHOLDERS' EQUITY		
Amounts owed to financial institutions	10,484,627	14,390,230
Amounts owed to customers	167,878,944	165,143,876
<i>of which: change in the fair value of hedged items</i>	187,086	225,631
Fair value remeasurement of portfolio-remeasured items (amounts owed to customers)	469,209	1,081,067
Negative fair value of financial derivative transactions	2,585,807	2,773,304
Deferred tax liability	134,381	109,440
Issued debt securities	18,847,086	16,802,321
<i>of which: change in the fair value of hedged items</i>	(33,258)	-
Provisions	729,846	541,326
Other liabilities	4,322,360	2,661,148
Subordinated liabilities and bonds	3,019,868	4,244,865
TOTAL LIABILITIES	208,472,128	207,747,577
SHAREHOLDERS' EQUITY		
Attributable to shareholders of the Group	23,449,582	23,174,895
Share capital	11,060,800	11,060,800
Reserve fund	693,918	693,908
Gains and losses from revaluation	166,069	186,881
Retained earnings	8,172,198	7,258,740
Other capital instruments	1,934,450	1,934,450
Profit for the year	1,422,147	2,040,116
Non-controlling interests	510,696	546,360
TOTAL SHAREHOLDERS' EQUITY	23,960,278	23,721,255
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	232,432,406	231,468,832

Interim Consolidated Statement of Changes in Equity For the Period Ended 30 June 2015

CZK thousand							Non-controlling interests	Total equity
Equity attributable to shareholders of the Group								
	Share capital	Reserve fund	Gains and losses from revaluation	Retained earnings	Other capital instruments	Profit for the period		
Balance at 1 Jan 2014	9,357,000	549,454	171,612	6,209,688	-	2,027,515	140,320	18,455,589
Share capital increase	868,400	-	-	-	-	-	-	868,400
Dividends	-	-	-	-	-	(868,400)	-	(868,400)
Net allocation to reserve funds	-	45,719	-	-	-	(45,719)	-	-
Allocation to retained earnings	-	-	-	102,397	-	(102,397)	-	-
Effect from the change in the scope of the consolidation	-	-	-	124,813	-	-	425,754	550,567
Net profit for the period	-	-	-	-	-	1,124,528	(1,956)	1,122,572
Other comprehensive income, net	-	-	7,499	-	-	-	-	7,499
Comprehensive income for the period	-	-	7,499	-	-	1,124,528	(1,956)	1,130,071
Balance at 30 June 2014	11,060,800	693,831	187,999	7,348,240	-	1,124,528	542,054	20,957,452

Balance at 1 Jan 2015	11,060,800	693,908	186,881	7,258,740	1,934,450	2,040,116	546,360	23,721,255
Share capital increase	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	(1,064,111)	-	(1,064,111)
Net allocation to reserve funds	-	10	-	-	-	(10)	-	-
Allocation to retained earnings	-	-	-	975,995	-	(975,995)	-	-
Coupon paid to other capital instruments holders	-	-	-	(62,537)	-	-	-	(62,537)
Decrease in non-controlling interest due to liquidation of subsidiary	-	-	-	-	-	-	(108,350)	(108,350)
Effect from the change in the scope of the consolidation	-	-	-	-	-	-	-	-
Net profit for the period	-	-	-	-	-	1,422,147	72,686	1,494,833
Other comprehensive income, net	-	-	(20,812)	-	-	-	-	(20,812)
Comprehensive income for the period	-	-	(20,812)	-	-	1,422,147	72,686	1,474,021
Balance at 30 June 2015	11,060,800	693,918	166,069	8,172,198	1,934,450	1,422,147	510,696	23,960,278

Interim Consolidated Cash Flow Statement For the Period since 1 January 2015 till 30 June 2015

Based on Czech national bank notification dated on 21 January 2016, Raiffeisenbank a.s. has presented extension to semi-annual report 2015 when Interim Consolidated Cash Flow Statement prepared in accordance with IAS 34, additionally specified by IFRS Interpretation Committee on 24 March 2014 newly replaces originally presented Condensed Consolidated Cash Flow Statement reported in original Raiffeisenbank semi-annual report 2015 on page 8 presented on <https://www.rb.cz/en/about-us/obligatory-published-information/annual-reports>.

(CZK thousand)	1.1.-30.6.2015	1.1.-30.6.2014
Profit before tax	1,889,803	1,392,813
Adjustments for non-cash transactions		
Creation of provisions for credit risks	545,675	598,334
Depreciation and amortisation	309,633	314,011
Loss from the impairment of intangible assets	-	-
Loss from the impairment of equity investments	-	13,375
Creation of other provisions	140,488	(76,294)
Change in fair values of financial derivatives	726,597	234,764
Unrealised loss/(gain) on revaluation of securities	(615)	(77,817)
Gain on the sale of tangible and intangible assets	(1,181)	(1,849)
Change in the revaluation of hedged items upon a fair value hedge	(430,549)	267,165
Revaluation of foreign currency positions	(100,423)	128,612
Other non-cash changes	(746,285)	(604,466)
Operating profit before changes in operating assets and liabilities	2,333,143	2,188,648
Cash flows from operating activities		
<i>(Increase)/decrease in operating assets</i>		
Minimum reserve deposits with the CNB	(1,802,833)	(946,227)
Loans and advances to financial institutions	8,008,571	7,140,535
Loans and advances to customers	(10,618,645)	(12,277,220)
Securities at fair value through profit or loss and securities available for sale	2,633,141	-
Other assets	(431,854)	(707,970)
<i>Increase/(decrease) in operating liabilities</i>		
Amounts owed to financial institutions	(3,905,603)	6,044,874
Amounts owed to customers	2,773,613	(2,019,737)
Other liabilities	1,661,212	1,961,019
Net cash flow from operating activities before income tax	650,745	1,383,922
Income taxes paid	(157,073)	(220,514)
Net cash flow from operating activities	493,672	1,163,408
Cash flows from investing activities		
Net decrease/(increase) in equity investments	112,772	-
Purchase of property and equipment and intangible assets	(267,983)	(209,455)
Income from the sale of fixed assets	6,265	3,397
Net decrease in securities held to maturity	-	-
Dividends received	30,000	36,000
Net cash flow from investing activities	(118,946)	(170,058)
Cash flows from financing activities		
Share capital increase	-	868,400
Dividends and coupon related to other capital instruments paid	(1,126,648)	(868,400)
Increase in other capital instruments	-	-
Bonds in issue	1,834,361	(1,519,842)
Subordinated liabilities and bonds	(1,214,315)	3,283
Net cash flow from financing activities	(506,602)	(1,516,559)
Net (decrease)/increase in cash and cash equivalents	(131,876)	(523,209)
Cash and cash equivalents at the beginning of the period	3,679,799	3,838,075
Cash and cash equivalents at the end of the period	3,547,923	3,314,866

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

Notes to the Consolidated Financial Statements

Prepared in Accordance with International Financial Reporting Standards as Adopted by the European Union for the Period Ended 30 June 2015.

1. PARENT COMPANY CORPORATE DETAILS

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

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

- Acceptance of deposits from the general public;
- Provision of credit;
- Investing in securities on its own account;
- Finance leasing - at present, the Bank does not carry out this activity directly;
- Payments and clearing;
- Issuance of payment facilities;
- Issuance of guarantees;
- Opening of letters of credit;
- Collection services;
- Provision of investment services:
 - Principal investment services under Section 4 (2) (a) - (h) of Act No. 256/2004 Coll., as amended;
 - Additional investment services under Section 4 (3) (a) - (f) of Act No. 256/2004 Coll., as amended;
- Issuance of mortgage bonds;
- Financial brokerage;
- Depository activities;
- Foreign exchange services (foreign currency purchases);
- Provision of banking information;
- Proprietary or client-oriented trading with foreign currency assets;
- Rental of safe-deposit boxes;
- Activities directly relating to the activities listed in the bank license; and
- Mediation of an additional pension savings program

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

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

Performance or provision of the Bank's activities and services were not restricted or suspended by the Czech National Bank.

Both Bank and Group have to comply with regulatory requirements stated by Czech National Bank or European Union.

Such requirements are limits and other restrictions related to capital adequacy, loans and off-balance sheet credit exposure classifications, credit risk in connection with Bank clients, liquidity, interest rate risk and FX position of the Bank.

2. SHAREHOLDERS OF THE BANK

Name, address	Voting powerty in %	
	30. 6. 2015	31. 12. 2014
Raiffeisen CEE Region Holding GmbH, Am Stadtpark 9, Vienna, Austria	75 %	75 %
RB Prag Beteiligungs GmbH, Europaplatz 1a, 4020 Linz, Austria	25 %	25 %

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

The ultimate parent company of the Bank is Raiffeisen-Landesbanken-Holding GmbH, Austria.

3. BASIS OF PREPARATION OF THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

The interim consolidated financial statements, which include the interim accounting reports of the Bank and its subsidiary companies, were prepared in compliance with IAS 34 - Interim Financial Reporting.

The interim consolidated financial statements were prepared on the accrual principle, i.e. the transactions and other facts were recognized upon their occurrence and posted in the interim consolidated financial statements in the time period to which they apply, and the principle of continuity of the Group.

This interim consolidated financial statements were prepared based on measurement at acquisition cost, except for financial assets and financial liabilities that were measured at fair value against expense or revenue accounts (e.g. financial derivate), ready-to-sale securities re-measured at fair value through equity and securities held up to maturity and reported at amortized cost. Assets held for sale were measured at fair value decreased by expenses related to sale, in case that had been lower than its book value.

The presentation of the interim consolidated financial statements in compliance with IFRS require that the management of the Group make qualified estimates that have an impact on reported assets, equity and liabilities as well as on contingent assets and liabilities as of the date of preparation of the interim consolidated financial statement as well as on expenses and revenues in the given accounting period. These estimates, which specifically relate to the determination of fair values of financial instruments (where no public market exists), valuation of intangible assets, impairment of assets and provisions, are based on the information available at the balance sheet date.

The provided data have not been audited.

All data are in thousands of Czech Crowns (CZK) unless stated otherwise. The numbers in parenthesis are negative numbers.

4. ACCOUNTING POLICIES

Significant Accounting Policies and Principles

Apart of start of application of cashflow hedge accounting described below, for the interim consolidated financial statements have been used the same accounting policies and principles, methods of calculation and estimates as for consolidated financial statements for the year ended 31 December 2014. Detail list of significant accounting policies and principles is included in annual consolidated financial statements for the year ended 31 December 2014.

Group has started to apply cashflow hedge accounting of portfolio of CZK loans and EUR deposits since 1 January 2015. The effective portion of change in fair value of derivatives (cross currency swaps), that are designed and qualify as cash flow hedge is recognised in other comprehensive income and accumulated under line „Gains and losses from revaluation” in interim consolidated statement of financial position. The gain or loss relating to the ineffective portion is recognized immediately in profit or loss, and is reported in line „net profit on financial operations”.

Amounts previously recognized in other comprehensive income and accumulated in equity are reclassified to profit and loss in the periods, when the hedged item affects profit or loss. This amount is recognized in line “net profit on financial operations” in interim statement of comprehensive income.

5. NEWLY APPLIED IFRS STANDARDS

(a) Newly Applied Standards and Interpretations the Application of which had a Significant Impact on the Interim Consolidated Financial Statements

In 2015, the Group did not apply any new standards and interpretations, the use of which would have a significant impact on the interim consolidated financial statements.

(b) Newly Applied Standards and Interpretations the Application of which Had No Significant Impact on the Interim Consolidated Financial Statements

During the year 2015, the following standards, interpretations and amended standards issued by the IASB and adopted by the EU took effect:

- Amendments to various standards "Improvements to IFRSs (cycle 2010-2012)" resulting from the annual improvement project of IFRS (IFRS 2, IFRS 3, IFRS 8, IFRS 13, IAS 16, IAS 24 and IAS 38) primarily with a view to removing inconsistencies and clarifying wording - adopted by the EU on 17 December 2014 (amendments are to be applied for annual periods beginning on or after 1 February 2015);
- Amendments to various standards "Improvements to IFRSs (cycle 2011-2013)" resulting from the annual improvement project of IFRS (IFRS 1, IFRS 3, IFRS 13 and IAS 40) primarily with a view to removing inconsistencies and clarifying wording - adopted by the EU on 18 December 2014 (amendments are to be applied for annual periods beginning on or after 1 January 2015);
- Amendments to IAS 19 "Employee Benefits" - Defined Benefit Plans: Employee Contributions - adopted by the EU on 17 December 2014 (effective for annual periods beginning on or after 1 February 2015); and

The adoption of these amendments resulted in no changes in the Group's accounting policies.

(c) Standards and Interpretations in Issue but Not Yet Effective

At present, the version of standards adopted by the European Union does not significantly differ from the standards approved by the IASB. The exception is the following standards, amendments and interpretations that were not adopted for use in the EU as of the interim consolidated financial statements approval date (effective dates listed below are for IFRS issued by IASB):

- IFRS 9 "Financial Instruments" (effective for annual periods beginning on or after 1 January 2018);
- IFRS 14 "Regulatory Deferral Accounts" (effective for annual periods beginning on or after 1 January 2016);
- IFRS 15 "Revenue from Contracts with Customers" (effective for annual periods beginning on or after 1 January 2018);
- Amendments to IFRS 10 "Consolidated Financial Statements", IFRS 12 "Disclosure of Interests in Other Entities" and IAS 28 "Investments in Associates and Joint Ventures" - Investment Entities: Applying the Consolidation Exception (effective for annual periods beginning on or after 1 January 2016);
- Amendments to IFRS 11 "Joint Arrangements" - Accounting for Acquisitions of Interests in Joint Operations (effective for annual periods beginning on or after 1 January 2016);
- Amendments to IAS 1 "Presentation of Financial Statements" - Disclosure Initiative (effective for annual periods beginning on or after 1 January 2016);
- Amendments to IAS 16 "Property, Plant and Equipment" and IAS 38 "Intangible Assets" - Clarification of Acceptable Methods of Depreciation and Amortisation (effective for annual periods beginning on or after 1 January 2016);
- Amendments to IAS 16 "Property, Plant and Equipment" and IAS 41 "Agriculture" - Agriculture: Bearer Plants (effective for annual periods beginning on or after 1 January 2016);
- Amendments to IAS 27 "Separate Financial Statements" - Equity Method in Separate Financial Statements (effective for annual periods beginning on or after 1 January 2016); and
- Amendments to various standards "Improvements to IFRSs (cycle 2012-2014)" resulting from the annual improvement project of IFRS (IFRS 5, IFRS 7, IAS 19 and IAS 34) primarily with a view to removing inconsistencies and clarifying wording (amendments are to be applied for annual periods beginning on or after 1 January 2016).

New standard IFRS 9 will have significant impact on Group financial statements, mainly on area of assets impairment. The Group is reviewing the potential impact of adoption. The Group anticipates that the adoption of other standards, amendments to existing standards and interpretations in the period of their first-time adoption will have no significant impact on the consolidated financial statements of the Group.

6. COMPANIES INCLUDED IN THE CONSOLIDATION

As of 30 June 2015, the Group comprised the following entities:

Company	The Bank's effective holding		Indirect holding through	Consolidation method in 2015	Registered office
	in % 2015	in % 2014			
Raiffeisen penzijní společnost a.s.	-	51%	-	Full method	Prague
Raiffeisen investiční společnost a.s.	100%	100%	-	Full method	Prague
Transaction System Servis s.r.o.	100%	100%	-	Full method	Prague
Czech Real Estate Fund (CREF) B.V.	100%	100%	-	Full method	Amsterdam
CREF CZ 1, s.r.o.	100%	100%	Czech Real Estate Fund (CREF) B.V.	Full method	Prague
CREF CZ 2, s.r.o.	100%	100%	Czech Real Estate Fund (CREF) B.V.	Full method	Prague
CREF CZ 3, s.r.o.	100%	100%	Czech Real Estate Fund (CREF) B.V.	Full method	Prague
CREF CZ 4, s.r.o.	100%	100%	Czech Real Estate Fund (CREF) B.V.	Full method	Prague
CREF CZ 5, s.r.o.	100%	100%	Czech Real Estate Fund (CREF) B.V.	Full method	Prague
PRK Sigma 06, s.r.o.	100%	100%	Czech Real Estate Fund (CREF) B.V.	Full method	Prague
Flex-space Plzeň I., s.r.o.	50%	50%	Czech Real Estate Fund (CREF) B.V.	Equity method	Prague
Flex-space Plzeň II., s.r.o.	50%	50%	Czech Real Estate Fund (CREF) B.V.	Equity method	Prague
Karlín park a.s.	50%	50%	Czech Real Estate Fund (CREF) B.V.	Equity method	Prague
Raiffeisen - Leasing, s.r.o.	50%	50%	-	Full method	Prague
Raiffeisen - Leasing Real Estate, s.r.o.	-	50%	-	Full method	Prague
Raiffeisen FinCorp, s.r.o.	50%	50%	Raiffeisen - Leasing, s.r.o.	Full method	Prague
Bondy Centrum s.r.o.	25%	25%	Raiffeisen - Leasing, s.r.o.	Equity method	Prague
Appolon Property, s.r.o.	50%	50%	Raiffeisen - Leasing, s.r.o.	Full method	Prague
PZ PROJEKT a.s.	50%	50%	Raiffeisen - Leasing, s.r.o.	Full method	Prague
Luna Property, s.r.o.	50%	50%	Raiffeisen - Leasing, s.r.o.	Full method	Prague
Gaia Property, s.r.o.	50%	50%	Raiffeisen - Leasing, s.r.o.	Full method	Prague
RLRE Carina Property, s.r.o.	50%	50%	Raiffeisen - Leasing, s.r.o.	Full method	Prague
Orchideus Property, s. r. o.	50%	50%	Raiffeisen - Leasing, s.r.o.	Full method	Prague
RLRE Dorado Property, s.r.o.	50%	50%	Raiffeisen - Leasing, s.r.o.	Full method	Prague
Viktor Property, s.r.o.	50%	50%	Raiffeisen - Leasing, s.r.o.	Full method	Prague

In 2015 the Group has not included in its consolidation following companies due to its immateriality Raines Property, s.r.o., Hermes Property, s.r.o., Létó Property, s.r.o., RESIDENCE PARK TŘEBEŠ, s.r.o., Athena Property, s.r.o. v likvidaci, Sky Solar Distribuce s.r.o., Kalypso Property, s.r.o., Gala Property, s.r.o., Theia Property, s.r.o., Médea Property, s.r.o., Eos Property, s.r.o., Boreas Property, s.r.o., Hestia Property, s.r.o., Kirke Property, s.r.o., Hyperion Property, s.r.o. and Ofion Property, s.r.o.

Effective since 1 January 2015 companies Raiffeisen - Leasing, s.r.o. a Raiffeisen - Leasing Real Estate, s.r.o. has merged with successor company Raiffeisen - Leasing, s.r.o. This action has not impact on interim consolidated financial statement of the Group for period ended 30 June 2015.

During February 2015, subsidiary Raiffeisen penzijní společnost a.s. has been liquidated. This liquidation had no impact on interim consolidated financial statement of the Group for period ended 30 June 2015.

7. SIGNIFICANT EVENTS IN 2015

Changes in Board of Directors

A new chairman of Board of Directors is Igor Vida effective since 1 April 2015.

Profit for 2014 distribution and dividend payment

Shareholders on regular general meeting of the Bank in April 2015 agreed on profit distribution for year 2014 in amount CZK 2,049 million. Amount of CZK 1,064.1 million was used for dividend payment to shareholders for year 2014 and amount CZK 984.9 million was transferred into Bank's retained earnings. Dividend payment took place in May 2015. From Bank's retained earnings coupon in amount CZK 62.5 million was paid to AT1 capital investment certificates holders.

Planned sale of activities related to payment card acceptance

In June 2015, Board of Directors has decided to separate activities related to payment card acceptance (acquiring). The group has intention to sale these activities. In line with IFRS 5, assets related to these activities, have been separately reported in interim consolidated statement of financial position in line „Assets held for sale“.

8. LOANS AND RECEIVABLES TO CUSTOMERS

Classification of Loans and Advances to Customers

CZK thousand	30. 6. 2015	31. 12. 2014
Overdrafts	7,089,599	6,990,869
Term loans	102,789,422	95,398,168
Mortgage loans	67,849,831	64,801,885
Financial Leasing	5,086,309	4,829,068
Debt securities	1,168,493	1,344,396
Other	1,176,860	1,177,483
Total	185,160,514	174,541,869

Analysis of Loans Provided to Customers by Sector

CZK thousand	30. 6. 2015	31. 12. 2014
Public sector	1,217,159	1,048,242
Loans to corporate entities (Large corporate)	97,262,355	90,862,097
Loans to private individuals	80,185,124	76,616,518
Small and medium size enterprises (SME)	6,495,876	6,015,012
Total	185,160,514	174,541,869

9. SECURITIES

CZK thousand	30. 6. 2015	31. 12. 2014
Securities held to maturity (debt securities)	12,467,594	12,420,499
Securities at fair value through profit or loss	4,271,397	6,904,538
of which: Securities held for trading	4,271,397	6,900,015
- Debt securities	4,271,397	6,900,015
of which: Securities designated as FVTPL on initial recognition	-	4,523
- Debt securities	-	4,523
Securities available for sale (shares and participation certificates)	517,005	517,011
Total	17,255,996	19,842,048

10. EQUITY INVESTMENTS IN ASSOCIATES

CZK thousand	30. 6. 2015	31. 12. 2014
Opening balance	49,901	567,294
Additions	-	-
Increase/(decrease) in net assets of associates	4,933	8,172
Disposals	-	-
Effect from the change in the scope of the consolidation	-	(525,565)
Closing balance	54,834	49,901

11. AMOUNTS OWED TO CUSTOMERS

Analysis of Amounts Owed to Customers by Type

CZK thousand	30. 6. 2015	31. 12. 2014
Repayable on demand	159,134,626	155,791,806
Term deposits with maturity	8,500,773	9,085,310
Change in the fair values of hedged items in the fair value hedging	187,086	225,631
Other	56,459	41,129
Total	167,878,944	165,143,876

Analysis of Amounts Owed to Customers by Sector

CZK thousand	30. 6. 2015	31. 12. 2014
Public sector	1,761,694	1,205,291
Corporate clients	63,406,135	64,944,194
Private individuals	82,529,290	78,240,563
Small and medium size enterprises (SME)	20,181,825	20,571,196
Other	-	182,632
Total	167,878,944	165,143,876

12. DEBT SECURITIES ISSUED

Analysis of Issued Debt Securities by Type

CZK thousand	30. 6. 2015	31. 12. 2014
Deposit certificates and depository bills of exchange	76,355	122,492
Bonds in issue	913,049	1,266,599
Mortgage bonds	17,890,940	15,413,230
Accumulated change in carrying amount due to fair value hedge accounting	(33,258)	-
Total	18,847,086	16,802,321

Analysis of Mortgage Bonds

CZK thousand							
Date of issue	Maturity	ISIN	Cur- rency	Nominal value		Net carrying value	
				30. 6. 2015	31. 12. 2014	30. 6. 2015	31. 12. 2014
12.12.2007	12.12.2017	CZ0002001670	CZK	5,500,000	3,427,800	6,083,221	3,656,925
12.12.2007	12.12.2017	CZ0002001696	CZK	500,000	500,000	531,795	520,002
20.12.2007	20.12.2017	CZ0002001928	CZK	2,000,000	1,918,500	2,204,262	2,084,227
4.5.2011	4.5.2016	CZ0002002314	CZK	499,730	499,560	502,766	511,093
27.7.2011	27.7.2016	CZ0002002363	CZK	500,000	500,000	515,267	507,392
26.9.2011	26.9.2016	CZ0002002405	CZK	930,000	930,000	953,880	940,988
11.1.2012	11.1.2017	CZ0002002439	CZK	285,000	283,480	288,995	291,421
5.12.2012	5.12.2017	XS0861195369	EUR	-	-	-	-
5.11.2014	5.11.2019	XS1132335248	EUR	6,931,250	6,931,250	6,810,754	6,901,182
Total				17,145,980	14,990,590	17,890,940	15,413,230

In December 2012, the Group issued mortgage bonds of EUR 500,000 thousand. The Group repurchased the entire issue. In November 2014, the Group placed another mortgage bonds issue of EUR 500,000 thousand. From this issue, the Group sold mortgage bonds to investors of EUR 250,000 thousand. These are issues under the bond programme of the Group with the total amount of EUR 5,000,000 thousand and comply with the conditions for money market transactions with the European Central Bank.

13. SUBORDINATED LIABILITIES AND BONDS

(a) Subordinated Loan

CZK thousand	30. 6. 2015	31. 12. 2014
Raiffeisen Bank International AG (parent company)	2,763,554	3,991,233
Total	2,763,554	3,991,233

(b) Issue of Subordinated Bonds

CZK thousand							
Date of issue	Date of maturity	ISIN	Cur- rency	Nominal value		Net book value	
				30. 6. 2015	31. 12. 2014	30. 6. 2015	31. 12. 2014
21.9.2011	21.9.2016	CZ0003702953	CZK	125,000	125,000	130,298	127,608
21.9.2011	21.9.2018	CZ0003702961	CZK	125,000	125,000	126,016	126,024
Total				250,000	250,000	256,314	253,632

14. PROVISIONS

CZK thousand	Provisions for legal disputes	Provisions for off balance sheet credit risk exposures	Provision for unused holiday	Provision for payroll bonuses	Other provisions	Total
1. 1. 2014	5,400	25,009	21,993	389,982	30,785	473,169
Charge for provisions	13,118	51,956	24,791	349,930	50,051	489,846
Use of provisions	(1,040)	-	(24,763)	(210,240)	-	(236,043)
Release of redundant provisions	(360)	(45,500)	-	(187,085)	-	(232,945)
Effect from the change in the scope of the consolidation	25	21,585	3,064	14,393	8,158	47,225
Foreign exchange rate differences	-	-	-	-	74	74
31. 12. 2014	17,143	53,050	25,085	356,980	89,068	541,326
Charge for provisions	-	117,536	47,531	277,017	196,676	638,760
Use of provisions	-	-	(19,869)	(71,855)	-	(91,724)
Release of redundant provisions	-	(51,956)	-	(277,349)	(29,211)	(358,516)
30. 6. 2015	17,143	118,630	52,747	284,793	256,533	729,846

“Other provisions” includes provisions for future potential payments arising from compensation for armed robberies, bonuses for clients, etc. This item includes also income tax provision in amount of CZK 194 754 thousand.

15. CASH AND CASH EQUIVALENTS

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

CZK thousand	30.6.2015	31.12.2014
Cash and accounts with central banks	6,320,940	4,265,943
Required minimum reserves	(2,970,552)	(1,167,719)
Placements with other financial institutions	197,535	581,575
Total cash and cash equivalents	3,547,923	3,679,799

16. CONTINGENT LIABILITIES

Legal Disputes

The Group reviewed legal proceedings outstanding against it as of 30 June 2015. Pursuant to the review of significant litigation matters in terms of the risk of potential losses and the probability of payment, the Group recognised provisions for significant litigations in the aggregate amount CZK 17,143 thousand (as of 31 December 2014: CZK 17,143 thousand).

Irrevocable Commitments, Guarantees and Issued Letters of Credit:

CZK thousand	30.6.2015	31.12.2014
Banks		
Provided commitments (irrevocable)	48,726	47,172
Guarantee commitments	85,085	117,050
Letters of credit issued	39,952	48,555
Total	173,763	212,777
Customers		
Provided commitments (irrevocable)	21,841,475	21,733,954
Guarantee commitments	16,930,638	17,363,283
Letters of credit issued	626,599	652,791
Total	39,398,712	39,750,028
Total	39,572,475	39,962,805

17. FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES

For calculation of estimated fair value of financial assets and liabilities the Group used the same methods and estimations as in consolidated financial statements for the year ended 31 December 2014.

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

30. 6. 2015					Carrying	
CZK thousand	Level 1	Level 2	Level 3	Fair value	amount	Difference
Assets						
Cash and balances with central banks		6,320,940	-	6,320,940	6,320,940	-
Loans and advances to financial institutions	-	-	21,175,664	21,175,664	21,175,664	-
Loans and advances to customers*	-	-	186,142,632	186,142,632	178,545,325	7,597,307
Securities held to maturity	12,716,614	-	-	12,716,614	12,467,594	249,020
Liabilities						
Amounts owed to financial institutions	-	-	11,079,649	11,079,649	10,484,627	595,022
Amounts owed to customers	-	-	167,861,000	167,861,000	167,878,944	(17,944)
Debt securities issued	-	-	19,477,044	19,477,044	18,847,086	629,958
Subordinated liabilities	-	-	3,190,708	3,190,708	3,019,868	170,840

*including provisions for loans and advances

31. 12. 2014						
CZK thousand	Level 1	Level 2	Level 3	Fair value	Carrying amount	Difference
Assets						
Cash and balances with central banks	-	4,265,943,	-	4,265,943	4,265,943	-
Loans and advances to financial institutions	-	-	29,568,275	29,568,275	29,568,275	-
Loans and advances to customers*	-	-	171,619,531	171,619,531	167,872,181	3,747,350
Securities held to maturity	12,797,325	-	-	12,797,325	12,420,499	376,826
Liabilities						
Amounts owed to financial institutions	-	-	13,955,473	13,955,473	14,390,230	(434,757)
Amounts owed to customers	-	-	165,335,140	165,335,140	165,143,876	191,264
Debt securities issued	-	-	17,260,355	17,260,355	16,802,321	458,034
Subordinated liabilities	-	-	4,550,252	4,550,252	4,244,865	305,387

*including provisions for loans and advances

Following table shows financial instruments at fair value split by levels, used for calculation of their fair value as at 30 June 2015:

Financial instruments at fair value (according IFRS 7)

CZK thousand	Fair Value at 30. 6. 2015			Fair Value at 31. 12. 2014		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Positive fair values of financial derivative instruments	-	3,280,448	-	-	4,218,289	-
Securities at fair value through profit or loss	3,252,112	999,996	19,289	4,317,524	2,499,178	87,836
Securities available for sale	-	899	-	-	905	-
Total	3,252,112	4,281,343	19,289	4,317,524	6,718,372	87,836

CZK thousand	Fair Value at 30. 6. 2015			Fair Value at 31. 12. 2014		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Negative fair values of financial derivative instruments	-	2,585,807	-	-	2,773,304	-
Total	-	2,585,807	-	-	2,773,304	-

Part of securities available for sale, not included in the above table, is measured at cost due to the impossibility to reliably measure their fair value and the Group performs regular impairment testing.

Level 1 category is the category of financial instruments measured at fair value quoted on an active market.

Level 2 category is the category of financial instruments measured at fair value determined based in prices derived from market data. For financial derivatives, the fair values are determined based on discounted future cash flows that are estimated according to market interest rate and currency forward curves and contractual interest rate and currency rates by individual contracts. The discount factor is derived from market rates. For securities at fair value through profit or loss, the fair value is calculated on the basis of discounted future cash flows. The discount factor is derived from market rates.

Level 3 category is the category of financial instruments measured at fair value determined using the techniques based on input information not based on data observable on the market.

The reconciliation of financial instruments measured at fair value determined using the techniques based on the input information not based on the data observable on the market (Level 3 instruments).

2015 CZK thousand	Securities at fair value through profit or loss	Total
Balance at 1.1.2015	87,836	87,836
Transfer to Level 3	-	-
Purchases	-	-
Comprehensive income/(loss) - in the income statement	7,472	7,472
Sales/settlement	(76,019)	(76,019)
Transfer from Level 3	-	-
Balance at 30.6.2015	19,289	19,289

2014 CZK thousand	Securities at fair value through profit or loss	Total
Balance at 1.1.2014	1,777,859	1,777,859
Transfer to Level 3	-	-
Purchases	-	-
Comprehensive income/(loss) - in the income statement	144,523	144,523
Sales/settlement	(1,834,546)	(1,834,546)
Transfer from Level 3	-	-
Balance as 31.12.2014	87,836	87,836

18. SEGMENT ANALYSIS

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

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

Operating segments are represented as follows:

- Corporate banking;
- Retail banking;
- Treasury; and
- Other.

The Corporate banking segment involves transactions with corporate clients, public sector institutions and financial institutions.

The Retail banking segment generally includes all private individuals including VIP clients, individuals - entrepreneurs and the Group's own employees.

The Treasury segment includes interbank transactions and securities.

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

The Group monitors amounts of net interest income and net fee and commission income, net profit/(loss) from financial operations, movements in provisions, general operating expenses, income tax, and volume of client and non-client assets and liabilities by segment. Other profit and loss items are not monitored by segment.

A major part of the Group's income is generated in the Czech Republic from transactions with clients who have their permanent residence or place of business in the Czech Republic or from trading with financial instruments issued by Czech entities. The income generated outside the Czech Republic is immaterial for the Group.

The Group has no client or a group of related parties where the income from transactions with it would account for more than 10 percent of the Group's total income.

At 30. 6. 2015						
CZK thousand	Corporate entities	Retail clients	Treasury	Other	Reconciliation to the statement of comprehensive income	Total
Profit and loss account:						
Net interest income	1,117,750	1,840,441	80,246	202,199	(34,619)	3,206,017
Net fee and commission income	558,047	891,149	3,518	(5,453)	(478,747)	968,514
Net profit/(loss) from financial operations	11,025	7,000	174,347	(5,931)	483,367	669,808
Movements in provisions	(95,986)	(449,689)	-	-	-	(545,675)
Other operating expenses	(702,304)	(1,668,769)	(74,396)	1,675	-	(2,443,794)
Dividend income	-	-	-	-	30,000	30,000
Share in income of associated undertakings	-	-	-	-	4,933	4,933
Profit before tax	888,532	620,132	183,715	192,490	4,934	1,889,803
Income tax	(175,528)	(107,446)	(35,437)	(76,559)	-	(394,970)
Profit after tax	713,004	512,686	148,278	115,931	4,934	1,494,833
Assets and liabilities:						
Total assets	95,257,182	84,032,635	43,701,917	9,440,672	-	232,432,406
Total liabilities	75,607,363	96,708,794	23,541,082	14,109,722	(1,494,833)	208,472,128

At 30. 6. 2014						Reconciliati- on to the statement of comprehen- sive income	Total
CZK thousand	Corporate entities	Retail clients	Treasury	Other			
Profit and loss account:							
Net interest income	1,106,052	1,715,359	(60,622)	207,924	(35,348)		2,933,365
Net fee and commission income	563,074	935,968	(7,376)	(3,301)	(477,844)		1,010,521
Net profit/(loss) from financial operations	40,878	1,038	43,745	(8,734)	477,192		554,119
Movements in provisions	(239,320)	(359,014)	-	-	-		(598,334)
Other operating expenses	(692,373)	(1,801,529)	(68,141)	(20,706)	-		(2,582,749)
Dividend income	-	-	-	-	36,000		36,000
Share in income of associ- ated undertakings	-	-	-	-	39,891		39,891
Profit before tax	778,311	491,822	(92,394)	175,183	39,891		1,392,813
Income tax	(150,484)	(99,922)	18,762	(38,597)	-		(270,241)
Profit after tax	627,827	391,900	(73,632)	136,586	39,891		1,122,572
Assets and liabilities:							
Total assets	82,440,961	79,163,726	32,862,169	9,971,298	-		204,438,154
Total liabilities	62,129,574	86,201,406	17,271,416	19,000,878	(1,122,572)		183,480,702

19. RELATED PARTY TRANSACTIONS

Balance sheet items

At 30.6.2015	Parent company and Entities with significant influence over the Group		Other	Total
CZK thousand				
Receivables		236,896	819,877	1,056,773
Payables		1,575,364	4,755,551	6,330,915
Subordinated loan		2,763,554	-	2,763,554
Guarantees issued		54,581	79,875	134,456
Guarantees received		2,897,057	30,696	2,927,753
At 31. 12. 2014				
Receivables		252,047	1,027,057	1,279,104
Payables		2,508,479	5,878,559	8,387,038
Subordinated loan		3,991,233	-	3,991,233
Guarantees issued		86,922	479,634	566,556
Guarantees received		2,905,906	147,558	3,053,464

Profit and loss items

At 30. 6. 2015	Parent company and Entities with significant influence over the		Other	Total
CZK thousand	Group			
Interest income	133,413		651	134,064
Interest expense	(52,730)		(6,859)	(59,589)
Fee and commission income	9,409		7,216	16,625
Fee and commission expense	(6,663)		(19,629)	(26,292)
Net profit or loss on financial operations	(430,393)		5,875	(424,518)
At 30. 6. 2014				
CZK thousand				
Interest income	164,495		3,286	167,781
Interest expense	(80,982)		(4,672)	(85,654)
Fee and commission income	2,599		2,959	5,558
Fee and commission expense	(10,294)		(21,361)	(31,654)
Net profit or loss on financial operations	134,277		14,395	148,672

Loss in line „*Net profit or loss on financial operations*“ is caused by negative revaluation of derivatives in hedge accounting concluded with parent company. There is positive revaluation of hedged item in interim consolidated statement of comprehensive income in line „*Net profit or loss on financial operations*“, but this amount is not reported as related party transaction.

20. POST BALANCE SHEET EVENTS

No events that would have a material impact on the interim consolidated financial statements for the period ended 30 June 2015 occurred subsequent to the balance sheet date.

Persons responsible for the consolidated semi-annual report

We declare that to the best of our knowledge, the consolidated semi-annual report 2015 provides a true and fair view of the financial situation, business activity and profit (loss) of the issuer and its consolidation group for the past accounting period as well as of the expected development of financial situation, business activity and profit (loss).

This consolidated semi-annual report has been authorized for issue on 28 August 2015.



Igor Vida
Chairman of the Board of Directors
Raiffeisenbank a.s.



Tomáš Jelínek
Chief Financial Officer and Executive Director
Raiffeisenbank a.s.

Contact

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