

ANNUAL REPORT
2015



Raiffeisen
BANK

Client inspired banking

Annual report 2015



Raiffeisen
BANK

Client inspired banking

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Survey of Key Data

CZK thousand	2015	2014	Change
Income Statement			
Net interest income after provisioning	5,039,436	4,778,502	5.5%
Net commission income	1,834,722	1,966,630	(6.7)%
Net profit on financial operations	1,258,742	1,028,409	22.4%
General administrative expenses	(5,074,645)	(5,227,389)	(2.9)%
Profit before tax	3,154,783	2,533,237	24.5%
Profit after tax	2,538,362	2,049,030	23.9%
Earnings per share	2.29	1.91	19.9%
Balance Sheet			
Loans and advances to banks	4,047,655	23,073,499	(82.5)%
Loans and advances to customers	188,942,730	170,408,374	10.9%
Deposits from banks	10,385,876	10,582,889	(1.9)%
Deposits from customers	183,704,256	164,655,562	11.6%
Equity	24,395,816	22,871,660	6.7%
Balance-sheet total	246,325,030	226,028,508	9.0%
Regulatory information			
Risk-weighted assets (credit risk)	102,694,443	112,446,348	(8.7)%
Total own funds requirement	9,538,983	10,369,999	(8.0)%
Total regulatory capital	21,171,347	20,869,679	1.4%
Tier 1 ratio - Basel III	15.4%	13.3%	2.1 PB
Capital adequacy ratio	17.8%	16.1%	1.7 PB
Performance			
Return on average equity (ROAE) before tax	14.4%	13.4%	1.0 PB
Return on average equity (ROAE) after tax	11.6%	10.9%	0.7 PB
Cost/income ratio	54.6%	58.9%	(4.3) PB
Return on average assets (ROAA) before tax	1.3%	1.2%	0.1 PB
Net provisioning ratio	0.6%	0.7%	(0.1) PB
Non-performing loans ratio	4.7%	6.0%	(1.3) PB
Risk/earnings ratio	11.5%	12.5%	(1.0) PB
Resources as of reporting date			
Number of staff	2,656	2,618	1.5%
Business outlets	122	119	2.5%

Unconsolidated data according to IFRS.

Introducing Raiffeisenbank a.s.

Raiffeisenbank a.s. (RBCZ) provides a wide range of banking services to private and corporate clientele. The bank has been operating on the Czech market since 1993. Raiffeisenbank serves clients at more than 120 branch offices and client centres and provides services through specialised mortgage centres and private, corporate, and business advisors. Raiffeisenbank is the fifth largest bank on the Czech market by total assets.

The wide range of awards confirms the outstanding services offered by Raiffeisenbank. Last year, the bank succeeded in the seventh year of the Hospodářské noviny awards and became the Most Client-Friendly Bank for 2015 and also succeeded in the main category of Best Bank of the Year, taking third place.

Besides its business activities, Raiffeisenbank is also involved in a number of community investment activities related to education, charity, and culture. Social responsibility is an integral part of the bank's corporate values, culture, and strategy, and reflects the longstanding traditions of the Raiffeisen brand. In 2015, Raiffeisenbank received a bronze certificate for its overall corporate social responsibility in the Top Responsible Business Awards.

The traditional emblem and trademark of the Raiffeisen Group is the Giebelkreuz – crossed horse heads. For hundreds of years, the Giebelkreuz has adorned the facades of many buildings throughout Europe and is a symbol of protection for families gathered under one roof against evil and life-threatening situations. This is precisely what Raiffeisenbank envisions for its clients. It is a guarantee of security and stability in combination with modern banking products and services.

Raiffeisenbank's majority shareholder is the Austrian financial institution Raiffeisen Bank International AG (RBI). RBI provides services to corporate and investment clientele in Austria and also serves clients in many countries in Central and Eastern Europe. The group's shares have been listed on the Vienna Stock Exchange since 2005.



Important Events in 2015

February

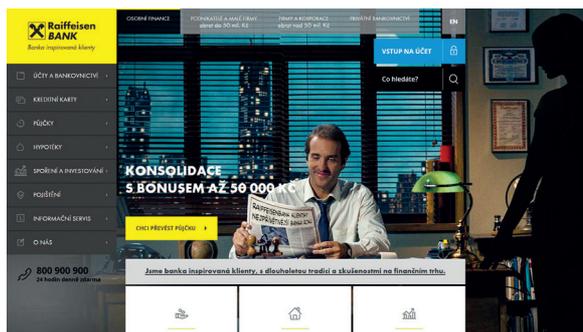
At the beginning of February, Raiffeisenbank offered clients a new savings account, eKonto Flexi, which is one of the best savings accounts on the Czech market. Deposits on this account are not bound by any notice period or compliance with any other terms. Clients may open the savings account free of charge with eKonto SMART and eKonto KOMPLET.

Raiffeisenbank once again confirms its position as a bank focusing on exceptional services and customer care. In a survey conducted by Market Vision, assessing 14 life insurance providers, it was the best rated company.

April

On 1 April 2015, Igor Vida became the new CEO of Raiffeisenbank and also the Chairman of the Board of Directors. Prior to joining Raiffeisenbank, Igor Vida was the CEO and Chairman of the Board of the Slovak Tatra banka, also a member of the Raiffeisen group.

Raiffeisenbank prepared a completely new design for its web pages www.rb.cz, which were launched in April 2015. In addition to the new design, the bank's web pages are more user-friendly and transparent. Of course, the new web pages may be accessed not only with a PC, but also smart phones and tablets.



2nd place in the category of Banks

On the occasion of the World Day of Investment Funds, Raiffeisen investiční společnost introduced a new mutual fund with the name Raiffeisen Optimal Distribution Fund. This is a special mixed fund that works on the principle of a multi-asset strategy, which means that assets may be invested in a wide range of investment instruments, including commodity derivatives and foreign currency, with the goal of attaining the highest yields.

May

The high quality of Raiffeisenbank products was awarded by the expert panel of judges for the Zlatá koruna competition. The bank received four third places in the categories of New Product of the Year, Mortgages, Business Accounts, and Payment Cards.



June

Raiffeisenbank decided to donate unclaimed funds from anonymous savings books that have expired under the Act on Banks to the DOBRÝ ANDĚL (Good Angel) foundation. Hence, the bank has donated CZK 1.5 million to assist seriously ill children. This financial donation will be divided into three annual contributions of CZK 500,000.



Igor Vida, CEO and Chairman of the Board of Directors of Raiffeisenbank, with Jan Černý, co-founder the Good Angel foundation.

July

In line with its strategy to be as close to clients as possible and to increase its representation in the regions, Raiffeisenbank opened a new branch office on Hlavní náměstí in Krnov. During the opening of the new branch, the branch manager, Iveta Doležalová, presented the mayor of the town, Jana Koukolová, a cheque for CZK 30,000. These funds were donated by the bank to support children and youth in Krnov.



Michal Přádka, director of Raiffeisenbank's distribution network for the region of North Moravia and member of the Supervisory Board of Raiffeisenbank, Jana Koukolová Petrová, mayor of Krnov, Iveta Doležalová, manager of the new branch, and Josef Malíř, director of Raiffeisenbank's distribution network.

August

As a part of its strategy to continue improving the quality of its services for clients, Raiffeisenbank signed an agreement on strategic partnership with EVO Payments International, a leading international provider of payment services for businesses, retailers, financial institutions, the public sector, and international companies with headquarters in the USA, Canada, and Europe.

Raiffeisenbank received a bronze medal in the GEEN Zelená banka project, which evaluates individual banks from the standpoint of their environmental activities and green projects.

September

Raiffeisenbank and Citibank Europe plc signed an agreement on acquiring Citibank's private client business in the Czech Republic, including 400 of its employees. Both parties have agreed that the sale price and other details of the agreement will not be disclosed.

Raiffeisenbank was successful in the seventh year of Hospodářské noviny's Best Bank awards and became the Most Client-Friendly Bank for 2015. This category evaluates the range of products and services offered, the fee structure, rates, the bank's accessibility, and of course the quality of its communication with clients. Raiffeisenbank also succeeded in the main category of Best Bank of the Year, taking third place.

Raiffeisenbank's grant programme referred to as Dobrá koruna (Good Crown), promoting the volunteer activities of the bank's employees, financially supported 24 projects and distributed CZK 400,000 among these projects.

From 14 to 18 September, Raiffeisenbank introduced new products and services in corporate banking, especially relating to better lending and export financing terms, at the International Engineering Fair in Brno.

Raiffeisenbank opened a new branch office on Karlovo náměstí in Třebíč. During the gala opening of the branch, the mayor of the town, Pavel Janata, accepted a cheque for CZK 30,000 from the branch manager, Dalibor Šoustal. The bank donated these funds for renovating and equipping playgrounds in Třebíč.



October

Raiffeisenbank starts offering clients a new service referred to as Premium Way, which works on the principle of a transparent and interactive application. The main advantage of this financial planning app is functional simplicity and the immediate reaction to clients' actual situations. Of course, the application includes calculators and illustrative charts. Premium Way generates summaries which bankers print and clients can always refer to in Internet banking.

November

In the Fincentrum Bank of the Year awards, Raiffeisenbank received second place in the category of Online Bank 2015 and was successful with its bank account eKonto SMART, which received a silver medal in the category of Account of the Year. The bank placed third in the category of the Most Dynamic Bank of the Year.



2nd place
eKonto SMART



2nd place



3rd place



Raiffeisenbank opened a new branch office in Zahradnická ulice in Příbram. During the gala opening of the branch, the mayor of the town, Jindřich Vařek, accepted a cheque for CZK 30,000 from the branch manager, Jiří Tomec, for promoting the town of Příbram.

Raiffeisen investiční společnost prepared for investors a new mutual fund focusing on high yield bonds called Raiffeisen high-yield bond fund. Hence, a product was introduced to the market offering clients higher yields and that also contains currency hedging instruments. This fund was created as a part of a Master-Feeder structure, the first of its kind on the Czech market.

December

Raiffeisenbank and the Association of Exporters introduced a new design for the Export Index. This is a unique instrument for predicting the development of Czech export potential. The index is a composite of various statistical data and the attitudes of Czech exporters. The key parameters are German industrial contracts, the real effective exchange rate of the Czech crown vis-à-vis the euro, adjusted for inflation in industry, contracts from abroad, and the Euro Area PMI (Purchasing Managers' Index).

Raiffeisenbank opened a new branch office on náměstí Míru in the centre of Klatovy. During the gala opening of the branch, the vice-mayor of the town, Václav Chroust, accepted a cheque for CZK 30,000 from the branch manager, Václav Šilhavý, for promoting the town of Klatovy. Thus, the bank now has more than 120 branch offices in the Czech Republic, and the plan is to increase this number in the future.

Board of Directors' Statement



Dear Ladies and Gentlemen,

The Czech economy showed very promising results last year, and hence, in a healthy environment, demand for banking products increased. I am very pleased to announce that we at Raiffeisenbank have tapped into this positive trend, and as a result, have experienced a very successful year.

We were successful in client acquisition and with an outstanding range of products and services in retaining existing clients. We have even received a number of prestigious awards from independent authorities. Out of the 13 awards received, I would like to mention the award for the Most Client-Friendly Bank, which clearly demonstrates our client oriented approach in the spirit of our motto *Client Inspired Banking*. Client satisfaction is, after all, the alpha and omega of our work, and thus I am very happy that we increased our Net Promoter Score even further by 15 points, i.e. year-on-year by about 300% (measured by an independent agency).

All of these successes are naturally reflected in an increase in the number of clients, deposits and loans, as well as the bank's net profit. Our net profit reached a record of CZK 2.5 billion, which is almost a 25% increase over 2014.

In addition to excellent business results in retail and corporate, other equally important events occurred last year. As a healthy, capably strong, and stable bank with ambition, and above all, the capacity for continued growth, we signed an agreement on the acquisition of Citi's retail banking business in the Czech Republic in mid-September last year. Moreover, we expanded our distribution network with new branch offices in Krnov, Třebíč, Příbram, and Klatovy.

Awards in 2015

I am very proud of several important awards we received last year. We are genuinely pleased with these results and are well aware that this places a large amount of responsibility on us for the future. We were successful in the seventh year of the *Hospodářské noviny* awards not only in the already mentioned category of Most Client-Friendly Bank, but also in the main category of Best Bank of the Year, taking third place.

In May 2015, the expert panel of judges for the *Zlatá koruna* (Golden Crown) competition also awarded our bank for its high quality products. We received four third places in the categories New Product of the Year, Mortgages, Business Accounts, and Payment Cards. In November, we placed second in the

category of Online Bank of the Year in the Fincentrum Bank of the Year awards. In addition, our eKonto SMART account took second place among bank accounts with a silver medal, and we were awarded as the third Most Dynamic Bank of the Year.

Last but not least, I would like to mention the positive evaluation of our new web pages, which we launched at the beginning of April. When creating the pages, we concentrated primarily on making them user friendly and fully responsive. They were also acknowledged in the WebTop100 awards, and our web pages received a silver medal for the second best corporate web pages of 2015 in the category of Banks.

We would like to thank our employees, and in particular, our clients, who express their loyalty and trust, for all of our awards. I firmly believe that we will achieve excellent results together in future years as well.

Growth in retail sales

In retail banking last year, we managed to sell a record number of our products, such as consumer loans, with growth of 27% on a year-on-year basis. We were also successful with current accounts and mortgages. From the beginning of January to the end of December, we provided our clients with over 8,300 mortgages for a total volume of CZK 16.7 billion, which against 2014, is in the number of loans and a 20% increase with respect to the total volume of financing.

In addition, we offered private clients a brand new service called Premium Way. This new service uses uncomplicated financial planning based on identifying the specific life phase of a client and working on the principle of a transparent and interactive application.

Investment is a category on its own where we have also registered record sales, and our Raiffeisen investiční společnost has another excellent year behind it. Last year, the firm issued mutual funds for more than CZK 6.2 billion, and by the end of the year, managed 12 Czech crown denominated funds for a total value of CZK 13.8 billion. Hence, it was once again one of the fastest growing investment companies on the Czech market.

In addition, our private bank Friedrich Wilhelm Raiffeisen (FWR) followed up on its successful entry in the Czech market, and last year, registered double-digit growth in the volume of managed assets and in the number of new clients. When managing assets, the FWR private bank offered an open architecture and issued a range of investment products for important clients.

A bank for businesses: Advisory services and growth in lending

2015 was also a successful year for us with respect to financing corporate clients, where we had year-on-year double-digit growth in all segments, thus significantly faster growth than the market. I am happy that we welcomed among our clients not only a number of small and medium-size enterprises, but also large Czech and international corporations.

In corporate banking as well, we focused on quality advice and developed our advisory concept, assisting CEOs and CFOs as well as owners of various companies with the operations of their companies. We also profited from the synergic effect of our parent company Raiffeisen Bank International. Nevertheless, we have most often cooperated with the Slovak Tatra banka, which is number one on the Slovak market in corporate banking.

In addition to standard operational and investment financing, we confirmed last year our role as an expert in syndicated and structured lending. We are also traditionally strong in export financing or the financing of mergers and acquisitions. During last year, we further strengthened our position in the residential and commercial market, where we managed to finance the construction of a number of interesting projects.

In August 2015, we signed an agreement on strategic partnership with EVO Payments International, a world leading fully integrated payments processor and acquirer for merchants, independent sales organisations, financial institutions, government organisations, and multinational corporations located throughout the United States, Canada, and Europe. Together with this new partner, we will continue to develop and support a payment card acceptance product. Thus, we follow the global trend where companies highly specialised in acquiring are taking over this service. In this respect, clients profit from the experience of a strategic partner, gain access to the newest technology, and may take advantage of a wide range of products and services, customer service, and other support.

We are a stable, universal bank operating on the Czech corporate banking market in all segments, and we build on the principle of long-term relationships. We want in particular to be a trustworthy and reliable partner to our clients. It's not only about selling our products and services. We want to look into the future together with our clients, to create this future with them, to support them in assessing their objectives, and to be a financial partner who helps them realise their future.

2016: Acquisition of Citibank's retail banking business in the Czech Republic and further growth

2015 was an exceptional year at Raiffeisenbank, and we hope to have similar success this year, which will be filled once again with many challenges. The most significant challenge will undoubtedly be the integration of Citibank's Czech retail business into our bank. This important milestone is an opportune chance for Raiffeisenbank, and I have no doubt that our careful preparation for this acquisition will be reflected many times over during the upcoming years in the form of a rise in the number of satisfied clients. In addition, I am convinced that, thanks to integration of the unique know-how of both banks and their employees, we will have the opportunity to create an elite team that will set the tone on the Czech market for credit cards and services for affluent clients.

Even though this integration is priority number one for us, we have, of course, not forgotten "ordinary business". By offering quality products and services, we will continue to strengthen our position as an important Czech bank primarily focusing on affluent and demanding clients who are interested in active management of their finances and professional "consultation". We will also continue to expand our distribution network. All of this while maintaining cost control and discipline.

Acknowledgements

On behalf on the bank's management, I would like to thank all of our employees who have contributed with their work to Raiffeisenbank's excellent results in 2015. I greatly appreciate their efforts and the care they have devoted to the bank throughout last year. I am fully aware that, thanks to their efforts and appetite to overcome many almost insurmountable obstacles, we can be a successful and flourishing bank. Our sincere gratitude also goes out to our shareholders for their support, and of course, to our clients and business partners, whose respect and loyalty are very encouraging for us as well as a binding obligation. We greatly appreciate their trust and we are working diligently so that we can continue to provide in the future products and services of the highest quality.

Igor Vida
Chairman of the Board of Directors
and CEO

Corporate Social Responsibility at Raiffeisenbank

Raiffeisenbank's approach to responsible business and sustainability is connected with its historical roots, which were established by one of the first responsible bankers, Friedrich Wilhelm Raiffeisen. Social responsibility is embodied in the fundamental operations of the bank through its corporate values and vision. Raiffeisenbank monitors the impact of its operations, especially in the social and economic area and the environment.

Key areas for 2015:

- RESPONSIBLE BANK
- COMMUNITY AND SOCIAL INVESTMENT
- EDUCATION AND DEVELOPMENT
- THE ENVIRONMENT



BRONZOVA
TOP
ODPOVĚDNÁ
FIRMA 2015
TOP ODPOVĚDNÁ
VELKÁ FIRMA

For overall social responsibility in business, Raiffeisenbank received in 2015 a bronze certificate in the Top Responsible Business Awards.

Raiffeisenbank is responsible for the entrusted funds of its clients. Therefore, at the forefront of attention are topics relating to an ethical and transparent approach. The conduct of the bank's employees is based on the RZB Group's Code of Conduct, which is published on the bank's web pages at www.rb.cz/o-nas/o-spolecnosti. This concerns the principles of conduct that the employees abide by every day at work, and they are more than just an obligation. They contribute significantly to corporate culture and to the real relationships the bank has with its clients, employees, contractors, and partners.



Koalice pro
transparentní podnikání

In addition, Raiffeisenbank is a member of the Coalition for Transparent Business, whose objective is to cultivate the business environment in the Czech Republic. Raiffeisenbank joined the coalition as one of the first banks. We share its ethical values, and thus contribute to a transparent environment with respect to public contracts in the Czech Republic.

People at Raiffeisenbank

- 2708 employees, of which **56%** are women
- Average age of employees: **36 years old**
- Number of employees in management positions: **342**
- Average training hours per one employee: **35.6 hours**

Valid as at 31 December 2015

The satisfaction and motivation of people are the basis for success at Raiffeisenbank. The bank prioritises a quality environment and working conditions, education, and professional growth of its employees, including the possibility of harmonising work with private life. People may take advantage of a wide range of benefits:

- 5 WEEKS OF ANNUAL LEAVE – TIME OFF FOR GRADUATION – PREGNANCY DAYS
- SICK LEAVE – IN-HOUSE DAY CARE ŽIRAIFKA
- CONTRIBUTION TO LOCAL DAYCARE CENTRE
- CONTRIBUTION TO SUPPLEMENTARY PENSION INSURANCE AND LIFE INSURANCE
- CONTRIBUTION TO LEISURE TIME – DISCOUNTED BANKING PRODUCTS – MEAL VOUCHERS
- ANNIVERSARY BONUSES – SUPERIOR HEALTHCARE – DISCOUNTS AT SELECTED BUSINESSES
- FLEXIBLE WORKING HOURS – HOME OFFICE
- PART-TIME EMPLOYMENT

The open communication of employees with Raiffeisenbank's top management, in the form of online or offline chats or regular meetings at all levels, and its friendly atmosphere are the basis of corporate culture at Raiffeisenbank. We are interested in the opinions of our employees, and we listen to these opinions on a regular basis through surveys. In addition, the bank monitors employee engagement, and involves itself in their development and education. We have an internal system for recruiting new employees with an emphasis on career advancements within the bank. We support the return of parents from parental leave and also engage employees in public service activities. We also get involved with students. Raiffeisenbank offers new university graduates with technical or economic backgrounds a special Trainee Programme.

Raiffeisenbank and the Environment

Raiffeisenbank actively contributes to environmental issues. The bank also expects responsible environmental behaviour from its employees, primarily relating to recycling at the workplace and conserving energy. The aim of the bank's energy concept is to reduce the energy demands of the entire branch network, especially conserving electricity related to lighting, conserving water, and waste treatment. In 2015, for example, the bank donated 40 recycled laptops to children at the children's oncology ward in Brno or to students at the Jedlička Institute in Prague.

In 2015, Raiffeisenbank was awarded a bronze medal in the GEEN Zelená banka project, which evaluates individual banks from the standpoint of their environmental activities and green projects.

Lending for environmental projects and the Green Loan

Raiffeisenbank also actively lends funds for the manufacture of renewable resources. In cooperation with the European Investment Bank in 2014 and 2015, Raiffeisenbank introduces unique specialised loans with an environmental dimension. The Green Loan was intended for small and medium-size enterprises with a maximum of 250 employees, which can receive advantageous terms thanks to cooperation with the EIB. The advantage of the Green Loan was a grant for companies that meet the criteria of energy efficiency.

Ten teams cycled to work

In 2015, 38 employees from a total of ten teams in Pardubice, Olomouc and Prague participated in the national initiative Cycling to Work. In this way, they encouraged people to think about what impact their everyday travel habits has on the environment.



Raiffeisenbank and its employees contribute to the Good Angel foundation, starting entrepreneurs, and secondary and university students

In 2015, Raiffeisenbank donated CZK 7,121,400 to community charity projects based on the LBG model (London Benchmarking Group Standard). The value of additional contributions donated to charity by employees and clients through the bank was CZK 2,229,057.

Raiffeisenbank announced in 2015 the Good Crown grant programme (Dobrá koruna) to support the volunteer work of its employees. This programme awarded 24 non-profit projects to which the bank's employees contributed their free time. With this programme, the bank supported and awarded employees who, in addition to their job, contribute to public interest organisations.



Raiffeisenbank is a banking partner of the endowment fund **DOBRY ANDEL** (Good Angel). This endowment assists families with children in situations where a member of the family suffers from cancer or other serious illnesses. In 2015, the bank signed a donation agreement with the endowment for CZK 1.5 million, funds relating to unclaimed anonymous savings books. The financial donation is divided into three annual

payments of CZK 500,000 and is earmarked for the operations and financing of the foundation. It will help uphold the principle of the foundation "to the last cent", i.e. that all contributions for Good Angel will be used in full to help families in need. In addition, the bank organised a campaign at its branch offices where bankers voluntarily offer clients the possibility of becoming a Good Angel. As at 31 December 2015, 218 employees, 480 clients, and 19 corporate clients were Good Angels. The total amount of all contributions in 2015 was close to CZK 1.2 million.



For the seventh year, Raiffeisenbank and its clients have assisted with the charity collection **POMOZTE DĚTEM** (Help the Children). Approximately one sixth of all employees (428) was involved and donated a total of 615 hours of their wages. As is the tradition, the bank matched this contribution, and together with other donations from the bank and clients, contributed a total of CZK 1 million.

In 2015, Raiffeisenbank participated in the international day of corporate volunteering and allowed its employees to devote their free time, energy, know-how, and solidarity to their communities. Engage Day took place on 18 September 2015 throughout the Czech Republic, and more than 200 employees of the bank participated.



In 2015, Raiffeisenbank continued to support the following institutions and activities:

- Czech Golf Amateur Tour
- Czech Innovation and the Czech Innovation Festival
- Debt Advisory Centre
- Enterprising Woman Grant Programme
- EY Entrepreneur of the Year Awards
- Global Entrepreneurship Week
- Jedlička Institute Foundation
- Junior Achievement and the JA Company Program
- Money and/or Life?, an educational project at the Scouts Institute
- Strings of Autumn International Music Festival
- And others...

Report of the Supervisory Board of Raiffeisenbank a.s.

- 1) The Supervisory Board carried out its tasks in accordance with Sections 446-447 of the Act on Commercial Corporations, the Articles of Association of Raiffeisenbank a.s., and the company's rules of procedure. The Board of Directors presented reports on the bank's operations and its financial situation to the Supervisory Board at regular intervals.
- 2) The financial statements were prepared in accordance with the International Accounting Standards.
- 3) The financial statements were audited by "DeloitteAudit s.r.o.". In the opinion of the auditor, the financial statements give a true and fair view of the financial position of Raiffeisenbank a.s. as of 31 December 2015, and of its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standards as adopted by the EU.
- 4) The Supervisory Board examined the annual financial statements and the Report on Related Parties for the year 2015, including the proposed distribution of earnings, accepted the results of the audit of the financial statements for 2015, and recommended that the General Meeting approve them without comments.

Executive and Supervisory Bodies

Board of Directors

Chairman of the Board of Directors

Igor Vida

born: 1 April 1967

Member of the Board of Directors of Raiffeisenbank a.s. since 1 April 2015, and from 7 April 2015, elected Chairman of the Board of Directors. From 1992, Igor worked at the Slovak Tatra banka, a.s., initially as the Head of the Foreign Exchange and Money Market Department, later as Head of the Treasury and Investment Banking Division. In 1997, he became a member of the Board of Directors of Tatra banka, a.s., then between 1999 – 2007 Vice-Chairman of the Board of Directors and Deputy CEO. Starting in 2007, he was the Chairman of the Board of Directors and CEO of Tatra banka, a.s. Igor resigned from the position of Chairman of the Board of Directors of Tatra banka, a.s. on 31 March 2015. On 16 April 2015, he became the Vice-Chairman of the Supervisory Board of Tatra banka, a.s.

Vice-Chairman of the Assets and Liabilities Committee

Member of the Credit Committee

Member of the Non-Performing Loans Committee

Chairman of the Projects Committee

Vice-Chairman of the Board of Directors

Rudolf Rabiňák

born: 21 February 1958

residing at: K Tuchoměřicům 146, 164 00 Prague 6
Since April 2001, he is a member of the Board of Directors of Raiffeisenbank a.s. responsible for corporate banking. Prior to his appointment, he worked nine years at Citibank a.s. As at 1 January 2015, he was appointed Vice-Chairman of the Board of Directors.

Member of the Assets and Liabilities Committee

Vice-Chairman of the Credit Committee

Member of the Projects Committee

Vice-Chairman of the Real Estate Investment Committee

Member of the IT Change Control Committee

Chairman of the Corporate Products Committee

Members of the Board of Directors

František Ježek

born: 5 April 1972

residing at: Česká 1135/5, 158 00 Prague 5 - Košíře
Member of the Board of Directors responsible for Risk Management since October 2012. Prior to joining Raiffeisenbank, he worked at the Vienna headquarters of Raiffeisen Bank International AG as the head of retail risk for all of the 15 markets in Central and Eastern Europe. Prior to working at RBI, he worked at Multiservis and in the GE Money group.

Member of the Assets and Liabilities Committee

Chairman of the Credit Committee

Chairman of the Committee for Operations Risk Management

Chairman of the Non-performing Loans Committee

Chairman of the Retail Risk Management Committee

Member of the Projects Committee

Member of the Real Estate Investment Committee

Member of the IT Change Control Committee

Member of the Investment Products Committee

Vice-Chairman of the Corporate Products Committee

Milan Hain

born: 27 November 1962

residing at: Suchá 10, Bratislava, Slovakia
Member of the Board of Directors responsible for IT since 1 January 2013. Prior to joining Raiffeisenbank, he held various IT management positions at Slovak telecommunications companies, such as Slovak Telecom. Prior to this, he worked in various management positions at Všeobecná úverová banka.

Member of the Projects Committee

Chairman of the IT Change Control Committee

Jan Pudil

born: 20 December 1969

residing at: Kotorská 36/1579, 140 00 Prague 4

Executive Director for Treasury and Investment Banking since October 2010. Since 1 October 2013, member of the Board of Directors responsible for Treasury and Investment Banking. Prior to joining Raiffeisenbank, he worked eight years in London at BNP Paribas S.A., the last four years of which he was in the position of Head of EMEA, FX and Linear Rates Trading.

Member of the Assets and Liabilities Committee

Member of the Projects Committee

Member of the IT Change Control Committee

Member of the Investment Products Committee

Vladimír Kreidl

born: 23 April 1974

residing at: U Starého židovského hřbitova 17, 150 00 Prague 5

Member of the Board of Directors and Executive Director responsible for Retail Banking since 1 October 2013. Prior to joining Raiffeisenbank, he worked at McKinsey&Company starting in 2001, and since 2008 as a partner. From 1995 to 2000, he worked at Patria Finance, a.s., eventually as a partner.

Member of the Assets and Liabilities Committee

Chairman of the Pricing and Interest Committee

Vice-Chairman of the Retail Risk Management Committee

Member of the Projects Committee

Member of the IT Change Control Committee

Member of the Investment Products Committee

Chairman of the Marketing Committee

Miloš Matula

born: 1 October 1976

residing at: Samoty 18, Lišeň, 628 00 Brno

Member of the Board of Directors and Executive Director responsible for Operations since 1 April 2014. Prior to joining Raiffeisenbank a.s., he worked from 2009 as a member of the Board of Directors of ZUNO BANK AG. From 2007 to 2009, he worked at the parent company Raiffeisen Bank International AG in the position of Head of Service Excellence.

Member of the Committee for Operations

Risk Management

Vice-Chairman of the Projects Committee

Member of the IT Change Control Committee

Member of the Corporate Products Committee

Supervisory Board

Chairman of the Supervisory Board

Karl Sevelda

residing at: Sigmundsgasse 5/15, 1070 Vienna, Austria

born: 31 January 1950

Member of the Supervisory Board since April 2014. In June 2014, he was appointed Chairman of the Supervisory Board. Karl studied at Vienna University of Economics (Wirtschaftsuniversität Wien). From 1998 to 2010, he worked at Raiffeisen Zentralbank AG as a member of the Board of Directors responsible for Corporate Banking. Since 2010, he is a member of the Board of Directors of Raiffeisen Bank International AG and deputy CEO. Since June 2013, he is the Chairman of the Board of Directors and CEO of Raiffeisen Bank International AG.

Vice-Chairman of the Supervisory Board

Peter Lennkh

residing at: Pierrongasse 5, 1140 Vienna, Austria

born: 10 June 1963

Member of the Supervisory Board since October 2013. From December 2013, he was elected Vice-Chairman of the Supervisory Board. Prior to this, he was a member of the Supervisory Board of Raiffeisenbank a.s. from 2005 to 2007. In 1988, he joined Raiffeisen Zentralbank AG, and since that time, he has worked in various positions in the group. Since 1 January 2005, he is a member of the Board of Directors of Raiffeisen Bank International AG, responsible for Corporate Banking.

Members of the Supervisory Board

Aris Bogdaneris

residing at: Lainzer Strasse 77, 1130 Vienna, Austria
born: 26 October 1963

He started his career in 1988 at Citibank in Toronto, Canada. From 1992, he worked for ABN AMRO Corporate Finance in Budapest and Warsaw as an investment banker focusing on Central and Eastern Europe. At the beginning of 1995, he was employed at the headquarters of General Electric in the USA and was involved in various projects in the USA, Asia, and Europe. In 1998, he became the Executive Director for operations at Budapest Bank (100% subsidiary of GE Capital), where he was then appointed as deputy CEO and member of the Board of Directors responsible for retail banking. In 2004, he became a member of the Board of Directors of Raiffeisen Bank International AG.

Note: Aris Bogdaneris resigned from his position as member of the Supervisory Board on 15 April 2015.

Reinhard Schwendtbauer

residing at: Lukasweg 23, 4060 Leonding, Austria
born: 11 September 1972

Member of the Supervisory Board since April 2013. From 1997, he worked at Raiffeisenlandesbank Oberösterreich AG as the Head of the Secretariat of the Board of Directors. From 1999 to 2000, he worked at the Federal Ministry of Agriculture and Forestry. From 2001 to 2012, he was managing partner and shareholder in Finadvice Österreich, Linz. Since April 2012, he is a member of the Board of Directors of Raiffeisenlandesbank Oberösterreich AG, Linz.

Johann Strobl

residing at: Walbersdorf, Hauptstrasse 37, Austria
born: 18 September 1959

Member of the Supervisory Board since April 2014. From 1989, Johann worked at Bank Austria Creditanstalt, and from 2004, in the position of member of the Board of the Directors responsible for risk management and finance. In 2007, he became a member of the Board of Directors of Raiffeisen Zentralbank AG responsible for risk management. Starting in 2010, he is a member of the Board of Directors of Raiffeisen Bank International AG responsible for risk management, and from June 2013, also the deputy CEO.

Dkfm. Klemens Breuer

residing at: Willemslägerweg 25, 52159 Roetgen, Germany
born: 16 December 1967

Member of the Supervisory Board from April 2014. Starting in 1995, he worked at Deutsche Bank AG in the area of treasury and money markets. Since April 2012, he is a member of the Board of Directors of Raiffeisen Bank International AG responsible for global markets, and from 2015 also for retail banking.

Martin Grüll

residing at: Mödling, Dr. Hanns Schürff Gasse 21, 2340, Austria
born: 25 October 1959

Member of the Supervisory Board since July 2014. From 1982 to 1998, he worked at Raiffeisen Zentralbank, ultimately in the position of Head of International Corporate Banking (Senior Vice President). From 1998 to 2004, he worked at Bank Austria Creditanstalt, in the end, as Group Executive Manager – Central and Eastern Europe. Since 2005, he has been a member of the Board of Directors and CFO at Raiffeisen Bank International AG.

Petr Rögner

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

born: 15 March 1951

Member of the Supervisory Board of Raiffeisenbank a.s. since 12 May 2011. He has worked at Raiffeisenbank a.s. since 2002 and currently works in the position of quality management specialist. He worked in the past at Citibank a.s. in the position of Head of the Cash Management Department.

Michal Přádka

residing at: Starodvorská 525, Krmelín, 739 24, Czech Republic
born: 6 January 1977

Member of the Supervisory Board of Raiffeisenbank a.s. since 12 May 2011. He has worked at Raiffeisenbank a.s. since 2007 in the position of Regional Director – North Moravia. He worked in the past at eBanka, a.s. in the position of Division Director Ostrava.

Andreas Gschwenter

residing at: Wolkersbergenstrasse 14, 1130 Vienna, Austria
born: 16 January 1969

Member of the Supervisory Board of Raiffeisenbank a.s. since 19 August 2015. From 2010, he was a member of the Board of Directors of the Ukrainian Raiffeisen Bank Aval responsible for IT and Operations. In July 2015, he became a member of the Board of Directors of Raiffeisen Bank International AG responsible for IT and Operations.

Report of the Supervisory Board

Ladies and Gentlemen,

At the beginning of 2015, Raiffeisen Bank International announced a review of the corporate strategy which the market received very positively. An emphasis on markets in which RBI can generate sustainable returns due to a strong position is also being welcomed, as is the action taken so far to achieve these goals. The plan to become a more focused universal bank with strong customer relationships by reducing complexity and risk as well as through bolstering the capital buffer is well on track and valued by market participants.

More than ever before, a bank today needs a focus – and RBI's is on CEE and Austria. RBI, therefore, needed to look at all operations unrelated to that focus, even when, in some cases, they have been highly successful in the past. The footprint in CEE was also reviewed at this time. All of this took place against the backdrop of higher regulatory capital ratio requirements, which were taken into account while determining the target CET1 and total capital ratios.

In 2015, RBI significantly strengthened its capital base, with the fully loaded CET1 ratio standing at 11.5 per cent at year-end, and also achieved a consolidated profit of € 379 million. The primary reason for the result being so positive was lower net provisioning for impairment losses. Furthermore, general administrative expenses were reduced by 4 per cent compared to 2014, in line with RBI's cost cutting initiative.

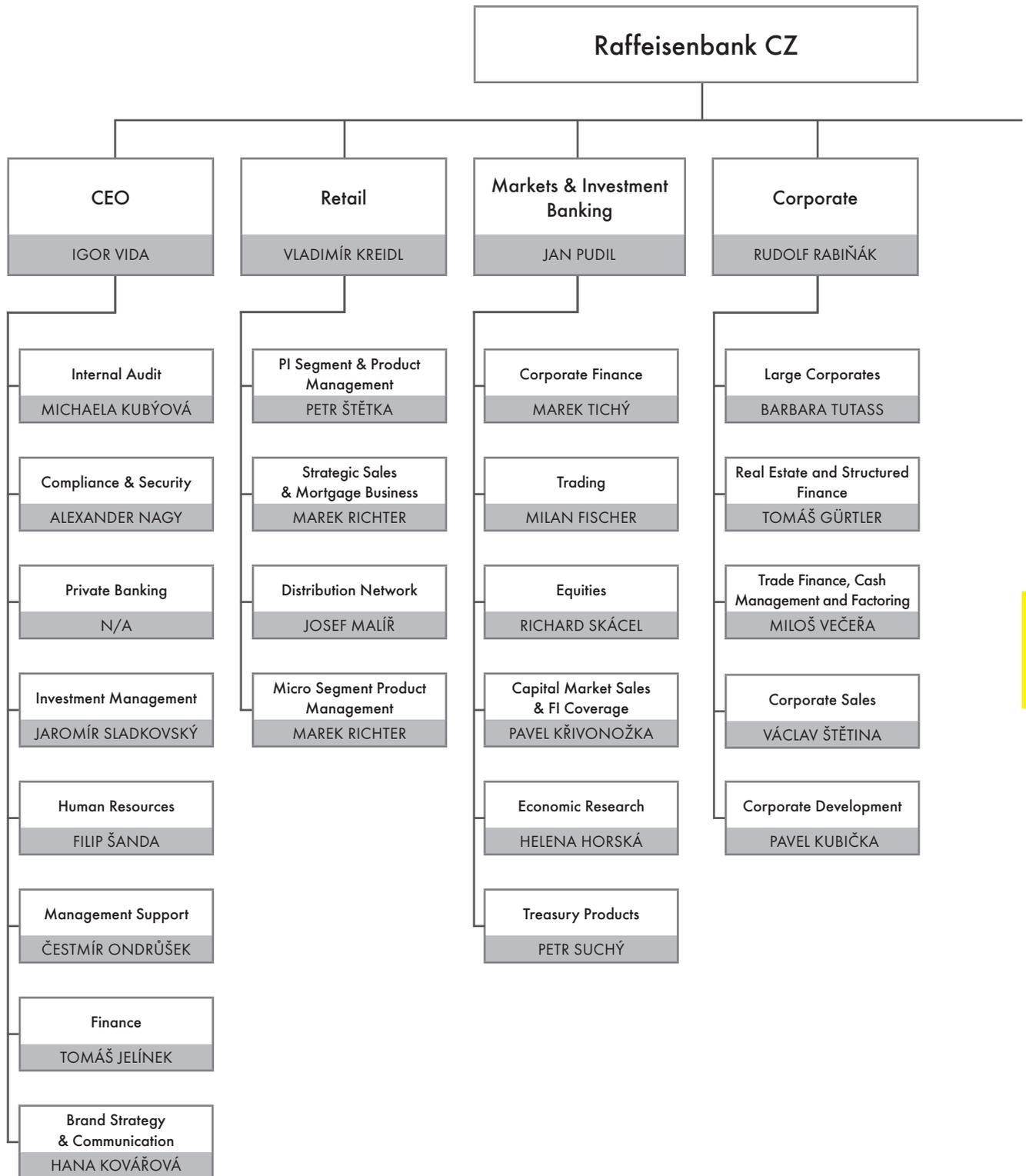
Raiffeisenbank a.s. was very successful in the Czech market last year. We further strengthened our position as one of the largest banks in the Czech Republic primarily focusing on customers looking for high quality service, active management of their finances and professional consultation. Last year, we succeeded in topping our sales records in retail banking and we also prospered with respect to financing corporate clients, where our annual growth reached double-digit rate in all segments. Naturally, our sales results are reflected in growing deposits and loans as well as the bank's net profits that reached a record-breaking amount of 2.5 billion Czech crowns. Signing the agreement on the acquisition of Citi's retail banking business in the Czech Republic was an important milestone for last year. This acquisition is an opportune chance for Raiffeisenbank in the future and I do believe we will make use of it completely.

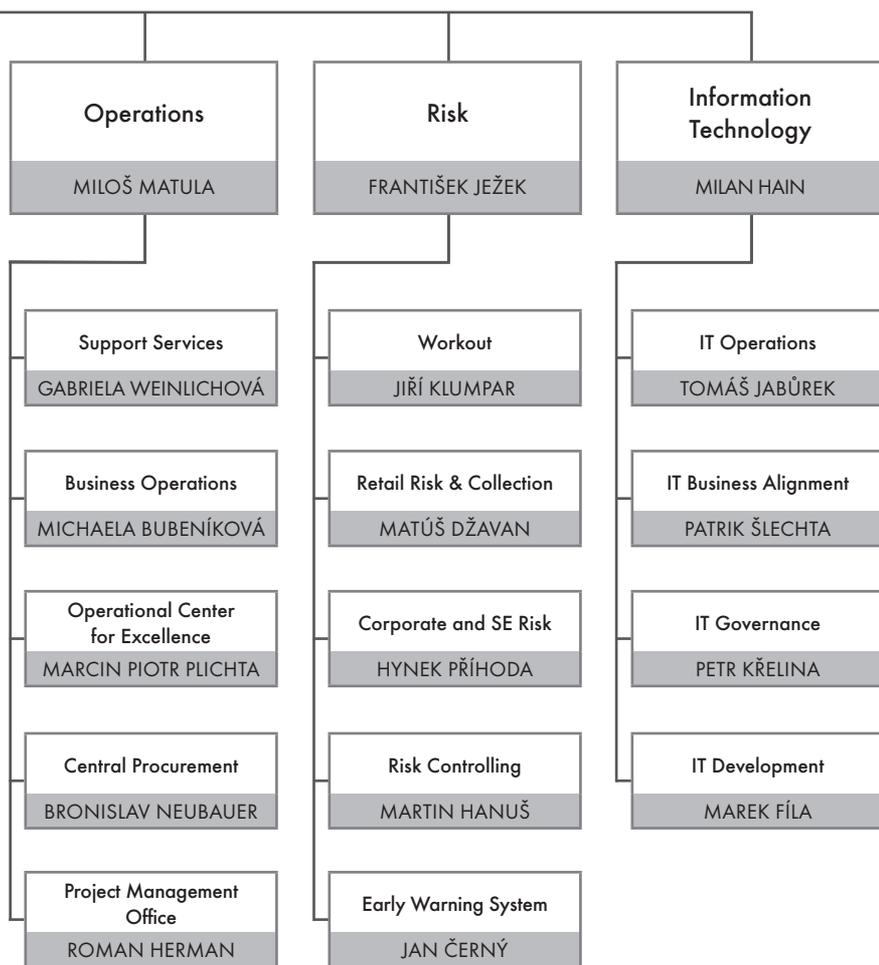
I would like to take this opportunity to thank all employees of Raiffeisenbank a.s. for their hard work and constant efforts to serve our customers and bring benefits to the entire Raiffeisen Group.

On behalf of the Supervisory Board,

Karl Sevelda
Chairman of the Supervisory Board

Organisational Chart





Economic development

2015 – Ground-breaking year Strong and healthy economic growth



In 2015, the internal environment developed more favourably for the Czech economy than in previous years. The German economy continued to grow at a slow pace, and even other European countries were experiencing a recovery. The conflict in Ukraine was no longer critical. The Greek debt crisis, which held the attention of the market throughout

the first half of 2015, was diverted for a third time in a row with a rescue package requiring cuts in Greek public finances, the privatisation of state property, or pension system reform. In the middle of the year, the financial market shifted its focus to China. A sharp increase in local stock markets alarmed the Chinese authorities who attempted to stop the growing bubble on the stock market. The result was a decline in shares, and the Chinese authorities once again reacted to this by introducing new rules for trading with shares. The markets immediately began to speculate over the level of slowdown of the China economy and the ability of the Chinese administration to ensure a smooth landing for such a huge economy. Fears of too abrupt of a landing for the Chinese economy shook not only the confidence of investor, but also central bankers. In August 2015, the Chinese central bank finally responded by devaluing the Chinese currency by approximately 3%. Fears of a slowing Chinese economy, and consequently the world economy, affected the prices of commodities and also the monetary policies of world central banks. Of these commodities, the most watched was the fall in oil prices below 40 dollars per barrel. The US Federal Reserve Bank, which prepared markets throughout 2015 for the first increase in interest rates in seven years, did not decide on its turnaround in monetary policy until December 2015. On the contrary, the European Central Bank, under the pressure of an uncertain growth outlook and very low inflation, decided to ease monetary policy further by reducing the deposit rate from -0.2% to -0.3% and extending it by another six months to March 2017. This is the first time since 1994 that two large central banks (at that time the Bundesbank, not the ECB) decided to react in opposite directions. The events relating to monetary policy also had a significant effect on the development of the US dollar. The USD strengthened during the year against the EUR by about 20 cents, i.e. an average of 16%. The largest shock for the foreign exchange market was the sudden end to the intervention of the Swiss National Bank in January 2015, which up to that time, was attempting to prevent the strengthening of the Swiss franc over the level of CHF 1.20/1 EUR. Bond yields in the USA increased slightly. On the other hand, rates on the money market and yields on government bonds in Europe with maturities up to eight years fell. Key stock indices expressed in EUR ended 2015 with a slight plus.

2015 was a very successful year for the Czech economy – from the standpoint of the rate of economic growth, the most successful since 2007. Economic growth adjusted for inflation rose above 4%. The Czech Republic was immediately ranked among the fastest growing economies in Europe. After a very long time, the Czech Republic is now the fastest growing economy of the Visegrad Four. The economic level measured by gross domestic product per capita in terms of purchasing power standard (PPS) continues to increase, and in 2015, will probably exceed 87% of the average level of the European Union. Growth of the Czech economy in 2015 is the result of a perfectly timed confluence of several factors: a recovery in household consumption, rapid drawings from the European funds, low fuel and oil prices, a relatively stable Czech crown, and eased fiscal policy. The “statistical effect” of seasonally adjusted inventories also had a positive influence at the beginning of 2015 and could have improved economic growth at the beginning of 2015 when inventories (especially cigarettes) did not fall, as in previous years. Due to a recovery in domestic demand, imports rose – therefore, the contribution of foreign trade to economic growth was slightly negative despite export recovery. The confidence of Czech households rose to a new historical high, and the improving financial situation allowed households to increase their consumption. Household spending rose at a faster pace than earnings. Therefore, the savings rate declined slightly to around 9%. However, average monthly household earnings remained higher than average monthly expenses (CZK 22,129 and CZK 20,690, respectively). Thanks to slowly recovering foreign demand and the Czech crown exchange rate, which the CNB prevented from strengthening through EUR/CZK27.0, domestic industry led by the automobile industry also fared well. The construction industry was supported by investments in transport infrastructure largely financed by EU funds. The service sector benefited from an increase in household and corporate demand. Economic growth had a positive impact on the financial condition of firms. The profitability of firms had topped 50%, and the level of investment reached almost one third. Growth of the Czech economy was based not only on consumption, but also investments.

Labour market benefited from strong growth

Strong growth of the Czech economy contributed to a significant improvement in the conditions on the labour market. During the year, the share of registered unemployed dropped under 6% to the lowest level since 2009. On average, the unemployment rate fell from 7.7% in 2014 to 6.5% in 2015. Since April 2015, the number of registered unemployed remained under 500,000. According to Eurostat, the Czech Republic became the country with the second lowest unemployment rate in Europe after Germany. Employment even a new historic high. The number of vacancies almost doubled,

Economic Development					
	2011	2012	2013	2014	2015*
GDP per capita, PPS	20,546	22,305	21,850	22,916	24,036
Real GDP, % change	2.0	-0.8	-0.5	2.0	4.3
Industrial output, % yoy	5.9	-0.8	-0.1	4.9	5.8
ILO general rate of unemployment, % avg	6.7	7.0	7.0	6.2	5.3
CPI, % change, avg	1.9	3.3	1.4	0.4	0.3
Trade balance, % of GDP	4.8	7.6	8.6	10.1	9.7
Current account balance, % of GDP	-2.1	-1.6	-0.5	0.6	1.1
Net foreign direct investment, % of GDP	1.2	3.0	-0.2	3.1	0.2
Budget balance, % of GDP	-2.9	-4.0	-1.3	-2.0	-1.5
Public debt, % of GDP	41.0	45.6	45.8	42.6	40.7
Official FX reserves, EUR bn eop	31.1	34.0	40.8	44.9	59.5
Import cover, months	3.5	3.5	4.1	4.5	5.4

Sources: Czech Statistical Office, Czech National Bank; * estimate of Czech Statistical Office

and during the last five months of the year, this number stayed above 100,000. The Czech labour market is starting to reach its capacity. Some industries have already announced a lack of employees, and pressure on wage growth is increasing. Average wage growth in the Czech Republic has increased and has come close to the growth rate last seen in 2009. Thanks to very low inflation, the real purchasing power of citizens has begun to increase visibly. Wages in the government sector have increased at a faster pace than in the private sector.

Inflation remained very low

In 2015, the prices of consumer goods (inflation) increased on average by 0.3%. In 2014, inflation increased by 0.4%. The initial recovery in consumer price inflation was disrupted at the end of the year by falling fuel prices. Besides fuels and food prices, falling prices in healthcare (the effect of cancelling regulation fees) and zero inflation in Europe contributed to low inflation. On the contrary, the prices for services, tobacco, clothing, and shoes rose. Producer prices continued in their downward trend, especially the declining prices for raw materials, including oil. The low interest rates for mortgages and the improving financial situation of Czech households supported an increase in real estate prices, and not only in Prague.

The Czech crown tested the 27 crown threshold vis-à-vis the euro

During the first half of 2015, unexpected strong growth of the Czech economy pushed the Czech crown to 27 crowns vis-à-vis the euro, a threshold that, if breached, would require the intervention of the Czech National Bank (CNB). Voluminous interventions in billions of euro followed due to market speculation that the CNB may exit from the FX control regime earlier. During 2015, the CNB increased its international reserves from 29% of GDP to 36%. Speculations on the strengthening of the crown

were reflected not only in forward and swap rates, but also in government bond yields, which declined – for short maturities, even to negative territory. The new inflation forecasts, which indicated slower recovery of inflation, forced the central bank to postpone the end of exchange rate controls until the end of 2016. The Czech currency against the volatile US dollar was on average in a range of 24.60.

Government bond yields at historic low

The danger of low inflation and the uncertainty regarding global development pushed the yields of Czech government bonds to a new historical low. The reason was the dynamic growth of the economy and the favourable development of public finances, which increased the attractiveness of Czech government bonds for foreign investors. The state budget deficit was CZK 63 billion, which was CZK 15 billion less than in 2014 and CZK 37 billion under the originally approved draft state budget. In addition, government debt stabilised thanks to drawing on government financial reserves. The share of government debt to annual economic production fell to 41%. Market speculation on the strengthening crown and on an early exit from the FX control regime led to a gradual decline in the yields of government bond with maturities up to five years to negative values during the second half of the year.

Helena Horská, Chief Economist,
Head of Economic Research, Raiffeisenbank a.s.

Raiffeisenbank's market position

Although it did not seem so at first, 2015 was an interesting year, full of events for the Czech banking sector. A main topic was the exchange rate intervention by the Czech National bank, which significantly increased the volume of total assets of the banking sector. Also interesting was the merger of a non-banking lender and a bank that caused a sharp rise especially in consumer loans on the banking sector. A third event emerging from the calm waters was the sale of the retail portfolio of Citibank together with the prepared sale of another medium-size bank in the Czech Republic, which indicates future changes in the competitive positions of the individual players on the Czech market. However, none of these events threatened in any significant way the stability, liquidity, profitability, or competitiveness of the Czech banking sector.

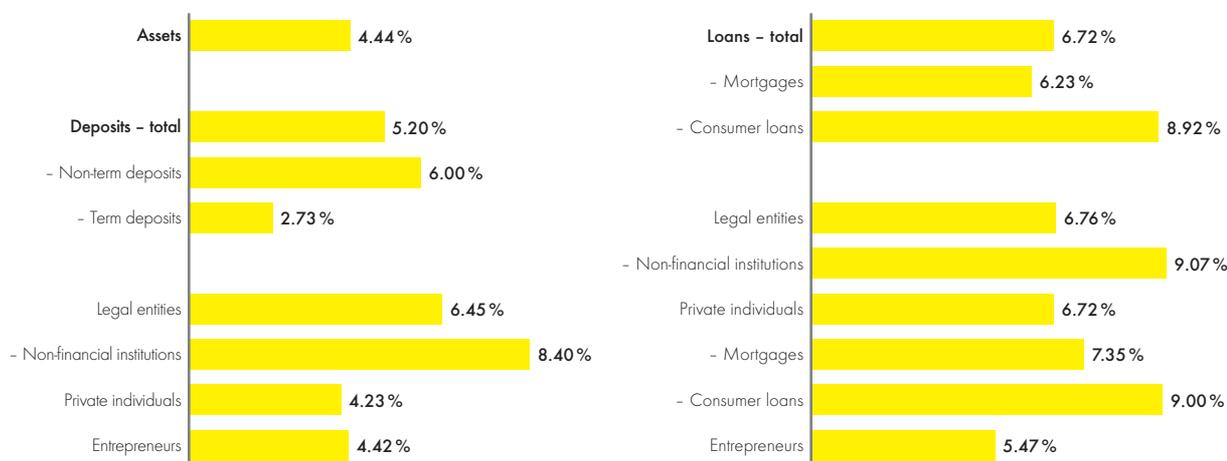
In 2015, Raiffeisenbank continued with the positive growth trend and anchored its position as the fifth largest bank with a 4.4% share in total market assets. As we expected, client deposits in 2015 slowed down slightly. Despite this, Raiffeisenbank increased its volume by 11.6%, which is a market share of 5.2%. The anticipated recovery of the market's lending activity was confirmed in 2015. Raiffeisenbank increased the total volume of lending by 11%, reaching a market share of 6.7%.

In the structure of deposits, the deposits of legal entities have been prevalent over the long term with a stable share of 54% of total deposits. The volume of deposits in 2015 rose once again by more than 13%. Approximately 42% of all bank deposits are deposits from non-financial institutions, whose volume in 2015 rose by 15.1%, and thus the bank reached a market share of

8.4%. Economic growth recovery and an improvement in the situation on the labour market with a positive outlook allow private clients to ease up slightly with respect to funds saved for a rainy day. Nevertheless, the volume of their deposits at Raiffeisenbank rose by 11.6%, which increased the market share to 4.2%. On the contrary, entrepreneurs began to use their resources, and the volume of their deposits was reduced by more than 11%, and the bank now manages 4.4% of the total deposits of this segment.

In the structure of lending, loans to legal entities also prevail, comprising 54.6% of all loans granted by the bank. Raiffeisenbank managed to repeat last year's increase in volume by 12.7%, which meant a rise in its market share to 6.8%. The bank increased the volume of loans granted to non-financial institutions in 2015 by 12%, and the market share exceeded the imaginary limit of 9%. In addition, loans granted to private individuals exceeded last year's tempo. The volume in 2015 increased by 9.3%, which means a market share for the bank of 6.7%. The main source of growth was mortgages, whose volume increased by 11.9%. Hence, Raiffeisenbank now manages 7.4% of all mortgages on the Czech banking market. Even though the bank increased its portfolio of consumer loans by 2.3%, its market share slightly fell to 9%, influenced by the mentioned increase in the volume of consumer loans in the banking sector. The only category not to experience growth was loans granted to small entrepreneurs, whose volume fell by 3.7%. Thus, Raiffeisenbank now manages 5.5% of the loans granted to this group of clients.

Raiffeisenbank's market shares



Note: The data are based on statistical reports created according to the methodology of the CNB.

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

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

Report on Separate Financial Statements

We have audited the accompanying separate financial statements of Raiffeisenbank a.s. prepared on the basis of International Financial Reporting Standards as adopted by the EU, which comprise the statement of financial position as at 31 December 2015, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes which are included in this annual report on pages 26 to 91.

Statutory Body's Responsibility for the Separate Financial Statements

The Statutory Body is responsible for the preparation and fair presentation of these separate financial statements in accordance with International Financial Reporting Standards as adopted by the EU, and for such internal control as management determines is necessary to enable the preparation of separate financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the separate financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the separate financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the separate financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the separate financial statements.

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

Opinion

In our opinion, the separate financial statements give a true and fair view of the financial position of Raiffeisenbank a.s. as at 31 December 2015, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

Report on Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Raiffeisenbank a.s. and subsidiaries prepared on the basis of International Financial Reporting Standards as adopted by the EU, which comprise the statement of financial position as at 31 December 2015, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes which are included in this annual report on pages 92 to 177.

Statutory Body's Responsibility for the Consolidated Financial Statements

The Statutory Body is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the EU, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the financial position of Raiffeisenbank a.s. and subsidiaries as at 31 December 2015, and of their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

Other information

The other information comprises the information included in the annual report, but does not include the separate and consolidated financial statements and our auditor's report thereon. Management is responsible for the other information.

Our opinion on the separate and consolidated financial statements does not cover the other information and we do not express any form of opinion thereon. However, in connection with our audit of the separate and consolidated financial statements, our responsibility is to read the other information and consider whether the other information in the annual report is not materially inconsistent with the separate and consolidated financial statements or our knowledge obtained in the audit, the annual report has been prepared in accordance with the applicable legal requirements, or the other information does not otherwise appear to be materially misstated. If, based on the work we have performed, we conclude that the above is not true, we are required to report such facts.

Based on the work we have performed, we have nothing to report in this regard.

Report on Related Party Transactions Report

We have reviewed the factual accuracy of the information included in the accompanying related party transactions report of Raiffeisenbank a.s. for the year ended 31 December 2015 which is included in this annual report on pages 180 to 216. This related party transactions report is the responsibility of the Company's Statutory Body. Our responsibility is to express our view on the related party transactions report based on our review.

We conducted our review in accordance with Auditing Standard 56 issued by the Chamber of Auditors of the Czech Republic. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the related party transactions report is free of material factual misstatements. A review is limited primarily to inquiries of Company personnel and analytical procedures and examination, on a test basis, of the factual accuracy of information, and thus provides less assurance than an audit. We have not performed an audit of the related party transactions report and, accordingly, we do not express an audit opinion.

Nothing has come to our attention based on our review that indicates that the information contained in the related party transactions report of Raiffeisenbank a.s. for the year ended 31 December 2015 contains material factual misstatements.

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

In Prague on 27 April 2016

Audit firm:

Deloitte Audit s.r.o.
registration no. 079



Statutory auditor:

Diana Rádľ Rogerová
registration no. 2045



Raiffeisenbank a.s.

Unconsolidated Financial Statements Prepared in Accordance with International Financial Reporting Standards as Adopted by the European Union for the Year Ended 31 December 2015.

Components of the Financial Statements:

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

These financial statements were prepared by the Bank and approved by the Board of Directors of the Bank on 1 March 2016.

Chief Financial Officer of the Reporting Entity



Tomáš Jelínek
Chief Financial Officer

Executive Body of the Reporting Entity



Igor Vida
Chairman of the Board of Directors



Rudolf Rabiňák
Vice-Chairman of the Board of Directors

Statement of Comprehensive Income

For the Year Ended 31 December 2015

(CZK thousand)	Note	2015	2014
Interest income and similar income	5	6,586,627	6,830,054
Interest expense and similar expense	5	(482,181)	(942,158)
Net interest income		6,104,446	5,887,896
Change in provisions for credit risks	6	(1,065,010)	(1,109,394)
Net interest income after provisions for credit risks		5,039,436	4,778,502
Fee and commission income	7	2,548,301	2,627,445
Fee and commission expense	7	(713,579)	(660,815)
Net fee and commission income		1,834,722	1,966,630
Net profit on financial operations	8	1,258,742	1,028,409
Dividend income	9	71,033	54,400
Losses from the impairment of equity investments	22	-	(18,011)
General administrative expenses	10	(5,074,645)	(5,227,389)
Other operating (expenses)/income, net	12	25,495	(49,304)
Profit before tax		3,154,783	2,533,237
Income tax expense	13	(616,421)	(484,207)
Net profit for the year attributable to the Bank's shareholders		2,538,362	2,049,030
Other comprehensive income			
Items that can be reclassified to income (or expenses) in the future:			
Gains/(losses) from re-measurement of securities available for sale	31	356,409	-
Gains/(losses) from revaluation of cash flow hedges	31	(217,593)	-
Tax on profit associated with components of other comprehensive income	20	(26,375)	-
Total other comprehensive income		112,441	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		2,650,803	2,049,030

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

Statement of Financial Position

As of 31 December 2015

(CZK thousand)	Note	2015	2014 (adjusted)
ASSETS			
Cash and balances with central banks	14	38,633,848	10,645,734
Securities at fair value through profit or loss	15	1,182,137	6,904,528
Positive fair value of financial derivative transactions	34	3,382,831	4,281,326
Assets held for sale	16	33,753	-
Securities available for sale	15	873,408	517,021
Loans and advances to financial institutions	17	4,047,655	23,073,499
Loans and advances to customers	18	188,942,730	170,408,374
Provisions for loans and advances	19	(6,152,402)	(6,598,109)
Fair value remeasurement of portfolio-remeasured items (amounts due from customers)	18	264,129	387,011
Securities held to maturity	15	11,265,127	12,420,499
Other assets	21	873,865	748,753
Equity investments	22	516,320	629,092
Intangible fixed assets	23	1,796,151	1,778,679
Property and equipment	24	665,478	832,101
TOTAL ASSETS		246,325,030	226,028,508
LIABILITIES AND EQUITY			
Amounts owed to financial institutions	25	10,385,876	10,582,889
Amounts owed to customers	26	183,704,256	164,655,562
<i>of which: change in the fair value of hedged items</i>	26	196,398	225,631
Fair value re-measurement of portfolio-re-measured items (amounts owed to customers)	26	815,122	1,081,067
Negative fair value of financial derivative transactions	34	2,588,709	2,770,759
Deferred tax liability	20	83,358	52,329
Debt securities issued	27	18,466,381	16,802,321
<i>of which: change in the fair value of hedged items</i>		42,062	-
Provisions	28	824,968	501,090
Other liabilities	29	2,066,757	2,465,966
Subordinated liabilities and bonds	30	2,993,787	4,244,865
TOTAL LIABILITIES		221,929,214	203,156,848
EQUITY			
Share capital	31	11,060,800	11,060,800
Reserve fund		693,561	693,561
Gains and losses from revaluation	31	333,293	220,852
Retained earnings		7,835,350	6,912,967
Other capital instruments	31	1,934,450	1,934,450
Profit for the period		2,538,362	2,049,030
TOTAL EQUITY		24,395,816	22,871,660
TOTAL LIABILITIES AND EQUITY		246,325,030	226,028,508

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

Statement of Changes in Equity

For the Year Ended 31 December 2015

(CZK thousand)	Share capital	Reserve fund	Gains and losses from revaluation	Retained earnings	Other capital instruments	Profit for the period	Total equity
At 1 January 2014	10,192,400	647,842	220,852	6,912,718	-	914,368	18,888,180
Share capital increase	868,400	-	-	-	1,934,450	-	2,802,850
Dividends	-	-	-	-	-	(868,400)	(868,400)
Allocation to reserve funds	-	45,719	-	-	-	(45,719)	-
Allocation to retained earnings	-	-	-	249	-	(249)	-
Net profit for the period	-	-	-	-	-	2,049,030	2,049,030
Other comprehensive income, net	-	-	-	-	-	-	-
Comprehensive income for the period	-	-	-	-	-	2,049,030	2,049,030
At 31 December 2014	11,060,800	693,561	220,852	6,912,967	1,934,450	2,049,030	22,871,660
Share capital increase	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	(1,064,111)	(1,064,111)
Payment of coupon on other capital instruments	-	-	-	(62,536)	-	-	(62,536)
Allocation to reserve funds	-	-	-	-	-	-	-
Allocation to retained earnings	-	-	-	984,919	-	(984,919)	-
Net profit for the period	-	-	-	-	-	2,538,362	2,538,362
Other comprehensive income, net	-	-	112,441	-	-	-	112,441
Comprehensive income for the period	-	-	112,441	-	-	2,538,362	2,650,803
At 31 December 2015	11,060,800	693,561	333,293	7,835,350	1,934,450	2,538,362	24,395,816

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

Cash Flow Statement

For the Year Ended 31 December 2015

(CZK thousand)	2015	2014 (adjusted)
Profit before tax	3,154,783	2,533,237
Adjustments for non-cash transactions		
Creation of provisions for credit risks	1,065,010	1,109,394
Depreciation and amortisation	556,769	558,106
Loss from the impairment of intangible assets	33,783	40,625
Loss from the impairment of equity investments	-	18,011
Creation of other provisions	211,254	3,590
Change in fair values of financial derivatives	(498,852)	(800,261)
Unrealised loss/(gain) on revaluation of securities	7,000	(78,488)
Loss/(gain) on the sale of tangible and intangible assets	767	2,481
Change in the revaluation of hedged items upon a fair value hedge	(172,296)	807,378
Revaluation of foreign currency positions	353,828	816,586
Other non-cash changes	(764,078)	(1,689,037)
Operating profit before changes in operating assets and liabilities	3,947,968	3,321,622
Cash flows from operating activities		
<i>(Increase)/decrease in operating assets</i>		
Minimum reserve deposits with the CNB	(1,936,472)	(612,820)
Loans and advances to financial institutions	19,013,259	(9,554,643)
Loans and advances to customers	(18,952,990)	(14,864,677)
Securities at fair value through profit or loss and securities available for sale	5,685,026	(1,944,132)
Other assets	(125,112)	2,989
<i>Increase/(decrease) in operating liabilities</i>		
Amounts owed to financial institutions	(286,838)	560,392
Amounts owed to customers	18,921,650	16,857,740
Other liabilities	(399,209)	97,365
Net cash flow from operating activities before income tax	25,867,282	(6,136,164)
Income taxes paid	(325,741)	15,642
Net cash flow from operating activities	25,541,541	(6,120,522)
Cash flows from investing activities		
Sale of/(increase in) equity investments	112,772	(115,095)
Purchase of property and equipment and intangible assets	(447,607)	(372,917)
Income from the sale of fixed assets	49,743	5,156
Net decrease in securities held to maturity	1,141,596	-
Dividends received	71,033	54,400
Net cash flow from investing activities	927,537	(428,456)
Cash flows from financing activities		
Share capital increase	-	868,400
Dividends paid and paid coupons on other capital instruments	(1,126,647)	(868,400)
Increase in other capital instruments	-	1,934,450
Bonds in issue	1,802,395	4,787,485
Subordinated liabilities and bonds	(1,166,612)	(1,217)
Net cash flow from financing activities	(490,864)	6,720,718
Net (decrease)/increase in cash and cash equivalents	25,978,214	171,740
Cash and cash equivalents at the beginning of the year (Note 32)	9,969,823	9,798,083
Cash and cash equivalents at the end of the year (Note 32)	35,948,037	9,969,823

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

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1. CORPORATE DETAILS

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

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

- Acceptance of deposits from the general public;
- Provision of credit;
- Investing in securities on its own account;
- Finance leasing – at present, the Bank does not carry out this activity directly;
- Payments and clearing;
- Issuance of payment facilities;
- Issuance of guarantees;
- Opening of letters of credit;
- Collection services;
- Provision of investment services:
- Principal investment services under Section 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 licence; and
- Mediation of an additional pension savings programme

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

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

During the year ended 31 December 2015, the performance or provision of the Bank's activities and services were not restricted or suspended by the Czech National Bank.

2. BASIS OF PREPARATION

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

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

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

These financial statements have been prepared under the cost convention (including any impairment) as modified by the remeasurement to fair value of financial assets and liabilities at fair value through profit or loss (including all financial derivatives), available-for-sale securities and hedging derivatives upon a cash flow hedge through other comprehensive income.

These financial statements and notes thereto are unconsolidated and do not include the accounts and results of those companies over which the Bank has control or significant influence and joint ventures. The policies of accounting for equity investments are disclosed in Note 3 g.

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

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

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

Use of Estimates

The presentation of unconsolidated financial statements in conformity with IFRS requires the Bank's management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the balance sheet date and the reported amounts of revenues and expenses during the reporting period. These estimates, which specifically relate to the determination of fair values of financial instruments (where no active market exists), valuation of intangible assets, impairment of assets and provisions, are based on the information available at the balance sheet date. However, the actual future results may differ from these estimates.

As disclosed in Note 38, the Bank creates provisions for impairment of loans and receivables where there is objective evidence that, as a result of past events, the estimated future cash-flows are negatively impacted. These provisions are based on the Bank's historical and current experience as well as judgments of the Bank's management regarding the estimated future cash flows and represent the best estimate of loan impairment as of the balance sheet date.

The amounts recognised as provisions for liabilities are based on the management's judgments and represent the best estimate of expenditure required to settle a liability of uncertain timing or amount. Refer to Note 28 for more detailed disclosures of provisions for liabilities.

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Interest Income and Interest Expense

Interest income and expense are recognised in the statement of comprehensive income lines "*Interest income and similar income*" and "*Interest expense and similar expense*" when earned or incurred, on an accrual basis. The Bank accounts for the accruals of interest using the effective interest rate method. The effective interest rate method is an approach to calculating the amortised cost of a financial asset or financial liability using the effective interest rate. The effective interest rate is used to discount the nominal value of future cash flows to the present value at the maturity date. Interest income (expense) also includes interest expense (income) arising from negative interest rates carried by the relevant assets (liabilities) of the Bank.

(b) Fees and Commissions

Fees and commissions are recognised in the statement of comprehensive income lines "*Fee and commission income*" and "*Fee and commission expense*" on an accrual basis, with the exception of fees that are deemed to be an integral part of the effective interest rate. The effective interest rate includes fees directly relating to the granting of loans such as the fee for the origination of loans, loan application processing, paid commissions, etc.

(c) Dividends

Income from dividends on securities and equity investments is recorded as declared and included as a receivable in the statement of financial position line "*Other assets*" and in "*Dividend income*" in the statement of comprehensive income. Upon receipt of the dividend, the receivable is offset against the collected cash.

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

(d) Deferred Bonuses

The Bank accounts for deferred bonuses on the accrual basis of accounting.

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

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

Other operating expenses that do not directly relate to banking activities are reported in “*Other operating (expenses)/income, net*”.

(f) Taxation

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

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

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

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

(g) Financial Assets and Liabilities

Dates of Recognition and Derecognition of Financial Instruments in/from the Statement of Financial Position

Financial assets with normal delivery terms, except for financial assets at fair value through profit or loss and securities available for sale, are recognised using settlement date accounting.

The settlement (collection) date is the day on which the financial instrument is delivered (cash payment). When settlement date accounting is applied, the financial asset is recognised on the day of receipt of a financial instrument (sending of cash) and derecognised on the day of its provision (collection of cash).

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

For financial assets and liabilities at fair value through profit or loss, the Bank uses the trade date accounting where the trade date is the date when the entity undertakes to buy or sell the financial asset.

The substance of trade date accounting is as follows:

- Recognition of an asset that the entity shall receive as of the trade date; and
- Derecognition of a sold asset and recognition of the profit or loss upon disposal and recognition of a receivable from the buyer as of the trade date.

The interest on the asset and the relating liability is accumulated from the settlement date when the ownership rights are transferred. The premium/discount is amortised from the purchase settlement date to the sale settlement date.

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

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

Day 1 Profit/Loss

In the event that the transaction price differs from the fair value of a financial asset or financial liability measured at fair value, the difference between these values (profit or loss) is reported in the statement of comprehensive income. The Bank typically does not conduct this type of transaction.

Fair Value Measurement Principles

The fair value of financial assets and financial liabilities is based on their quoted market price at the balance sheet date without any deduction for transaction costs. If a quoted market price is not available, the fair value of the instrument is estimated using appropriate pricing models or discounted cash flow techniques.

Where discounted cash flow techniques are used, estimated future cash flows are based on the management's best estimates and the discount rate is based on the market rate at the balance sheet date for an instrument with similar terms and conditions. Where pricing models are used, inputs are based on market rates at the balance sheet date.

The fair value of derivatives that are not exchange-traded is estimated as the amount that the Bank would receive or pay to terminate the contract at the balance sheet date, taking into account current market conditions and the current creditworthiness of the counterparties.

The revaluation of debt securities in the Bank's portfolio is carried out on a daily basis using available market rates quoted by market participants by means of Bloomberg services. A group of contributors who provide reliable and regular debt security valuations is selected for each of the debt securities. The credit spread of the debt security is calculated from particular contributions and discount curves.

If there are sufficient current market prices of contributions available in respect of a given debt security, the valuation is calculated as an average value. To prevent possible errors of particular contributions, a comparison of daily changes is made at the same time.

If there is no market price available as a source of valuation or the number of actual contributions is not sufficient, the Bank will carry out the valuation on the basis of a risk-free interest rate swap rate, to which the last verified credit spread is applied. The Bank continues to apply this method until:

- Market quotations are again available;
- The credit spread of a particular debt security is adjusted based on a comparison of credit spreads of similar debt securities;
- The Bank receives other information about a change of the spread applied;
- The issuer's credit rating changes (change of internal and/or external rating, evidence from the market that creditworthiness is worsening); and
- The liquidity of the specific security has deteriorated significantly.

Subsequently, the Bank will carry out the revaluation comprising new aspects of the market price, including an assessment of possible impairment losses.

The Bank's management believes that the fair value of the assets and liabilities presented in these financial statements can be measured reliably.

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

- Loans and receivables;
- Financial assets and liabilities at fair value through profit or loss;
- Financial assets available for sale;
- Financial assets held to maturity;
- Financial liabilities at amortised cost; and
- Hedging derivatives.

Loans and Receivables

Loans originated by the Bank in the form of directly advancing funding to the client are considered provided loans and are stated at amortised cost. The portfolio of loans and receivables additionally includes debt securities measured at amortised cost and fulfilling the criteria of IAS 39 for being included in the "Loans and receivables" portfolio. The amortised cost is the cost minus principal repayments, plus accrued interest, plus or minus amortisation, if any, of discount or premium. The amortised cost is calculated using the effective interest rate method. An integral part of the effective interest rate are fees and the related transaction costs. All loans and advances are recognised when cash is advanced to borrowers (or banks).

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

Provisions are recognised individually in respect of specific loans where a debtor's default was identified or on a portfolio basis for not yet identified losses which may be present based on portfolio (similar individually unimpaired loans) performance with similar

characteristics in terms of credit risk. The level of individual provisions is established by comparing the carrying amount of the loan and the present value of future expected recoverable amounts. The level of portfolio provisions is determined on the basis of the anticipated recovery rates of the portfolio as of the financial statements date. The anticipated cash flows from individual portfolios of similar loans are estimated on the basis of previous experience. If the Bank does not report multiple similar loans, the portfolio approach is not applied. Portfolio provisions are recognised for the loans and receivables of all market segments.

The change in provisions, after write-offs, is charged to the statement of comprehensive income line *“Change in provisions for credit risks”*. Additional details can be found in Note 38 b.

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

Restructuring of Loans and Receivables from Customers

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

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

Securities

Securities held by the Bank are categorised into portfolios in accordance with the Bank’s intent on the acquisition of the securities and pursuant to the Bank’s security investment strategy. In accordance with its intent, the Bank allocates securities into several portfolios - the portfolio of *“Securities at fair value through profit or loss”*, the portfolio of *“Securities available for sale”* and the portfolio of *“Securities held to maturity”* and the portfolio of *“Loans and receivables”*. The principal difference between the portfolios relates to the approach to measurement and presentation in the financial statements.

Securities at Fair Value through Profit or Loss

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

Changes in the fair values of securities held for trading as well as securities measured at fair value through profit or loss are recognised in the statement of comprehensive income as *“Net profit on financial operations”*. Interest income from bonds held for trading and securities at fair value through profit or loss is reported in the statement of comprehensive income in *“Net profit on financial operations”*.

For debt and equity securities traded on a public market, fair values are derived from quoted prices.

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

Securities Available for Sale

Securities available for sale are securities held by the Bank for an indefinite period of time that are available for sale as liquidity requirements arise or market conditions change. In accordance with the investments strategy, the Bank did not include securities in this portfolio in the past period. The Bank does not intend to change the strategy for inclusion of securities in this portfolio in the coming years.

Securities available for sale are carried at fair value (cost). Securities for which the fair value cannot be reliably determined are stated at cost in accordance with IAS 39 and the Bank annually assesses whether the value is not impaired. Changes in the fair values of available for sale securities are recognised in other comprehensive income as *“Gains/(losses) from remeasurement of securities available for sale”*, with the exception of their impairment and interest income and foreign exchange differences on debt securities. When realised, the relevant revaluation gains or losses are taken to the statement of comprehensive income as *“Net profit on*

financial operations". Interest income and impairment (if any) is included in the statement of comprehensive income as *"Net profit on financial operations"*. Foreign exchange rate gains or losses from debt securities are included in *"Net profit on financial operations"*. Dividend income from securities included in this portfolio is included in *"Dividend income"*.

Securities Held to Maturity

Investments held to maturity are financial assets with fixed or determinable payments and fixed maturities that the Bank has the positive intent and ability to hold to maturity. In accordance with the Bank's strategy, only the securities issued by the Czech Republic are included in this portfolio. The Bank does not anticipate changing this intent in the future.

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

The fair value of this portfolio is disclosed in Note 37 c *"Fair values of financial assets and liabilities"*.

Repurchase Agreements

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

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

Interest on debt securities transferred under repurchase transactions is accrued while interest on debt securities received under reverse repurchase transactions is not accrued.

Income and expenses arising under repurchase or reverse repurchase transactions as the difference between the sale and repurchase price are accrued evenly over the term of the transaction and presented in the statement of comprehensive income as *"Interest income and similar income"* or *"Interest expense or similar expense"* as appropriate.

Debt Securities Issued

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

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

Financial Derivative Instruments

In the normal course of business, the Bank enters into contracts for derivative financial instruments. Financial derivatives include foreign currency and interest rate swaps, cross currency swaps, currency forwards, forward rate agreements, foreign currency, interest rate and commodity options (both purchased and sold), and other derivative financial instruments. The Bank uses various types of derivative instruments in respect of both its trading and hedging activities of currency and interest rate positions. The Bank internally includes all types of derivatives in the banking or trading portfolios. The banking portfolio additionally includes financial derivatives used as hedging instruments in fair value and cash flow hedging.

All financial derivative instruments are initially recognised at fair value in the statement of financial position and are subsequently remeasured and stated at fair value. Fair values are reported in the statement of financial position as *"Positive fair value of financial derivative transactions"* and *"Negative fair value of financial derivative transactions"*.

The interest income and expenses relating to financial derivatives in the banking portfolio (economic hedging), or financial derivatives used as hedging instruments in fair value or cash flow hedges, are reported in the statement of comprehensive income as *"Interest income and similar income"* or *"Interest expense and similar expense"* on a net basis. In respect of financial derivatives in the trading portfolio, the relating interest income and interest expenses are reported in *"Net profit on financial operations"*.

Realised and unrealised gains and losses are recognised in the statement of comprehensive income line “*Net profit on financial operations*”, the only exception being unrealised gains and losses on cash flow hedges which are recognised in equity. Fair values of derivatives are based upon quoted market prices or pricing models which take into account current market and contractual prices of the underlying instruments, as well as the time value and yield curve or volatility factors underlying the positions. The fair value of derivative instruments also includes credit and debit adjustments resulting from a derivative transaction counterparty’s credit risk.

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

Hedge Accounting

The Bank applies hedge accounting in accordance with the IFRS requirements. Hedging derivatives are derivatives that the Bank can use to hedge against its interest rate and currency risks. A hedging relationship qualifies for hedge accounting if, and only if, all of the following conditions are met:

- d) At the inception of the hedge there is formal designation and documentation of the hedging relationship and the entity’s risk management objective and strategy for undertaking the hedge;
- e) The hedge is expected to be highly effective in achieving offsetting changes in fair value or cash flows attributable to the hedged risk, consistently with the originally documented risk management strategy for that particular hedging relationship;
- f) For cash flow hedges, a forecast transaction that is the subject of the hedge must be highly probable and must present an exposure to variations in cash flows that could ultimately affect profit or loss;
- g) The effectiveness of the hedge can be reliably measured, i.e. the fair value or cash flows of the hedged item that are attributable to the hedged risk and the fair value of the hedging instrument can be reliably measured; and
- h) The hedge is assessed on an ongoing basis and determined actually to have been highly effective throughout the financial reporting periods for which the hedge was designated.

Hedging financial derivatives are accounted for according to the type of the hedging relationships which are as follows:

- a) Fair value hedge: a hedge of the exposure to changes in fair value of a recognised asset or liability or an unrecognised firm commitment, or an identified portion of such an asset, liability or firm commitment, that is attributable to a particular risk and could affect profit or loss;
- b) Cash flow hedge: a hedge of the exposure to variability in cash flows that:
 - i) Is attributable to a particular risk associated with a recognised asset or liability (such as all or some future interest payments on variable rate debt) or a highly probable forecast transaction; and
 - ii) Could affect profit or loss.
- c) Hedge of a net investment in a foreign operation.

The Bank applies fair value hedging to manage its market risks. Changes in the fair value of hedging derivatives classified as a fair value hedge are reported in the statement of comprehensive income in the line “*Net profit on financial operations*”, interest income and expense on these derivatives (i.e. both realised and accrued) are reported in the statement of comprehensive income line “*Interest income and similar income*” or “*Interest expense and similar expense*”, respectively, in the net value on the same line as the relevant interest income or expense from the hedged item. A change in the fair value of the hedged item in relation to the fair value hedge of individual hedged items is recognised as part of the carrying amount of the hedged item in the statement of financial position and in the line “*Net profit on financial operations*” in the statement of comprehensive income. In respect of the fair value hedge of the hedged items portfolio, the change in the fair value of hedged items is reported in the statement of financial position as “*Fair value remeasurement of portfolio-remeasured items*” and “*Net profit on financial operations*” in the statement of comprehensive income.

The cash flow hedging is aimed at the elimination of uncertainty in future cash flows and the stabilisation of the net interest income. The effective part of the change in the fair value of hedging derivatives treated as cash flow hedges is reported in “*Gains/(losses) from revaluation of cash flow hedges*” in the statement of comprehensive income and cumulatively in “*Gains and losses from revaluation*” in the statement of financial position. The ineffective part of the change in the fair value of hedging derivatives treated as cash flow hedges is immediately presented in “*Net profit on financial operations*” in the statement of comprehensive income. The values that were reported in other comprehensive income are reallocated in profit or loss in the period in which the hedged item affects profits or losses in “*Net profit on financial operations*” in the statement of comprehensive income.

The effectiveness of the hedge is regularly tested on a monthly basis, prospectively and retrospectively. Where the hedge ceases to meet the criteria for hedge accounting, the maturity of the hedging instrument expires, the hedging instrument is sold, terminated or exercised, the Bank discontinues the hedging relationship and writes off the adjustments of the carrying amount of the hedged interest-bearing financial instruments through statement of comprehensive income over the period to the maturity of the hedged item in respect of the fair value hedge, or the accumulated profit or loss from the hedging instrument, originally presented in other comprehensive income, remain in the statement of financial position in “*Gains and losses from revaluation*” until the transaction is realised in respect of cash flow hedges.

Subordinated Loan

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

The principal balance of the subordinated loan and relevant interest is recognised from the draw-down date to the maturity date of the subordinated loan. The subordinated loan including the accrued and not yet paid portion of interest is reported as "Subordinated liabilities and bonds" in the statement of financial position. The amount of interest expense arising from subordinated deposits is recognised in the profit and loss account line "Interest expense and similar expense".

Subordinated Debt Securities Issued

Subordinated debt securities issued are debt securities where it has been agreed that they will be settled only after the settlement of all other payables if the issuer is placed into liquidation or a resolution on the bankruptcy of the issuer is passed, except for payables that carry the same or similar subordination condition.

Subordinated debt securities issued are reported by the Bank at amortised cost using the effective interest rate and are included in "Subordinated liabilities and bonds" in the statement of financial position. The interest expense from the issue of own bonds is reported in "Interest expense and similar expense" in the statement of comprehensive income.

Other Capital Instruments

Other capital instruments principally include AT1 capital investment certificates that combine the elements of equity and debt securities and meet the criteria for inclusion in the Bank's auxiliary Tier 1 capital. These instruments are reported at nominal value in "Other capital instruments". The payment of interest income attributable to the certificate holders is governed by the relevant terms and conditions set out in the prospectus for the certificates and is made from the Bank's retained earnings following the approval of the profit distribution by the Bank's General Meeting of Shareholders.

(h) Offsetting

Financial assets and liabilities may be offset and the net amount is reported in the statement of financial position when the Bank has a legally enforceable right to set off the recognised amounts and the transactions are intended to be reported in the statement of financial position on a net basis. The Bank does not offset any financial assets and financial liabilities.

(i) Equity Investments

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

At the financial statement date or interim financial statement date, the Bank assesses equity investments in subsidiary or associated undertakings and joint ventures for impairment. An equity investment is impaired if its carrying amount is greater than its recoverable amount. The recoverable amount is the higher of an asset's fair value and its value in use determined as a sum of discounted expected cash flows. Impairment of equity investments in subsidiary or associated undertakings is reported in the statement of comprehensive income in the separate line "Impairment losses from equity investments".

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

(j) Property and Equipment and Intangible Fixed Assets

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

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

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

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

	Depreciation period	Depreciation rate
Software (except for core banking systems)	4 years	25 %
Buildings	30 years	3.33 %
Other (cars, furniture and fixtures, office equipment and computers)	4-10 years	10-20 %

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

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

The costs of internally generated intangible assets include all costs that can be allocated directly or by reference to a reasonable and consistent basis for generating and preparing an asset for its intended use.

Intangible assets with a cost greater than CZK 40,000 and lower than CZK 60,000 (category of low value intangible fixed assets) are amortised over 36 months and tangible assets with a cost greater than CZK 20,000 and lower than CZK 40,000 are depreciated over 36 or 48 months according to the type of low value tangible fixed assets.

Low value tangible assets with a cost lower than CZK 20,000 and low value intangible assets with a cost lower than CZK 40,000 are expensed in the period of acquisition.

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

The Bank's assets are regularly tested for impairment. Impairment of assets, if any, is reported in the statement of comprehensive income as "General administrative expenses". The Bank regularly reviews the anticipated future benefit from intangible assets; if no benefit can be expected, the relevant intangible assets are derecognised from the statement on financial position. The loss resulting from the derecognition is included in the statement of comprehensive income line "General administrative expenses". Repairs and maintenance are charged directly to the statement of comprehensive income line "General administrative expenses" when the expenditure is incurred.

(k) Assets and Disposal Groups Held for Sale

Assets held for sale and assets that are part of the disposal group held for sale are reported in the statement of financial position line "Assets held for sale". If the disposal group held for sale also includes liabilities, they are reported in the statement of financial position line "Liabilities attributable to assets held for sale". Non-current assets and disposal groups classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell.

(l) Provisions

The Bank recognises a provision when, and only when:

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

Provisions for Guarantees and Other Off Balance Sheet Items

The Bank records potential commitments arising from issued guarantees, irrevocable credit commitments (undrawn portion), confirmed open letters of credit, etc. as part of off-balance sheet assets. Provisions are made for estimated losses on these commitments pursuant to the estimated amount of performance from individual off-balance sheet commitments. Changes in these provisions are recognised in "Change in provisions for credit risks".

Provision for Payroll Bonuses

The Bank accounts for long-term employee bonuses (quarterly and annual bonuses). The recognition, use and release of the provision for payroll bonuses is reported in the statement of comprehensive income as "General administrative expenses".

Other Provisions

The recognition, use and release of other provisions relating to banking activities (for unused holidays, legal disputes, etc.) is recorded in "General administrative expenses". If the provision does not relate to banking activities, the recognition, use and release of other reserves is recorded in "Other operating income/(expenses), net". Other provisions include the provision for income tax payable when the estimated tax liability exceeds the prepayments made to the taxation authority.

(m) Transactions with Securities Undertaken on behalf of Clients

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

(n) Contingent Assets and Liabilities

A contingent asset/liability is a potential asset/liability that arises from past events and whose existence will be only confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. The Bank does not recognise contingent assets/liabilities in the balance sheet but regularly reviews their development to specify whether an inflow/outflow of resources embodying economic benefits has become probable. Where the likelihood of an outflow of economic benefits is higher than 50%, the Bank will recognise a provision. Where the likelihood of an inflow of economic benefits is virtually certain, the Bank will recognise an asset and revenue.

(o) Segment Reporting

The Bank reports information in accordance with IFRS 8 Operating Segments. IFRS 8 requires that operating segments be identified on the basis of internal reports regularly reviewed by the Bank's chief operating decision maker. Pursuant to these internal reports including the overview of the performance of the particular operating segment, it is possible to assess the performance of the segment/decide on the strategic development of the operating segment.

The basis for determining reportable segments is a report that the Bank prepares for the Board of Directors which is considered to be the 'chief operating decision maker', i.e. a person/group of persons that allocates resources and assesses the performance of individual operating segments of the Bank.

Information on reportable operating segments of the Bank is disclosed in Note 36.

(p) Foreign Currency Translation

Transactions denominated in foreign currencies are initially measured at the official exchange rate as announced by the CNB on the date of transaction. Assets and liabilities denominated in foreign currencies are translated into the local currency at the CNB's exchange rate prevailing at the financial statements date. Realised and unrealised gains and losses on foreign exchange are recognised in the statement of comprehensive income in "Net profit on financial operations", with the exception of foreign exchange rate differences on equity investments denominated in foreign currencies which are reported at the historical exchange rate, foreign exchange rate differences on equity securities included in the available-for-sale portfolio which are reported as a component of a change in the fair value and foreign exchange rate differences on derivatives entered into with a view to hedging currency risk associated with assets or liabilities whose foreign exchange rate differences are part of the change in the fair value.

(q) Cash and Cash Equivalents

The Bank considers cash on hand, deposits with central banks, deposits with other banks and treasury bills with a contractual maturity of three months or less to be cash equivalents. For the purposes of determining cash and cash equivalents, the minimum reserve deposit with the CNB is not included as a cash equivalent due to restrictions on its availability.

(r) Reclassification of the 2014 Balances

Presentation of one-day term deposits with central banks

During 2015, the Bank started presenting term deposits with central banks with the due dates of up to one business day in "Cash and balances with central banks" in order to align the structure of its financial statements with the parent company's financial statements. Under IAS 8 the Bank reclassified certain items in the statement of financial position and the cash flow statement in the comparative period.

The table below shows changes in individual lines of the statement of financial position, which were reclassified (the affected items only).

CZK thousand	2014		2014
	Before change	Reclassification	After change
Cash and balances with central banks	4,265,725	6,380,009	10,645,734
Loans and advances to financial institutions	29,453,508	(6,380,009)	23,073,499
Total		-	

The table below shows changes in individual lines of the cash flow statement, which were reclassified (the affected items only).

CZK thousand	2014		2014
	Before change	Reclassification	After change
Loans and advances to financial institutions	(9,974,644)	420,001	(9,554,643)
Net cash flow from operating activities before income tax	(6,556,165)	420,001	(6,136,164)
Net cash flow from operating activities	(6,540,523)	420,001	(6,120,522)
Net (decrease)/increase in cash and cash equivalents	(248,261)	420,001	171,740
Cash and cash equivalents at the beginning of the year (Note 31)	3,838,075	5,960,008	9,798,083
Cash and cash equivalents at the end of the year (Note 31)	3,589,814	6,380,009	9,969,823

4. CHANGES IN ACCOUNTING POLICIES IN 2015

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

In the year ended 31 December 2015, the Bank did not apply any new standards and interpretations, the use of which would have a significant impact on the financial statements.

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

During the year ended 31 December 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 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 various standards 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. The amendments clarify the required accounting treatment of items for which free interpretation was permitted. The most significant changes include the new or adjusted requirements relating to: i) the meaning of the term 'effective IFRS' under IFRS 1, ii) the scope of the exception for joint ventures, iii) the scope of IFRS 13 (52) (an exception relating to a portfolio), and iv) interconnection between IFRS 3 and IAS 40 in classifying assets as property investments or owner-occupied property.

- IFRIC 21 "Levies" adopted by the EU on 13 June 2014 (effective for annual periods beginning on or after 17 June 2014). IFRIC 21 is the interpretation relating to IAS 37 "Provisions, Contingent Liabilities and Contingent Assets". IAS 37 defines the

criteria for reporting a liability, which include a requirement for an entity to have a present obligation resulting from past events (the obligating event). The interpretation clarifies that in case of levies, the obligating event is an activity described in the relevant legislation regulating levy payments.

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

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

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

- Amendments to IFRS 11 "Joint Arrangements" - Accounting for Acquisitions of Interests in Joint Operations adopted by the EU on 24 November 2015 (effective for annual periods beginning on or after 1 January 2016);
- Amendments to IAS 1 "Presentation of Financial Statements" - Disclosure Initiative adopted by the EU on 18 December 2015 (effective for annual periods beginning on or after 1 January 2016);
- Amendments to IAS 16 "Property, Plant and Equipment" and IAS 41 "Agriculture" - Bearer Plants adopted by the EU on 23 November 2015 (effective for annual periods beginning on or after 1 January 2016);
- Amendments to IAS 16 "Property, Plant and Equipment" and IAS 38 "Intangible Assets" - Acceptable Methods of Depreciation and Amortisation adopted by the EU on 2 December 2015 (effective for annual periods beginning on or after 1 January 2016);
- 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);
- Amendments to IAS 27 "Individual Financial Statements" - Equity Method in Separate Financial Statements adopted by the EU on 18 December 2015 (effective for annual periods beginning on or after 1 January 2016);
- 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); 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 - adopted by the EU on 15 December 2015 (amendments are to be applied for annual periods beginning on or after 1 January 2016);

The Bank decided not to apply these standards, amendments and interpretations before their effective dates. The Bank anticipates that the application of these standards, amendments and interpretations in the period of their first adoption will have no significant impact on the financial statements.

(d) Standards and Interpretations Issued by the IASB, but not yet Adopted by the European Union

At present, the version of standards adopted by the European Union does not significantly differ from the standards approved by the IASB. The exception are the following standards, amendments and interpretations that were not adopted for use in the EU as of the 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) - the European Union decided not to start the adoption process of the interim standard and wait for the final standard;
- IFRS 15 "Revenue from Contracts with Customers" (effective for annual periods beginning on or after 1 January 2017);
- IFRS 16 "Leases" (effective for annual periods beginning on or after 1 January 2019);
- Amendments to IFRS 10 "Consolidated Financial Statements" and IAS 28 "Investments in Associates and Joint Ventures" - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (effective for annual periods beginning on or after 1 January 2016);
- 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); and
- Amendments to IAS 12 "Income Taxes" - Recognition of Deferred Tax Assets for Unrealised Losses (effective for annual periods beginning on or after 1 January 2017);

Given that the European Union plans to adopt IFRS 9 Financial Instruments during 2016 and this standard will be able to entirely replace IAS 39, the Bank has initiated activities to assess the potential impact of adopting IFRS 9.

The impact of implementing the new IFRS 9 requirements relating to the classification, measurement and impairment of financial instruments is currently being determined at the level of the entire RBI Group. Taking into account the substance of the banking sector's operations, IFRS 9 is expected to have an impact on the Bank's financial statements from 2018. Specifically, the change in the loan

impairment calculation principle that will be newly based on expected loan losses will result in a one-off retrospective increase in aggregate provisions for loans.

The Bank is planning to commence the project of implementing IFRS 9 requirements in respect of the classification, measurement and impairment of financial instruments during the first quarter of 2016.

The Bank 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 financial statements of the Bank prepared as of 31 December 2015, including comparative information.

5. NET INTEREST INCOME

CZK thousand	2015	2014
Interest income arising from		
Loans and advances to financial institutions and cash	34,325	27,765
Loans and advances, including loan commitments to customers	6,216,796	6,424,741
Fixed income securities	192,172	210,215
Financial derivatives in the banking portfolio, net	143,334	167,333
Total	6,586,627	6,830,054
Interest expense arising from		
Deposits from financial institutions	(26,693)	(42,677)
Deposits from customers	(18,077)	(429,621)
Securities issued	(310,181)	(328,753)
Subordinated liabilities	(104,279)	(135,175)
Securitisation	(22,951)	(5,932)
Total interest expense and similar expense	(482,181)	(942,158)
Net interest income	6,104,446	5,887,896

In "Interest income arising from loans and advances, including loan commitments to customers", the Bank reports net interest expense from hedging financial derivatives upon a fair value hedge of mortgage loans of CZK (310,393) thousand (2014: CZK (221,675) thousand).

"Interest expense arising from deposits from customers" includes net interest income from hedging financial derivatives upon a fair value hedge of term deposits and the portfolio of current and savings accounts of CZK 504,952 thousand (2014: CZK 290,113 thousand).

"Interest expense arising from securities issued" includes net interest income from hedging financial derivatives upon a fair value hedge of securities issued of CZK 17,241 thousand. The Bank started applying hedge accounting upon a fair value hedge of securities issued in 2015.

Interest income additionally includes interest on impaired assets (primarily loans and advances to customers) of CZK 227,759 thousand (2014: CZK 256,152 thousand).

Interest income includes interest paid on assets carrying negative interest rates (primarily loans and advances to financial institutions) of CZK 1,019 thousand (2014: CZK 0 thousand) and interest received on liabilities carrying negative interest rates (primarily deposits from financial institutions) of CZK 712 thousand (2014: CZK 0 thousand).

6. CHANGES IN PROVISIONS FOR CREDIT RISKS

CZK thousand	2015	2014
Changes in loan loss provisions		
Charge for provisions	(2,534,260)	(2,977,261)
Release of provisions	1,570,793	1,886,093
Use of provisions	1,414,691	1,080,858
Nominal value of assigned and written off receivables	(1,414,691)	(1,081,760)
of which: direct write-off of receivables	(17,282)	(902)
Recoveries	30,939	9,623
Total changes in loan loss provisions	(932,528)	(1,082,447)
Provisions for off balance sheet credit risk exposures		
Charge for provisions	(184,438)	(51,956)
Release of provisions	51,956	25,009
Total change in provisions for off-balance sheet risks	(132,482)	(26,947)
Change in provisions for credit risks	(1,065,010)	(1,109,394)

7. NET FEE AND COMMISSION INCOME

CZK thousand	2015	2014
Fee and commission income arising from		
Payment transactions	1,823,008	1,865,377
Provided loans and guarantees	466,485	501,161
Securities transactions	125,650	123,567
Financial operations	8,196	9,904
Mediation of the Bank's products sale	53,930	55,182
Other banking services	71,032	72,254
Total fee and commission income	2,548,301	2,627,445
Fee and commission expense arising from		
Payment transactions	(598,210)	(528,443)
Receiving of loans and guarantees	(46,873)	(61,313)
Securities transactions	(19,756)	(10,821)
Financial operations	(6,958)	(4,977)
Mediation of the sale of the Bank's products	(8,085)	(9,690)
Other banking services	(33,697)	(45,571)
Total fee and commission expense	(713,579)	(660,815)
Net fee and commission income	1,834,722	1,966,630

8. NET PROFIT ON FINANCIAL OPERATIONS

CZK thousand	2015	2014
Interest rate derivatives	(25,296)	(153,972)
Commodity derivatives	290	1,236
Equity derivatives	-	-
Profit/loss from foreign currency transactions	1,171,931	947,453
<i>of which: Customer foreign currency result</i>	966,946	945,532
<i>FX proprietary P/L</i>	204,985	1,921
Profit/loss from transactions with securities	57,209	161,176
<i>of which: Portfolio of securities available for sale</i>	-	-
<i>Portfolio of securities held for trading</i>	55,969	160,585
<i>Portfolio of securities at fair value through profit or loss</i>	-	4,002
<i>Own issue</i>	1,240	(3,411)
Profit/(loss) from hedge accounting upon a cash flow hedge – the ineffective part	(5,704)	-
Change in the fair value of the hedged items in the fair value hedging	127,596	(803,554)
Change in the fair value of hedging derivatives in the fair value hedging	(67,284)	876,070
Total	1,258,742	1,028,409

The “Customer foreign currency result” line item reflects margins from foreign currency transactions with customers.

The “FX proprietary P/L” line item reflects the impact of proprietary trading and the impact of the revaluation of foreign currency positions using the Czech National Bank’s exchange rate, including the result of the remeasurement of currency derivatives.

The “FX proprietary P/L” line items includes accumulated net profit/loss arising from cash flow hedging recognised for the period through profit or loss in the amount of CZK 385,544 thousand (refer to Note 31(c)).

9. DIVIDEND INCOME

In 2015, “Income from other shares and participation interest” amounted to CZK 71,033 thousand (2014: CZK 54,400 thousand). The amount includes a dividend from Raiffeisen stavební spořitelna a.s. of CZK 30,000 thousand (2014: CZK 36,000 thousand) and a dividend from Raiffeisen – Leasing, s.r.o. of CZK 41,033 thousand (2014: CZK 18,400 thousand).

10. GENERAL ADMINISTRATIVE EXPENSES

CZK thousand	2015	2014
Payroll costs (Note 11)	(2,512,294)	(2,580,965)
Administrative expenses:	(1,971,799)	(2,047,693)
Rental, repairs and other office management expenses	(542,011)	(604,548)
Advertising costs	(316,325)	(348,824)
Costs of legal and advisory services	(280,032)	(288,772)
Of which: <i>Audit</i>	(5,181)	(6,097)
<i>Tax advisory</i>	(4 280)	(2,405)
IT support costs	(329,431)	(307,098)
Deposit and transaction insurance	(250,846)	(224,305)
Telecommunication, postal and other services	(105,804)	(111,965)
Security costs	(35,244)	(39,321)
Training costs	(30,987)	(26,578)
Office equipment	(18,406)	(34,311)
Travel costs	(20,964)	(21,059)
Fuel	(22,939)	(19,565)
Other administrative expenses	(18,810)	(21,347)
Depreciation and amortisation of fixed assets (Notes 23 and 24)	(556,769)	(558,106)
Impairment loss related to intangible assets (Note 23)	(33,783)	(40,625)
Total	(5,074,645)	(5,227,389)

"Deposit and transaction insurance" includes the costs of the payment to the Deposit Insurance Fund (henceforth the "FPV").

11. PAYROLL COSTS

CZK thousand	2015	2014
Wages and salaries	(1,854,710)	(1,905,207)
Social security and health insurance	(579,258)	(592,809)
Other staff costs	(78,326)	(82,949)
Total	(2,512,294)	(2,580,965)
Of which wages and salaries paid to:		
Members of the Board of Directors	(71,954)	(75,031)
Members of the Supervisory Board	(4,614)	(4,753)
Total	(76,568)	(79,784)

The average number of the Bank's employees as of 31 December 2015 and 2014 was as follows:

	2015	2014
Employees	2,625	2,636
Members of the Board of Directors	7	7
Members of the Supervisory Board	9	9

The financial arrangements between the Bank and members of the Board of Directors and Supervisory Board are disclosed in Note 39.

12. OTHER OPERATING (EXPENSES)/INCOME, NET

CZK thousand	2015	2014
Change in operating provisions	2,950	(46,385)
Gain/(loss) from disposal of in-/tangible fixed assets	(767)	2,481
Other	23,312	(5,400)
Total	25,495	(49,304)

13. INCOME TAX

(a) Income Tax Expense

CZK thousand	2015	2014
Current income tax payable	(605,200)	(332,000)
Tax overpayment/(additional payments) from the previous period	(6,567)	25,594
Deferred income tax credit	(4,654)	(177,801)
Total income tax	(616,421)	(484,207)

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

CZK thousand	2015	2014
Pre-tax profit (general tax base)	3,154,783	2,533,237
Total pre-tax profit	3,154,783	2,533,237
Tax calculated at the tax rate for the general tax base - 19% (2014: 19%)	(599,409)	(481,315)
Non-taxable income (tax effect)	351,141	484,812
Non-tax deductible expenses (tax effect)	(357,246)	(336,259)
Tax relief and credit	314	762
Tax liability for the period	(605,200)	(332,000)
Tax overpayment/(underpayment) from the previous period, use of tax relief and credit, including tax refunds and additional assessments from previous years	(6,567)	25,594
Deferred tax	(4,654)	(177,801)
Total income tax	(616,421)	(484,207)
Effective tax rate	19.54%	19.11%

(b) Income Tax Provision/Receivable

CZK thousand	2015	2014
Tax calculated at the tax rate for the general tax base - 19 % (2014: 19%)	(605,200)	(332,000)
Tax liability for the period	(605,200)	(332,000)
Advances paid for current income tax	318,392	329,583
Total income tax provision	(286,808)	(2,417)

For additional details on the deferred tax, refer to Note 20.

14. CASH AND BALANCES WITH CENTRAL BANKS

CZK thousand	2015	2014
Cash on hand and other cash equivalents	2,876,435	2,766,661
Balances with central banks (including one-day deposits)	32,653,222	6,711,354
Statutory minimum reserves maintained with the CNB	3,104,191	1,167,719
Total	38,633,848	10,645,734

The data for 2014 were adjusted – refer to Note 3(r).

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

For the information on cash and cash equivalents reported in the cash flow statement, refer to Note 32.

15. SECURITIES

(a) Portfolio Classification of Securities

CZK thousand	2015	2014
Securities held to maturity (debt securities)	11,265,127	12,420,499
Securities at fair value through profit or loss	1,182,137	6,904,538
of which: Securities held for trading	1,182,137	6,900,015
- Debt securities	1,182,137	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)	873,408	517,011
Total	13,320,672	19,842,048
<i>of which: repayable within one year</i>	<i>9,262,517</i>	<i>3,796,270</i>
<i>repayable in more than one year</i>	<i>4,058,155</i>	<i>16,045,778</i>

"Securities held to maturity" exclusively include Czech government bonds that can be used for the refinancing with the Czech National Bank.

"Securities at fair value through profit or loss" includes government bonds and treasury bills of CZK 1,179,378 thousand (2014: CZK 6,680,925 thousand) which may be used for refinancing with the Czech National Bank.

"Securities available for sale" includes the Bank's investment in Raiffeisen stavební spořitelna a.s. in the aggregate amount of CZK 516,106 thousand in 2015 (2014: CZK 516,106 thousand) and its membership in the association Visa Europe Limited of CZK 356,410 thousand (2014: CZK 0). The increase in the carrying amount of Visa Europe Limited membership is attributable to revaluation of the share arising from the announced sale of Visa Europe Limited to Visa Inc. For more details on the revaluation of the membership in Visa Europe Limited, please refer to Note 37(c).

According to its investment strategy, the Bank holds most of newly acquired securities in the "Securities held for trading" portfolio.

(b) Securities Pledged as Collateral

As of 31 December 2014 and 2015, the Bank provided no pledge of securities as collateral as part of repurchase and similar transactions with other banks and clients.

16. ASSETS HELD FOR SALE

In June 2015, the Bank's Board of Directors decided to separate activities relating to payment card acceptance. The Bank intends to dispose of these activities. As a result, the assets relating to these activities are recognised separately as "Assets held for sale" in the statement of financial position under IFRS 5.

The carrying amount of assets held for sale is CZK 33,753 thousand as of 31 December 2015 and the assets predominantly include payment terminals placed at sellers and owned by the Bank, which the Bank intends to sell.

17. LOANS AND ADVANCES TO FINANCIAL INSTITUTIONS

CZK thousand	2015	2014
Placements with financial institutions	418,380	491,808
Term deposits with banks	396,922	1,707,368
Loans and other advances to financial institutions	774,114	19,085,191
Received loans	237,154	49,511
Debt securities	2,221,085	1,739,621
Total	4,047,655	23,073,499
<i>of which: repayable within one year</i>	<i>1,630,010</i>	<i>21,331,891</i>
<i>repayable in more than one year</i>	<i>2,417,645</i>	<i>1,741,608</i>

The data for 2014 were adjusted - refer to Note 3(r).

"Loans and other advances to financial institutions" includes reverse repurchase transactions. As part of the reverse repurchase transactions (primarily with the Czech National Bank), the Bank provided loans in the aggregate amount of CZK 0 thousand (2014: CZK 19,085,191 thousand). Reverse repurchase transactions are collateralised by securities (primarily by treasury bills issued by the Czech National Bank) with the fair value of CZK 0 thousand (2014: CZK 18,710,227 thousand).

18. LOANS AND ADVANCES TO CUSTOMERS

(a) Classification of Loans and Advances to Customers

CZK thousand	2015	2014
Overdrafts	6,285,460	6,926,780
Term loans	109,292,594	96,157,830
Mortgage loans	71,234,820	64,801,885
Debt securities	1,198,038	1,344,396
Other	931,818	1,177,483
Total	188,942,730	170,408,374
<i>of which: repayable on demand</i>	<i>6,285,460</i>	<i>6,926,780</i>
<i>repayable within one year</i>	<i>49,583,635</i>	<i>47,899,133</i>
<i>repayable in more than one year</i>	<i>133,073,635</i>	<i>115,582,461</i>

The Bank applies hedge accounting upon a fair value hedge of the portfolio of receivables from mortgage loans. The amount of the remeasurement of hedged items as of 31 December 2015 was CZK 264,129 thousand (2014: CZK (387,011) thousand).

(b) Reverse Repurchase Transactions

Within reverse repurchase transactions, the Bank advanced loans in the aggregate amount of CZK 67,261 thousand (2014: CZK 75,067 thousand) under reverse repurchase transactions. Reverse repurchase transactions are collateralised by securities with the fair value of CZK 91,683 thousand (2014: CZK 105,494 thousand).

(c) Analysis of Loans Provided to Customers by Sector

CZK thousand	2015	2014
Government sector	1,217,200	1,048,242
Loans to corporate entities	98,591,472	87,738,780
Loans to private individuals	83,754,734	76,562,382
Small and medium size enterprises (SME)	5,379,324	5,058,970
Total	188,942,730	170,408,374

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

CZK thousand	2015	2014
Czech Republic	180,500,390	161,171,753
Slovakia	2,009,146	1,516,772
Other EU member countries	3,614,351	4,617,998
Other	2,818,843	3,101,851
Total	188,942,730	170,408,374

(e) Aging Analysis of Loans Provided to Customers

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

CZK thousand Overdue in days	Overdue loans and receivables		Nominal value of collateral	
	2015	2014	2015	2014
1 - 30	1,891,577	3,363,296	1,603,599	2,867,965
31 - 90	355,240	355,703	268,784	253,088

(f) Analysis of Loans Provided to Customers by Default Categories

CZK thousand 2015	Before due date	Less than 1 month	1 month to 3 months	3 months to 6 months	6 months to 1 year	Over 1 year	Total
Amounts due from customers							
- without default	177,861,160	1,891,577	355,240	-	-	-	180,107,977
- with default	2,813,399	390,343	622,632	372,979	751,714	3,883,686	8,834,753
Gross	180,674,559	2,281,920	977,872	372,979	751,714	3,883,686	188,942,730
Provisions	(1,735,086)	(277,974)	(215,915)	(182,598)	(293,224)	(3,447,605)	(6,152,402)
Net	178,939,473	2,003,946	761,957	190,381	458,490	436,081	182,790,328

CZK thousand 2014	Before due date	Less than 1 month	1 month to 3 months	3 months to 6 months	6 months to 1 year	Over 1 year	Total
Amounts due from customers							
- without default	156,443,853	3,363,296	355,703	-	-	-	160,162,852
- with default	3,478,533	503,692	471,583	768,921	760,711	4,262,082	10,245,522
Gross	159,922,386	3,866,988	827,286	768,921	760,711	4,262,082	170,408,374
Provisions	(1,547,390)	(196,085)	(212,775)	(289,791)	(544,850)	(3,807,108)	(6,597,999)
Net	158,374,996	3,670,903	614,511	479,130	215,861	454,864	163,810,265

The definition of amounts due with default and without default is provided in Note 38(a).

(g) Securitisation

ROOF RBCZ 2015

Since December 2015, the Bank has carried out a synthetic securitisation of the Corporate Banking loans and guarantees portfolio. The total nominal value of the transaction is EUR 1 billion. The selected portfolio was divided into three tranches by the credit risk exposure attributable to individual tranches. The junior (the first loss piece) tranche amounts to 1.4% of the nominal value. The credit risk relating to the mezzanine tranche has been transferred to external institutional investors. For the purposes of this transaction, a special-purpose vehicle ROOF RBCZ 2015 S.á.r.l. with its registered office in Luxembourg was established, which issued debt securities relating to the credit risk of the mezzanine tranche. These debt securities were sold to external institutional investors and at the same time, ROOF RBCZ 2015 S.á.r.l. provided a portfolio guarantee to the Bank as collateral for the credit risk arising from the mezzanine tranche in the amount of CZK 2,080,925 thousand. The guarantee is secured by the assets of ROOF RBCZ 2015 S.á.r.l., which comprise cash received by the entity through the sale of the debt securities issued. The transaction will mature in April 2024; in the following three years, the Bank may replace settled credit exposures with new ones in its securitised portfolio under the predefined criteria. The costs of the guarantee received is of an interest nature and is recognised in "Interest expense and similar expense", refer to Note 5.

The Bank has no equity interest in the newly-established entity and exercises no control or significant influence over it under IFRS. ROOF RBCZ 2015 S.á.r.l. may only perform specific limited-scope activities relevant to the transaction, which were defined in detail at the inception of the transaction, and the Bank is unable to influence the activities. For these reasons, the Bank does not consider the entity to be its subsidiary or associate. With the exception of the received guarantee referred to above and the charge paid by the Bank for this guarantee, the Bank reports no assets, liabilities or other balances in respect of ROOF RBCZ 2015 S.á.r.l. that would result in any risks for the Bank in relation to this entity.

ROOF CEE 2006-1

Since March 2006, the Bank has carried out a synthetic securitisation of the Corporate Banking loans portfolio. In 2013, the Bank prematurely terminated the transaction. The substance of the transaction involved transferring part of the credit risk to the investor which was Kreditanstalt für Wiederaufbau (KfW).

The Bank entered into the securitisation transaction jointly with Raiffeisen Bank Polska S.A. and the process was coordinated by Raiffeisen International Bank-Holding AG. The investor was Kreditanstalt für Wiederaufbau (KfW), with the involvement of the European Investment Fund. Dresdner Bank AG acted as the arranger and Clifford Chance acted as the legal counsel. The rating of the loan portfolio was established by Moody's. The entire transaction was supposed to have matured in 2016. The total volume was EUR 450 million, of which EUR 183 million and EUR 267 million related to the Bank and Raiffeisen Bank Polska S.A., respectively, in March 2006.

As of 31 December 2014, the volume of the loan portfolio included in the securitisation (two credit cases) was CZK 29,853 thousand. During 2015, the Bank sold loans and advances to these customers and the securitisation was terminated.

(h) Syndicated Loans

Pursuant to concluded syndicated loan agreements, the Bank acted as the arranger of syndicated loans in the original amount of aggregate credit limits of CZK 8,499,292 thousand as of 31 December 2015 (2014: CZK 7,830,010 thousand), of which the proportion of the Bank amounted to CZK 3,671,909 thousand (2014: CZK 3,265,821 thousand) and the proportion of other syndicate members amounted to CZK 4,827,382 thousand (2014: CZK 4,564,189 thousand).

As of 31 December 2015, the aggregate amount of outstanding receivables under the syndicated loan facilities was CZK 6,908,959 thousand (2014: CZK 6,420,153 thousand), of which the proportion of the Bank was CZK 2,839,798 thousand (2014: CZK 2,483,761 thousand) and the proportion of other syndicate members was CZK 4,069,251 thousand (2014: CZK 3,936,392 thousand).

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

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

2015	Cash collateral	State guarantees	Bank guarantee	Real estate	Company guarantee	Bill guarantee	Personal guarantee	Movable assets	Uncollateralised	Total
Agriculture, Hunting, Forestry and Fishing	450	-	8,662	359,983	207,034	453,689	-	20,724	234,944	1,285,486
Mining and Quarrying	-	-	875	-	-	10,413	-	6,885	57,609	75,782
Manufacturing	154,940	-	386,127	4,656,241	1,873,899	7,859,194	373,963	953,435	5,536,125	21,793,924
Electricity, Gas and Water Supply	172,857	-	18,915	329,750	1,183,493	1,057,728	5,500	3,409,306	1,707,977	7,885,526
Construction	9,378	-	159,012	1,460,230	568,309	1,711,526	9,680	-	945,360	4,863,495
Wholesale and Retail Trade; Repair Of Motor Vehicles, Motorcycles and Personal and Household Goods	22,589	-	612,426	3,976,619	619,894	4,973,790	514,385	324,392	3,449,843	14,493,938
Hotels and Restaurants	28,686	-	19,872	2,286,762	30,000	118,859	301	-	157,634	2,642,114
Transport, Storage and Communication	120	-	208,280	393,782	1,605	1,177,582	19,970	73,587	3,162,454	5,037,380
Financial Intermediation	13,300	-	1,267,275	570,321	3,697,617	523,562	-	-	7,877,327	13,949,402
Real Estate	448,732	929,030	239,960	16,392,341	1,996,928	2,949,337	864,150	148,984	5,386,319	29,355,781
Public Administration and Defence; Compulsory Social Security	1,700	1,092,739	251	78,682	60,434	27,154	-	-	31,207	1,292,167
Education	2,200	-	1,520	9,162	-	26,935	-	-	89,159	128,976
Health and Social Work	1,060	653,166	7,272	244,905	-	60,617	-	-	60,804	1,027,824
Other Community, Social and Personal Service Activities	13,978	-	38,198	240,609	131,757	259,222	218	136,246	535,973	1,356,201
Private Households with Employed Persons	3,793,864	-	-	70,103,566	-	9,891	6,614	-	9,840,799	83,754,734
Total	4,663,854	2,674,935	2,968,645	101,102,953	10,370,970	21,219,499	1,794,781	5,073,559	39,073,534	188,942,730

For the purposes of reporting loans and advances to customers by sector and type of collateral, the Bank uses the collateral in nominal value.

The collateral values presented in the above table do not include the portfolio guarantee under the securitisation transaction of CZK 2,080,925 thousand (refer to Note 18 (g)) since it cannot be allocated to individual loans.

2014	Cash colla- teral	State guarantees	Bank guarantee	Real estate	Company guarantee	Bill guarantee	Personal guarantee	Movable assets	Uncollatera- lised	Total
Agriculture, Hunting, Forestry and Fishing	450	-	72,282	310,001	42,667	439,485	9,432	27,097	211,772	1,113,186
Mining and Quarrying	-	-	-	-	-	11,105	-	-	35,621	46,726
Manufacturing	138,255	968	359,558	4,666,430	1,961,331	6,980,483	391,801	1,384,392	3,070,300	18,953,518
Electricity, Gas and Water Supply	192,323	-	18,647	136,853	1,430,265	1,072,842	19,555	3,664,379	1,465,639	8,000,503
Construction	9,026	-	91,952	1,657,355	1,077,637	1,429,120	220,915	88,484	828,666	5,403,155
Wholesale and Retail Trade; Repair Of Mo- tor Vehicles, Motorcycles and Personal and Household Goods	55,261	-	519,175	3,879,866	818,564	4,467,168	530,644	260,597	3,111,298	13,642,573
Hotels and Restaurants	26,970	-	10,562	2,305,849	10,020	161,390	3,600	7,164	150,705	2,676,260
Transport, Storage and Communication	3,227	-	19,852	439,949	14,458	954,861	2,573	41,717	2,474,292	3,950,929
Financial Intermediation	100,991	-	2,295,933	671,858	1,791,815	553,296	10,970	2,672	5,819,580	11,247,115
Real Estate	431,681	1,333,952	188,004	14,171,413	1,840,392	2,826,702	938,616	89,335	3,748,929	25,569,024
Public Administration and Defence; Compul- sory Social Security	2,848	926,081	-	92,321	49,744	9,164	-	-	18,075	1,098,233
Education	3,200	-	260	13,016	-	10,465	-	-	93,646	120,587
Health and Social Work	1,060	350,905	1,462	104,135	-	158,737	-	-	46,795	663,094
Other Community, Social and Personal Service Activities	13,978	-	23,488	353,143	176,244	338,380	1,453	132,891	321,512	1,361,089
Private Households with Employed Persons	3,492,967	-	-	63,616,643	-	1,760	8,198	-	9,442,814	76,562,382
Total	4,472,237	2,611,906	3,601,175	92,418,832	9,213,137	19,414,958	2,137,757	5,698,728	30,839,644	170,408,374

For the purposes of reporting loans and advances to customers by sector and type of collateral, the Bank uses the collateral in nominal value.

19. PROVISIONS FOR PROVIDED LOANS AND RECEIVABLES

CZK thousand	2015	2014
Clients		
Balance at 1 January	(6,597,999)	(6,546,533)
Charge for provisions	(2,534,260)	(2,977,261)
Release of provisions	1,570,793	1,886,093
Usage of provisions for the write-off and assignment of receivables	1,414,691	1,080,858
FX gains from provisions denominated in a foreign currency	(5,627)	(41,156)
Balance at 31 December	(6,152,402)	(6,597,999)
Banks		
Release of provisions	(110)	(110)
Balance at 1 January	110	-
Balance at 31 December	-	(110)
Total	(6,152,402)	(6,598,109)

20. DEFERRED TAX ASSET/LIABILITY

Deferred tax is calculated from all temporary differences under the liability method using the principal income tax rate of 19 percent (the tax rate of 2015).

Deferred income tax assets are as follows:

CZK thousand	2015	2014
Unpaid interest on loans of non-residents	55,077	54,283
Unpaid social security and health insurance	52,124	61,576
Valuation gains or losses - cash flow hedge	41,343	-
Unused holiday	3,959	4,002
Other provisions	46,176	26,674
Total deferred tax asset	198,679	146,535

Deferred income tax liabilities are as follows:

CZK thousand	2015	2014
Differences between accounting and tax carrying amounts of tangible and intangible assets	(214,264)	(198,808)
Amount on the valuation difference in equity from revaluation of securities available for sales	(67,773)	(56)
Total deferred tax liability	(282,037)	(198,864)

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

CZK thousand	2015	2014
Balance at 1 January	146,535	284,592
Movement for the year - income/(expense)	10,802	(138,057)
Movement for the year against equity	41,342	-
Total deferred tax asset	198,679	146,535
Balance at 1 January	(198,864)	(159,120)
Movement for the year - (expense)/income	(15,456)	(39,744)
Movement for the year against equity	(67,717)	-
Total deferred tax liability	(282,037)	(198,864)
Net deferred tax (liability/asset)	(83,358)	(52,329)

The deferred tax (charge)/credit in the profit or loss and equity:

CZK thousand	2015	2014
Basis for deferred tax (liability)/asset	(438,726)	(275,418)
Deferred tax (liability)/asset	(83,358)	(52,329)
Recognition of a year-on-year difference due to temporary differences in profit or loss (Note 13)	(4,654)	(177,801)
Recognition of a year-on-year difference due to temporary differences in equity	(26,375)	-
Total year-on-year difference for recognition	(31,029)	(177,801)

21. OTHER ASSETS

CZK thousand	2015	2014
Indirect tax receivables	21,861	20,265
Receivables arising from non-banking activities	472,990	442,402
Deferred expenses and accrued income	32,291	11,629
Receivables from securities trading	3,208	18,434
Settlement of cash transactions with other banks	210,699	137,524
Other	132,359	118,499
Total	873,408	748,753

22. EQUITY INVESTMENTS

(a) Equity Investments

CZK thousand	2015	2014
Balance at 1 January	629,092	532,008
Acquisition/addition to equity investments	-	115,095
Sale/liquidation of equity investments	(112,772)	-
Recognition of the allowance for equity investments	-	(18,011)
Balance at 31 December	516,320	629,092

In February 2015, Raiffeisen penzijní společnosti a.s., in liquidation, was liquidated without any impact on the statement of comprehensive income.

As of 1 January 2015, Raiffeisen – Leasing, s.r.o. merged with Raiffeisen – Leasing Real Estate, s.r.o. with the successor being Raiffeisen – Leasing, s.r.o. The Bank discontinued reporting its investment in the dissolved Raiffeisen – Leasing Real Estate, s.r.o. and increased its equity investment in Raiffeisen – Leasing, s.r.o. by the corresponding carrying amount.

In 2014, the Bank increased the capital in Czech Real Estate Fund B.V. and, together with the other shareholder, the share capital in Raiffeisen – Leasing, s.r.o.

The Bank regularly tests equity investments for impairment. In 2014, the test highlighted impairment of the equity investment in Raiffeisen penzijní společnost a.s., in liquidation, in the amount of CZK 18,011 thousand and recognised the relevant allowance. No impairment of equity investments was identified in 2015.

(b) Subsidiaries (Equity Investments with Controlling Influence)

CZK thousand			Of which	Share of	Share of	Carrying
Name	Registered office	Equity	Share capital	share capital	voting power	amount
Czech Real Estate Fund B.V.	Amsterdam, Naritaweg 165	104,734	486	20%	20%	85,934
Raiffeisen-Leasing, s.r.o.	Praha 4, Hvězdova 1716/2b	1,392,344	450,000	50%	50%	390,176
Raiffeisen investiční společnost a.s.	Praha 4, Hvězdova 1716/2b	76,871	40,000	100%	100%	40,000
Transaction System Servis s.r.o.	Praha 4, Hvězdova 1716/2b	94	200	100%	100%	210
Total at 31 December 2015						516,320
Czech Real Estate Fund B.V.	Amsterdam, Naritaweg 165	105,760	499	20%	20%	85,934
Raiffeisen-Leasing, s.r.o.	Praha 4, Hvězdova 1716/2b	989,912	440,000	50%	50%	220,188
Raiffeisen-Leasing Real Estate, s.r.o.	Praha 4, Hvězdova 1716/2b	233,752	10,000	50%	50%	169,988
Raiffeisen investiční společnost a.s.	Praha 4, Hvězdova 1716/2b	40,854	40,000	100%	100%	40,000
Raiffeisen penzijní společnost a.s., in liquidation	Praha 4, Hvězdova 1716/2b	223,904	325,000	51%	51%	112,772
Transaction System Servis s.r.o.	Praha 4, Hvězdova 1716/2b	97	200	100%	100%	210
Total at 31 December 2014						629,092

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

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

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

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

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

- Lease of movable and immovable assets;
- Valuation of immovable assets;
- Agency activities related to trade and services;

- Accounting advisory, bookkeeping, tax records; and
- Provision of loans and credits from own resources.

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

The Bank recognises its equity investment in Raiffeisen - Leasing, s.r.o. in the portfolio of subsidiaries although it only holds 50% of share capital. The Bank may appoint a majority in the Advisory Board (the principal advisory and supervisory body of the entity) and it is treated as the controlling entity under IFRS, it treats Raiffeisen - Leasing, s.r.o as a subsidiary and consolidates it in full.

Raiffeisen investiční společnost a.s.

- Offer of investment products
- Administration of investment and participation funds

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

- Development of the banking system

23. INTANGIBLE FIXED ASSETS

CZK thousand	Software	Intangible assets under construction	Total
Cost			
1 January 2014	3,583,450	515,943	4,099,393
Additions	23,217	242,004	265,221
Disposals	(5,008)	(40,625)	(45,633)
Other changes (transfers)	543,363	(543,363)	-
31 December 2014	4,145,022	173,959	4,318,981
Additions	21,129	350,995	372,124
Disposals	(936)	(33,783)	(34,719)
Other changes (transfers)	225,693	(225,693)	-
31 December 2015	4,390,908	265,478	4,656,386
Accumulated amortisation			
1 January 2014	(2,247,933)	-	(2,247,933)
Additions - annual amortisation charges	(295,373)	-	(295,373)
Disposals	3,004	-	3,004
31 December 2014	(2,540,302)	-	(2,540,302)
Additions - annual amortisation charges	(320,635)	-	(320,635)
Disposals	702	-	702
31 December 2015	(2,860,235)	-	(2,860,235)
Net book value			
31 December 2014	1,604,720	173,959	1,778,679
31 December 2015	1,530,673	265,478	1,796,151

Additions to software predominantly represent the putting into use of technical improvements on data warehouses and other software used by the Bank. Internal costs (primarily staff costs and rental costs) which are required to generate these assets are capitalised. In 2015, internal costs of CZK 54,422 thousand (2014: CZK 46,867 thousand) were capitalised. Other additions to intangible assets under construction include purchases from external entities. In this category, the Bank does not report and record additions acquired through business combinations.

"Other changes (transfers)" includes capitalisation of completed investments.

24. PROPERTY AND EQUIPMENT

(a) Movements in Property and Equipment

CZK thousand	Land, buildings, technical improve- ments on buildings	Furniture and fixtures	Machinery and equipment	Tangible assets under construction	Total
Cost					
1 January 2014	973,269	229,731	1,085,928	42,749	2,331,677
Additions	45,118	7,223	70,486	31,736	154,563
Disposals	(41,020)	(21,412)	(78,868)	(6)	(141,306)
Other changes (transfers)	3,951	79	31,251	(35,281)	-
31 December 2014	981,318	215,621	1,108,797	39,198	2,344,934
Additions	44,759	5,494	28,130	51,522	129,905
Disposals	(13,990)	(27,278)	(206,934)	(32)	(248,234)
Other changes (transfers)	5,630	2,942	14,464	(23,036)	-
31 December 2015	1,017,717	196,779	944,457	67,652	2,226,605
Accumulated depreciation					
1 January 2014	(540,068)	(154,003)	(684,589)	-	(1,378,660)
Additions	(87,899)	(22,632)	(152,202)	-	(262,733)
Disposals	34,317	19,421	74,822	-	128,560
31 December 2014	(593,650)	(157,214)	(761,969)	-	(1,512,833)
Additions	(85,407)	(19,789)	(130,938)	-	(236,134)
Disposals	11,271	26,546	150,023	-	187,840
31 December 2015	(667,786)	(150,457)	(742,884)	-	(1,561,127)
Net book value					
31 December 2014	387,668	58,407	346,828	39,198	832,101
31 December 2015	349,931	46,322	201,573	67,652	665,478

The figures presented under "Other changes (transfers)" represent the reclassification of assets from assets under construction to individual categories and a change in the classification of selected classes of assets.

(b) Property and Equipment Acquired under Finance Leases

The Bank recorded no property and equipment under finance leases in the years ended 31 December 2015 and 2014.

25. AMOUNTS OWED TO FINANCIAL INSTITUTIONS

CZK thousand	2015	2014
Repayable on demand	1,549,653	2,122,558
Term deposits of banks	8,836,223	8,460,331
Within 3 months	6,265,552	3,353,847
From 3 months to 1 year	197,744	271,515
From 1 to 5 years	1,054,634	2,163,902
Over 5 years	1,318,293	2,671,067
Total	10,385,876	10,582,889

26. AMOUNTS OWED TO CUSTOMERS

(a) Analysis of Amounts Owed to Customers by Type

CZK thousand	2015	2014
Repayable on demand	160,463,911	137,263,410
Term deposits with maturity at accrued amount	23,008,400	27,125,392
Change in the fair values of hedged items in the fair value hedging	196,398	225,631
Other	35,547	41,129
Total	183,704,256	164,655,562
<i>of which: repayable within one year</i>	180,347,964	160,717,571
<i>repayable in more than one year</i>	3,356,292	3,937,991

The balances for 2014 were adjusted.

The Bank uses hedge accounting upon the fair value hedge of term deposits.

The Bank has applied hedge accounting upon the fair value hedge of the current and savings accounts portfolio. The remeasurement of the hedged items amounts to CZK 815,122 thousand and CZK 1,081,067 thousand as of 31 December 2015 and 2014, respectively.

(b) Analysis of Amounts Owed to Customers by Sector

CZK thousand	2015	2014
Public sector	1,396,212	1,205,291
Deposits from corporate clients	73,117,230	64,470,390
Deposits to private individuals	86,285,354	78,240,563
Small and medium size enterprises (SME)	22,905,460	20,556,686
Other	-	182,632
Total	183,704,256	164,655,562

(c) Repurchase Transactions

As of 31 December 2014 and 2015, the Bank received no loans as part of repurchase transactions.

27. DEBT SECURITIES ISSUED

(a) Analysis of Issued Debt Securities by Type

CZK thousand	2015	2014
Mortgage bonds	17,475,808	15,413,230
Change in the fair value of hedged items upon fair value hedging	42,062	-
Non-hedged bonds issued	934,107	1,266,599
Deposit certificates and depository bills of exchange	14,402	122,492
Total	18,466,381	16,802,321
<i>of which: repayable within one year</i>	2,460,078	741,805
<i>repayable in more than one year</i>	16,006,303	16,060,516

The subordinated debt securities issued are disclosed in Note 30.

(b) Analysis of Mortgage Bonds

CZK thousand							
Date of issue	Maturity	ISIN	Currency	Nominal value		Net carrying value	
				2015	2014	2015	2014
12.12.2007	12.12.2017	CZ0002001670	CZK	5,500,000	3,427,800	5,857,534	3,656,925
12.12.2007	12.12.2017	CZ0002001696	CZK	500,000	500,000	514,007	520,002
20.12.2007	20.12.2017	CZ0002001928	CZK	2,000,000	1,918,500	2,120,741	2,084,227
4.5.2011	4.5.2016	CZ0002002314	CZK	499,990	499,560	510,930	511,093
27.7.2011	27.7.2016	CZ0002002363	CZK	500,000	500,000	506,952	507,392
26.9.2011	26.9.2016	CZ0002002405	CZK	930,000	930,000	938,840	940,988
11.1.2012	11.1.2017	CZ0002002439	CZK	284,580	283,480	292,316	291,421
5.12.2012	5.12.2017	XS0861195369	EUR	-	-	-	-
5.11.2014	5.11.2019	XS1132335248	EUR	6,756,250	6,931,250	6,734,488	6,901,182
TOTAL				16,970,820	14,990,590	17,475,808	15,413,230

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

As of 31 December 2015, the Bank held issued euro mortgage bonds totalling EUR 750,000 thousand (as of 31 December 2014: EUR 750,000 thousand), of which EUR 599,220 thousand (as of 31 December 2014: EUR 599,220 thousand) may be used as part of repurchase transactions with the European Central Bank and EUR 150,780 thousand (as of 31 December 2014: EUR 150,788 thousand) is used as collateral for received loans from the European Investment Bank - refer to Note 33 (c).

28. PROVISIONS

CZK thousand	Provisions for legal disputes	Provisions for off balance sheet credit risk exposures	Provision for unused holiday	Provision for payroll bonuses	Provision for income tax payable	Other provisions	Total
1 January 2014	5,400	25,009	21,497	388,309	-	30,338	470,553
Charge for provisions	10,800	51,956	21,065	331,458	3,072	47,426	465,777
Use of provisions	(1,040)	-	(21,497)	(202,272)	-	-	(224,809)
Release of redundant provisions	(360)	(25,009)	-	(185,136)	-	-	(210,505)
Foreign exchange rate differences	-	-	-	-	-	74	74
31 December 2014	14,800	51,956	21,065	332,359	3,072	77,838	501,090
Charge for provisions	5,373	184,438	20,836	256,934	286,808	24,542	778,931
Use of provisions	-	-	(21,065)	(56,001)	(3,072)	(31,078)	(111,216)
Release of redundant provisions	-	(51,956)	-	(278,559)	-	(13,281)	(343,796)
Foreign exchange rate differences	-	(960)	-	-	-	919	(41)
31 December 2015	20,173	183,478	20,836	254,733	286,808	58,940	824,968

The Bank recognises provisions for legal disputes on the basis of an internal expert assessment of the current legal disputes conducted against the Bank. If there is a risk of a possible loss in the legal dispute, the internal division issues an instruction for a provision to be recognised. If the legal dispute discontinues or the likelihood of a loss is reduced, the provision is released due to redundancy.

The Bank recognises provisions for credit risks arising from off-balance sheet items in respect of irrevocable credit commitments, guarantees and letters of credit provided to clients who are in delay in the repayment of their principal balances and accrued interest and there is an increased risk that the Bank will not collect the provided amount in the event of the performance under the irrevocable commitments to clients.

“Other provisions” includes provisions for future potential payments arising from compensation for armed robberies, bonuses for clients, etc. For all types of other provisions, the Bank assesses the risk and probability of performance. This item includes the effect of changes in foreign currency rates on provisions denominated in foreign currencies.

In the years ended 31 December 2015 and 2014, the Bank recognised no provision for restructuring.

Provisions are recognised when it is possible to estimate the amount of the future performance. In most types of risk, the Bank recognises a provision equal to 100% of the anticipated repayments and payments.

29. OTHER LIABILITIES

CZK thousand	2015	2014
Liabilities arising from non-banking activities	432,092	449,641
Estimated payables for payroll costs	203,624	213,772
Accrued expenses and deferred income	38,226	50,012
Liabilities from securities trading	2,367	9,699
Settlement and suspense clearing account	678,822	1,017,675
Other	711,626	725,167
Total	2,066,757	2,465,966

30. SUBORDINATED LIABILITIES AND BONDS

(a) Subordinated Loan

CZK thousand	2015	2014
Raiffeisen Bank International AG (parent company)	2,740,743	3,991,233
Total	2,740,743	3,991,233
<i>of which: repayable within one year</i>	38,243	52,698
<i>repayable in more than one year</i>	2,702,500	3,938,535

(b) Issue of Subordinated Bonds

CZK thousand				Nominal value		Net book value	
Date of issue	Date of maturity	ISIN	Currency	2015	2014	2015	2014
21.9.2011	21.9.2016	CZ0003702953	CZK	125,000	125,000	127,033	127,608
21.9.2011	21.9.2018	CZ0003702961	CZK	125,000	125,000	126,011	126,024
TOTAL				250,000	250,000	253,044	253,632

31. EQUITY

(a) Share Capital

The Bank's shareholder structure as of 31 December 2014:

Name	Registered office	Number of ordinary shares	Nominal value (CZK thousand)	Ownership Percentage* (in %)
Raiffeisen CEE Region Holding GmbH	Austria	829,560	8,295,600	75
RB Prag Beteiligungs GmbH	Austria	276,520	2,765,200	25
		1,106,080	11,060,800	100

*Direct investment in the share capital

On 28 April 2015, the General Meeting of the Bank approved the following allocation of the profit generated in 2014:

Net profit for 2014	2 049 030
Approved allocation:	
Allocation to statutory reserve funds	-
Allocation to retained earnings	984,919
Dividends paid to shareholders*	1,064,111
of which: Raiffeisen CEE Region Holding GmbH	798,083
RB Prag Beteiligungs GmbH	266,028

* Dividends were paid on 30 April 2015 according to the shareholder structure effective as of 31 December 2014.

In 2015, the share capital of the Bank was not increased. The shareholder structure and the nominal value of their investments as of 31 December 2015 and 2014 are the same, please refer to above. The ultimate parent company of the Bank is Raiffeisen-Landesbanken-Holding GmbH, Austria.

(b) Other Capital Instruments

Other capital instruments include subordinated unsecured AT1 capital investment certificates issued by the Bank that combine the elements of equity and debt securities and meet the criteria for inclusion in the Bank's Tier 1 capital. The issue amounted to CZK 1,934,450 thousand as of 31 December 2015 (2014: CZK 1,934,450 thousand). The Czech National Bank approved the inclusion of AT1 certificates in the Bank's auxiliary Tier 1 capital. In 2015, the Bank paid out a coupon of CZK 62,536 thousand (2014: CZK 0) from retained earnings to the holders of these certificates.

(c) Gains and Losses from Revaluation Arising from Cash Flow Hedges

CZK thousand	2015	2014
The fair value of the effective part of cash flow hedges at 1 January	-	-
Deferred tax asset/(liability) arising from revaluation gains and losses at 1 January	-	-
Total balance at 1 January	-	-
Net profit/(loss) from the change in the fair value of a hedge instrument for the period		
Cross currency swaps	(603,137)	-
Accumulated net profit/loss arising from cash flow hedges for the period recognised through profit or loss (refer to Note 9)		
Cross currency swaps	385,544	-
Tax effect of cash flow hedges for the period	41,342	-
The fair value of the effective part of cash flow hedges as of 31 December	(217,593)	-
Deferred tax asset/(liability) arising from revaluation gains and losses at 31 December	41,342	-
Total balance at 31 December	(176,251)	-

The Bank started applying hedge accounting upon cash flow hedges in 2015.

Arising from Securities Available for Sale

CZK thousand	2015	2014
Gains and losses from revaluation of securities available for sale at 1 January	220,908	220,908
Deferred tax asset/(liability) arising from revaluation gains and losses at 1 January	(56)	(56)
Total balance as of 1 January	220,852	220,852
Net profit/(loss) from revaluation of securities available for sale	356,409	-
Accumulated net profit/loss for the period recognised through profit or loss (refer to Note 9)	-	-
Tax effect of revaluation of securities available for sale	(67,717)	-
Gains and losses from revaluation of securities available for sale at 31 December	577,317	220,908
Deferred tax asset/(liability) arising from valuation differences at 31 December	(67,773)	(56)
Total balance at 31 December	509,544	220,852

The increase in the valuation difference from revaluation of securities available for sale in 2015 represents the revaluation of the Bank's membership in Visa Europe Limited. For more details, please refer to Note 37(c).

32. CASH AND CASH EQUIVALENTS

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

CZK thousand	2015	2014
Cash and balances with central banks (Note 14)	38,633,848	10,645,734
Statutory minimum reserves (Note 14)	(3,104,191)	(1,167,719)
Placements in other financial institutions (Note 17)	418,380	491,808
Total cash and cash equivalents	35,948,037	9,969,823

The data for 2014 were adjusted - see note 3(r).

33. CONTINGENT LIABILITIES

(a) Legal disputes

The Bank conducted a review of legal proceedings outstanding against it as of 31 December 2015. Pursuant to the review of significant litigation matters in terms of the risk of potential losses and the probability of payment, the Bank recognised provisions (Note 28) for significant litigations in the aggregate amount CZK 20,173 thousand in 2015 (2014: CZK 14,800 thousand).

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

CZK thousand	2015	2014
Banks		
Provided commitments (irrevocable)	60,348	47,172
Guarantee issued	35,974	117,050
Letters of credit issued	80,035	48,555
Total	176,357	212,777
Customers		
Provided commitments (irrevocable)	24,737,332	20,971,528
Guarantee issued	14,114,231	14,129,126
Letters of credit issued	602,846	652,791
Total	39,454,409	35,753,445
Total	39,630,766	35,966,222

In addition, the Bank provides the clients with revocable credit commitments and guarantee commitments.

(c) Refinancing Agreements

From 2011 to 2013, the Bank received a loan of EUR 200,000 thousand from the European Investment Bank in three tranches. In 2015, the bank prepaid the first two out of three tranches and makes regular payments relating to the third tranche. The nominal value of the loan as of 31 December 2015 was CZK 2,637,234 thousand (2014: CZK 5,173,079 thousand). The loan from the European Investment Bank is collateralised by own issued mortgage bonds - refer to Note 27(b)

34. FINANCIAL DERIVATIVES

During the year ended 31 December 2015, the Bank reported the following hedging arrangements that meet the criteria for hedge accounting under IAS 39.

Fair Value Hedge:

- Fair value hedge of the mortgage loan receivable portfolio;
- Fair value hedge of the current and savings account portfolio;
- Fair value hedge of term deposits; and
- Fair value hedge of securities issued (a new hedging arrangement in 2015).

Interest rate swaps are the hedging instruments used in hedge accounting upon a fair value hedge.

Portfolio Cash Flow Hedge:

- Cash flow hedge of the portfolio of crown assets and euro liabilities (a new hedge arrangement in 2015).

Cross currency swaps are the hedging instruments used in cash flow hedging.

(a) Analysis of Derivative Financial Instruments – Contractual Amounts (nominal value)

CZK thousand	Contractual amounts (nominal value)	
	2015	2014
Financial derivatives (non-hedging)		
Cross currency swaps	3,375,991	16,077,963
Currency forwards and swaps	31,778,360	29,210,364
Interest rate swaps (IRS)	86,659,161	87,331,415
Forward rate agreements (FRA)	8,000,000	2,000,000
Option contracts (purchase)	6,098,980	8,022,368
Option contracts (sale)	6,053,038	8,022,368
Total non-hedging derivatives	141,965,530	150,664,478
Hedging derivatives		
Interest rate swaps (IRS)	155,110,906	113,140,391
Cross currency swaps	16,017,474	-
Total hedging derivatives	171,128,380	113,140,391
Financial derivatives - total contractual amount	313,093,910	263,804,869

(b) Analysis of Derivative Financial Instruments – Fair Value

CZK thousand	Fair value in 2015		Fair value in 2014	
	Positive	Negative	Positive	Negative
Financial derivatives (non-hedging)				
Cross currency swaps	81,000	(79,136)	88,517	(77,807)
Currency forwards and swaps	262,571	(96,292)	579,453	(93,715)
Interest rate swaps (IRS)	1,084,446	(999,666)	1,375,166	(1,287,013)
Forward rate agreements (FRA)	1,992	(1,528)	-	(36)
Option contracts (purchase)	138,510	-	292,456	-
Option contracts (sale)	-	(139,336)	-	(292,457)
Total non-hedging derivatives	1,568,519	(1,315,958)	2,335,592	(1,751,028)
Hedging derivatives				
Interest rate swaps (IRS)	1,814,312	(924,000)	1,945,734	(1,019,731)
Cross currency swaps	0	(348,751)	-	-
Total hedging derivatives	1,814,312	(1,272,751)	1,945,734	(1,019,731)
Financial derivatives - total fair value	3,382,831	(2,588,709)	4,281,326	(2,770,759)

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

CZK thousand	Up to 1 year	From 1 to 5 years	Over 5 years	Total
At 31 December 2015				
Financial derivatives (non-hedging)				
Cross currency swaps	1,572,879	1,803,112	-	3,375,991
Currency forwards and swaps	30,587,396	1,190,964	-	31,778,360
Interest rate swaps (IRS)*	6,461,808	44,925,034	35,272,319	86,659,161
Forward rate agreements (FRA)	8,000,000	-	-	8,000,000
Option contracts (purchase)	3,164,381	2,934,599	-	6,098,980
Option contracts (sale)	3,118,439	2,934,599	-	6,053,038
Total non-hedging derivatives	52,904,903	53,788,308	35,272,319	141,965,530
Hedging derivatives				
Interest rate swaps (IRS) *	17,766,699	98,278,842	39,065,365	155,110,906
Cross currency swaps	-	13,281,272	2,736,202	16,017,474
Total hedging derivatives	17,766,699	111,560,114	41,801,567	171,128,380
Total financial derivatives	70,671,602	165,348,422	77,073,886	313,093,910

*The nominal value reported by the final transaction maturity.

CZK thousand	Up to 1 year	From 1 to 5 years	Over 5 years	Total
At 31 December 2014				
Financial derivatives (non-hedging)				
Cross currency swaps	5,230,658	8,086,073	2,761,232	16,077,963
Currency forwards and swaps	27,393,797	1,816,567	-	29,210,364
Interest rate swaps (IRS)*	25,754,783	38,592,278	22,984,354	87,331,415
Forward rate agreements (FRA)	2,000,000	-	-	2,000,000
Option contracts (purchase)	3,031,252	4,991,116	-	8,022,368
Option contracts (sale)	3,031,252	4,991,116	-	8,022,368
Total non-hedging derivatives	66,441,742	58,477,150	25,745,586	150,664,478
Hedging derivatives				
Interest rate swaps (IRS)	13,254,950	70,155,354	29,730,087	113,140,391
Total hedging derivatives	13,254,950	70,155,354	29,730,087	113,140,391
Total financial derivatives	79,696,692	128,632,504	55,475,673	263,804,869

*The nominal value reported by the final transaction maturity.

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

CZK thousand	Future Cash Inflows			Future Cash Outflows		
	Up to 1 year	From 1 to 5 years	Over 5 years	Up to 1 year	From 1 to 5 years	Over 5 years
31 December 2015						
Financial derivatives (non-hedging)						
Interest rate swaps (IRS)	75,295	446,604	562,547	(21,560)	(386,431)	(591,675)
Forward rate agreements (FRA)	1,992	-	-	(1,528)	-	-
Option contracts (purchase)	-	28,416	-	-	-	-
Option contracts (sale)	-	-	-	-	(28,416)	-
Total non-hedging derivatives	77,287	475,020	562,547	(23,088)	(414,847)	(591,675)
Hedging derivatives						
Interest rate swaps (IRS)	57,682	903,966	852,664	(75,747)	(631,645)	(216,608)
Total hedging derivatives	57,682	903,966	852,664	(75,747)	(631,645)	(216,608)
Financial derivatives - total contractual payments	134,969	1,378,986	1,415,211	(98,835)	(1,046,492)	(808,283)

CZK thousand	Future Cash Inflows			Future Cash Outflows		
	Up to 1 year	From 1 to 5 years	Over 5 years	Up to 1 year	From 1 to 5 years	Over 5 years
31 December 2014						
Financial derivatives (non-hedging)						
Interest rate swaps (IRS)	137,296	537,555	700,314	(129,943)	(484,717)	(672,352)
Forward rate agreements (FRA)	-	-	-	(36)	-	-
Option contracts (purchase)	-	34,071	-	-	-	-
Option contracts (sale)	-	-	-	-	(34,071)	-
Total non-hedging derivatives	137,296	571,626	700,314	(129,979)	(518,788)	(672,352)
Hedging derivatives						
Interest rate swaps (IRS)	14,974	495,025	1,435,737	(61,793)	(807,685)	(150,255)
Total hedging derivatives	14,974	495,025	1,435,737	(61,793)	(807,685)	(150,255)
Financial derivatives - total contractual payments	152,270	1,066,651	2,136,051	(191,772)	(1,326,473)	(822,607)

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

CZK thousand	Future Cash Inflows			Future Cash Outflows		
	Up to 1 year	From 1 to 5 years	Over 5 years	Up to 1 year	From 1 to 5 years	Over 5 years
31 December 2015						
Financial derivatives (non-hedging)						
Cross currency swaps	1,572,879	1,803,112	-	(1,577,122)	(1,796,832)	-
Currency forwards and swaps	30,587,396	1,190,964	-	(30,371,275)	(1,200,762)	-
Option contracts (purchase)	3,164,381	365,513	-	(3,145,791)	(357,463)	-
Option contracts (sale)	3,099,857	357,463	-	(3,118,439)	(365,513)	-
Total non-hedging derivatives	38,424,513	3,717,052	-	(38,212,627)	(3,720,570)	-
Hedging derivatives						
Cross currency swaps	-	13,281,272	2,736,202	-	(13,370,925)	(2,744,300)
Total hedging derivatives	-	13,281,272	2,736,202	-	(13,370,925)	(2,744,300)
Financial derivatives - total contractual payments	38,424,513	16,998,324	2,736,202	(38,212,627)	(17,091,495)	(2,744,300)

CZK thousand	Future Cash Inflows			Future Cash Outflows		
	Up to 1 year	From 1 to 5 years	Over 5 years	Up to 1 year	From 1 to 5 years	Over 5 years
31 December 2014						
Financial derivatives (non-hedging)						
Cross currency swaps	5,230,658	8,086,073	2,761,232	(5,220,060)	(8,079,356)	(2,744,300)
Currency forwards and swaps	27,393,797	1,816,567	-	(26,971,986)	(1,734,968)	-
Option contracts (purchase)	3,031,252	2,229,907	-	(2,965,942)	(2,211,485)	-
Option contracts (sale)	2,966,414	2,211,013	-	(3,031,252)	(2,229,907)	-
Total financial derivatives (non-hedging)	38,622,121	14,343,560	2,761,232	(38,189,240)	(14,255,716)	(2,744,300)
Financial derivatives - total contractual payments	38,622,121	14,343,560	2,761,232	(38,189,240)	(14,255,716)	(2,744,300)

35. OTHER OFF BALANCE SHEET ASSETS

(a) Assets Provided for Management, Administration and Custody

In the years ended 31 December 2015 and 2014, the Bank provided no assets for management, administration and custody.

(b) Assets Accepted for Management, Administration and Custody

CZK thousand	2015	2014
Assets accepted for management	6,013,468	4,306,665
Assets accepted for administration	25,192,697	23,054,094
Total	31,206,165	27,360,759

36. SEGMENT ANALYSIS

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

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

Operating segments are represented as follows:

- Corporate banking;
- Retail banking;
- Treasury and ALM; 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 Bank's own employees.

The Treasury segment includes interbank transactions, trading with financial instruments, securities and ALM.

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

The Bank monitors amounts of net interest income and net fee and commission income, net profit/(loss) from financial operations, movements in provisions, 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 predominant part of the Bank'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 Bank.

The Bank 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 Bank's total income.

Selected items by segment (2015)

At 31 December 2015						
CZK thousand	Corporate entities	Retail clients	Treasury and ALM	Other	Reconciliation to the statement of comprehensive income	Total
Profit and loss account:						
Net interest income	1,978,396	3,639,597	218,639	338,847	(71,033)	6,104,446
Net fee and commission income	1,117,205	1,688,045	1,847	(5,429)	(966,946)	1,834,722
Net profit/(loss) from financial operations	11,733	7,000	275,803	(2,740)	966,946	1,258,742
Movements in allowances	(179,357)	(885,627)	-	(26)	-	(1,065,010)
Other operating expenses	(1,403,322)	(3,516,762)	(143,180)	14,114	-	(5,049,150)
Dividend income	-	-	-	-	71,033	71,033
Losses from impairment of equity investments	-	-	-	-	-	-
Profit before tax	1,524,655	932,253	353,109	344,766	-	3,154,783
Income tax	(297,906)	(182,155)	(68,995)	(67,365)	-	(616,421)
Profit after tax	1,226,749	750,098	284,114	277,401	-	2,538,362
Assets and liabilities:						
Total assets	98,628,351	85,463,987	54,333,153	7,899,539	-	246,325,030
Total liabilities	81,975,868	106,256,842	26,563,761	9,671,105	(2,538,362)	221,929,214

Selected items by segment (2014)

At 31 December 2014						
CZK thousand	Corporate entities	Retail clients	Treasury and ALM	Other	Reconciliation to the statement of comprehensive income	Total
Profit and loss account:						
Net interest income	2,164,023	3,475,058	220,398	82,817	(54,400)	5,887,896
Net fee and commission income	1,120,411	1,826,665	(12,203)	(15,620)	(952,623)	1,966,630
Net profit/(loss) from financial operations	57,230	1,331	17,225	(18,011)	970,634	1,028,409
Movements in allowances	(397,064)	(712,330)	-	-	-	(1,109,394)
Other operating expenses	(1,465,494)	(3,632,009)	(129,543)	(49,647)	-	(5,276,693)
Dividend income	-	-	-	-	54,400	54,400
Losses from impairment of equity investments	-	-	-	-	(18,011)	(18,011)
Profit before tax	1,479,106	958,715	95,877	(461)	-	2,533,237
Income tax	(282,719)	(183,250)	(18,326)	88	-	(484,207)
Profit after tax	1,196,387	775,465	77,551	(373)	-	2,049,030
Assets and liabilities:						
Total assets	85,852,914	77,962,211	54,554,066	7,659,317	-	226,028,508
Total liabilities	75,370,392	95,474,390	24,039,522	10,321,574	(2,049,030)	203,156,848

Differences between individual lines of the segment analysis and information in the statement of comprehensive income and the statement of financial position

The difference in "Net interest income" arises primarily from the different presentation of the dividend income.

In "Net interest income" of the segment "Other" the Bank reports the positive compensation of costs of capital that are allocated to individual client's segments.

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

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

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

The difference in liabilities arises from the different presentation of profit for the reporting period.

The differences referred to above between the segment analysis and the statement of comprehensive income arise from the different classification of selected profit and loss items in the Bank's management accounting.

37. FINANCIAL INSTRUMENTS – MARKET RISK

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

(a) Trading

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

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

The Bank manages risks associated with its trading activities on the level of individual risks and types of financial instruments. The key risk management tools are the limits for individual transaction volumes and individual position volumes, stop loss limits and Value at Risk (VaR) limits. The quantitative methods applied to market risk management are described in "Risk Management Methods" in Note 37(d).

(b) Risk Management

The selected risks exposures resulting from the Bank's activities, management of positions arising from these activities and its risk management approach are described below. More detailed policies applied in measuring and managing these risks are included in "Risk Management Methods" in Note 37(d).

Liquidity Risk

Liquidity risk arises from the time mismatch between cash inflows and outflows. It includes both the risk of inability to raise funds to cover the Bank's assets using instruments with appropriate maturity and the Bank's ability to sell assets at a reasonable price within a reasonable time frame. The liquidity position of the Bank is regularly monitored by the Czech National Bank.

The Bank has access to diversified sources of funding, which comprise deposits and other savings, issued securities, loans accepted including subordinated loans, and also the Bank's equity. This diversification makes the Bank flexible and reduces its dependency on one source of funding. The Bank regularly evaluates its liquidity exposures, in particular by monitoring the changes in the structure

of financing and comparing these changes with the Bank's liquidity risk management strategy, which is approved by the Bank's Board of Directors. As part of its liquidity risk management strategy, the Bank also holds a portion of its assets in highly liquid funds, such as government treasury bills and similar bonds and deposits with the Czech National Bank (repurchase transactions/deposit facilities). The Bank uses internal statistical models for diversification of the maturity of client deposits. These models are reassessed on a regular basis.

The following table shows the remaining maturity of contractual cash flows arising from financial liabilities. Contractual cash flows from derivatives are analysed in the tables in Notes 34(d) and 34(e).

Analysis of financial liabilities according to remaining maturity (undiscounted cash flows)

2015 (CZK thousand)	Total contractual liability	Up to 3 months	3 - 12 months	1 - 5 years	Over 5 years
Amounts owed to financial institutions	10,490,601	7,820,196	205,416	1,095,551	1,369,438
Amounts owed to customers	184,293,850	180,067,447	551,969	3,634,000	40,434
Debt securities issued	19,138,707	10,463	3,004,775	16,123,469	-
Subordinated liabilities and bonds	3,149,751	38,359	130,921	277,971	2,702,500
Other liabilities	2,066,757	2,066,757	-	-	-
Off-balance sheet items	25,863,241	24,836,710	7,234	18,587	1,000,710
2014 (CZK thousand)	Total contractual liability	Up to 3 months	3 - 12 months	1 - 5 years	Over 5 years
Amounts owed to financial institutions	10,594,992	5,480,401	279,622	2,163,902	2,671,067
Amounts owed to customers	165,470,922	158,869,817	2,126,586	1,567,244	2,907,275
Debt securities issued	17,486,484	323,248	622,530	16,540,706	-
Subordinated liabilities and bonds	4,257,708	57,299	5,938	1,421,972	2,772,500
Other liabilities	2,392,538	2,392,538	-	-	-
Off-balance sheet items	21,066,815	21,031,783	15,885	19,147	-

Off-balance sheet items include all irrevocable credit commitments provided to the Bank's clients and guarantees and letters of credit provided to clients classified as default.

Foreign Currency Risk

The foreign currency risk is the risk arising from currency markets. The source of this risk is the Bank's foreign currency position which arises from the mismatch of the Bank's assets and liabilities, including the currency-sensitive off balance sheet items. The majority of foreign currency gains or losses is due to changes in foreign currency rates in currency positions of the Bank denominated in EUR and USD. The foreign currency risk is managed by setting trading limits. More detailed policies applied in managing this risk are included in "Risk Management Methods" in Note 37(d).

Interest Rate Risk

The Bank is exposed to interest rate risk since the interest-bearing assets and liabilities have different maturity dates, periods of interest rate changes/adjustments and volumes during these periods. In the case of variable interest rates, the Bank is exposed to a basis risk arising from the difference in the mechanism of adjusting individual types of interest rates, such as PRIBOR, announced interest on deposits, etc. The interest rate risk of the Bank is primarily impacted by the development in interbank interest rates, including the negative rates (the impact of negative interest rates is disclosed in Note 5). The Bank's interest rate risk management activities are aimed at optimising the Bank's net interest income in accordance with its strategy approved by the Board of Directors. In managing the interest rate risk, the Bank uses (as in the case of liquidity management) statistical models for distribution of those items where it is unable to determine the exact moment of repricing of interest rates or liquidity maturity (for example on current accounts).

The Bank mostly uses interest rate derivatives to manage the mismatch between the rate-sensitivity of assets and liabilities. These derivative transactions are entered into in accordance with the asset and liability management strategy as approved by the Board of Directors of the Bank.

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

Equity Risk

Equity risk is the risk of fluctuations of the prices of equity instruments held in the Bank's portfolio and financial derivatives related to these instruments. As the Bank does not trade shares on its own account, it is exposed to indirect equity risk arising from the shares held by the Bank as collateral for customer loans. Equity risk is managed by trading limits. The equity risk management methods are described in "Risk Management Methods" in Note 37(d).

(c) Fair values of financial assets and liabilities

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

i) Cash and balances with central banks

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

ii) Loans and advances to financial institutions

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

iii) Loans and advances to customers

Fair values of loans with variable interest rates which are frequently remeasured or loans with the final maturity within one year, and the change of the credit risk is insignificant, in principle approximate their carrying amounts. Fair values of loans with fixed interest rates are estimated based on the discounted cash flows using the interest rate common for loans with similar conditions and due dates and provided to debtors with similar risk rating, including the impact of collateral (the discounted rate technique according to IFRS 13). Fair values of default loans are estimated based on the discounted cash flows including potential collateral realisation.

iv) Securities held to maturity

Fair values of securities carried in the held-to-maturity portfolio are estimated based on discounted cash flows using the interest rate common as of the balance sheet date unless they are traded on an active market.

v) Amounts owed to financial institutions and customers

Fair values reported in respect of loans on request match amounts payable on demand (i.e. their carrying amounts) at the balance sheet date. Carrying amounts of term deposits with variable rate are principally equal to their fair values as of the balance sheet date. Fair values of deposits with a fixed interest rate are estimated based on the discounting of cash flows using market interest rates and reflecting the Bank's liquidity costs.

vi) Debt securities issued

Fair values of debt securities issued by the Bank are determined on the basis of updated market prices. If market prices are not available, fair values are estimates of the Bank where the fair value is estimated based on the discounting of cash flows using market interest rates and reflecting the Bank's liquidity costs.

vii) Subordinated liabilities and bonds

Fair values of the subordinated loan are estimated based on discounting cash flows using market interest rates and reflecting liquid costs of the Bank. Fair values of subordinated bonds issued by the Bank are determined by reference to current market prices.

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

2015	Level 1	Level 2	Level 3	Fair value	Carrying amount	Difference
Assets						
Cash and balances with central banks	-	-	38,633,848	38,633,848	38,633,848	-
Loans and advances to financial institutions	-	-	4,047,655	4,047,655	4,047,655	-
Loans and advances to customers *	-	-	189,662,524	189,662,524	182,790,328	6,872,196
Securities held to maturity	11,568,140	-	-	11,568,140	11,265,127	303,013
Liabilities						
Amounts owed to financial institutions	-	-	10,191,108	10,191,108	10,385,876	(194,768)
Amounts owed to customers	-	-	184,046,747	184,046,747	183,704,256	342,491
Debt securities issued	-	-	19,001,446	19,001,446	18,466,381	535,065
Subordinated liabilities	-	-	3,175,873	3,175,873	2,993,787	182,086

* including allowances

2014	Level 1	Level 2	Level 3	Fair value	Carrying amount	Difference
Assets						
Cash and balances with central banks	-	-	10,645,734	10,645,734	10,645,734	-
Loans and advances to financial institutions	-	-	23,073,499	23,073,499	23,073,499	-
Loans and advances to customers *	-	-	167,557,615	167,557,615	163,810,265	3,747,350
Securities held to maturity	12,797,325	-	-	12,797,325	12,420,499	376,826
Liabilities						
Amounts owed to financial institutions	-	-	10,148,132	10,148,132	10,582,889	(434,757)
Amounts owed to customers	-	-	164,846,826	164,846,826	164,655,562	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 allowances

Financial instruments at fair value

CZK thousand	Fair value at 31 Dec 2015			Fair value at 31 Dec 2014		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Positive fair values of financial derivative instruments	-	3,382,831	-	-	4,281,326	-
Securities at fair value through profit or loss	1,179,378	-	2,759	4,317,524	2,499,178	87,836
Securities available for sale	-	892	356,409	-	905	-
Total	1,179,378	3,383,723	359,168	4,317,524	6,781,409	87,836
CZK thousand	Fair value at 31 Dec 2015			Fair value at 31 Dec 2014		
	Level 1	Level 2	Level 3	Level 1	Level 2	
Negative fair values of financial derivative instruments	-	2,588,709	-	-	2,770,759	
Total	-	2,588,709	-	-	2,770,759	

Securities available for sale of CZK 516,106 thousand, not included in the above table, are measured at cost due to the impossibility to reliably determine their fair value and the Bank 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	Securities available for sale	Total
Balance at the beginning of the period	87,836	-	87,836
Transfer to Level 3	-	-	-
Purchases	-	-	-
Comprehensive income/(loss)	7,568	356,409	363,978
- in the income statement	7,568	-	7,568
- in equity (Note 31)	-	356,409	356,410
Sales/settlement	(92,645)	-	(92,645)
Transfer from Level 3	-	-	-
Balance at the end of the period	2,759	356,409	359,168

2014

CZK thousand	Securities at fair value through profit or loss	Total
Balance at the beginning of the period	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 at the end of the period	87,836	87,836

The Bank measures securities at fair value through profit or loss using the technique of discounted future cash flows. In respect of securities that fall into the Level 3 category, the Bank uses the discount factor for the calculation that is derived from the internal price for liquidity that is determined by the Bank and concurrently reflects the credit risk of the security issuer. The price of the Bank for liquidity and credit risk of the security issuer are inputs that are not observable from the data available on the market. The price of the Bank for liquidity determined in the calculation is based on the resolution of the Bank's ALCO Committee and reflects the level of available sources of financing of the Bank and their price. In the event of a negative development of the Bank's liquidity position or changes in the interbank market, the price for liquidity may increase and consequently the price of the financial instrument may decline. The credit risk of the issuer is determined on the basis of the rating of the securities issuer in the Bank's rating scale. If the issuer was attributed a worse rating, the price of the financial instrument could decline by 0-10%.

The largest amount in Level 3, "Securities available for sale", comprises the Bank's membership in Visa Europe Limited. The increase in the value in 2015 arose from revaluation relating to the announced sale of Visa Europe Limited to Visa Inc. The Bank measured the fair value of its membership as of 31 December 2015 as equal to the amount of its assumed share in the cash settlement of the sale. The Bank also anticipates receiving a proportion of the priority shares of Visa Inc. and a proportion of a subsequent deferred cash payment, which are also included in the settlement and will be allocated to the association's members as part of the proceeds

of the sale. Since not all of the conditions of the additional settlement items are yet clear and the Bank is unable to make a reliable estimate of the fair value of its share therein, the Bank has not increased the fair value of its investment in Visa Europe Limited to reflect these items.

(d) Risk Management Methods

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

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

CZK thousand	At 31 December	Average in	At 31 December	Average in
	2015	2015	2014	2014
Total market risk VaR	7,852	5,417	10,723	16,447

Interest Rate Risk

The Bank monitors interest rate risk of the banking book and the trading book separately, at the level of individual currencies. The interest rate position is monitored based the sensitivity of the position to the shift in the interest rate curve (BPV). The BPV technique (basis point value) involves determining the change of the present value (both in total and in individual time periods) of the portfolio when interest rates shift by one basis point (0.01 percent). This technique is complemented by monitoring interest rate risks using Value at Risk.

CZK thousand	At 31 December	Average in	At 31 December	Average in
	2015	2015	2014	2014
Total interest rate risk VaR	8,064	5,061	11,223	16,063
Interest rate risk VaR - banking book	9,706	5,459	10,096	15,543
Interest rate risk VaR - trading book	1,800	2,025	1,204	7,582

Currency Risk

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

CZK thousand	At 31 December	Average in	At 31 December	Average in
	2015	2015	2014	2014
Currency risk VaR	710	1,550	1,587	2,056

Equity Risk

Market risks arising from the Bank's equity trading activities are managed using the Value at Risk method. At the end of 2013, the Bank suspended trading with equity instruments in the banking portfolio.

Stress Testing

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

Operational Risk

In accordance with the applicable legislation, operational risk is defined as the risk of loss arising from the inappropriateness or failure of internal processes, human errors or failures of systems or the risk of loss arising from external events. The Bank monitors, tracks and assesses these risks on a regular basis and undertakes measures aimed at minimising these risks. The Bank applies the

standardised approach to calculating capital adequacy, it intends to implement the advanced (AMA) approach in the future. At present, changes are being implemented so that the advanced approach could be applied.

The basic principal is the responsibility of each employee for the identification and escalation of the operational risk and for timely and accurate reporting of incidents. The Bank has a central operational risk management function in place, which is responsible for the setting of the methodology, measurements or analyses and which provides methodical support to managers.

Operational risk management primarily draws upon the following:

- Event Data Collection;
- General Ledger Analysis;
- Risk Assessment;
- Scenario Analysis;
- Early Warning Indicators; and
- Mitigation Plans.

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

The General Ledger Analysis provides reconciliation between the reported loss and its recognition in the books.

The Risk Assessment is used to raise awareness of operational risks, clarify individual processes and mitigate the operational risks identified. The Risk Assessment determines the risk of individual processes, organisational units or activities. The risk level is a relevant value for taking measures within qualitative risk management.

The Scenario Analysis is a process used by the Bank to consider the impact of extreme but probable events on its activities, assess the probability of occurrence and estimate significance of the impact on a scale of possible results. The Scenario Analysis aims at: (i) providing a potential method to record a specific event that occurred in a specific organisation, (ii) increasing awareness and educate management by providing insight into various types of risks and managing the plan of remedies and investments.

EWIs are used for the ongoing monitoring and reporting of the risk exposure to operational risk. They provide early warning to take possible steps or make changes in the risk profile, which may initiate management measures.

The Risk Assessment is used to raise awareness of operational risks, clarify individual processes and mitigate the operational risk identified.

The Bank defines and reviews the Risk Appetite on a regular basis. In using the above-specified instruments, the Bank compares the identified risks with the appetite and prepares Mitigation Plans for the risks that exceed the appetite.

All instruments are used in a regular annual cycle.

Capital Management

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

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

38. FINANCIAL INSTRUMENTS – CREDIT RISK

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

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

(a) Assessment and Classification of Receivables

The Bank assesses its receivables in accordance with the principles determined by CNB's Decree No. 163/2014 dated 30 July 2014, on the Activities of Banks, Savings Banks and Credit Cooperatives and Securities Traders (Decree of the Czech National Bank), as amended, and also in accordance with IFRS IAS 39 and internal regulations.

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

The classification is performed on an annual basis, with the key criteria being:

- Number of days past maturity;
- Financial position of the debtor – client/transaction rating;
- Implementation of enforced restructuring;
- Resolution on insolvency; and
- Other individually assessed events relating to the anticipated customer's compliance with contractual obligations

(b) Provisioning for Receivables

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

The Bank applies the portfolio approach in respect of individually assessed receivables where no impairment was noted individually. In this case, the Bank also determines impairment of the portfolio of similar individually unimpaired loans.

Portfolio allowances are calculated pursuant to the anticipated development in the loan portfolio (probability of default, default loss, etc).

The amount of the individual allowance is determined based on the anticipated cash flows. Future cash flows are estimated pursuant to the assessment of all available information, including the estimated collateral value, possibility of the sale of a receivable, proceeds from the bankruptcy and anticipated length of the recovery process.

Problematic receivables from the SME and Corporate segments are dealt with by the Workout division. Significant (in terms of volume) loans are assessed by the Problem Loan Committee.

The value of the future cash flows of retail receivables is estimated on the basis of the historical behaviour of similar receivables and historical success of the recovery process.

The Bank determines provisions for receivables at least on a monthly basis.

(c) Evaluation of Collateral

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

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

To determine the realisable value of collateral of immovable and movable assets, the Bank refers to estimates of usual prices revised by a specialised department of the Bank or internal assessments prepared by this department of the Bank. In other types of hedging instruments, their value including the recalculated value is determined in line with the internal standards of the Bank. The realisable

value of collateral is subsequently determined by discounting the appraised value using a correction coefficient which reflects the Bank's ability to realise the collateral as and when required. The Bank regularly reviews and updates collateral values depending on the type and quality of the collateral, usually no later than on an annual basis.

(d) Credit Risk Measurement Methods

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

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

(e) Concentration of Credit Risk

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

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

(f) Recovery of Receivables

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

(g) Forbearance and Non-Performing Exposures

In compliance with the EBA's Implementing Technical Standard (ITS) on Supervisory Reporting (Forbearance and Non-Performing Exposures), the Bank introduced a new definition of forbearance and non-performing exposures that do not represent default under the CNB's Regulation in 2014.

The key criterion in treating an exposure as forborne is a customer's financial health as of the date on which contractual conditions are adjusted. Receivables are defined as forborne if a customer has financial difficulties at the time of a change in contractual conditions (taking into account the client's internal rating or other circumstances known at that time) and if the adjustment of the contractual conditions is considered a payment relief provided in order to divert the client's unfavourable financial situation. If such an adjustment of contractual conditions results in subsequent forbearance or default exceeding 30 days, the exposure is considered non-performing irrespective of the conditions of the CNB's Regulation being met or not.

If a forborne exposure is classified as non-performing (after the forbearance is provided) it remains in this category for a period of at least 12 months. After the lapse of this period, the exposure is reclassified as performing forbearance provided the predefined conditions are met. Subsequently, the exposure is monitored on a regular basis during a probation period of at least 24 months. If the predefined conditions are met after the expiry of the probation period, the exposure ceases to be classified as forborne.

Within the defined processes, the Bank's customers having financial difficulties and being provided with forbearance are assessed, rated and monitored according to specific algorithms in line with the relevant regulations. In practice, this means that all customers with financial difficulties who were provided with forbearance, or for whom forbearance is considered, are at least subject to the Early Warning System, or in case of default, they are treated by the Workout or Collection teams. The algorithms applied are in compliance with the parent group's requirements for individual segments of the Bank. The above-specified processes have an impact on the classification of receivables under the five sub-categories of loan quality as specified in the CNB's Regulation (standard, monitored, non-standard, doubtful, and loss-making) and, consequently, on the assessment of the amount of individual and portfolio allowances.

The credit risk analysis of loans and advances to forborne customers under IFRS 7

CZK thousand	Loans and advances to forborne customers					
	Before due date without default	After due date with default	With default	Total forbearance	Allowances	Collateral
31 December 2015						
Public sector	-	-	-	-	-	-
Loans to corporate entities	476,363	19,406	2,862,569	3,358,338	(1,241,531)	3,268,240
Loans to private individuals	2,296,057	408,098	1,256,222	3,962,152	(835,179)	2,975,610
Small and medium-sized enterprises (SME)	186,656	34,958	249,936	471,550	(91,131)	234,677
Total	2,959,076	462,462	4,368,727	7,792,040	(2,167,841)	6,478,527

CZK thousand	Loans and advances to forborne customers					
	Before due date without default	After due date with default	With default	Total forbearance	Allowances	Collateral
31 December 2014						
Public sector	-	-	-	-	-	-
Loans to corporate entities	402,220	89,424	2,646,969	3,138,613	(1,136,307)	2,844,257
Loans to private individuals	3,349,664	498,364	1,746,014	5,567,935	(861,209)	4,291,970
Small and medium-sized enterprises (SME)	213,291	46,156	312,576	572,023	(208,453)	293,948
Total	3,965,175	633,944	4,705,559	9,278,571	(2,205,969)	7,430,175

The Bank recognises no forborne loans and advances to banks.

The Bank's interest income includes interest on loans and advances to forborne customers in the amount of CZK 275,888 thousand. No comparative information is available for 2014 as the project was implemented in the latter half of 2014.

Development of loans and advances to forborne customers

CZK thousand	Loans to corporate entities	Loans to private individuals	Small and medium-sized entities (SME)	Total
2015				
Balance as of 1 January	3,138,613	5,567,935	572,023	9,278,571
Additions (+)	183,733	160,148	-	343,881
Disposals (-)	(114,229)	(1,018,728)	(42,565)	(1,175,522)
Movements in exposures (+/-)	339,311	(747,203)	(246,998)	(654,890)
Balance at 31 December	3,547,428	3,962,152	282,460	7,792,040

Comparative information for 2014 is not available as the project was implemented in the latter half of 2014.

The carrying amount of loans to forborne customers compared to the total loans and advances to customers

CZK thousand	Loans and advances to customers	Loans and advances to forborne customers	Percentage of forborne loans and advances
2015			
Public sector	1,217,200	-	-
Loans to corporate entities	98,591,472	3,358,338	3.4%
Loans to private individuals	83,754,734	3,962,152	4.7%
Small and medium-sized enterprises (SME)	5,379,324	471,550	8.8%
Total at 31 December 2015	188,942,730	7,792,040	4.1%

CZK thousand	Loans and advances to customers	Loans and advances to forborne customers	Percentage of forborne loans and advances
2014			
Public sector	1,048,242	-	-
Loans to corporate entities	87,738,780	3,138,613	3.6%
Loans to private individuals	76,562,382	5,567,935	7.3%
Small and medium-sized enterprises (SME)	5,058,970	572,023	11.3%
Total at 31 December 2014	170,408,374	9,278,571	5.4%

(h) Securitisation

The Bank eliminates the credit risk of its exposures through synthetic securitisation. Securitisation involves merging loan exposure portfolios (loans and advances, guarantees and commitments) with the appropriate level of loan quality where the Bank offers to transfer the credit risk arising from the loan exposures in securitisation to investors. The transactions are principally aimed at the improvement of the capital adequacy of the Bank and the parent group. The loan exposures included in the synthetic securitisation performed by the Bank do not meet the conditions for de-recognition of assets from the statement of financial position.

For an updated analysis of the Bank's securitisation transactions, refer to Note 18(g).

(i) Portfolio Quality

The rating which represents the portfolio quality is an internal rating used by the Raiffeisen Group.

For retail clients, the rating is in the interval from 0.5 to 5, where 5 represents default. The rating in the interval from 6.1 to 6.5 is used for project financing where 6.5 represents default. For corporate clients, the Bank uses rating in the interval between 1 to 10 where 10 represents default. The corporate rating is additionally used for retail clients that have corporate products and are treated as corporate clients in terms of risks. The Bank uses rating in the interval from A1 to D, where D is default, for financial institutions and public sector institutions.

CZK thousand	Rating	2015	2014
Retail clients:			
Highly excellent credit rating	0.5	19,371,067	12,092,577
Excellent credit rating	1.0	23,815,209	20,291,783
Very good credit rating	1.5	16,153,755	15,609,279
Good credit rating	2.0	10,021,773	10,428,435
Healthy credit rating	2.5	6,334,164	7,280,709
Acceptable credit rating	3.0	3,680,288	4,341,016
Limit credit rating	3.5	2,142,304	2,538,231
Weak credit rating	4.0	1,031,241	1,464,445
Very weak credit rating /monitored	4.5	1,213,950	1,670,391
Default	5.0	4,236,484	4,943,063
Project financing:			
Excellent project profile - very low risk	6.1	26,358,388	23,029,319
Good project profile - low risk	6.2	2,036,253	1,843,083
Acceptable project profile - average risk	6.3	131,536	212,278
Bad project profile - high risk	6.4	249,897	237,576
Default	6.5	1,015,504	859,801
Corporate clients:			
Highly excellent credit rating	1	765,734	1,349,051
Excellent credit rating	2	1,039,080	1,157,732
Very good credit rating	3	473,499	1,205,011
Good credit rating	4	9,695,190	4,416,046
Healthy credit rating	5	11,606,936	12,215,117
Acceptable credit rating	6	19,741,447	18,300,554
Limit credit rating	7	8,427,461	9,160,228
Weak credit rating	8	2,050,270	2,487,965
Very weak credit rating /monitored	9	1,291,224	574,769
Default	10	3,582,765	4,073,477
Financial institutions and public sector institutions:			
Very good credit rating	A3	1,420	4,426,445
Good credit rating	B1	8,879,461	94,675
Healthy credit rating	B2	811,893	1,653,883
Acceptable credit rating	B3	2,228,661	2,034,041
Limit credit rating	B4	82,258	91,477
Weak credit rating	B5	274,432	215,888
Very weak credit rating /monitored	C	-	-
No rating: before due date		195,610	83,818
No rating: past due date		3,576	26,211
Total		188,942,730	170,408,374

(j) Credit Quality of Not Due and Individually Unimpaired Loans to Customers

According to individual rating categories, the Bank has the following undue and unimpaired financial assets according to its rating:

CZK thousand	Rating	2015	2014
Retail clients:			
Highly excellent credit rating	0.5	19,429,255	12,082,936
Excellent credit rating	1.0	23,781,321	20,267,594
Very good credit rating	1.5	16,086,664	15,548,038
Good credit rating	2.0	9,933,296	10,337,892
Healthy credit rating	2.5	6,244,910	7,139,293
Acceptable credit rating	3.0	3,552,336	4,155,321
Limit credit rating	3.5	1,980,048	2,297,905
Weak credit rating	4.0	737,691	1,122,562
Very weak credit rating /monitored	4.5	294,980	475,904
Default	5.0	3,596	7,003
Project financing:			
Excellent project profile - very low risk	6.1	26,344,848	22,102,756
Good project profile - low risk	6.2	1,990,738	1,832,588
Acceptable project profile - average risk	6.3	131,536	166,154
Bad project profile - high risk	6.4	243,645	145,238
Default	6.5	-	-
Corporate clients:			
Highly excellent credit rating	1	765,734	1,349,051
Excellent credit rating	2	1,039,078	1,157,732
Very good credit rating	3	473,239	1,197,328
Good credit rating	4	9,687,698	4,415,478
Healthy credit rating	5	11,590,003	12,099,473
Acceptable credit rating	6	19,642,860	18,121,571
Limit credit rating	7	8,337,533	8,963,755
Weak credit rating	8	1,944,602	2,396,067
Very weak credit rating /monitored	9	1,157,713	459,904
Default	10	-	3,501
Financial institutions and public sector institutions:			
Very good credit rating	A3	1,420	4,426,445
Good credit rating	B1	8,879,461	94,674
Healthy credit rating	B2	811,893	1,653,883
Acceptable credit rating	B3	2,228,661	2,034,041
Limit credit rating	B4	82,258	91,477
Weak credit rating	B5	274,016	215,888
Very weak credit rating /monitored	C	-	-
No rating		190,127	82,401
Total		177,861,160	156,443,853

(k) Maximum Exposure to Credit Risk

2015	On-balance sheet exposu- re (carrying amount)	Off-balance sheet exposu- re (carrying amount)	Aggregate exposure (carrying amount)	Allocated collateral - balance sheet	Allocated collateral - off balance sheet	Aggregate allocated collateral
CZK thousand						
Cash and balances with central banks	38,633,848	-	38,633,848	-	-	-
Loans and advances to financial institutions*	4,047,655	176,357	4,224,012	997,663	-	997,663
Loans and advances to customers*	182,790,328	39,270,931	222,061,259	147,085,484	19,440,020	166,525,504
Positive fair value of financial derivative transactions	3,382,831	-	3,382,831	335,299	-	335,299
Securities held to maturity	11,265,127	-	11,265,127	-	-	-
Securities at fair value through profit or loss	1,182,137	-	1,182,137	-	-	-
Securities available for sale	873,408	-	873,408	-	-	-
Other assets	873,865	-	873,865	-	-	-

* including allowances and provisions

The values of allocated collateral presented in the above table do not include the portfolio guarantee under the collateralisation transactions of CZK 2,080,925 thousand (refer to Note 18(g)).

2014	On-balance sheet exposu- re (carrying amount)	Off-balance sheet exposu- re (carrying amount)	Aggregate exposure (carrying amount)	Allocated collateral - balance sheet	Allocated collateral - off balance sheet	Aggregate allocated collateral
CZK thousand						
Cash and balances with central banks	10,645,734	-	10,645,734	-	-	-
Loans and advances to financial institutions*	23,073,499	212,777	23,286,276	18,710,227	-	18,710,227
Loans and advances to customers*	163,810,375	35,701,489	199,511,864	137,038,076	19,099,175	156,137,251
Positive fair value of financial derivative transactions	4,281,326	-	4,281,326	454,413	-	454,413
Securities held to maturity	12,420,499	-	12,420,499	-	-	-
Securities at fair value through profit or loss	6,904,538	-	6,904,538	-	-	-
Securities available for sale	517,011	-	517,011	-	-	-
Other assets	748,753	-	748,753	-	-	-

* including allowances and provisions

The balances for 2014 were adjusted.

(I) Offset of Financial Assets and Financial Liabilities

The following table shows the impact of master netting agreements on assets and liabilities that are not offset in the statement of financial position.

2015	Amount of an asset/liability reported in the statement of financial position	Amount of an asset/liability offset in the statement of financial position	Relevant amount not offset in the statement of financial position			
			Net amount reported in the statement of financial position	Financial instrument	Received cash collateral	Total
CZK thousand						
Assets						
Positive values of financial derivatives	2,435,219	-	2,435,219	1,951,024	335,299	148,896
Loans and advances to customers	67,261	-	67,261	67,261	-	-
Total assets	2,502,480	-	2,502,480	2,018,285	335,299	148,896
Liabilities						
Negative values of financial derivatives	2,421,905	-	2,421,905	1,951,024	358,834	112,047
Total liabilities	2,421,905	-	2,421,905	1,951,024	358,834	112,047

2014	Amount of an asset/liability reported in the statement of financial position	Amount of an asset/liability offset in the statement of financial position	Relevant amount not offset in the statement of financial position			
			Net amount reported in the statement of financial position	Financial instrument	Received cash collateral	Total
CZK thousand						
Assets						
Positive values of financial derivatives	2,626,843	-	2,626,843	1,975,586	454,413	196,845
Loans and advances to financial institutions	19,160,258	-	19,160,258	18,785,088	-	375,171
Total assets	21,787,101	-	21,787,101	20,760,674	454,413	572,016
Liabilities						
Negative values of financial derivatives	1,312,694	-	1,312,694	704,254	441,127	167,313
Amounts owed to customers	-	-	-	-	-	-
Total liabilities	1,312,694	-	1,312,694	704,254	441,127	167,313

39. RELATED PARTY TRANSACTIONS

At 31 December 2015

For related party transaction reporting purposes, the Bank considers Raiffeisen CEE Region Holding GmbH (direct parent c...ompany) and Raiffeisen Zentralbank Österreich AG, Raiffeisen Bank International AG and Raiffeisen-Landesbanken-Holding GmbH (entities with controlling influence on the Bank exercised indirectly) to be its parent companies.

CZK thousand	Entities with significant influence over the			Board of Directors, Supervisory Board and other managers			Total
	Parent companies	Bank	Subsidiaries	Other related parties	Other related parties	Other related parties	
Receivables	245,671	-	8,153,620	180,472	46,912		8,626,675
Positive fair value of financial derivatives	1,777,301	-	36,529	-	493		1,814,323
Payables	1,448,382	46,543	690,536	71,874	8,135,301		10,392,636
Negative fair value of financial derivatives	1,412,598	-	718	-	1,751		1,415,067
Other capital instruments	1,934,450	-	-	-	-		1,934,450
Subordinated loans and bonds	2,740,743	-	-	-	-		2,740,743
Guarantees issued	21,269	-	475,000	-	21,600		517,869
Guarantees received	11,725	7,000	2,298,901	-	123,697		2,441,323
Nominal values of financial derivatives (off-balance sheet receivables)	188,947,658	-	4,624,073	-	577,772		194,149,503
Nominal values of financial derivatives (off-balance sheet payables)	189,205,972	-	4,622,597	-	579,339		194,407,908
Provided irrevocable loan commitments	-	(12,972)	(43,200)	(40,398)	-		(96,570)
Interest income	(114,074)	12	87,688	3,330	44,739		21,695
Interest expense	303,111	(18)	(2,974)	(589)	(149,084)		150,446
Fee and commission income	19,603	13	2,657	-	17,039		39,312
Fee and commission expense	(313)	-	-	-	(41,704)		(42,017)
Net profit or loss on financial operations	(37,508)	-	(22,801)	-	2,709		(57,600)
General administrative expenses	(142,685)	-	(4,620)	(76,568)	(4,703)		(228,576)
Other operating income, net	5,287	-	17,362	-	4,297		26,946

The receivables are principally composed of:

Credit balances on the current account maintained at:

- Raiffeisen Bank International AG (parent company) in the amount of CZK 245,671 thousand.

Provided loans:

- Raiffeisen leasing, s.r.o. (subsidiary) in the amount of CZK 6,409,684 thousand;
- Raiffeisen FinCorp, s.r.o. (subsidiary of Raiffeisen leasing, s.r.o.) in the amount of CZK 1,487,735 thousand;
- Flex-Space Plzeň I., spol. s r.o. (under joint control of Czech Real Estate Fund B. V.) in the amount of CZK 133,127 thousand;
- CREF CZ 4 s.r.o. (subsidiary of Czech Real Estate Fund B. V.) in the amount of CZK 62,069 thousand; and
- PRK Sigma 06, s.r.o. (subsidiary of Czech Real Estate Fund B. V.) in the amount of CZK 61,004 thousand.

Nominal values of financial derivatives - off-balance sheet receivables:

- Raiffeisen Bank International AG (parent company) in the amount of CZK 188,947,658 thousand; and
- Raiffeisen Leasing, s.r.o. (subsidiary) in the amount of CZK 4,624,072 thousand.

The payables are principally composed of:

Credit balances on the current account of the Bank from:

- Raiffeisen Bank International AG (parent company) in the amount of CZK 568,590 thousand; and
- Raiffeisen Leasing, s.r.o. (subsidiary) in the amount of CZK 404,078 thousand.

Term deposits:

- UNIQA Österreich Versicherung AG (entity controlled by the parent company Raiffeisen Zentralbank Österreich AG) in the amount of CZK 1,185,582 thousand;
- Raiffeisen Versicherung AG (entity controlled by the parent company Raiffeisen Zentralbank Österreich AG) in the amount of CZK 1,185,582 thousand;
- UNIQA pojišťovna, a.s. (entity controlled by the parent company Raiffeisen Zentralbank Österreich AG) in the amount of CZK 488,567 thousand;
- Raiffeisenbank AO (fellow subsidiary) in the amount of CZK 2,485,151 thousand;
- Raiffeisenbank (Bulgaria) EAD (fellow subsidiary) in the amount of CZK 810,817 thousand; and
- Eastern European Invest GmbH (fellow subsidiary) in the amount of CZK 1,297,325 thousand.

Received collateralising deposit:

- Raiffeisen Bank International AG (parent company) in the amount of CZK 299,707 thousand.

Issued debt securities of the Bank:

- Centrobank (fellow subsidiary) in the amount of CZK 240,421 thousand;
- Raiffeisen Stavební Spořitelna a.s. (fellow subsidiary) in the amount of CZK 252,376 thousand; and
- Raiffeisen Bank International AG (parent company) in the amount of CZK 54,050 thousand.

Nominal values of financial derivatives - off-balance sheet payables:

- Raiffeisen Bank International AG (parent company) in the amount of CZK 189,947,658 thousand; and
- Raiffeisen Leasing (subsidiary) in the amount of CZK 4,624,073 thousand.

Subordinate loans:

- Raiffeisen Bank International AG (parent company) in the amount of CZK 2,740,743 thousand.

Other capital instruments - subordinated unsecured AT1 capital investment certificates purchased:

- Raiffeisen Bank International AG (parent company) in the amount of CZK 1,934,450 thousand.

For related party transaction reporting purposes, the Bank considers Raiffeisen CEE Region Holding GmbH (direct parent company) and Raiffeisen Zentralbank Österreich AG, Raiffeisen Bank International AG and Raiffeisen-Landesbanken-Holding GmbH (entities with controlling influence on the Bank exercised indirectly) to be its parent companies.

CZK thousand	Parent companies	Entities with significant influence over the Bank	Subsidiaries	Board of Directors, Supervisory Board and other managers	Other related parties	Total
Receivables	244,192	-	4,682,093	135,587	697,437	5 759,309
Positive fair value of financial derivatives	1,775,100	-	70,110	-	72,841	1,918,051
Payables	2 184,511	65,567	788,008	53,457	5,616,371	8 707,914
Negative fair value of financial derivatives	1,250,862	-	490	-	1,444	1,252,796
Other capital instruments	1,934,450	-	-	-	-	1 934,450
Subordinated loan and bonds	3,991,233	-	-	-	-	3,991,233
Guarantees issued	86,922	-	20,000	-	80,898	187,820
Guarantees received	32,544	7,000	-	-	147,558	187,102
Nominal values of financial derivatives (off-balance sheet receivables)	124,687,234	-	4,981,225	-	2,103,936	131,772,395
Nominal values of financial derivatives (off-balance sheet payables)	125,064,245	-	4,972 921	-	2,025,552	132,062,718
Provided irrevocable loan commitments	-	-	-	41,439	53,859	95,298
Interest income	(12,811)	89	68,620	3,324	4,942	64,164
Interest expense	92,296	(62)	(1,152)	(572)	(148,420)	(57,910)
Fee and commission income	13,250	42	2,044	-	70,796	86,132
Fee and commission expense	(1,000)	(298)	(523)	-	(46,932)	(48,753)
Net profit or loss on financial operations	434,277	-	61,184	12	79,736	575,209
General administrative expenses	(139,365)	-	(52)	(172,944)	(10,438)	(322,799)
Other operating income, net	571	-	19,366	-	3,374	23,311

The receivables are principally composed of the following:

Credit balances on the current account maintained at:

- Raiffeisen Bank International AG (parent company) in the amount of CZK 244,191 thousand.

Provided loans:

- Raiffeisen leasing, s.r.o. (subsidiary) in the amount of CZK 3,032,688 thousand
- Raiffeisen – Leasing Real Estate, s.r.o. (subsidiary) in the amount of CZK 1,140,613 thousand
- Flex-Space Plzeň I, spol. s r.o. (jointly controlled company of Czech Real Estate Fund B. V.) in the amount of CZK 137,095 thousand;
- CREF CZ 4 s.r.o. (subsidiary of Czech Real Estate Fund B. V.) in the amount of CZK 64,103 thousand;
- PRK Sigma O6, s.r.o. (subsidiary of Czech Real Estate Fund B. V.) in the amount of CZK 63,004 thousand; and
- Raiffeisen FinCorp s.r.o. (subsidiary of Raiffeisen -Leasing Real Estate, s.r.o.) in the amount of CZK 244,589 thousand.

Overdraft balances on the current account of the Bank for:

- IMPULS - Leasing Austria s.r.o. (associate of Raiffeisen Bank International AG) in the amount of CZK 482,931 thousand.

Nominal values of financial derivatives – off-balance sheet receivables:

- Raiffeisen Bank International AG (parent company) in the amount of CZK 117,866,036 thousand; and
- Raiffeisen Leasing (subsidiary) in the amount of CZK 4,650,193 thousand.

The payables are principally composed of:

Credit balances on the current account of the Bank from:

- Raiffeisen Bank International AG (parent company) in the amount of CZK 1,582,972 thousand;
- Raiffeisen Leasing, s.r.o. (subsidiary) in the amount of CZK 180,209 thousand;
- Raiffeisen Fincorp, s.r.o. (subsidiary of Raiffeisen Leasing Real Estate) in the amount of CZK 151,972 thousand;
- Raiffeisenlandesbank Niederösterreich (entity holding indirect investment in the share capital of the parent company) in the amount of CZK 65,567 thousand; and
- Raiffeisen Penzijní společnost, a.s. (subsidiary) in the amount of CZK 221,124 thousand.

Term deposits:

- UNIQA Österreich Versicherung AG (entity controlled by the parent company Raiffeisen Zentralbank Österreich AG) in the amount of CZK 1,225,717 thousand;
- Raiffeisen Versicherung AG (entity controlled by the parent company Raiffeisen Zentralbank Österreich AG) in the amount of CZK 1,225,787 thousand;
- Tatrabanka a.s. (fellow subsidiary) in the amount of CZK 1,100,001 thousand;
- Raiffeisen Stavební Spořitelna a.s. (fellow subsidiary) in the amount of CZK 600,005 thousand; and
- UNIQA pojišťovna, a.s. (entity controlled by the parent company Raiffeisen Zentralbank Österreich AG) in the amount of CZK 491,247 thousand.

Received collateralising deposit:

- Raiffeisen Bank International AG (parent company) in the amount of CZK 448,590 thousand.

Issued debt securities of the Bank:

- Centrobank (fellow subsidiary) in the amount of CZK 369,202 thousand;
- Raiffeisen Stavební Spořitelna a.s. (fellow subsidiary) in the amount of CZK 252,954 thousand;
- Raiffeisen Bank International AG (parent company) in the amount of CZK 152,948 thousand;
- UNIQA pojišťovna, a.s. (entity controlled by the parent company Raiffeisen Zentralbank Österreich AG) in the amount of CZK 204,375 thousand.

Nominal values of financial derivatives – off-balance sheet payables:

- Raiffeisen Bank International AG (parent company) in the amount of CZK 117,924,647 thousand; and
- Raiffeisen Leasing (subsidiary) in the amount of CZK 4,647,681 thousand.

Subordinate loans from:

- Raiffeisen Bank International AG (parent company) in the amount of CZK 3,991,233 thousand.

Other capital instruments – subordinate non-hedged AT1 capital investment certificates purchased:

- Raiffeisen Bank International AG (parent company) in the amount of CZK 1,934,450 thousand.

40. POST BALANCE SHEET EVENTS

As of 29 February 2016, the Bank took over the retail portfolio of the Czech branch of Citibank Europe plc. The stated transaction has no impact on the separate financial statements for the year ended 31 December 2015. The Bank anticipates reporting a significant increase in its aggregate assets in 2016 as a result of the take-over of the portfolio, namely client loans and deposits.

No other events that would have a material impact on the separate financial statements for the year ended 31 December 2015 occurred subsequent to the balance sheet date.

Raiffeisenbank a.s.

Consolidated Financial Statements Prepared in Accordance with International Financial Reporting Standards as Adopted by the European Union for the Year Ended 31 December 2015.

Components of the Consolidated Financial Statements:

- Consolidated Statement of Comprehensive Income
- Consolidated Statement of Financial Position
- Consolidated Statement of Changes in Equity
- Consolidated Cash Flow Statement
- Notes to the Consolidated Financial Statements

These consolidated financial statements were prepared and approved by the Board of Directors of the Bank on 5 April 2016.

Chief Financial Officer of the Reporting Entity



Tomáš Jelínek
Chief Financial Officer

Statutory Body of the Reporting Entity



Igor Vida
Chairman of the Board of Directors



Jan Pudil
Member of the Board of Directors

Consolidated Statement of Comprehensive Income For the Year Ended 31 December 2015

CZK thousand	Note	2015	2014
Interest income and similar income	7	6,951,692	7,093,668
Interest expense and similar expense	7	(538,389)	(1,003,749)
Net interest income		6,413,303	6,089,919
Change in provisions for credit risks	8	(1,097,047)	(1,069,774)
Net interest income after provisions for credit risks		5,316,256	5,020,145
Fee and commission income	9	2,663,524	2,698,270
Fee and commission expense	9	(737,197)	(700,616)
Net fee and commission income		1,926,327	1,997,654
Net profit on financial operations	10	1,253,792	1,016,298
Dividend income	11	30,000	39,470
General administrative expenses	12	(5,346,281)	(5,628,735)
Other operating income/(expenses), net	14	318,431	59,030
Operating profit		3,498,525	2,503,862
Share in income of associated undertakings	23	9,505	42,116
Profit/(loss) before income tax		3,508,030	2,545,978
Income tax	15	(693,168)	(518,838)
Net profit for the year attributable to:		2,814,862	2,027,140
The parent company's shareholders		2,689,595	2,040,116
Non-controlling interests		125,267	(12,976)
Other comprehensive income			
Items that can be reclassified to income (or expenses) in the future:			
Foreign exchange rate gains or losses from the translation of the financial statements denominated in foreign currencies		(1,577)	7,878
Gains/(losses) from re-measurement of securities available for sale		356,409	-
Gains/(losses) from revaluation of cash flow hedges		(217,593)	-
Tax on profit attributable to components of other comprehensive income		(26,375)	(1,497)
Total other comprehensive income attributable to:		110,864	6,381
The parent company's shareholders		110,864	6,381
Non-controlling interests		-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		2,925,726	2,033,521

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

Consolidated Statement of Financial Position

As of 31 December 2015

CZK thousand	Note	2015	2014 (adjusted)
ASSETS			
Cash and balances with central banks	16	38,634,429	10,645,952
Securities at fair value through profit or loss	17	1,182,137	6,904,538
Positive fair value of financial derivative transactions	37	3,346,581	4,218,289
Assets held for sale		33,753	-
Securities available for sale	17	873,408	517,011
Loans and advances to financial institutions	19	4,192,534	23,188,266
Loans and advances to customers	20	191,180,044	174,541,869
<i>of which: change in the fair value of hedged items</i>		(465)	(234)
Provisions for loans and advances	21	(6,256,462)	(6,669,688)
Fair value remeasurement of portfolio-remeasured items	20	264,129	387,011
Income tax receivable	15	473	1,427
Deferred tax asset	22	12,318	20,393
Securities held to maturity	17	11,265,127	12,420,499
Other assets	23	1,166,109	1,158,953
Equity investments in associates	24	59,406	49,901
Intangible fixed assets	25	1,814,688	1,794,918
Property and equipment	26	1,129,422	1,172,066
Investment property	27	1,095,817	1,117,427
TOTAL ASSETS		249,993,913	231,468,832
LIABILITIES AND SHAREHOLDERS' EQUITY			
Amounts owed to financial institutions	28	12,607,429	14,390,230
Amounts owed to customers	29	183,794,225	165,143,876
<i>of which: change in the fair value of hedged items</i>		196,398	225,631
Fair value re-measurement of portfolio-re-measured items (amounts owed to customers)	29	815,122	1,081,067
Negative fair value of financial derivative transactions	37	2,588,987	2,773,304
Deferred tax liability	22	147,066	109,440
Issued debt securities	30	18,466,381	16,802,321
<i>of which: change in the fair value of hedged items</i>		42,062	-
Provisions	31	920,763	541,326
Other liabilities	32	2,287,057	2,661,148
Subordinated liabilities and bonds	33	2,993,787	4,244,865
TOTAL LIABILITIES		224,620,817	207,747,577
SHAREHOLDERS' EQUITY			
Attributable to shareholders of the Group		24,848,707	23,174,895
Share capital	34	11,060,800	11,060,800
Reserve fund		693,908	693,908
Valuation gains or losses	34	297,745	186,881
Retained earnings		8,172,209	7,258,740
Other capital instruments	34	1,934,450	1,934,450
Profit for the year		2,689,595	2,040,116
Non-controlling interests	34	524,389	546,360
TOTAL SHAREHOLDERS' EQUITY		25,373,096	23,721,255
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		249,993,913	231,468,832

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

Consolidated Statement of Changes in Equity For the Year Ended 31 December 2015

CZK thousand	Equity attributable to shareholders of the Group						Non-controlling interests	Total equity
	Share capital	Reserve fund	Gains and losses from revaluation	Retained earnings	Other capital instruments	Profit for the period		
Balance at 1 Jan 2014	10,192,400	648,112	180,500	7,121,030		1,016,516	118,256	19,276,814
Share capital increase	868,400	-	-	-	1,934,450	-	-	2,802,850
Dividends	-	-	-	-	-	(868,400)	(18,400)	(886,800)
Net allocation to reserve funds	-	45,796	-	-	-	(45,796)	-	-
Allocation to retained earnings	-	-	-	102,320	-	(102,320)	-	-
Non-controlling interests in entities newly included in the consolidation group	-	-	-	-	-	-	85,000	85,000
Effect from the change in the scope of the consolidation	-	-	-	35,390	-	-	374,480	409,870
Net profit for the period	-	-	-	-	-	2,040,116	(12,976)	2,027,140
Other comprehensive income, net	-	-	6,381	-	-	-	-	6,381
Comprehensive income	-	-	6,381	-	-	2,040,116	(12,976)	2,033,521
Balance at 31 Dec 2014	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)	(38,889)	(1,103,000)
Payment of coupon on other capital instruments	-	-	-	(62,536)	-	-	-	(62,536)
Net allocation to reserve funds	-	-	-	-	-	-	-	-
Allocation to retained earnings	-	-	-	976,005	-	(976,005)	-	-
Non-controlling interests in entities newly excluded from the consolidation group	-	-	-	-	-	-	(108,350)	(108,350)
Net profit for the period	-	-	-	-	-	2,689,595	125,267	2,814,862
Other comprehensive income, net	-	-	110,864	-	-	-	-	110,864
Comprehensive income	-	-	110,864	-	-	2,689,595	125,267	2,925,726
Balance at 31 Dec 2015	11,060,800	693,908	297,745	8,172,209	1,934,450	2,689,595	524,389	25,373,096

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

Consolidated Cash Flow Statement

For the Year Ended 31 December 2015

CZK thousand	2015	2014 (adjusted)
Profit before tax	3 508 030	2 545 978
Adjustments for non-cash transactions		
Change in provisions for credit risks	1,097,047	1,069,774
Depreciation and amortisation of property, plant and equipment, intangible assets and investment property	616,391	610,763
Impairment loss on intangible assets and investment property	38,109	217,300
Creation of other provisions	247,915	14,923
Change in fair values of financial derivatives	(469,798)	(734,679)
Unrealised loss/(gain) on revaluation of securities	7,000	(78,488)
Gain on the sale of tangible and intangible assets	(767)	2,481
Gain on the sale of subsidiary and joint ventures	-	-
Change in the revaluation of hedged items upon a fair value hedge	(172,527)	807,378
Share in income of associated undertakings	(9,505)	(42,116)
Remeasurement of foreign currency positions	353,828	816,586
Other non-cash changes	(728,744)	(1,510,592)
Operating profit before changes in operating assets and liabilities	4,486,979	3,719,308
Cash flows from operating activities		
<i>(Increase)/decrease in operating assets</i>		
Mandatory minimum reserve deposits with the Czech National Bank	(1,936,472)	(612,820)
Loans and advances to financial institutions	18,983,147	(9,724,119)
Loans and advances to customers	(17,056,809)	(11,313,514)
Securities at fair value through profit or loss and securities available for sale	5,685,026	(1,944,132)
Other assets	(7,156)	189,696
<i>Increase/(decrease) in operating liabilities</i>		
Amounts owed to financial institutions	(1,872,626)	(3,576,955)
Amounts owed to customers	18,523,305	16,623,323
Other liabilities	(374,091)	145,830
Net cash flow from operating activities before income tax and change in non-controlling interests	26,431,303	(6,493,383)
Income taxes paid	(351,808)	15 642
<i>Increase/(decrease) in non-controlling interests</i>	(108,350)	53,624
Net cash flow from operating activities	25,971,145	(6,424,117)
Cash flows from investing activities		
Net cash flow from the acquisitions of subsidiaries	-	200
Purchase of property and equipment and intangible assets	(689,074)	(481,303)
Income from the sale of fixed assets	49,743	5,156
Net decrease/(increase) of securities held to maturity	1,141,596	-
Dividends received	30,000	39,470
Net cash flow from investing activities	532,265	(436,477)
Cash flows from financing activities		
Share capital increase	-	868,400
Dividends and paid coupons on other capital instruments paid to the Bank's shareholders	(1,126,647)	(868,400)
Dividends paid to minority shareholders	(38,889)	(18 400)
Increase in other capital instruments	-	1,934 450
Bonds in issue	1,802,395	4,787,485
Subordinated liabilities and bonds	(1,166,612)	(1,217)
Net cash flow from financing activities	(529,753)	6,702,318
Net (decrease)/increase in cash and cash equivalents	25,973,657	(158,276)
Cash and cash equivalents at the beginning of the year (Note 35)	10,059,808	3,838,075
Cash and cash equivalents at the end of the year (Note 35)	36,033,465	3,679,799

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

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1. PARENT COMPANY INFORMATION

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

The Bank together with its subsidiaries and associates disclosed in Note 3 form the Raiffeisenbank a. s. Financial Group (henceforth the "Group"). The parent company of the Group is the Bank.

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

- Acceptance of deposits from the general public;
- Provision of credit;
- Investing in securities on its own account;
- Finance leasing – at present, the Bank does not carry out this activity directly;
- Payments and clearing;
- Issuance and administration of payment facilities;
- Issuance of guarantees;
- Opening of letters of credit;
- Collection services;
- Provision of investment services:
- Main investment services under Section 4 (2) (a, b, c, d, e, g, 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 licence; and
- Mediation of an additional pension savings programme.

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

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

During the year ended 31 December 2015, the performance or provision of the Bank's activities and services were not restricted or suspended by the Czech National Bank.

2. SHAREHOLDERS OF THE PARENT COMPANY

The shareholders of the Bank as of 31 December 2015 and 2014:

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

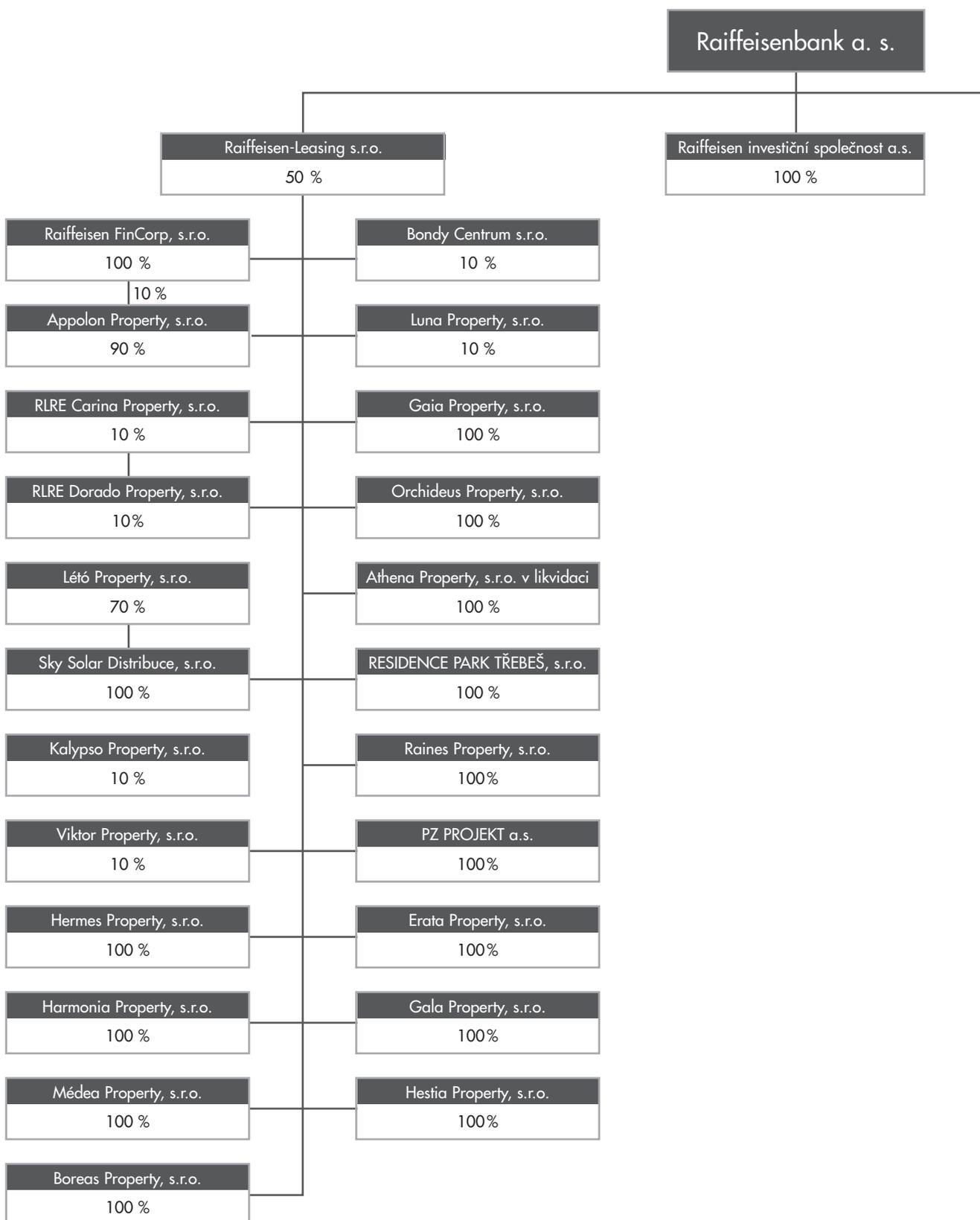
The equity interests of the shareholders equal their share in the voting power. All shareholders have a special relation to the Bank in terms of Section 19 of Banking Act No. 21/1992 Coll., as amended.

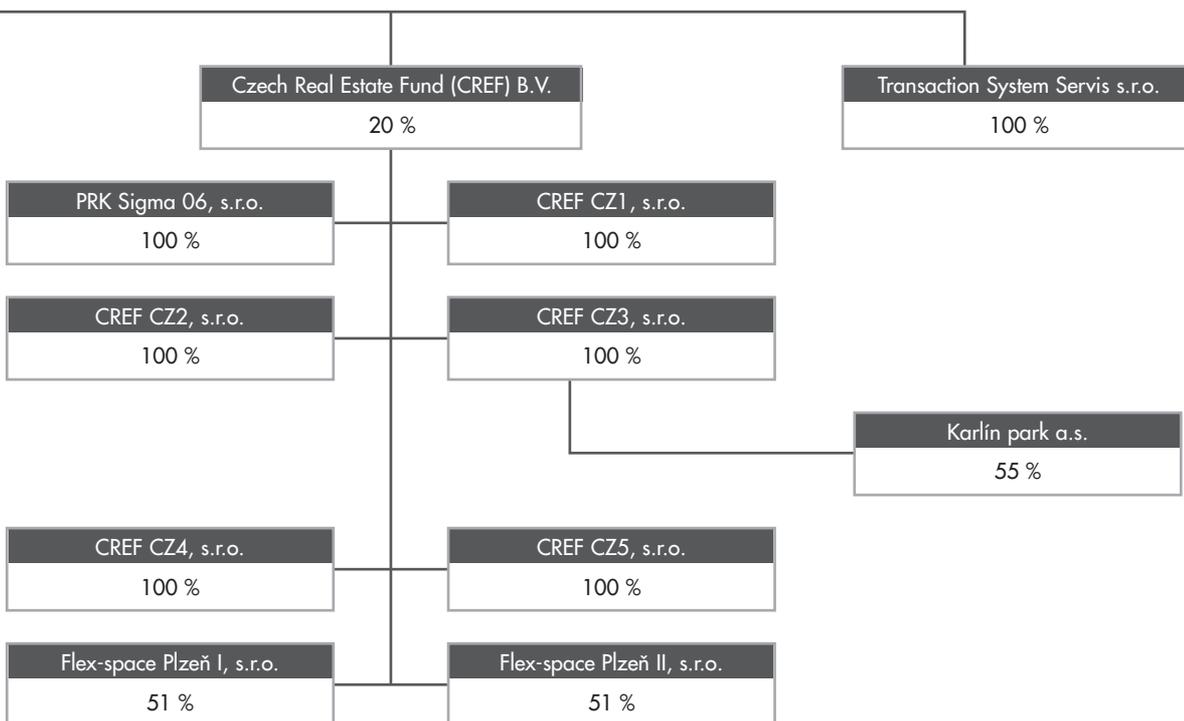
For information on the share capital of the parent company refer to Note 34.

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

3. DEFINITION OF THE CONSOLIDATED GROUP

(a) Group Chart as of 31 December 2015





The percentage stated in respect of individual entities in the chart shows the stake in the share capital of the particular entity.

(b) Group Companies Included in the Consolidation

As of 31 December 2015, the Group comprised the following entities:

Company	The Bank's effective holding	Indirect holding through	Consolidation method in 2015	Registered office
	in %, in 2015			
Raiffeisen investiční společnost a.s.	100%	-	Full method	Prague
Transaction System Servis s.r.o.	100%	-	Full method	Prague
Raiffeisen - Leasing, s.r.o.	50%	-	Full method	Prague
Raiffeisen FinCorp, s.r.o.	50%	Raiffeisen - Leasing, s.r.o.	Full method	Prague
Bondy Centrum s.r.o.	25%	Raiffeisen - Leasing, s.r.o.	Equity method	Prague
Appolon Property, s.r.o.	50%	Raiffeisen - Leasing, s.r.o.	Full method	Prague
PZ PROJEKT a.s.	50%	Raiffeisen - Leasing, s.r.o.	Full method	Prague
Luna Property, s.r.o.	50%	Raiffeisen - Leasing, s.r.o.	Full method	Prague
Gaia Property, s.r.o.	50%	Raiffeisen - Leasing, s.r.o.	Full method	Prague
RLRE Carina Property, s.r.o.	50%	Raiffeisen - Leasing, s.r.o.	Full method	Prague
RLRE Dorado Property, s.r.o.	50%	Raiffeisen - Leasing, s.r.o.	Full method	Prague
Orchideus Property, s. r. o.	50%	Raiffeisen - Leasing, s.r.o.	Full method	Prague
Viktor Property, s.r.o.	50%	Raiffeisen - Leasing, s.r.o.	Full method	Prague
Czech Real Estate Fund (CREF) B.V.	100%	-	Full method	Amsterdam
PRK Sigma 06, s.r.o.	100%	Czech Real Estate Fund (CREF) B.V.	Full method	Prague
CREF CZ1, s.r.o.	100%	Czech Real Estate Fund (CREF) B.V.	Full method	Prague
CREF CZ2, s.r.o.	100%	Czech Real Estate Fund (CREF) B.V.	Full method	Prague
CREF CZ3, s.r.o.	100%	Czech Real Estate Fund (CREF) B.V.	Full method	Prague
CREF CZ4, s.r.o.	100%	Czech Real Estate Fund (CREF) B.V.	Full method	Prague
CREF CZ5, s.r.o.	100%	Czech Real Estate Fund (CREF) B.V.	Full method	Prague
Flex-space Plzeň I, s.r.o.	50%	Czech Real Estate Fund (CREF) B.V.	Equity method	Prague
Flex-space Plzeň II, s.r.o.	50%	Czech Real Estate Fund (CREF) B.V.	Equity method	Prague
Karlín park a.s.	50%	Czech Real Estate Fund (CREF) B.V.	Equity method	Prague

As of 31 December 2014, the Group comprised the following entities:

Company	The Bank's effective holding	Indirect holding through	Consolidation method in 2014	Registered office
	in %, in 2014			
Raiffeisen investiční společnost a.s.	100%	-	Full method	Prague
Raiffeisen penzijní společnost a.s., "v likvidaci"	51%	-	Full method	Prague
Transaction System Servis s.r.o.	100%	-	Full method	Prague
Raiffeisen - Leasing Real Estate, s.r.o.	50%	-	Full method	Prague
Raiffeisen - Leasing, s.r.o.	50%	-	Full method	Prague
Raiffeisen FinCorp, s.r.o.	50%	Raiffeisen - Leasing Real Estate, s.r.o.	Full method	Prague
Bondy Centrum s.r.o.	25%	Raiffeisen - Leasing Real Estate, s.r.o.	Equity method	Prague
Appolon Property, s.r.o.	50%	Raiffeisen - Leasing Real Estate, s.r.o.	Full method	Prague
PZ PROJEKT a.s.	50%	Raiffeisen - Leasing Real Estate, s.r.o.	Full method	Prague
Luna Property, s.r.o.	50%	Raiffeisen - Leasing Real Estate, s.r.o.	Full method	Prague
Gaia Property, s.r.o.	50%	Raiffeisen - Leasing Real Estate, s.r.o.	Full method	Prague
RLRE Carina Property, s.r.o.	50%	Raiffeisen - Leasing Real Estate, s.r.o.	Full method	Prague
Orchideus Property, s. r. o.	50%	Raiffeisen - Leasing Real Estate, s.r.o.	Full method	Prague
RLRE Dorado Property, s.r.o.	50%	Raiffeisen - Leasing Real Estate, s.r.o.	Full method	Prague
Viktor Property, s.r.o.	50%	Raiffeisen - Leasing Real Estate, s.r.o.	Full method	Prague
Czech Real Estate Fund (CREF) B.V.	100%	-	Full method	Amsterdam
PRK Sigma O6, s.r.o.	100%	Czech Real Estate Fund (CREF) B.V.	Full method	Prague
CREF CZ1, s.r.o.	100%	Czech Real Estate Fund (CREF) B.V.	Full method	Prague
CREF CZ2, s.r.o.	100%	Czech Real Estate Fund (CREF) B.V.	Full method	Prague
CREF CZ3, s.r.o.	100%	Czech Real Estate Fund (CREF) B.V.	Full method	Prague
CREF CZ4, s.r.o.	100%	Czech Real Estate Fund (CREF) B.V.	Full method	Prague
CREF CZ5, s.r.o.	100%	Czech Real Estate Fund (CREF) B.V.	Full method	Prague
Flex-space Plzeň I, s.r.o.	50%	Czech Real Estate Fund (CREF) B.V.	Equity method	Prague
Flex-space Plzeň II, s.r.o.	50%	Czech Real Estate Fund (CREF) B.V.	Equity method	Prague
Karlín park a.s.	50%	Czech Real Estate Fund (CREF) B.V.	Equity method	Prague

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

Czech Real Estate Fund (CREF) B.V. is consolidated using the full method even though the Group holds 20% of voting rights and has no representative in the Board of Directors. However, the Group receives a major part of the profits arising from the investments made by Czech Real Estate Fund (CREF) B.V. and there is also an option for investments not yet held by the Group should the remaining shareholders decide to dispose of their investment in the company.

The other shareholder holding investment in the share capital and share of voting rights in Czech Real Estate Fund (CREF) B.V. is NOTIC Finance B.V.

(d) Full Consolidation of Raiffeisen – Leasing, s.r.o. including its Subsidiaries and Jointly Controlled Entities

The Group recognises the equity interest in Raiffeisen – Leasing, s.r.o. including its subsidiaries and jointly controlled entities in the portfolio of equity interests in subsidiaries, although it holds 50% of the share capital. The Group may appoint most of the 'Advisory Board' (which is the main advisory and supervisory body of Raiffeisen – Leasing, s.r.o.) and is considered the controlling entity under IFRS, with Raiffeisen-Leasing, s.r.o. (including its subsidiaries and jointly controlled entities) considered as a subsidiary and fully consolidated by it.

(e) Companies Newly Included in the Consolidation in 2015

In 2015, no entity was newly included in the consolidation.

(f) Companies Excluded from Consolidation in 2015

As of 1 January 2015, Raiffeisen – Leasing, s.r.o. merged with Raiffeisen – Leasing Real Estate, s.r.o., the successor company being Raiffeisen – Leasing, s.r.o. The merger did not have an impact on the consolidated financial statements.

In 2015, the liquidation of Raiffeisen penzijní společnost a.s., “in liquidation” was finalised.

(g) Unconsolidated Entities

In the years ended 31 December 2015 and 2014, all subsidiaries and jointly controlled entities and associates were included in the consolidated group.

Raiffeisen - Leasing, s.r.o. legally owns Eris Property, s.r.o., ALT POHLEDY s.r.o., Credibilis a.s., CRISTAL PALACE Property, s.r.o., Dione Property, s.r.o., EUDOXUS s.r.o., Euros Property, s.r.o., Exit 90 SPV s.r.o., FORZA SOLE s.r.o., FVE Cihelna s.r.o., GS55 Sazovice s.r.o., Hébé Property, s.r.o., Holečkova Property, s.r.o., Chronos Property, s.r.o., Iris Property, s.r.o., Maharal Hotels s.r.o., Michalka - Sun s.r.o., NC Ivančice, s.r.o., Nike Property, s.r.o., Onyx Energy projekt II s.r.o., Onyx Energy s.r.o., Photon Energie s.r.o., Photon SPV 10 s.r.o., Photon SPV 11 s.r.o., Photon SPV 3 s.r.o., Photon SPV 4 s.r.o., Photon SPV 6 s.r.o., Photon SPV 8 s.r.o., PMC ŠPINDLERŮV MLÝN s.r.o., Pontos Property, s.r.o., Rheia Property, s.r.o., RLRE Beta Property, s.r.o., RLRE Eta Property, s.r.o., RLRE HOTEL ELLEN s.r.o., RLRE Jota Property, s.r.o., RLRE Orion Property, s.r.o., RLRE Ypsilon Property, s.r.o., Selene Property, s.r.o., Sirius Property, s.r.o., T.L.S. building construction s.r.o., UPC Real, s.r.o., VILLA ATRIUM BUBENEČ s.r.o., Zefyros Property, s.r.o., Astra Property, s.r.o., Afrodité Property, s.r.o., Neptun Property, s.r.o., Zethos Property, s.r.o., Niobé Property, s.r.o., Theia Property, s.r.o., Amfion Property, s.r.o., Inó Property, s.r.o., Janus Property, s.r.o., Dafné Property, s.r.o., Priapos Property, s.r.o., Forkys Property, s.r.o., Na Stárce, s.r.o., Dike Property, s.r.o., Éós Property, s.r.o., Kirké Property, s.r.o., Hyperion Property, s.r.o., Ofion Property, s.r.o., Kappa Estates, s.r.o., Easy Develop s.r.o., PILSENINVEST, uzavřený investiční fond, a.s. and Dorint Hotel Prag, spol. s r.o. Although these entities are legally owned by Raiffeisen - Leasing, s.r.o., they do not meet the criteria of International Financial Reporting Standards for being included in the consolidation group since, based on concluded contracts, Raiffeisen - Leasing, s.r.o. is not a party accruing benefits arising from the activities of these entities and is exposed to risks relating to the entities; consequently, these entities are not the controlled entities, jointly controlled entities or associates.

In addition, the following entities were not included in the consolidation group in 2015 due to their immateriality: Athena Property, s.r.o. in liquidation, Hermes Property, s.r.o., Kalypso Property, s.r.o., Létó Property, s.r.o., RESIDENCE PARK TŘEBEŠ, s.r.o., Sky Solar Distribuce s.r.o., Raines Property, s.r.o., Erato Property, s.r.o., Harmonia Property, s.r.o., Gala Property, s.r.o., Médea Property, s.r.o., Hestia Property, s.r.o. and Boreas Property, s.r.o.

4. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

(a) Accounting Policies

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

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

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

These consolidated financial statements have been prepared under the historical cost convention (including any impairment) as modified by the remeasurement to fair value of financial assets and liabilities at fair value through profit or loss (including all financial derivatives) and available-for-sale securities and hedging derivatives upon a cash flow hedge through other comprehensive income.

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

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

Use of Estimates

The presentation of unconsolidated financial statements in conformity with IFRS requires the Group's management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the balance sheet date and the reported amounts of revenues and expenses during the reporting period. These estimates, which specifically relate to the determination of fair values of financial instruments (where no active market exists), valuation of intangible assets, impairment of assets and provisions, are based on the information available at the balance sheet date. However, the actual future results may differ from these estimates.

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

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

(b) Principles of Consolidation

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

Associate and joint venture undertakings are accounted for under the equity method of accounting. An investment in an associate is one in which the Bank holds, directly or indirectly, 20 percent to 50 percent of its share capital and over which the Bank exercises significant influence or joint control, but which it does not control. A jointly controlled entity is an entity in which two or more participants share control of economic activities of the relevant entity. In accordance with the equity method of consolidation, the consolidated profit and loss account reflects the Group's share in the profit or loss of the associate or joint venture for the period. The share of the Group in associated and joint controlled undertakings is reported in the consolidated statement of financial position in an amount that reflects the Group's share in the net capital of the associates and joint control and includes goodwill arising on consolidation. The recognised net investment is regularly tested for impairment. If impairment is identified, the Group recognises an impairment loss on equity investments in associates or joint ventures.

Starting from the date when a jointly controlled entity becomes an associate of an investor, the Group presents its equity investment in line with IAS 28. When the Group loses the joint control, it measures the investment retained in the previously jointly controlled entity at fair value. In the income statement, the Group presents the difference between:

- a) the fair value of the retained investment and proceeds from the disposal of a part of the equity investment in the jointly controlled entity; and
- b) carrying value of the investment as of the date on which the joint control is lost.

Starting from the date when an associate becomes a subsidiary, it recognises its equity investment in line with IFRS 3 and IFRS 10. When the Group obtains control over the subsidiary, it measures the investment that it holds in the former associate/jointly controlled entity at fair value. It recognises the difference between the cost of an additional investment, the fair value of the investment prior to obtaining control, the value of non-controlling interests and the fair value of net identifiable assets as goodwill/negative goodwill.

Equity investments where the Bank's shareholding interest is lower than 20 percent are presented as "Securities available for sale" (refer to Note 17) and are reported at fair value except for equity investments where the fair value cannot be reliably determined. In compliance with IAS 39, these equity investments are carried at cost and regularly tested for impairment.

5. SIGNIFICANT ACCOUNTING POLICIES

(a) Interest Expense and Interest Income

Interest income and expense are recognised in the consolidated statement of comprehensive income lines "*Interest income and similar income*" and "*Interest expense and similar expense*" on an accruals basis. The Group accounts for the accruals of interest using the effective interest rate method. The effective interest rate method is an approach to calculating the amortised cost of a financial asset or financial liability using the effective interest rate. The effective interest rate is used to discount the nominal value of future cash flows to the present value at the maturity date. Interest income (expense) also includes interest expense (income) arising from negative interest rates carried by the relevant assets (liabilities) of the Group.

(b) Fees and Commissions

Fees and commissions are recognised in the consolidated statement of comprehensive income lines "*Fee and commission income*" and "*Fee and commission expense*" on an accrual basis, with the exception of fees that are deemed to be an integral part of the effective interest rate. The effective interest rate includes fees directly relating to the provision of loans such as the fee for the provision of loans, loan application processing, paid commissions, etc.

(c) Dividends

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

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

(d) Deferred Bonuses

The Group accounts for deferred bonuses on the accrual basis of accounting.

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

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

Other operating expenses that do not directly relate to banking activities are reported in the consolidated statement of comprehensive income line "*Other operating (expenses)/income, net*".

(f) Taxation

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

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

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

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

(g) Financial Assets and Liabilities

Dates of Recognition and Derecognition of Financial Instruments in/from the Group's Consolidated Statement of Financial Position

Financial assets with normal delivery terms, except for financial assets at fair value through profit or loss and securities available for sale, are recognised using settlement date accounting.

The settlement (collection) date is the day on which the financial instrument is delivered (cash payment). When settlement date accounting is applied, the financial asset is recognised on the day of receipt of a financial instrument (sending of cash) and derecognised on the day of its provision (collection of cash).

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

For financial assets and liabilities at fair value through profit or loss, the Group uses the trade date accounting where the trade date is the date when the entity undertakes to buy or sell the financial asset.

The substance of transaction date accounting is as follows:

- Recognition of an asset that the entity shall receive as of the transaction date; and
- Derecognition of a sold asset and recognition of the profit or loss upon disposal and recognition of a receivable from the buyer as of the transaction date.

The interest on the asset and the relating liability is accumulated from the settlement date when the ownership rights are transferred. The premium/discount is amortised from the purchase settlement date to the sale settlement date.

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

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

Day 1 Profit/Loss

In the event that the transaction price differs from the fair value of a financial asset or financial liability measured at fair value, the difference between these values (profit or loss) is reported in the statement of comprehensive income. The Group typically does not conduct this type of transaction.

Fair Value Measurement Principles

The fair value of financial assets and financial liabilities is based on their quoted market price at the balance sheet date without any deduction for transaction costs. If a quoted market price is not available, the fair value of the instrument is estimated using appropriate pricing models or discounted cash flow techniques.

Where discounted cash flow techniques are used, estimated future cash flows are based on the management's best estimates and the discount rate is based on the market rate at the balance sheet date for an instrument with similar terms and conditions. Where pricing models are used, inputs are based on market rates at the balance sheet date.

The fair value of derivatives that are not exchange-traded is estimated as the amount that the Group would receive or pay to terminate the contract at the balance sheet date, taking into account current market conditions and the current creditworthiness of the counterparties.

The revaluation of debt securities in the Group's portfolio is carried out on a daily basis using available market rates quoted by market participants by means of Bloomberg services. A group of contributors who provide reliable and regular debt security valuations is selected for each of the debt securities. The credit spread of the debt security is calculated from particular contributions and discount curves.

If there are sufficient current market prices of contributions available in respect of a given debt security, the valuation is calculated as an average value. To prevent possible errors of particular contributions, a comparison of daily changes is made at the same time. If there is no market price available as a source of valuation or the number of actual contributions is not sufficient, the Group will carry out the valuation on the basis of a risk-free interest rate swap rate, to which the last verified credit spread is applied. The Group continues to apply this method until:

- Market quotations are again available;
- The credit spread of a particular debt security is adjusted based on a comparison of credit spreads of similar debt securities;
- The Group receives other information about a change of the spread applied;
- The issuer's credit rating changes (change of internal and/or external rating, evidence from the market that creditworthiness is worsening); and
- The liquidity of the specific security has deteriorated significantly.

Subsequently, the Group will carry out the revaluation comprising new aspects of the market price, including an assessment of possible impairment losses.

The Group's management believes that the fair value of the assets and liabilities presented in these financial statements can be measured reliably.

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

- Loans and receivables;
- Financial assets and liabilities at fair value through profit or loss;
- Financial assets available for sale;
- Financial assets held to maturity;
- Financial liabilities at amortised cost; and
- Hedging derivatives.

Loans and Receivables

Loans originated by the Group by providing money directly to a borrower are categorised as loans originated by the Group and are stated at amortised cost. The portfolio of loans and receivables additionally includes debt securities measured at amortised cost and fulfilling the criteria of IAS 39 for being included in the "Loans and receivables" portfolio. The amortised cost is the cost minus principal repayments, plus accrued interest, plus or minus amortisation, if any, of discount or premium. In determining the amortised cost the Group uses the effective interest rate method. An integral part of the effective interest rate are fees and related transaction costs. All loans and advances are recognised when cash is advanced to borrowers (or banks).

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

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

The change in provisions, after write-offs, is charged to the consolidated statement of comprehensive income line "Change in provisions for credit risks". Additional details can be found in Note 41 (b).

Loans and receivables when it can be reasonably anticipated that clients will be unable to fulfil their obligations to the Group in respect of these loans are transferred to an external entity or individually written off with the concurrent use of a recorded provision. These write-offs are included in "Change in provisions for credit risks" in the consolidated statement of comprehensive income. Subsequent recoveries are also included in this line.

Restructuring of Loans and Receivables from Customers

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

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

Securities

Securities held by the Group are categorised into portfolios in accordance with the Group's intent on the acquisition of the securities and pursuant to the Group's security investment strategy. In accordance with its intent, the Group allocates securities into several portfolios - the portfolio of "Securities at fair value through profit or loss", the portfolio of "Securities available for sale", the portfolio of "Securities held to maturity" and the portfolio of "Loans and receivables". The principal difference between the portfolios relates to the approach to measurement and presentation in the financial statements.

Securities at Fair Value through Profit or Loss

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

Changes in the fair values of securities held for trading as well as securities measured at fair value through profit or loss are recognised in the consolidated statement of comprehensive income as "Net profit on financial operations". Interest income from bonds held for trading and securities at fair value through profit or loss is reported in the consolidated statement of comprehensive income in "Net profit on financial operations".

For debt and equity securities traded on a public market, fair values are derived from quoted prices.

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

Securities Available for Sale

Securities available for sale are securities held by the Group for an indefinite period of time that are available for sale as liquidity requirements arise or market conditions change. In accordance with the investments strategy, the Group did not include securities in this portfolio in the past period. The Group does not intend to change the strategy for inclusion of securities in this portfolio in the coming years.

Securities available for sale are carried at fair value (cost). Securities for which the fair value cannot be reliably determined are stated at cost in accordance with IAS 39 and the Group annually assesses whether the value is not impaired. Changes in the fair values of available for sale securities are recognised in other comprehensive income as "Gains/(losses) from remeasurement of securities available for sale", with the exception of their impairment and interest income and foreign exchange differences on debt securities.

When realised, the relevant revaluation gains or losses are taken to the consolidated statement of comprehensive income as "Net profit on financial operations". Interest income and impairment (if any) is included in the consolidated statement of comprehensive income as "Net profit on financial operations". Foreign exchange rate gains or losses from debt securities are included in "Net profit on financial operations". Dividend income from securities included in this portfolio is included in "Dividend income".

Securities Held to Maturity

Investments held to maturity are financial assets with fixed or determinable payments and fixed maturities that the Group has the positive intent and ability to hold to maturity. In accordance with the Group's strategy, only the securities issued by the Czech Republic are included in this portfolio. The Group does not anticipate changing this intent in the future.

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

The fair value of this portfolio is disclosed in Note 40(c) "Fair values of financial assets and liabilities" of the consolidated financial statements.

Repurchase Agreements

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

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

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

Debt Securities Issued

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

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

Financial Derivative Instruments

In the normal course of business, the Group enters into contracts for derivative financial instruments. Financial derivatives include foreign currency and interest rate swaps, cross currency swaps, currency forwards, forward rate agreements, foreign currency, interest rate and commodity options (both purchased and sold), and other derivative financial instruments. The Group uses various types of derivative instruments in respect of both its trading and hedging activities of currency and interest rate positions. The Group internally includes all types of derivatives in the banking or trading portfolios. The banking portfolio additionally includes financial derivatives used as hedging instruments in fair value hedging.

All financial derivative instruments are initially recognised at fair value in the consolidated statement of financial position and are subsequently remeasured and stated at fair value. Fair values are reported in the consolidated statement of financial position as "Positive fair value of financial derivative transactions" and "Negative fair value of financial derivative transactions".

The interest income and expenses relating to financial derivatives in the banking portfolio (economic hedging), or financial derivatives used as hedging instruments in fair value or cash flow hedges, are reported in the consolidated statement of comprehensive income as "Interest income and similar income" or "Interest expense and similar expense" on a net basis. In respect of financial derivatives in the trading portfolio, the relating interest income and interest expenses are reported in "Net profit on financial operations".

Realised and unrealised gains and losses are recognised in the consolidated statement of comprehensive income line "Net profit on financial operations", the only exception being unrealised gains and losses on cash flow hedges which are recognised in equity. Fair values of derivatives are based upon quoted market prices or pricing models which take into account current market and contractual prices of the underlying instruments, as well as the time value and yield curve or volatility factors underlying the positions. The fair value of derivative instruments also includes credit and debit adjustments resulting from a derivative transaction counterparty's credit risk.

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

Hedge Accounting

The Group applies hedge accounting in accordance with the IFRS requirements. Hedging derivatives are derivatives that the Group can use to hedge against its interest rate and currency risks. A hedging relationship qualifies for hedge accounting if, and only if, all of the following conditions are met:

- a) At the inception of the hedge there is formal designation and documentation of the hedging relationship and the entity's risk management objective and strategy for undertaking the hedge;
- b) The hedge is expected to be highly effective in achieving offsetting changes in fair value or cash flows attributable to the hedged risk, consistently with the originally documented risk management strategy for that particular hedging relationship;
- c) For cash flow hedges, a forecast transaction that is the subject of the hedge must be highly probable and must present an exposure to variations in cash flows that could ultimately affect profit or loss;
- d) The effectiveness of the hedge can be reliably measured, ie the fair value or cash flows of the hedged item that are attributable to the hedged risk and the fair value of the hedging instrument can be reliably measured; and
- e) The hedge is assessed on an ongoing basis and determined actually to have been highly effective throughout the financial reporting periods for which the hedge was designated.

Hedging financial derivatives are accounted for according to the type of the hedging relationships which are as follows:

- a) Fair value hedge: a hedge of the exposure to changes in fair value of a recognised asset or liability or an unrecognised firm commitment, or an identified portion of such an asset, liability or firm commitment, that is attributable to a particular risk and could affect profit or loss;
 - i.) Cash flow hedge: a hedge of the exposure to variability in cash flows that:
 - ii.) Is attributable to a particular risk associated with a recognised asset or liability (such as all or some future interest payments on variable rate debt) or a highly probable forecast transaction; and
- b) Could affect profit or loss.
- c) Hedge of a net investment in a foreign operation.

The Group applies fair value hedging to manage its market risks. Changes in the fair value of hedging derivatives classified as a fair value hedge are reported in the consolidated statement of comprehensive income in the line "*Net profit on financial operations*", interest income and expense on these derivatives (i.e. both realised and accrued) are reported in the consolidated statement of comprehensive income line "*Interest income and similar income*" or "*Interest expense and similar expense*", respectively, in the net value on the same line as the relevant interest income or expense from the hedged item. A change in the fair value of the hedged item in relation to the fair value hedge of individual hedged items is recognised as part of the carrying amount of the hedged item in the consolidated statement of financial position and in the line "*Net profit on financial operations*" in the statement of comprehensive income. In respect of the fair value hedge of the hedged items portfolio, the change in the fair value of hedged items is reported in the consolidated statement of financial position as "*Fair value remeasurement of portfolio-remeasured items*" and "*Net profit on financial operations*" in the consolidated statement of comprehensive income.

The cash flow hedging is aimed at the elimination of uncertainty in future cash flows and the stabilisation of the net interest income. The effective part of the change in the fair value of hedging derivatives treated as cash flow hedges is reported in "*Gains/(losses) from revaluation of cash flow hedges*" in the consolidated statement of comprehensive income and cumulatively in "*Gains and losses from revaluation*" in the consolidated statement of financial position. The ineffective part of the change in the fair value of hedging derivatives treated as cash flow hedges is immediately presented in "*Net profit on financial operations*" in the consolidated statement of comprehensive income. The values that were reported in other comprehensive income are reallocated in profit or loss in the period in which the hedged item affects profits or losses in "*Net profit on financial operations*" in the consolidated statement of comprehensive income.

The effectiveness of the hedge is regularly tested on a monthly basis, prospectively and retrospectively. Where the hedge ceases to meet the criteria for hedge accounting, the maturity of the hedging instrument expires, the hedging instrument is sold, terminated or exercised, the Group discontinues the hedging relationship and writes off the adjustments of the carrying amount of the hedged interest-bearing financial instruments through the consolidated statement of comprehensive income over the period to the maturity of the hedged item in respect of the fair value hedge, or the accumulated profit or loss from the hedging instrument, originally presented in other comprehensive income, remain in the consolidated statement of financial position in "*Gains and losses from revaluation*" until the transaction is realised in respect of cash flow hedges.

Subordinated Debt

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

The principal balance of the subordinated loan and relevant interest is recognised from the draw-down date to the maturity date of the subordinated loan. The subordinated loan including the accrued and not yet paid portion of interest is reported as "Subordinated liabilities" in the consolidated statement of financial position. The amount of interest expense arising from subordinated deposits is recognised in the consolidated statement of comprehensive income line "Interest expense and similar expense".

Subordinated Debt Securities Issued

Subordinated debt securities issued are debt securities where it has been agreed that they will be settled only after the settlement of all other payables if the issuer is placed into liquidation or a resolution on the bankruptcy of the issuer is passed, except for payables that carry the same or similar subordination condition.

Subordinated debt securities issued are reported by the Group at amortised cost using the effective interest rate and are included in "Subordinated liabilities" in the statement of financial position. The interest expense from the issue of own bonds is reported in "Interest expense and similar expense" in the statement of comprehensive income.

Other Capital Instruments

Other capital instruments principally include AT1 capital investment certificates that combine the elements of equity and debt securities and meet the criteria for inclusion in the Group's auxiliary Tier 1 capital. These instruments are reported at nominal value in "Other capital instruments". The payment of interest income attributable to the certificate holders is governed by the relevant terms and conditions set out in the prospectus for the certificates and is made from the Bank's retained earnings following the approval of the profit distribution by the Bank's General Meeting of Shareholders.

(h) Offsetting

Financial assets and liabilities may be offset and the net amount is reported in the statement of financial position when the Group has a legally enforceable right to set off the recognised amounts and the transactions are intended to be reported in the statement of financial position on a net basis. The Group does not offset any financial assets and financial liabilities.

(i) Property and Equipment and Intangible Fixed Assets

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

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

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

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

	Depreciation period	Depreciation rate
Software (except for core banking systems)	4 years	25 %
Buildings	30 years	3.33 %
Other (cars, furniture and fixtures, office equipment and computers)	3 - 10 years	10 - 20 %

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

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

The costs of internally generated intangible assets include all costs that can be allocated directly or by reference to a reasonable and consistent basis for generating and preparing an asset for its intended use.

Intangible assets with a cost greater than CZK 40,000 and lower than CZK 60,000 (category of low value intangible fixed assets) are amortised over 36 months and tangible assets with a cost greater than CZK 20 thousand and lower than CZK 40,000 are depreciated over 36 or 48 months according to the type of low value tangible fixed assets.

Low value tangible assets with a cost lower than CZK 20,000 and low value intangible assets with a cost lower than CZK 40,000 are expensed in the period of acquisition.

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

The Group's assets are regularly tested for impairment. Impairment of assets, if any, is reported in the consolidated statement of comprehensive income as "General administrative expenses". The Group regularly reviews the anticipated future benefit from intangible assets; if no benefit can be expected, the relevant intangible assets are derecognised from the consolidated statement of financial position. The loss resulting from the derecognition is included in the consolidated statement of comprehensive income line "General administrative expenses".

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

(j) Goodwill

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

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

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

(k) Leases

Assets held under a finance lease contract, when substantially all risks and rewards incidental to ownership are transferred, are capitalised in amounts equal to the fair value at the inception of the lease or the present value of minimum lease payments, if lower. These assets are depreciated over their useful lives or lease contract period (if shorter).

Lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest.

Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term. If the operating lease is terminated before the end of the lease term, all payments that are to be paid to the lessor in the form of fines, are recognised in expenses in the period in which the lease was terminated.

In respect of assets leased under finance leases, the present value of lease payments is recognised as a receivable. The difference between the gross value of a receivable and its present value is reported as accrued interest income. The financial income from the lease is recognised during the lease term so as to produce a constant periodic rate of interest.

(l) Investment Property

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

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

(m) Provisions

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

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

Provisions for Guarantees and Other Off Balance Sheet Items

The Group records potential commitments arising from issued guarantees, irrevocable credit commitments (undrawn portion), confirmed open letters of credit, etc. as part of off-balance sheet assets. Provisions are made for estimated losses on these commitments pursuant to the estimated amount of performance from individual off-balance sheet commitments. Changes in these provisions are recognised in *"Change in provisions for credit risks"*.

Provision for Payroll Bonuses

The Group accounts for long-term employee bonuses (quarterly and annual bonuses). The recognition, use and release of the provision for payroll bonuses is reported in the consolidated statement of comprehensive income as *"General administrative expenses"*.

Other Provisions

The recognition, use and release of other provisions relating to banking activities (for unused holidays, legal disputes, etc.) is recorded in *"General administrative expenses"*. If the provision does not relate to banking activities, the recognition, use and release of other reserves is recorded in *"Other operating income/(expenses), net"*. Other provisions include the provision for income tax payable when the estimated tax liability exceeds the prepayments made to the taxation authority.

(n) Non-Controlling Interests

Non-controlling interests include the share in profits and losses and net assets that are not attributable to owners of the parent company. These interests are reported in the consolidated statement of comprehensive income and in *"Equity"* in the consolidated statement of financial position separately from the equity attributable to the owners of the Bank. Non-controlling interests are reported using the method of a proportionate interest in net identifiable assets of an acquired entity not attributable to the owners of the parent company and are adjusted by the share in profits and losses of the acquired entity and share in dividends paid from the acquired entity not attributable to the owners of the parent company.

(o) Transactions with Securities Undertaken on behalf of Clients

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

(p) Contingent Assets and Liabilities

A contingent asset/liability is a potential asset/liability that arises from past events and whose existence will be only confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. The Group does not recognise contingent assets/liabilities in the balance sheet but regularly reviews their development to specify whether an inflow/outflow of resources embodying economic benefits has become probable. Where the likelihood of an outflow of economic benefits is higher than 50%, the Group will recognise a provision. Where the likelihood of an inflow of economic benefits is virtually certain, the Group will recognise an asset and revenue.

(q) Segment Reporting

The Group reports information in accordance with IFRS 8 Operating Segments. IFRS 8 requires that operating segments be identified on the basis of internal reports regularly reviewed by the Group's chief operating decision maker. Pursuant to these internal reports including the overview of the performance of the particular operating segment, it is possible to assess the performance of the segment/decide on the strategic development of the operating segment.

The basis for determining reportable segments is a report that the Group prepares for the Board of Directors which is considered to be the 'chief operating decision maker', i.e. a person/group of persons that allocate(s) resources and assess(es) the performance of individual operating segments of the Group.

Information on reportable operating segments of the Group is disclosed in Note 39.

(r) Foreign Currency Translation

– Transactions denominated in foreign currencies are initially measured at the official exchange rate as announced by the CNB on the date of transaction. Assets and liabilities denominated in foreign currencies are translated into the local currency at the CNB's exchange rate prevailing at the consolidated financial statements date. Realised and unrealised gains and losses on foreign exchange are recognised in the consolidated statement of comprehensive income in "Net profit on financial operations", with the exception of foreign exchange rate differences on equity investments denominated in foreign currencies which are reported at the historical exchange rate, foreign exchange rate differences on equity securities included in the available-for-sale portfolio which are reported as a component of a change in the fair value and foreign exchange rate differences on derivatives entered into with a view to hedging currency risk associated with assets or liabilities whose foreign exchange rate differences are part of the change in the fair value.

– For the presentation of consolidated financial statements, assets, liabilities and transactions of consolidated entities that use other functional currency than CZK are translated into the functional currency of the Group (CZK). Resulting foreign exchange rate gains or losses are reported in other comprehensive income under "Foreign exchange rate gains or losses from the translation of the financial statements denominated in foreign currencies" and "Valuation gains or losses from the translation of the financial statements denominated in foreign currencies" in the consolidated statements of financial position.

(s) Cash and Cash Equivalents

The Group considers cash on hand, deposits with central banks, deposits with other banks and treasury bills with a contractual maturity of three months or less to be cash equivalents. For the purposes of determining cash and cash equivalents, the minimum reserve deposit with the CNB is not included as a cash equivalent due to restrictions on its availability.

(t) Reclassification of the 2014 Balances

Presentation of one-day term deposits with central banks

During 2015, the Group started presenting term deposits with central banks with the due dates of up to one business day in "Cash and balances with central banks" in order to align the structure of its financial statements with the parent company's financial statements. Under IAS 8 the Group reclassified certain items in the statement of financial position and the cash flow statement in the comparative period.

The table below shows changes in individual lines of the statement of financial position, which were reclassified (the affected items only).

CZK thousand	2014		2014
	Before change	Reclassification	After change
Cash and balances with central banks	4,265,943	6,380 009	10,645,952
Loans and advances to financial institutions	29,568,275	(6,380 009)	23,188,266
Total		-	

The table below shows changes in individual lines of the cash flow statement, which were reclassified (the affected items only).

CZK thousand	2014		2014
	Before change	Reclassification	After change
Loans and advances to financial institutions	(9,724,119)	420,001	(9,304,118)
Net cash flow from operating activities before income tax	(6,493,383)	420,001	(6,073,382)
Net cash flow from operating activities	(6,424,117)	420,001	(6,004,116)
Net (decrease)/increase in cash and cash equivalents	(158,276)	420,001	261,725
Cash and cash equivalents at the beginning of the year (Note 35)	3,838,075	5,960,008	9,798,083
Cash and cash equivalents at the end of the year (Note 35)	3,679,799	6,380,009	10,059,808

6. CHANGES IN ACCOUNTING POLICIES IN 2015

(a) Newly applied standards and interpretations the application of which had a significant impact on the consolidated financial statements

In the year ended 31 December 2015, the Group did not apply any new standards and interpretations, the use of which would have a significant impact on the consolidated financial statements.

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

During the year ended 31 December 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 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 various standards 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. The amendments clarify the required accounting treatment of items for which free interpretation was permitted. The most significant changes include the new or adjusted requirements relating to: i) the meaning of the term 'effective IFRS' under IFRS 1, ii) the scope of the exception for joint ventures, iii) the scope of IFRS 13 (52) (an exception relating to a portfolio), and iv) interconnection between IFRS 3 and IAS 40 in classifying assets as property investments or owner-occupied property.

- IFRIC 21 "*Levies*" adopted by the EU on 13 June 2014 (effective for annual periods beginning on or after 17 June 2014).
- IFRIC 21 is the interpretation relating to IAS 37 "*Provisions, Contingent Liabilities and Contingent Assets*". IAS 37 defines the criteria for reporting a liability, which include a requirement for an entity to have a present obligation resulting from past events (the obligating event). The interpretation clarifies that in case of levies, the obligating event is an activity described in the relevant legislation regulating levy payments.

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

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

- Amendments to IFRS 11 "*Joint Arrangements*" – Accounting for Acquisitions of Interests in Joint Operations adopted by the EU on 24 November 2015 (effective for annual periods beginning on or after 1 January 2016);
- Amendments to IAS 1 "*Presentation of Financial Statements*" – Disclosure Initiative adopted by the EU on 18 December 2015 (effective for annual periods beginning on or after 1 January 2016);
- Amendments to IAS 16 "*Property, Plant and Equipment*" and IAS 41 "*Agriculture*" – Bearer Plants adopted by the EU on 23 November 2015 (effective for annual periods beginning on or after 1 January 2016);
- Amendments to IAS 16 "*Property, Plant and Equipment*" and IAS 38 "*Intangible Assets*" – Acceptable Methods of Depreciation and Amortisation adopted by the EU on 2 December 2015 (effective for annual periods beginning on or after 1 January 2016);
- 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);
- Amendments to IAS 27 "*Individual Financial Statements*" – Equity Method in Separate Financial Statements adopted by the EU on 18 December 2015 (effective for annual periods beginning on or after 1 January 2016);
- 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); 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 - adopted by the EU on 15 December 2015 (amendments are to be applied for annual periods beginning on or after 1 January 2016).

The Group decided not to apply these standards, amendments and interpretations before their effective dates. The Group anticipates that the application of these standards, amendments and interpretations in the period of their first adoption will have no significant impact on the Group's financial statements.

(d) Standards and Interpretations issued by the IASB, but not yet adopted by the European Union

At present, the version of standards adopted by the European Union does not significantly differ from the standards approved by the IASB. The exception are the following standards, amendments and interpretations that were not adopted for use in the EU as of the consolidated financial statements approval date (the effective dates listed below are for IFRS issued by the 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) - the European Union decided not to start the adoption process of the interim standard and wait for the final standard;
- IFRS 15 *“Revenue from Contracts with Customers”* (effective for annual periods beginning on or after 1 January 2017);
- IFRS 16 *“Leases”* (effective for annual periods beginning on or after 1 January 2019);
- Amendments to IFRS 10 *“Consolidated Financial Statements”* and IAS 28 *“Investments in Associates and Joint Ventures”* - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (effective for annual periods beginning on or after 1 January 2016);
- 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); and
- Amendments to IAS 12 *“Income Taxes”* - Recognition of Deferred Tax Assets for Unrealised Losses (effective for annual periods beginning on or after 1 January 2017).

Given that the European Union plans to adopt IFRS 9 Financial Instruments during 2016 and this standard will be able to entirely replace IAS 39, the Group has initiated activities to assess the potential impact of adopting IFRS 9.

The impact of implementing the new IFRS 9 requirements relating to the classification, measurement and impairment of financial instruments is currently being determined at the level of the entire RBI Group. Taking into account the substance of the banking sector's operations, IFRS 9 is expected to have an impact on the Group's financial statements from 2018. Specifically, the change in the loan impairment calculation principle that will be newly based on expected loan losses will result in a one-off retrospective increase in aggregate provisions for loans.

The Group is planning to commence the project of implementing IFRS 9 requirements in respect of the classification, measurement and impairment of financial instruments during the second quarter of 2016.

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 prepared as of 31 December 2015, including comparative information.

7. NET INTEREST INCOME

CZK thousand	2015	2014
Interest income arising from		
Loans and advances to financial institutions	34,381	28,884
Loans and advances to customers	6,581,805	6,723,007
Fixed income securities	192,172	210,215
Financial derivatives in the banking portfolio, net	143,334	131,562
Total interest income and similar income	6,951,692	7,093,668
Interest expense arising from		
Deposits from financial institutions	(54,308)	(88,197)
Deposits from customers	(46,670)	(445,692)
Securities issued	(310,181)	(328,753)
Subordinated liabilities	(104,279)	(135,175)
Securitisation	(22,951)	(5,932)
Total interest expense and similar expense	(538,389)	(1,003,749)
Net interest income	6,413,303	6,089,919

In "Interest income arising from loans and advances to customers", the Group reports net interest expense from hedging financial derivatives upon a fair value hedge of mortgage loans of CZK (312,477) thousand (2014: CZK (223,486) thousand).

"Interest expense arising from deposits from customers" includes net interest income from hedging financial derivatives upon a fair value hedge of term deposits and the portfolio of current and savings accounts of CZK 504,952 thousand (2014: CZK 290,113 thousand).

"Interest expense arising from securities issued" includes net interest income from hedging financial derivatives upon a fair value hedge of securities issued of CZK 17,241 thousand. The Group started applying hedge accounting upon a fair value hedge of securities issued in 2015.

Interest income additionally includes interest on impaired assets (primarily loans and advances to customers) of CZK 236,981 thousand (2014: CZK 278,643 thousand).

Interest income includes interest paid on assets carrying negative interest rates (primarily loans and advances to financial institutions) of CZK 1,019 thousand (2014: CZK 0 thousand) and interest received on liabilities carrying negative interest rates (primarily deposits from financial institutions) of CZK 712 thousand (2014: CZK 0 thousand).

8. CHANGE IN PROVISIONS FOR CREDIT RISKS

CZK thousand	2015	2014
Changes in loan loss provisions		
Charge for provisions	(2,586,413)	(3,000,646)
Release of provisions	1,590,802	1,922,024
Use of provisions	1,414,696	1,081,696
Nominal value of assigned and written off receivables	(1,418,178)	(1,081,760)
<i>of which: Direct write-off of receivables</i>	(20,769)	(2,465)
Recoveries	34,528	15,368
Total changes in loan loss provisions	(964,565)	(1,063,318)
Provisions for off balance sheet credit risk exposures		
Charge for provisions	(184,438)	(51,956)
Release of provisions	51,956	45,500
Total change in provisions for off-balance sheet risks	(132,482)	(6,456)
Change in provisions for credit risk	(1,097,047)	(1,069,774)

9. NET FEE AND COMMISSION INCOME

CZK thousand	2015	2014
Fee and commission income arising from		
Payment transactions	1,823,008	1,865,377
Provided loans and guarantees	476,111	508,652
Securities transactions	125,650	123,567
Financial operations	8,196	9,904
Mediation of the Group's products sale	53,930	55,182
Administration of funds and distribution of participation certificates	90,901	52,995
Other banking services	85,728	82,593
Total fee and commission income	2,663,524	2,698,270
Fee and commission expense arising from		
Payment transactions	(604,511)	(532,125)
Receiving of loans and guarantees	(56,219)	(97,432)
Securities transactions	(19,756)	(10,821)
Financial operations	(6,958)	(4,977)
Mediation of the sale of the Group's products	(8,085)	(9,690)
Other services	(41,668)	(45,571)
Total fee and commission expense	(737,197)	(700,616)
Net fee and commission income	1,926,327	1,997,654

10. NET PROFIT ON FINANCIAL OPERATIONS

CZK thousand	2015	2014
Interest rate derivatives	(25,296)	(163,777)
Commodity derivatives	290	1,236
Equity derivatives	-	-
Profit/loss from foreign currency transactions	1,166,807	944,690
<i>of which: Customer foreign currency result</i>	966,946	945,532
<i>FX proprietary P/L</i>	199,861	(842)
Profit/loss from transactions with securities	57,209	161,176
<i>of which: Portfolio of securities available for sale</i>	-	-
<i>Portfolio of securities held for trading</i>	55,969	160,585
<i>Portfolio of securities at fair value through profit or loss</i>	-	4,002
<i>Own issue</i>	1,240	(3,411)
Profit/(loss) from hedge accounting upon a cash flow hedge – the ineffective part	(5,704)	-
Change in the fair value of the hedged item in the fair value hedging	127,189	(803,529)
Change in the fair value of hedging derivatives in the fair value hedging	(66,703)	876,502
Total	1,253,792	1,016,298

The “Customer foreign currency result” line item reflects margins from foreign currency transactions with customers.

The “FX proprietary P/L” line item reflects the impact of proprietary trading and the impact of the revaluation of foreign currency positions using the Czech National Bank’s exchange rate, including the result of the remeasurement of currency derivatives.

The “FX proprietary P/L” line items includes accumulated net profit/loss arising from cash flow hedging recognised for the period through profit or loss in the amount of CZK 385,544 thousand (refer to Note 34(c)).

11. DIVIDEND INCOME

In the year ended 31 December 2015, “Income from other shares and participation interest” amounted to CZK 30,000 thousand (2014: CZK 39,470 thousand) and predominantly includes the dividends from Raiffeisen stavební spořitelna a.s. of CZK 30,000 thousand (2014: CZK 36,600 thousand).

12. GENERAL ADMINISTRATIVE EXPENSES

CZK thousand	2015	2014
Payroll costs (Note 13)	(2,650,699)	(2,699,155)
Administrative expenses	(2,041,082)	(2,101,517)
Rental, repairs and other office management service expenses	(551,343)	(616,626)
Advertising costs	(324,323)	(355,366)
Costs of legal and advisory services	(302,849)	(305,621)
Of which: Audit	(6,528)	(7,980)
Tax advisory	(4,502)	(2,858)
IT support costs	(338,963)	(318,502)
Deposit and transaction insurance	(250,846)	(224,305)
Telecommunication, postal and other services	(108,623)	(114,345)
Security costs	(35,244)	(39,321)
Training costs	(30,987)	(26,620)
Office equipment	(19,542)	(35,389)
Travel costs	(21,543)	(21,493)
Fuel	(26,360)	(33,084)
Other administrative expenses	(30,459)	(10,845)
Depreciation and amortisation of fixed assets (Notes 25, 26 and 27)	(616,391)	(610,763)
Loss from impaired investment property (Note 27)	(3,721)	(100,263)
Loss from impaired intangible assets (Note 25)	(34,388)	(117,037)
Total	(5,346,281)	(5,628,735)

"Deposit and transaction insurance" includes the costs of the payment to the Deposit Insurance Fund.

13. PAYROLL COSTS

CZK thousand	2015	2014
Wages and salaries	(1,959,020)	(1,994,380)
Social security and health insurance	(610,601)	(620,114)
Other staff costs	(81,078)	(84,661)
Total	(2,650,699)	(2,699,155)
Of which wages and salaries paid to:		
Members of the Board of Directors	(71,954)	(75,031)
Members of the Supervisory Board	(4,614)	(4,753)
Total	(76,568)	(79,784)

The data for 2014 were adjusted.

The average number of the Group's employees as of 31 December 2015 and 2014 was as follows:

	2015	2014
Employees	2,739	2,716
Members of the Board of Directors	7	7
Members of the Supervisory Board	9	9

The data for 2014 were adjusted

The members of the Board of Directors and Supervisory Board in the above table represent the members of the Bank's Board of Directors and Supervisory Board.

The financial arrangements between the Group and members of the Board of Directors and Supervisory Board are disclosed in Note 43.

14. OTHER OPERATING INCOME/(EXPENSES), NET

CZK thousand	2015	2014
Change in operating provisions and allowances	1,405	(51,016)
Gain/(loss) from the disposal of in-/tangible fixed assets	(767)	2,481
Income from leases	61,632	28,279
Other	256,161	79,286
Total	318,431	59,030

15. INCOME TAX

(a) Income tax expense

CZK thousand	2015	2014
Income tax payable	(667,214)	(353,851)
Tax overpayment/(additional payments) from the previous period	(6,628)	25,091
Deferred income tax credit /(charge)	(19,326)	(190,078)
Total income tax	(693,168)	(518,838)

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

CZK thousand	2015	2014
Pre-tax profit (general tax base)	3,508,030	2,545,978
Total pre-tax profit	3,508,030	2,545,978
Tax calculated at the tax rate for the general tax base - 19 % (2014: 19 %)	(666,526)	(483,736)
Non-taxable income (tax effect)	355,170	485,127
Non-tax deductible expenses (tax effect)	(356,172)	(356,004)
Tax relief and credit	314	762
Tax liability for the period	(667,214)	(353,851)
Tax overpayment/(underpayment) from the previous period, use of tax relief and credit, including tax refunds and additional assessments from previous years	(6,628)	25,091
Deferred tax	(19,326)	(190,078)
Total income tax	(693,168)	(518,838)
Effective tax rate	19,76%	20,38%

(b) (Income Tax Provision)/Receivable

CZK thousand	2015	2014
Tax calculated at the tax rate for the general tax base - 19% (2014: 19%)	(667,214)	(353,851)
Tax liability for the period	(667,214)	(353,851)
Advances paid for current income tax	346,146	348,735
Total income tax (provision)/asset	(321,068)	(5,116)

CZK thousand	2015	2014
Income tax receivable reported in the balance sheet	473	1,427
Income tax provision reported in the balance sheet	(321,541)	(6,543)
Total income tax (provision)/asset	(321,068)	(5,116)

For additional details on the deferred tax, refer to Note 22.

16. CASH AND BALANCES WITH CENTRAL BANKS

CZK thousand	2015	2014
Cash on hand and other cash equivalents	2,877,016	2,766,879
Balances with central banks	32,653,222	6,711,354
Minimum reserve deposits with the CNB	3,104,191	1,167,719
Total	38,634,429	10,645,952

The data for 2014 were adjusted - refer to Note 5(t).

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

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

17. SECURITIES

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

CZK thousand	2015	2014
Securities held to maturity (debt securities)	11,265,127	12,420,499
Securities at fair value through profit or loss	1,182,137	6,904,538
of which: Securities held for trading	1,182,137	6,900,015
- Debt securities	1,182,137	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)	873,408	517,011
Total	13,320,672	19,842,048
<i>of which: repayable within one year</i>	<i>9,262,517</i>	<i>3,796,270</i>
<i>repayable in more than one year</i>	<i>4,058,155</i>	<i>16,045,778</i>

"Securities held to maturity" exclusively include Czech government bonds that can be used for the refinancing with the Czech National Bank.

"Securities at fair value through profit or loss" includes government bonds and treasury bills of CZK 1,179,378 thousand (2014: CZK 6,680,925 thousand) which may be used for refinancing with the Czech National Bank.

"Securities available for sale" includes the Group's investment in Raiffeisen stavební spořitelna a.s. in the aggregate amount of CZK 516,106 thousand in 2015 (2014: CZK 516,106 thousand) and its membership in the association Visa Europe Limited of CZK 356,409 thousand (2014: CZK 0). The increase in the carrying amount of Visa Europe Limited membership is attributable to revaluation of the share arising from the announced sale of Visa Europe Limited to Visa Inc. For more details on the revaluation of the membership in Visa Europe Limited, please refer to Note 40(c).

According to its investment strategy, the Group holds most of newly acquired securities in the "Securities held for trading" portfolio.

(b) Securities Pledged as Collateral

As of 31 December 2015 and 2014, the Group provided no pledge of securities as collateral as part of repurchase and similar transactions with other banks and clients.

18. ASSETS HELD FOR SALE

In June 2015, the Bank's Board of Directors decided to separate activities relating to payment card acceptance. The Group intends to dispose of these activities. As a result, the assets relating to these activities are recognised separately as "Assets held for sale" in the statement of financial position under IFRS 5.

The carrying amount of assets held for sale is CZK 33,753 thousand as of 31 December 2015 and the assets predominantly include payment terminals placed at sellers and owned by the Group, which the Group intends to sell.

19. LOANS AND ADVANCES TO FINANCIAL INSTITUTIONS

CZK thousand	2015	2014
Placements with financial institutions	503,227	581,575
Term deposits with banks	456,954	1,732,368
Loans and other advances to financial institutions	774,114	19,085,191
Received loans	237,154	49,511
Debt securities	2,221,085	1,739,621
Total	4,192,534	23,188,266
<i>of which: repayable within one year</i>	1,774,889	21,446,658
<i>repayable in more than one year</i>	2,417,645	1,741,608

The data for 2014 were adjusted - refer to Note 5(t).

"Loans and other advances to financial institutions" includes reverse repurchase transactions. As part of the reverse repurchase transactions (primarily with the Czech National Bank), the Group provided loans in the aggregate amount of CZK 0 thousand (2014: CZK 19,085,191 thousand). Reverse repurchase transactions are collateralised by securities (primarily by treasury bills issued by the Czech National Bank) with the fair value of CZK 0 thousand (2014: CZK 18,710,227 thousand).

20. LOANS AND ADVANCES TO CUSTOMERS

(a) Classification of Loans and Advances to Customers

CZK thousand	2015	2014
Overdrafts	6,333,466	6,990,869
Term loans	106,551,703	95,398,168
Mortgage loans	71,234,820	64,801,885
Finance lease	4,930,199	4,829,068
Debt securities	1,198,038	1,344,396
Other	931,818	1,177,483
Total	191,180,044	174,541,869
<i>of which: repayable on demand</i>	6,333,466	6,990,869
<i>repayable within one year</i>	50,670,370	49,178,291
<i>repayable in more than one year</i>	134,176,208	118,372,709

The Group applies hedge accounting upon a fair value hedge of the portfolio of receivables from mortgage loans. The amount of the remeasurement of hedged items as of 31 December 2015 was CZK 264,129 thousand (2014: CZK 387,011 thousand). In addition, the Group applies hedge accounting upon a fair value hedge of a provided loan. The amount of the remeasurement of hedged item as of 31 December 2015 amounts to CZK (465) thousand (2014: CZK (234) thousand).

(b) Repurchase and Reverse Repurchase Transactions

The Group advanced loans in the aggregate amount of CZK 67,261 thousand (2014: CZK 75,067 thousand) under reverse repurchase transactions. Reverse repurchase transactions are collateralised by securities with the fair value of CZK 91,683 thousand (2014: CZK 105,494 thousand).

(c) Analysis of Loans Provided to Customers by Sector

CZK thousand	2015	2014
Public sector	1,217,200	1,048,242
Loans to corporate entities (Large corporate)	99,466,574	90,862,097
Loans to private individuals	83,839,776	76,616,518
Small and medium size enterprises (SME)	6,656,494	6,015,012
Total	191,180,044	174,541,869

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

CZK thousand	2015	2014
Czech Republic	182,737,704	165,305,248
Slovakia	2,009,146	1,516,772
Other - EU countries	3,614,351	4,617,998
Other	2,818,843	3,101,851
Total	191,180,044	174,541,869

(e) Ageing of Loans to Customers

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

CZK thousand	Past due date		Nominal collateral value	
	2015	2014	2015	2014
Past due				
1 - 30	1,901,666	3,372,724	1,603,599	2,877,431
31 - 90	357,222	356,878	268,784	257,667

The Group recognises to those receivables portfolio provision.

(f) Analysis of Loans Provided to Customers by Delays

CZK thousand 2015	Before due date	Less than 1 month	1 month to 3 months	3 months to 6 months	6 months to 1 year	Over 1 year	Total
Amounts due from customers							
- without default	179,954,743	1,901,666	357,222	-	-	-	182,213,631
- with default	2,858,917	391,210	623,859	373,804	755,672	3,962,951	8,966,413
Gross	182,813,660	2,292,876	981,081	373,804	755,672	3,962,951	191,180,044
Provisions	(1,766,200)	(277,974)	(216,000)	(182,598)	(296,577)	(3,517,113)	(6,256,462)
Net	181,047,460	2,014,902	765,081	191,206	459,095	445,838	184,923,582

CZK thousand 2014	Before due date	Less than 1 month	1 month to 3 months	3 months to 6 months	6 months to 1 year	Over 1 year	Total
Amounts due from customers							
- without default	160,369,275	3,372,724	356,878	-	-	-	164,098,877
- with default	3,610,393	505,492	479,355	770,800	771,604	4,305,348	10,442,992
Gross	163,979,668	3,878,216	836,233	770,800	771,604	4,305,348	174,541,869
Provisions	(1,579,337)	(197,504)	(213,796)	(290,965)	(555,594)	(3,832,382)	(6,669,578)
Net	162,400,331	3,680,712	622,437	479,835	216,010	472,966	167,872,291

The definition of receivables with default and without default is disclosed in Note 41(a).

(g) Securitisation

ROOF RBCZ 2015

Since December 2015, the Group has carried out a synthetic securitisation of the Corporate Banking loans and guarantees portfolio. The total nominal value of the transaction is EUR 1 billion. The selected portfolio was divided into three tranches by the credit risk exposure attributable to individual tranches. The junior (the first loss piece) tranche amounts to 1.4% of the nominal value. The credit risk relating to the mezzanine tranche has been transferred to external institutional investors. For the purposes of this transaction, a special-purpose vehicle ROOF RBCZ 2015 S.à r.l. with its registered office in Luxembourg was established, which issued debt securities relating to the credit risk of the mezzanine tranche. These debt securities were sold to external institutional investors and at the same time, ROOF RBCZ 2015 S.à r.l. provided a portfolio guarantee to the Group as collateral for the credit risk arising from the mezzanine tranche in the amount of CZK 2,080,925 thousand. The guarantee is secured by the assets of ROOF RBCZ 2015 S.à r.l., which comprise cash received by the entity through the sale of the debt securities issued. The transaction will mature in April 2024; in the following three years, the Group may replace settled credit exposures with new ones in its securitised portfolio under the predefined criteria. The costs of the guarantee received is of an interest nature and is recognised in "Interest expense and similar expense", refer to Note 7.

The Group has no equity interest in the newly-established entity and exercises no control or significant influence over it under IFRS. ROOF RBCZ 2015 S.à r.l. may only perform specific limited-scope activities relevant to the transaction, which were defined in detail at the inception of the transaction, and the Group is unable to influence the activities. For these reasons, the Group does not consider the entity to be its subsidiary or associate. With the exception of the received guarantee referred to above and the charge paid by the Group for this guarantee, the Group reports no assets, liabilities or other balances in respect of ROOF RBCZ 2015 S.à r.l. that would result in any risks for the Group in relation to this entity.

ROOF CEE 2006 - 1

Since March 2006, the Group has carried out a synthetic securitisation of the Corporate Banking loans portfolio. In 2013, the Group prematurely terminated the securitisation. The substance of the transaction involved transferring part of the credit risk to the investor which was Kreditanstalt für Wiederaufbau (KfW).

The Group entered into the securitisation transaction jointly with Raiffeisen Bank Polska S.A. and the process was coordinated by Raiffeisen International Bank-Holding AG. The investor was Kreditanstalt für Wiederaufbau (KfW), with the involvement of the European Investment Fund. Dresdner Bank AG acted as the arranger and Clifford Chance acted as the legal counsel. The rating of the loan portfolio was established by Moody's. The entire transaction was supposed to have matured in 2016. The total volume was EUR 450 million, of which EUR 183 million and EUR 267 million related to the Group and Raiffeisen Bank Polska S.A., respectively, in March 2006.

As of 31 December 2014, the volume of the loan portfolio included in the securitisation (two credit cases) was CZK 29,853 thousand. During 2015, the Group sold loans and advances to these customers and the securitisation was terminated.

(h) Syndicated Loans

Pursuant to concluded syndicated loan agreements, the Group acted as the arranger of syndicated loans in the original amount of aggregate credit limits of CZK 8,499,292 thousand as of 31 December 2015 (2014: CZK 7,830,010 thousand), of which the proportion of the Group amounted to CZK 3,671,909 thousand (2014: CZK 3,265,821 thousand) and the proportion of other syndicate members amounted to CZK 4,827,382 thousand (2014: CZK 4,564,189 thousand).

As of 31 December 2015, the aggregate amount of outstanding receivables under the syndicated loan facilities was CZK 6,908,959 thousand (2014: CZK 6,420,153 thousand), of which the proportion of the Group was CZK 2,839,708 thousand (2014: CZK 2,483,761 thousand) and the proportion of other syndicate members was CZK 4,069,251 thousand (2014: CZK 3,936,392 thousand).

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

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

2015	Cash collateral	State guarantees	Bank guarantee	Real estate	Company guarantee	Personal and bill guarantee	Other collateral	Movable assets	Uncollateralised	Total
Agriculture, Hunting, Forestry and Fishing	450	-	8,662	359,983	207,034	453,689	-	179,881	289,469	1,499,168
Mining and Quarrying	-	-	875	-	-	10,413	-	28,545	61,112	100,945
Manufacturing	154,940	-	386,127	4,788,681	1,873,899	7,859,194	373,963	1,759,206	6,138,164	23,334,174
Electricity, Gas And Water Supply	172,857	-	18,915	1,295,416	1,183,493	1,057,728	5,500	4,641,912	1,844,650	10,220,471
Construction	9,378	-	159,012	1,559,593	568,309	1,711,526	9,680	179,301	1,027,380	5,224,179
Wholesale and Retail Trade; Repair of Motor Vehicles, Motorcycles and Personal and Household Goods	22,589	-	612,426	4,129,754	619,894	4,973,790	514,385	893,234	3,732,852	15,498,924
Hotels and Restaurants	28,686	-	19,872	2,369,143	30,000	118,859	301	29,340	207,234	2,803,435
Transport, Storage and Communication	120	-	208,280	393,782	1,605	1,177,582	19,970	1,046,540	3,673,038	6,520,917
Financial Intermediation	13,300	-	1,267,275	1,640,570	2,209,881	523,562	-	-	1,654,262	7,308,850
Real Estate, Lease, Other Business Activities	448,732	929,030	239,960	17,040,481	2,109,271	2,949,337	864,150	302,073	5,497,164	30,380,198
Public Administration; Compulsory Social Security	1,700	1,092,739	251	78,682	60,434	27,154	-	1	31,207	1,292,168
Education	2,200	-	1520	9,162	314820	26,935	-	86,482	151,582	592,701
Health and Social Work	1,060	653,166	7,272	244,905	-	60,617	-	27,229	78,146	1,072,395
Other Community, Social and Personal Service Activities	13,978	-	38,198	240,609	131,757	259,222	218	165,662	642,099	1,491,743
Private Households	3,793,864	-	-	70,103,566	-	9,891	6,614	99748	9,826,093	83,839,776
Total	4,663,854	2,674,935	2,968,645	104,254,327	9,310,397	21,219,499	1,794,781	9,439,154	34,854,452	191,180,044

For the purposes of reporting loans and advances to customers by sector and type of collateral, the Group uses the collateral in nominal value.

The collateral values presented in the above table do not include the portfolio guarantee under the securitisation transaction of CZK 2,080,925 thousand (refer to Note 20(g)) since it cannot be allocated to individual loans.

2015	Cash collateral	State guaranteees	Bank guarantee	Real estate	Company guarantee	Personal and bill guarantee	Other collateral	Movable assets	Uncollateralised	Total
Agriculture, Hunting, Forestry and Fishing	450	-	72,282	310,001	42,667	439,485	9,432	121,603	282,406	1,278,326
Mining and Quarrying	-	-	-	-	-	11,105	-	3,588	38,170	52,863
Manufacturing	138,255	968	359,558	4,713,430	1,961,331	6,980,483	391,801	1,906,487	3,714,412	20,166,725
Electricity, Gas And Water Supply	192,323	-	18,647	1,286,020	1,430,265	1,072,842	19,555	4,932,842	1,768,758	10,721,252
Construction	9,026	-	91,952	1,657,355	1,077,637	1,429,120	220,915	175,642	883,686	5,545,333
Wholesale and Retail Trade; Repair of Motor Vehicles, Motorcycles and Personal and Household Goods	55,261	-	519,175	4,091,981	818,564	4,467,168	530,644	643,850	3,524,924	14,651,567
Hotels and Restaurants	26,970	-	10,562	2,412,892	10,020	161,390	3,600	7,164	189,677	2,822,275
Transport, Storage and Communication	3,227	-	19,852	439,949	14,458	954,861	2,573	812,687	2,774,549	5,022,156
Financial Intermediation	100,991	-	2,295,933	1,037,554	1,664,031	553,296	10,970	9,406	1,849,789	7,521,970
Real Estate, Lease, Other Business Activities	431,681	1,333,952	188,004	14,871,238	1,957,113	2,826,702	938,616	246,109	3,843,554	26,636,969
Public Administration; Compulsory Social Security	2,848	926,081	-	92,321	49,744	9,164	-	65	18,075	1,098,298
Education	3,200	-	260	63,266	-	10,465	-	59,770	116,277	253,238
Health and Social Work	1,060	350,905	1,462	104,135	-	158,737	-	18,785	71,933	707,017
Other Community, Social and Personal Service Activities	13,978	-	23,488	353,143	176,244	338,380	1,453	160,611	380,065	1,447,362
Private Households	3,492,967	-	-	63,616,643	-	1,760	8,198	60,103	9,436,847	76,616,518
Total	4,472,237	2,611,906	3,601,175	95,049,928	9,202,074	19,414,958	2,137,757	9,158,712	28,893,122	174,541,869

For the purposes of reporting loans and advances to customers by sector and type of collateral, the Group uses the collateral in nominal value.

(j) Receivables from Finance Leases

Time structure of receivables from finance leases is as follows:

CZK thousand	2015	2014
Gross investments in finance leases	5,707,195	5,759,267
- within 3 months	382,553	296,473
- from 3 months to 1 year	1,246,530	1,020,520
- from 1 year to 5 years	3,294,131	3,444,807
- more than 5 years	783,981	997,467
Unrealised financial income	(776,996)	(930,199)
- within 3 months	(52,082)	(49,990)
- from 3 months to 1 year	(169,707)	(171,201)
- from 1 year to 5 years	(448,474)	(565,492)
- more than 5 years	(106,733)	(143,516)
Net investments in finance leases	4,930,199	4,829,068

The assets that the Group leases under finance lease have the following structure:

CZK thousand	2015	2014
Lease of motor vehicles	1,992,598	1,658,330
Lease of real estate	362,398	427,343
Lease of equipment	2,575,203	2,743,395
Total	4,930,199	4,829,068

21. PROVISIONS FOR LOANS AND ADVANCES TO CUSTOMERS

CZK thousand	2015	2014
Clients		
Balance at 1 January	(6,669,578)	(6,546,533)
Charge for provisions	(2,586,413)	(3,000,646)
Release of provisions	1,590,802	1,922,024
Usage of provisions for the write-off and assignment of receivables	1,414,696	1,081,696
Effect from the change in the scope of consolidation	-	(84,884)
FX gains from provisions denominated in a foreign currency	(5,969)	(41,235)
Balance at 31 December	(6,256,462)	(6,669,578)
Banks		
Balance at 1 January	(110)	(110)
Release of provisions	110	-
Balance at 31 December	-	(110)
Total	(6,256,462)	(6,669,688)

22. DEFERRED TAX ASSET/LIABILITY

Deferred tax is calculated from all temporary differences under the liability method using the principal income tax rate of 19 percent (the tax rate of 2015).

Deferred income tax assets are as follows:

CZK thousand	2015	2014
Unpaid interest on loans of non-residents	55,077	54,283
Unpaid social security and health insurance	52,124	63,137
Valuation gains or losses - cash flow hedge	41,343	-
Outstanding vacation days	3,959	4,002
Other provisions	49,811	27,836
Tax loss of prior years	-	15,383
Total deferred tax asset	202,314	164,641

Deferred income tax liabilities are as follows:

CZK thousand	2015	2014
Differences between accounting and tax carrying amounts of tangible and intangible assets	(182,134)	(181,563)
Modification in lease reporting from CAS to IFRS	(47,650)	(48,805)
Difference between tax non-deductible and tax deductible provisions	(39,505)	(23,264)
Amount on the valuation difference in equity from revaluation of securities available for sales	(67,773)	(56)
Total deferred tax liability	(337,062)	(253,688)

Set out below is the calculation of a net deferred tax asset:

CZK thousand	2015	2014
Balance at 1 January	164,641	284,592
Effect from the change in the consolidation scope	-	24,115
Movement for the year - income/(expense)	(3,669)	(144,066)
Movement for the year - equity	41,342	-
Total deferred tax asset	202,314	164,641
Balance at 1 January	(253,688)	(160,714)
Effect from the change in the consolidation scope	-	(45,465)
Movement for the year - income/(expense)	(15,657)	(46,012)
Movement for the year - equity	(67,717)	(1,497)
Total deferred tax liability	(337,062)	(253,688)
Net deferred tax asset	(134,748)	(89,047)

CZK thousand	2015	2014
Deferred tax asset reported in the balance sheet	12,318	20,393
Deferred tax liability reported in the balance sheet	(147,066)	(109,440)
Net deferred tax asset	(134,748)	(89,047)

The deferred tax (charge)/credit in the profit or loss and equity:

CZK thousand	2015	2014
Basis for net deferred tax asset	(709,200)	(468,668)
Deferred tax asset	(134,748)	(89,047)
Recognition of a year-on-year difference due to temporary differences in profit or loss	(19,326)	(190,078)
Recognition of a year-on-year difference due to temporary differences in equity	(26,375)	(1,497)
Total year-on-year difference for recognition	(45,701)	(191,575)

23. OTHER ASSETS

CZK thousand	2015	2014
Indirect tax receivables	21,861	21,846
Receivables arising from non-banking activities	533,825	610,294
Deferred expenses and accrued income	46,310	28,635
Receivables from securities trading	3,208	18,434
Settlement of cash transactions with other banks	210,699	137,524
Other	350,206	342,220
Total	1,166,109	1,158,953

"Other" includes investments in the share capital of unconsolidated uncontrolled entities of Raiffeisen - Leasing Real Estate, s.r.o., refer to Note 3(g) of CZK 65,828 thousand (2014: CZK 53,153 thousand).

24. EQUITY INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

CZK thousand	2015	2014
Opening balance	49,901	567,294
Additions	-	-
Increase/(decrease) in net assets of associates	9,505	42,116
Disposals	-	-
Effect from the change in the scope of the consolidation	-	(559,509)
Closing balance	59,406	49,901

CZK thousand	Country	Assets	Liabilities	Revenue	Profit/ loss	Share of share capital	Share of equity
Bondy Centrum s.r.o.	CZ	976,420	756,137	104,485	38,712	25,00%	55,071
Flex-space Plzeň I, s.r.o.	CZ	145,727	138,288	17,262	1,556	50,00%	3,719
Flex-space Plzeň II, s.r.o.	CZ	1,414	273	12,500	2,930	50,00%	571
Karlín Park a.s.	CZ	130,254	130,164	12,743	(162)	50,00%	45
At 31 Dec 2015							59,406
Bondy Centrum s.r.o.	CZ	1,097,937	916,366	103,294	40,059	25,00%	45,393
Flex-space Plzeň I, s.r.o.	CZ	161,100	155,218	14,272	2,645	50,00%	2,941
Flex-space Plzeň II, s.r.o.	CZ	9,266	6,384	-	(438)	50,00%	1,441
Karlín Park a.s.	CZ	91,112	90,860	17,661	(185)	50,00%	126
At 31 Dec 2014							49,901

The amount in "Effect from the change in the scope of the consolidation" for 2014 represents the impact of the change in the consolidation of Raiffeisen - Leasing, s.r.o. and Raiffeisen - Leasing Real Estate, s.r.o. from the full consolidation method to the equity method as of 1 April 2014 - refer to Note 3(d).

Related party transactions of the Group with the above associates are disclosed in Note 43.

25. INTANGIBLE FIXED ASSETS

CZK thousand	Goodwill	Software	Intangible assets under construction	Total
Cost				
1 January 2014	1,155	3,598,239	515,943	4,115,337
Additions	76,412	28,160	242,609	347,181
Disposals	(76,412)	(5,008)	(40,625)	(122,045)
Other changes (transfers)	-	543,363	(543,363)	-
Effect from the change in the consolidation scope	-	41,006	-	41,006
31 December 2014	1,155	4,205,760	174,564	4,381,479
Additions	-	28,153	350,995	379,148
Disposals	-	3,145	(34,388)	(31,243)
Other changes (transfers)	-	225,693	(225,693)	-
Effect from the change in the consolidation scope	-	-	-	-
31 December 2015	1,155	4,462,751	265,478	4,729,384
Accumulated amortisation and provisions				
1 January 2014	(1,155)	(2,256,137)	-	(2,257,292)
Additions - annual amortisation charges	-	(300,524)	-	(300,524)
Disposals	-	-	-	-
Effect from the change in the consolidation scope	-	(28,745)	-	(28,745)
K 31. prosinci 2014	(1,155)	(2,585,406)	-	(2,586,561)
Additions - annual amortisation charges	-	(328,135)	-	(328,135)
Disposals	-	-	-	-
Effect from the change in the consolidation scope	-	-	-	-
31 December 2015	(1,155)	(2,913,541)	-	(2,914,696)
Net book value				
31 December 2014	-	1,620,354	174,564	1,794,918
31 December 2015	-	1,549,210	265,478	1,814,688

Additions to software predominantly represent the putting into use of technical improvements on data warehouses and other software used by the Group. Internal costs (primarily staff costs and rental costs) which are required to generate these assets are capitalised. In 2015, internal costs of CZK 54,422 thousand (2014: CZK 46,867 thousand) were capitalised. Other additions to intangible assets under construction include purchases from external entities. In this category, the Group does not report and record additions acquired through business combinations.

"Other changes (transfers)" includes capitalisation of completed investments.

Under business combinations disclosed in Note 3, the Group recorded goodwill of CZK 76,412 thousand in 2014 (refer to Note 42). On the grounds of prudence, the Group decided that it would not account for this goodwill and fully wrote it off in the consolidated statement of comprehensive income, refer to Note 12.

26. PROPERTY AND EQUIPMENT

(a) Movements in Property and Equipment

CZK thousand	Land, buildings, technical improvements on buildings	Furniture and fixtures	Machinery and equipment	Tangible assets under construction	Total
Cost					
1 January 2014	1,041,918	229,829	1,086,469	42,749	2,400,965
Additions	45,118	7,223	95,346	81,466	229,153
Disposals	(41,020)	(21,412)	(82,679)	(28,254)	(173,365)
Other changes (transfers)	3,951	79	31,251	(35,281)	-
Effect from the change in the consolidation scope	-	-	24,813	283,634	308,447
31 December 2014	1,049,967	215,719	1,155,200	344,314	2,765,200
Additions	46,613	5,494	120,472	168,133	340,712
Disposals	(13,990)	(27,278)	(132,699)	(100,451)	(274,418)
Other changes (transfers)	5,630	2,942	14,464	(23,036)	-
31 December 2015	1,088,220	196,877	1,157,437	388,960	2,831,494
Accumulated depreciation					
1 January 2014	(545,817)	(154,439)	(684,652)	-	(1,384,908)
Additions	(89,277)	(22,632)	(168,416)	-	(280,325)
Disposals	34,317	19,421	74,822	-	128,560
Effect from the change in the consolidation scope	-	-	-	(56,461)	(56,461)
31 December 2014	(600,777)	(157,650)	(778,246)	(56,461)	(1,593,134)
Additions	(86,779)	(19,789)	(99,860)	(40,303)	(246,731)
Disposals	8,608	26,546	102,639	-	137,793
31 December 2015	(678,948)	(150,893)	(775,467)	(96,764)	(1,702,072)
Net book value					
31 December 2014	449,190	58,069	376,954	287,853	1,172,066
31 December 2015	409,272	45,984	381,970	292,196	1,129,422

The figures presented under "Other changes (transfers)" represent the reclassification of assets from assets under construction to individual categories and a change in the classification of selected classes of assets.

(b) Property and Equipment Acquired under Finance Leases

The Group recorded no property and equipment under finance leases in the years ended 31 December 2015 and 2014.

27. INVESTMENT PROPERTY

CZK thousand	2015	2014
Cost		
At 1 January	1,412,659	252,215
Additions	23,636	28,248
Disposals	-	-
Effect from the change in the consolidation scope	-	1,132,196
Cost at 31 December	1,436,295	1,412,659
Accumulated depreciation		
At 1 January	(295,232)	(30,495)
Annual charges	(41,525)	(29,914)
Disposals	-	-
Provision	(3,721)	(100,263)
Effect from the change in the consolidation scope	-	(134,560)
Accumulated depreciation and provisions at 31 December	(340,478)	(295,232)
Net book value at 31 December	1,095,817	1,117,427

The fair value of investment property as of 31 December 2015 amounts to CZK 1,375,010 thousand (2014: CZK 1,290,739 thousand).

28. AMOUNTS OWED TO FINANCIAL INSTITUTIONS

CZK thousand	2015	2014
Repayable on demand	1,549,653	2,122,558
Term deposits of banks	11,057,776	12,267,672
Within 3 months	6,336,763	3,464,305
From 3 months to 1 year	359,790	591,274
From 1 year to 5 years	2,803,960	4,096,664
Over 5 years	1,557,263	4,115,429
Total	12,607,429	14,390,230

29. AMOUNTS OWED TO CUSTOMERS

(a) Analysis of Amounts Owed to Customers by Type

CZK thousand	2015	2014
Repayable on demand	160,389,429	155,791,806
Term deposits with maturity at accrued amount	23,172,851	9,085,310
Change in the fair values of hedged items in the fair value hedging	196,398	225,631
Other	35,547	41,129
Total	183,794,225	165,143,876
<i>of which: repayable within one year</i>	<i>180,297,917</i>	<i>160,877,519</i>
<i>repayable in more than one year</i>	<i>3,496,308</i>	<i>4,266,357</i>

The Group uses hedge accounting upon the fair value hedge of term deposits.

The Group applies hedge accounting upon the fair value hedge of the current and savings accounts portfolio. The remeasurement of the hedged items amounts to CZK 815,122 thousand as of 31 December 2015 (2014: CZK 1,081,067 thousand).

(b) Analysis of Amounts Owed to Customers by Sector

CZK thousand	2015	2014
Public sector	1,396,212	1,205,291
Corporate clients (Large corporate)	73,153,743	64,944,194
Private individuals	86,285,354	78,240,563
Small and medium size enterprises (SME)	22,958,916	20,571,196
Other	-	182,632
Total	183,794,225	165,143,876

(c) Repurchase Transactions

As of 31 December 2015 and 2014, the Group received no loans from clients as part of repurchase transactions.

30. DEBT SECURITIES ISSUED

(a) Analysis of Issued Debt Securities by Type

CZK thousand	2015	2014
Mortgage bonds	17,475,808	15,413,230
Change in the fair value of hedged items upon fair value hedging	42,062	-
Non-hedged bonds issued	934,107	1,266,599
Deposit certificates and depository bills of exchange	14,402	122,492
Total	18,466,381	16,802,321
<i>of which: repayable within one year</i>	<i>2,460,078</i>	<i>741,805</i>
<i>repayable in more than one year</i>	<i>16,006,303</i>	<i>16,060,516</i>

The subordinated liabilities issued are disclosed in Note 33.

(b) Analysis of Mortgage Bonds

CZK thousand							
Date of issue	Maturity	ISIN	Currency	Nominal value		Net carrying value	
				2015	2014	2015	2014
12.12.2007	12.12.2017	CZ0002001670	CZK	5,500,000	3,427,800	5,857,534	3,656,925
12.12.2007	12.12.2017	CZ0002001696	CZK	500,000	500,000	514,007	520,002
20.12.2007	20.12.2017	CZ0002001928	CZK	2,000,000	1,918,500	2,120,741	2,084,227
4.5.2011	4.5.2016	CZ0002002314	CZK	499,990	499,560	510,930	511,093
27.7.2011	27.7.2016	CZ0002002363	CZK	500,000	500,000	506,952	507,392
26.9.2011	26.9.2016	CZ0002002405	CZK	930,000	930,000	938,840	940,988
11.1.2012	11.1.2017	CZ0002002439	CZK	284,580	283,480	292,316	291,421
5.12.2012	5.12.2017	XS0861195369	EUR	-	-	-	-
5.11.2014	5.11.2019	XS1132335248	EUR	6,756,250	6,931,250	6,734,488	6,901,182
TOTAL				16,970,820	14,990,590	17,475,808	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.

As of 31 December 2015, the Group held issued euro mortgage bonds totalling EUR 750,000 thousand (as of 31 December 2014: EUR 750,000 thousand), of which EUR 599,220 thousand (as of 31 December 2014: EUR 599,220 thousand) may be used as part of repurchase transactions with the European Central Bank and EUR 150,780 thousand (as of 31 December 2014: EUR 150,788 thousand) is used as collateral for received loans from the European Investment Bank - refer to Note 36(c).

31. PROVISIONS

CKZ thousand	Provisions for legal disputes	Provisions for off balance sheet credit risk exposures	Provision for unused holiday	Provision for payroll bonuses	Provision for income tax payable	Other provisions	Total
1 January 2014	5,400	25,009	21,993	389,982	-	30,785	473,169
Charge for provisions	13,118	51,956	24,791	349,930	5,116	44,935	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 consolidation scope	25	21,585	3,064	14,393	-	8,158	47,225
Foreign exchange rate differences	-	-	-	-	-	74	74
31 December 2014	17,143	53,050	25,085	356,980	5,116	83,952	541,326
Charge for provisions	5,373	184,438	24,709	290,072	321,068	56,802	882,462
Use of provisions	(239)	-	(24,854)	(73,971)	(5,116)	(31,078)	(135,258)
Release of redundant provisions	(2,025)	(51,956)	-	(300,360)	-	(13,385)	(367,726)
Foreign exchange rate differences	-	(960)	-	-	-	919	(41)
31 December 2015	20,252	184,572	24,940	272,721	321,068	97,210	920,763

The Group recognises provisions for legal disputes on the basis of an internal expert assessment of the current legal disputes conducted against the Group. If there is a risk of a possible loss in the legal dispute, the internal division issues an instruction for a provision to be recognised. If the legal dispute discontinues or the likelihood of a loss is reduced, the provision is released due to redundancy.

The Group recognises provisions for credit risks arising from off-balance sheet items in respect of irrevocable credit commitments, guarantees and letters of credit provided to clients who are in delay in the repayment of their principal balances and accrued interest and there is an increased risk that the Group will not collect the provided amount in the event of the performance under the irrevocable commitments to clients.

"Other provisions" includes provisions for future potential payments arising from compensation for armed robberies, bonuses for clients, etc. For all types of other provisions, the Group assesses the risk and probability of performance. This item includes the effect of changes in foreign currency rates on provisions denominated in foreign currencies.

In the years ended 31 December 2015 and 2014, the Group recognised no provision for restructuring.

Provisions are recognised when it is possible to estimate the amount of the future performance. In most types of risk, the Group recognises a provision equal to 100% of the anticipated repayments and payments.

32. OTHER LIABILITIES

CZK thousand	2015	2014
Liabilities arising from non-banking activities	447,841	476,570
Estimated payables for payroll costs	203,624	213,772
Accrued expenses and deferred income	51,060	57,330
Liabilities from securities trading	2,367	9,699
Local settlement and suspense clearing account	678,822	1,017,675
Other	903,343	886,102
Total	2,287,057	2,661,148

33. SUBORDINATED LIABILITIES

(a) Subordinated Loan

CZK thousand	2015	2014
Raiffeisen Bank International AG (parent company)	2,740,743	3,991,233
Total	2,740,743	3,991,233
<i>of which: repayable within one year</i>	38,243	52,698
<i>repayable in more than one year</i>	2,702,500	3,938,535

(b) Issue of Subordinated Bonds

CZK thousand							
Date of issue	Date of maturity	ISIN	Currency	Nominal value		Net book value	
				2015	2014	2015	2014
21.9.2011	21.9.2016	CZ0003702953	CZK	125,000	125,000	127,033	127,608
21.9.2011	21.9.2018	CZ0003702961	CZK	125,000	125,000	126,011	126,024
Total				250,000	250,000	253,044	253,632

34. EQUITY

(a) Share Capital

The shareholder structure of the Bank as of 31 December 2014:

Name	Registered office	Number of ordinary shares	Number of ordinary shares	Ownership Percentage* (in %)
Raiffeisen CEE Region Holding GmbH	Austria	829,560	8,295,600	75
RB Prag Beteiligungs GmbH	Austria	276,520	2,765,200	25
		1,106,080	11,060,800	100

* Direct investment in the share capital

On 28 April 2015, the General Meeting of the Bank approved the following allocation of the profit generated in 2014:

Net profit for 2014	2,049,030
Approved allocation:	
Allocation to statutory reserve funds	-
Allocation to retained earnings	984,919
Dividends paid to shareholders*	1,064,111
<i>of which: Raiffeisen CEE Region Holding GmbH</i>	<i>798,083</i>
<i>RB Prag Beteiligungs GmbH</i>	<i>266,028</i>

* Dividends were paid on 30 April 2015 according to the shareholder structure effective as of 31 December 2014.

In 2015, the share capital of the Group was not increased. The shareholder structure and the nominal value of their investments as of 31 December 2015 and 2014 are the same, please refer to above. The ultimate parent company of the Group is Raiffeisen-Landesbanken-Holding GmbH, Austria.

(b) Other Capital Instruments

Other capital instruments include subordinated unsecured AT1 capital investment certificates issued by the Group that combine the elements of equity and debt securities and meet the criteria for inclusion in the Group's Tier 1 capital. The issue amounted to CZK 1,934,450 thousand as of 31 December 2015 (2014: CZK 1,934,450 thousand). The Czech National Bank approved the inclusion of AT1 certificates in the Group's auxiliary Tier 1 capital. In 2015, the Group paid out a coupon of CZK 62,536 thousand (2014: CZK 0) from retained earnings to the holders of these certificates.

(c) Gains and Losses from Revaluation

Arising from Cash Flow Hedges

CZK thousand	2015	2014
The fair value of the effective part of cash flow hedges at 1 January	-	-
Deferred tax asset/(liability) arising from revaluation gains and losses at 1 January	-	-
Total balance at 1 January	-	-
Net profit/(loss) from the change in the fair value of a hedge instrument for the period		
Cross currency swaps	(603,137)	-
Accumulated net profit/loss arising from cash flow hedges for the period recognised through profit or loss (refer to Note 10)		
Cross currency swaps	385,544	-
Tax effect of cash flow hedges for the period	41,342	-
The fair value of the effective part of cash flow hedges as of 31 December	(217,593)	-
Deferred tax asset/(liability) arising from revaluation gains and losses at 31 December	41,342	-
Total balance at 31 December	(176,251)	-

The Group started applying hedge accounting upon cash flow hedges in 2015.

Arising from Securities Available for Sale

CZK thousand	2015	2014
Gains and losses from revaluation of securities available for sale at 1 January	220,908	220,908
Deferred tax asset/(liability) arising from revaluation gains and losses at 1 January	(56)	(56)
Total balance as of 1 January	220,852	220,852
Net profit/(loss) from revaluation of securities available for sale	356,409	-
Accumulated net profit/loss for the period recognised through profit or loss (refer to Note 10)	-	-
Tax effect of revaluation of securities available for sale	(67,717)	-
Gains and losses from revaluation of securities available for sale at 31 December	577,317	220,908
Deferred tax asset/(liability) arising from valuation differences at 31 December	(67,773)	(56)
Total balance at 31 December	509,544	220,852

The increase in the valuation difference from revaluation of securities available for sale in 2015 represents the revaluation of the Group's membership in Visa Europe Limited. For more details, please refer to Note 40(c).

(d) Non-Controlling Interests

The table below contains financial information on the Group's subsidiaries with significant non-controlling interests. Intragroup transactions are not excluded from the tables below.

2015 CZK thousand	Ownership percentage	Net assets	Net profit/ (loss)	Other comprehensive income	Total comprehensive income
Raiffeisen - Leasing, s.r.o.	50%	696,172	123,229	-	123,229
Other	n/a	(171,784)	2,038	-	2,038
Total		524,389	125,267	-	125,267

2014 CZK thousand	Ownership percentage	Net assets	Net profit/ (loss)	Other comprehensive income	Total comprehensive income
Raiffeisen - Leasing, s.r.o.	50%	494,956	18,729	-	18,729
Raiffeisen - Leasing Real Estate, s.r.o.	50%	116,876	30,388	-	30,388
Raiffeisen penzijní společnost a.s., "in liquidation"	51%	108,350	(9,398)	-	(9,398)
Other	n/a	(173,822)	(52,695)	-	(52,695)
Total		546,360	(12,976)	-	(12,976)

Contrary to the above stated financial information which relates only to non-controlling interests, the table below contains financial information on individual subsidiaries (including non-controlling interests).

2015 CZK thousand	Raiffeisen – Leasing, s.r.o.
Operating income	661,343
Net profit/(loss)	248,602
Other comprehensive income	-
Total comprehensive income	248,602
Current assets	3,066,194
Non-current assets	6,706,340
Current liabilities	1,997,409
Non-current liabilities	6,382,780
Net assets	1,392,345
Net cash flow from operating activities	(79,426)
Net cash flow from investment activities	(635,245)
Net cash flow from financial activities	934,742
Net (decrease)/increase in cash and cash equivalents	220,071
Dividends paid to minority shareholders for the period	(38,889)

2014 CZK thousand	Raiffeisen – Leasing, s.r.o.	Raiffeisen – Leasing Real Estate, s.r.o.	Raiffeisen penzijní společnost a.s., “in liquidation”
Operating income	237,950	303,561	-
Net profit/(loss)	37,458	106,490	(19,180)
Other comprehensive income	-	-	-
Total comprehensive income	37,458	106,490	(19,180)
Current assets	1,586,850	1,373,276	221,122
Non-current assets	4,026,060	2,107,394	-
Current liabilities	1,378,656	1,135,323	-
Non-current liabilities	3,244,343	2,111,596	-
Net assets	989,912	233,752	221,122
Net cash flow from operating activities	(433,199)	315,352	(27,758)
Net cash flow from investment activities	(22,450)	27,914	-
Net cash flow from financial activities	87,212	(560,841)	-
Net (decrease)/increase in cash and cash equivalents	(368,437)	(217,575)	(27,758)
Dividends paid to minority shareholders for the period	(18,400)	-	-

During 2015, Raiffeisen – Leasing Real Estate, s.r.o. merged with Raiffeisen – Leasing, s.r.o., and Raiffeisen penzijní společnost a.s., “in liquidation”, was liquidated.

35. CASH AND CASH EQUIVALENTS

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

CZK thousand	2015	2014
Cash and accounts with central banks (Note 16)	38,634,429	10,645,952
Required minimum reserves (Note 16)	(3,104,191)	(1,167,719)
Placements with other financial institutions (Note 19)	503,227	581,575
Total cash and cash equivalents	36,033,465	10,059,808

The data for 2014 were adjusted - refer to Note 5(t).

36. CONTINGENT LIABILITIES

(a) Legal Disputes

The Group conducted a review of legal proceedings outstanding against it as of 31 December 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 (Note 31) for significant litigations in the year ended 31 December 2015 in the aggregate amount CZK 20,252 thousand (2014: CZK 17,143 thousand).

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

CZK thousand	2015	2014
Banks		
Provided commitments (irrevocable)	60,348	47,172
Guarantee commitments	35,974	117,050
Letters of credit issued	80,035	48,555
Total	176,357	212,777
Customers		
Provided commitments (irrevocable)	25,207,159	21,733,954
Guarantee commitments	16,217,569	17,363,283
Letters of credit issued	602,846	652,791
Total	42,027,574	39,750,028
Total	42,203,931	39,962,805

In addition, the Group provides the clients with revocable credit commitments and guarantee commitments.

(c) Refinancing Agreements

From 2011 to 2013, the Group received a loan of EUR 200,000 thousand from the European Investment Bank in three tranches. In 2015, the Group prepaid the first two out of three tranches and makes regular payments relating to the third tranche. The nominal value of the loan as of 31 December 2015 was CZK 2,637,234 thousand (2014: CZK 5,173,079 thousand). The loan from the European Investment Bank is collateralised by own issued mortgage bonds - refer to Note 30(b).

37. FINANCIAL DERIVATIVES

During the year ended 31 December 2015, the Group reported the following hedging arrangements that meet the criteria for hedge accounting under IAS 39.

Fair Value Hedge:

- Fair value hedge of the mortgage loan receivable portfolio;
- Fair value hedge of the current and savings account portfolio;
- Fair value hedge of a term loan;
- Fair value hedge of term deposits; and
- Fair value hedge of securities issued (a new hedging arrangement in 2015).

Interest rate swaps are the hedging instruments used in hedge accounting upon a fair value hedge.

Portfolio Cash Flow Hedge:

- Cash flow hedge of the portfolio of crown assets and euro liabilities (a new hedge arrangement in 2015).

Cross currency swaps are the hedging instruments used in cash flow hedging.

(a) Analysis of Derivative Financial Instruments – Contractual Amounts (nominal value)

CZK thousand	Contractual amounts (nominal value)	
	2015	2014
Financial derivatives (non-hedging)		
Cross currency swaps	3,318,621	16,044,062
Currency forwards and swaps	31,778,360	29,203,379
Interest rate swaps (IRS)	82,064,511	82,858,447
Forward rate agreements (FRA)	8,000,000	2,000,000
Option contracts (purchase)	6,098,980	8,022,368
Option contracts (sale)	6,053,038	8,022,368
Total non-hedging derivatives	137,313,510	146,150,624
Hedging derivatives		
Interest rate swaps (IRS)	155,205,709	113,240,663
Cross currency swaps	16,017,474	-
Total hedging derivatives	171,223,183	113,240,663
Financial derivatives - total contractual amount	308,536,693	259,391,287

(b) Analysis of Derivative Financial Instruments – Fair Value

CZK thousand	Fair value in 2015		Fair value in 2014	
	Positive	Negative	Positive	Negative
Financial derivatives (non-hedging)				
Cross currency swaps	79,435	(79,136)	85,330	(77,807)
Currency forwards and swaps	262,850	(96,253)	581,074	(93,759)
Interest rate swaps (IRS)	1,049,482	(998,948)	1,313,695	(1,288,074)
Forward rate agreements (FRA)	1,992	(1,528)	-	(36)
Option contracts (purchase)	138,510	-	292,456	-
Option contracts (sale)	-	(139,336)	-	(292,457)
Total non-hedging derivatives	1,532,269	(1,315,201)	2,272,555	(1,752,133)
Hedging derivatives				
Interest rate swaps (IRS)	1,814,312	(925,035)	1,945,734	(1,021,171)
Cross currency swaps	-	(348,751)	-	-
Total hedging derivatives	1,814,312	(1,273,786)	1,945,734	(1,021,171)
Financial derivatives – total fair value	3,346,581	(2,588,987)	4,218,289	(2,773,304)

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

CZK thousand	Up to 1 year	From 1 to 5 years	Over 5 years	Total
At 31 December 2015				
Financial derivatives (non-hedging)				
Cross currency swaps	1,515,509	1,803,112	-	3,318,621
Currency forwards and swaps	30,587,396	1,190,964	-	31,778,360
Interest rate swaps (IRS)*	6,175,597	43,596,927	32,291,987	82,064,511
Forward rate agreements (FRA)	8,000,000	-	-	8,000,000
Option contracts (purchase)	3,164,381	2,934,599	-	6,098,980
Option contracts (sale)	3,118,439	2,934,599	-	6,053,038
Total non-hedging derivatives	52,561,322	52,460,201	32,291,987	137,313,510
Hedging derivatives				
Interest rate swaps (IRS)	17,766,699	98,373,645	39,065,365	155,205,709
Cross currency swaps	-	13,281,272	2,736,202	16,017,474
Total hedging derivatives	17,766,699	111,654,917	41,801,567	171,223,183
Total financial derivatives	70,328,021	164,115,118	74,093,554	308,536,693

*The nominal value reported by the final transaction maturity.

CZK thousand	Up to 1 year	From 1 to 5 years	Over 5 years	Total
At 31 December 2014				
Financial derivatives (non-hedging)				
Cross currency swaps	5,230,658	8,052,172	2,761,232	16,044,062
Currency forwards and swaps	27,386,812	1,816,567	-	29,203,379
Interest rate swaps (IRS)*	25,217,437	37,316,282	20,324,728	82,858,447
Forward rate agreements (FRA)	2,000,000	-	-	2,000,000
Option contracts (purchase)	3,031,252	4,991,116	-	8,022,368
Option contracts (sale)	3,031,252	4,991,116	-	8,022,368
Total non-hedging derivatives	65,897,411	57,167,253	23,085,960	146,150,624
Hedging derivatives				
Interest rate swaps (IRS)	13,254,950	70,255,626	29,730,087	113,240,663
Total hedging derivatives	13,254,950	70,255,626	29,730,087	113,240,663
Total financial derivatives	79,152,361	127,422,879	52,816,047	259,391,287

*The nominal value reported by the final transaction maturity.

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

CZK thousand	Future Cash Inflows			Future Cash Outflows		
	Up to 1 year	From 1 to 5 years	Over 5 years	Up to 1 year	From 1 to 5 years	Over 5 years
31 December 2015						
Financial derivatives (non-hedging)						
Interest rate swaps (IRS)	73,274	439,207	537,001	(21,391)	(386,316)	(591,241)
Forward rate agreements (FRA)	1,992	-	-	(1,528)	-	-
Option contracts (purchase)	-	28,416	-	-	-	-
Option contracts (sale)	-	-	-	-	(28,416)	-
Total non-hedging derivatives	75,266	467,623	537,001	(22,919)	(414,732)	(591,241)
Hedging derivatives						
Interest rate swaps (IRS)	57,682	903,966	852,664	(75,747)	(632,680)	(216,608)
Total hedging derivatives	57,682	903,966	852,664	(75,747)	(632,680)	(216,608)
Financial derivatives						
- total contractual payments	132,948	1,371,589	1,389,665	(98,666)	(1,047,412)	(807,849)

CZK thousand	Future Cash Inflows			Future Cash Outflows		
	Up to 1 year	From 1 to 5 years	Over 5 years	Up to 1 year	From 1 to 5 years	Over 5 years
31 December 2014						
Financial derivatives (non-hedging)						
Interest rate swaps (IRS)	128,158	520,715	664,822	(129,912)	(484,259)	(672,352)
Forward rate agreements (FRA)	-	-	-	(36)	-	-
Option contracts (purchase)	-	34,071	-	-	-	-
Option contracts (sale)	-	-	-	-	(34,071)	-
Total non-hedging derivatives	128,158	554,786	664,822	(129,948)	(518,330)	(672,352)
Hedging derivatives						
Interest rate swaps (IRS)	14,974	495,023	1,435,737	(61,793)	(809,123)	(150,255)
Total hedging derivatives	14,974	495,023	1,435,737	(61,793)	(809,123)	(150,255)
Financial derivatives - total contractual payments	143,132	1,049,809	2,100,559	(191,741)	(1,327,453)	(822,607)

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

CZK thousand	Future Cash Inflows			Future Cash Outflows		
	Up to 1 year	From 1 to 5 years	Over 5 years	Up to 1 year	From 1 to 5 years	Over 5 years
31 December 2015						
Financial derivatives (non-hedging)						
Cross currency swaps	1,572,879	1,745,742	-	(1,577,122)	(1,741,028)	-
Currency forwards and swaps	30,587,396	1,190,964	-	(30,371,275)	(1,200,762)	-
Option contracts (purchase)	3,164,381	365,513	-	(3,145,791)	(357,463)	-
Option contracts (sale)	3,099,857	357,463	-	(3,118,439)	(365,513)	-
Total non-hedging derivatives	38,424,513	3,659,682	-	(38,212,627)	(3,664,766)	-
Hedging derivatives						
Cross currency swaps	-	13,281,272	2,736,202	-	(13,370,925)	(2,744,300)
Total hedging derivatives	-	13,281,272	2,736,202	-	(13,370,925)	(2,744,300)
Financial derivatives - total contractual payments	38,424,513	16,940,954	2,736,202	(38,212,627)	(17,035,691)	(2,744,300)

CZK thousand	Future Cash Inflows			Future Cash Outflows		
	Up to 1 year	From 1 to 5 years	Over 5 years	Up to 1 year	From 1 to 5 years	Over 5 years
31 December 2014						
Financial derivatives (non-hedging)						
Cross currency swaps	5,230,658	8 052,172	2 761,232	(5 220 060)	(8 047,968)	(2 744 300)
Currency forwards and swaps	27 386,812	1 816,567	-	(26 971,986)	(1 740,759)	-
Option contracts (purchase)	3 031,252	2 229 907,	-	(2 965,942)	(2 211,485)	-
Option contracts (sale)	2 966,414	2 211,013	-	(3 031,252)	(2 229,907)	-
Total non-hedging derivatives	38 615 136,	14 309,659	2 761,232	(38 189,240)	(14 230,119)	(2 744 300)
Financial derivatives - total contractual payments	38 615,136	14 309,659	2 761,232	(38 189,240)	(14 230,119)	(2 744,300)

38. OTHER OFF BALANCE SHEET ASSETS

(a) Assets Provided for Management, Administration and Custody

In the years ended 31 December 2015 and 2014, the Group provided no assets for management, administration and custody.

(b) Assets Accepted for Management, Administration and Custody

CZK thousand	2015	2014
Assets accepted for management	18,069,319	13,923,715
Assets accepted for administration	24,603,206	23,054,094
Total	42,672,525	36,977,809

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

Operating segments are represented as follows:

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

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 predominant 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.

Selected items by segment (2015)

At 31 December 2015	Corporate entities	Retail clients	Treasury	Other	Reconciliation to the statement of comprehensive income	Total
CZK thousand						
Profit and loss account:						
Net interest income	2,178,891	3,706,926	218,639	338,847	(30,000)	6,413,303
Net fee and commission income	1,118,706	1,778,149	1,847	(5,429)	(966,946)	1,926,327
Net profit/(loss) from financial operations	6,783	7,000	275,803	(2,740)	966,946	1,253,792
Movements in provisions	(219,185)	(877,836)	0	(26)	-	(1,097,047)
Other operating expenses	(1,441,370)	(3,457,414)	(143,180)	14,114	-	(5,027,850)
Dividend income	-	-	-	-	30,000	30,000
Share of income of associates	-	-	-	-	9,505	9,505
Profit before tax	1,643,825	1,156,825	353,109	344,766	9,505	3,508,030
Income tax	(365,902)	(190,906)	(68,995)	(67,365)	-	(693,168)
Profit after tax	1,277,923	965,919	284,114	277,401	9,505	2,814,862
Assets and liabilities:						
Total assets	99,621,667	88,139,554	54,333,153	7,899,539	-	249,993,913
Total liabilities	84,885,180	106,315,633	26,563,761	9,671,105	(2,814,862)	224,620,817

Vybrané položky podle segmentů (2014)

At 31 December 2014	Corporate entities	Retail clients	Treasury	Other	Reconciliation to the statement of comprehensive income	Total
CZK thousand						
Profit and loss account:						
Net interest income	2,320,548	3,505,626	220,398	82,817	(39,470)	6,089,919
Net fee and commission income	1,148,195	1,829,905	(12,203)	(15,620)	(952,623)	1,997,654
Net profit/(loss) from financial operations	63,130	1,331	17,225	(18,011)	952,623	1,016,298
Movements in provisions	(338,761)	(731,013)	-	-	-	(1,069,774)
Other operating expenses	(1,754,691)	(3,635,824)	(129,543)	(49,647)	-	(5,569,705)
Dividend income	-	-	-	-	39,470	39,470
Share of income of associates	-	-	-	-	42,116	42,116
Profit before tax	1,438,422	970,024	95,877	(461)	42,116	2,545,978
Income tax	(317,350)	(183,250)	(18,326)	88	-	(518,838)
Profit after tax	1,121,072	786,774	77,551	(373)	42,116	2,027,140
Assets and liabilities:						
Total assets	90,495,769	78,759,680	54,554,066	7,659,317	-	231,468,832
Total liabilities	79,939,231	95,474,390	24,039,522	10,321,574	(2,027,140)	207,747,577

Differences between individual lines of the segment analysis and information in the consolidated statement of comprehensive income and consolidated statement of financial position

The difference in "Net interest income" arises primarily from the different presentation of the dividend income.

"Net interest income" - "Other" shows positive compensation of the costs of capital allocated to individual client segments.

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

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

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

The difference in liabilities arises from the different presentation of the profit for the reporting period.

The differences referred to above between the segment analysis and the statement of comprehensive income arise from the different classification of selected profit and loss items in the Group's management accounting

40. FINANCIAL INSTRUMENTS – MARKET RISK

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

(a) Trading

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

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

The Group manages risks associated with its trading activities on the level of individual types of risks and types of financial instruments. The key risk management tools are the limits for individual transaction volumes and individual position volumes, stop loss limits and Value at Risk (VaR) limits. The quantitative methods applied to market risk management are described in "Risk Management Methods" in Note 40(d).

(b) Risk Management

The selected risks exposures resulting from the Group's activities, management of positions arising from these activities and its risk management approach are described below. More detailed policies applied in measuring and managing these risks are included in "Risk Management Methods" in Note 39(d).

Liquidity Risk

Liquidity risk arises from the timing mismatch between cash inflows and outflows. It includes both the risk of the inability to raise funds to cover the Group's assets using instruments with appropriate maturity and the Group's ability to sell assets at a reasonable price within a reasonable time frame. The liquidity position of the Group is regularly monitored by the Czech National Bank.

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

The following table shows the remaining maturity of contractual cash flows arising from financial liabilities. Contractual cash flows from derivatives are analysed in the tables in Notes 37(d) and 37(e).

Analysis of financial liabilities according to remaining maturity (undiscounted cash flows)

2015 (CZK thousand)	Total contractual liability	Up to 3 months	3 – 12 months	1 – 5 years	Over 5 years
Závazky vůči bankám	12,712,154	7,891,407	367,462	2,844,877	1,608,408
Závazky vůči klientům	184,362,266	179,926,012	551,969	3,634,000	250,285
Emitované dluhové cenné papíry	19,138,707	10,463	3,004,775	16,123,469	-
Podřízené závazky	3,149,751	38,359	130,921	277,971	2,702,500
Ostatní pasiva	2,287,057	2,287,057	-	-	-
Podrozvahové položky	26,376,268	25,059,091	49,733	266,734	1,000,710

2014 (CZK thousand)	Total contractual liability	Up to 3 months	3 – 12 months	1 – 5 years	Over 5 years
Amounts owed to financial institutions	14,532,663	5,598,065	626,208	4,167,754	4,140,636
Amounts owed to customers	165,948,410	159,145,878	2,126,586	1,764,942	2,911,004
Debt securities issued	17,486,484	323,248	622,530	16,540,706	-
Subordinated liabilities	4,257,709	57,299	5,938	1,421,972	2,772,500
Other liabilities	2,661,148	2,661,148	-	-	-
Off-balance sheet items	21,660,211	21,135,181	266,994	258,036	-

Off-balance sheet items include all irrevocable credit commitments provided to the Group's clients and guarantees and letters of credit provided to clients classified as default.

Foreign Currency Risk

The foreign currency risk is the risk arising from currency markets. The source of this risk is the Group's foreign currency position which arises from the mismatch of the Group's assets and liabilities in various currencies, including the currency-sensitive off balance sheet items. The majority of foreign currency gains or losses is due to changes in foreign currency rates in currency positions of the Group denominated in EUR and USD. The foreign currency risk is managed by setting trading limits. More detailed policies applied in managing this risk are included in "Risk Management Methods" in Note 40(d).

Interest Rate Risk

The Group is exposed to interest rate risk since the interest-bearing assets and liabilities have different maturity dates, periods of interest rate changes/adjustments and volumes during these periods. In the case of variable interest rates, the Group is exposed to a basis risk arising from the difference in the mechanism of adjusting individual types of interest rates, such as PRIBOR, announced interest on deposits, etc. The interest rate risk of the Group is primarily impacted by the development in interbank interest rates, including the negative rates (the impact of negative interest rates is disclosed in Note 7). The Group's interest rate risk management activities are aimed at optimising the Group's net interest income in accordance with its strategy approved by the Group's Board of Directors. In managing the interest rate risk, the Group uses (as in the case of liquidity management) statistical models for distribution of those items where it is unable to determine the exact moment of repricing of interest rates (for example on current accounts).

The Group mostly uses interest rate derivatives to manage the mismatch between the interest rate exposure profile of assets and liabilities. These derivative transactions are entered into in accordance with the asset and liability management strategy as approved by the Group's Board of Directors.

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

Equity Risk

Equity risk is the risk of fluctuations of the prices of equity instruments held in the Group's portfolio and financial derivatives related to these instruments. As the Group does not trade shares on its own account, it is exposed to indirect equity risk arising from the shares held by the Group as collateral for customer loans. Equity risk is managed by trading limits. The equity risk management methods are described in "Risk Management Methods" in Note 40(d).

(c) Fair values of financial assets and liabilities

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

i) Cash and balances with central banks

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

ii) Loans and advances to financial institutions

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

iii) Loans and advances to customers

Fair values of loans with variable interest rates which are frequently remeasured or loans with the final maturity within one year, and the change of the credit risk is insignificant, in principle approximate their carrying amounts. Fair values of loans with fixed interest rates are estimated based on the discounted cash flows using the interest rate common for loans with similar conditions and due dates and provided to debtors with similar risk rating, including the impact of collateral (the discounted rate technique according to IFRS 13). Fair values of default loans are estimated based on the discounted cash flows including potential collateral realisation.

iv) Securities held to maturity

Fair values of securities carried in the held-to-maturity portfolio are estimated based on discounted cash flows using the interest rate common as of the consolidated financial statements date unless they are traded on an active market.

v) Amounts owed to financial institutions and customers

Fair values reported in respect of loans on request match amounts payable on demand (i.e. their carrying amounts) at the balance sheet date. Carrying amounts of term deposits with variable rate are principally equal to their fair values as of the balance sheet date. Fair values of deposits with fixed interest rate are estimated based on discounting of cash flows using market interest rates and taking into account the liquidity costs of the Group.

vi) Debt securities issued

Fair values of debt securities issued by the Group are determined on the basis of updated market prices. If market prices are not available, fair values are estimates of the Group where the fair value is estimated based on the discounting of cash flows using market interest rates and reflecting the Group's liquidity costs.

vii) Subordinated liabilities

Fair values of the subordinated loan are estimated based on discounting cash flows using market interest rates and reflecting liquid costs of the Group. Fair values of subordinated bonds issued by the Group are determined by reference to current market prices.

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

2015	Level 1	Level 2	Level 3	Fair value	Carrying amount	Difference
Assets						
Cash and balances with central banks	-	-	38,634,429	38,634,429	38,634,429	-
Loans and advances to financial institutions	-	-	4,172,031	4,172,031	4,172,031	-
Loans and advances to customers *	-	-	191,808,001	191,808,001	184,923,582	6,884,419
Securities held to maturity	11,568,140	-	-	11,568,140	11,265,127	303,013
Liabilities						
Amounts owed to financial institutions	-	-	12,412,661	12,412,661	12,607,429	(194,768)
Amounts owed to customers	-	-	184,133,648	184,133,648	183,773,722	359,926
Debt securities issued	-	-	19,001,446	19,001,446	18,466,381	535,065
Subordinated liabilities and bonds	-	-	3,175,873	3,175,873	2,993,787	182,086

* including allowances

2014	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 and bonds	-	-	4,550,252	4,550,252	4,244,865	305,387

* including allowances

Financial instruments at fair value

CZK thousand	Fair value at 31 Dec 2015			Fair value at 31 Dec 2014		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Positive fair values of financial derivative instruments	-	3,346,581	-	-	4,218,289	-
Securities at fair value through profit or loss	1,179,378	-	2,759	4,317,524	2,499,178	87,836
Securities available for sale	-	892	356,409	-	905	-
Total	1,179,378	3,347,473	359,168	4,317,524	6,718,372	87,836

CZK thousand	Fair value at 31 Dec 2015			Fair value at 31 Dec 2014		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Negative fair values of financial derivative instruments	-	2,588,987	-	-	2,773,304	-
Total	-	2,588,987	-	-	2,773,304	-

Securities available for sale of CZK 516,106 thousand, not included in the above table, are measured at cost due to the impossibility to reliably determine their fair value and the Group performs regular impairment testing.

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

The 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.

The 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	Securities available for sale	Total
Balance at the beginning of the period	87,836	-	87,836
Transfer to Level 3	-	-	-
Purchases	-	-	-
Comprehensive income/(loss)	7,568	356,409	363,978
- in the income statement	7,568	-	7,568
- in equity (Note 31)	-	356,409	356,410
Sales/settlement	(92,645)	-	(92,645)
Transfer from Level 3	-	-	-
Balance at the end of the period	2,759	356,409	359,168

2014

CZK thousand	Securities at fair value through profit or loss	Total
Balance at the beginning of the period	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 at the end of the period	87,836	87,836

The Group measures securities at fair value through profit or loss using the technique of discounted future cash flows. In respect of securities that fall into the Level 3 category, the Group uses the discount factor for the calculation that is derived from the internal price for liquidity that is determined by the Group and concurrently reflects the credit risk of the security issuer. The price of the Group for liquidity and credit risk of the security issuer are inputs that are not observable from the data available on the market. The price of the Group for liquidity determined in the calculation is based on the resolution of the Group's ALCO Committee and reflects the level of available sources of financing of the Group and their price. In the event of a negative development of the Group's liquidity position or changes in the interbank market, the price for liquidity may increase and consequently the price of the financial instrument may decline. The credit risk of the issuer is determined on the basis of the rating of the securities issuer in the Group's rating scale. If the issuer was attributed a worse rating, the price of the financial instrument could decline by 0-10%.

The largest amount in Level 3, "Securities available for sale", comprises the Group's membership in Visa Europe Limited. The increase in the value in 2015 arose from revaluation relating to the announced sale of Visa Europe Limited to Visa Inc. The Group measured the fair value of its membership as of 31 December 2015 as equal to the amount of its assumed share in the cash settlement of the sale. The Group also anticipates receiving a proportion of the priority shares of Visa Inc. and a proportion of a subsequent deferred cash payment, which are also included in the settlement and will be allocated to the association's members as part of the proceeds of the sale. Since not all of the conditions of the additional settlement items are yet clear and the Group is unable to make a reliable estimate of the fair value of its share therein, the Group has not increased the fair value of its investment in Visa Europe Limited to reflect these items.

(d) Risk Management Methods

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

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

CZK thousand	At 31 December 2015	Average in 2015	At 31 December 2014	Average in 2014
Total market risk VaR	7,852	5,417	10,723	16,447

Interest Rate Risk

The Group monitors interest rate risk of the banking book and the trading book separately, at the level of individual currencies. The interest rate position is monitored based the sensitivity of the position to the shift in the interest rate curve (BPV). The BPV technique (basis point value) involves determining the change of the present value (both in total and in individual time periods) of the portfolio when interest rates shift by one basis point (0.01 percent). This technique is complemented by monitoring interest rate risks using Value at Risk.

CZK thousand	At 31 December	Average in	At 31 December	Average in
	2015	2015	2014	2014
Total interest rate risk VaR	8,064	5,061	11,223	16,063
Interest rate risk VaR – banking book	9,706	5,459	10,096	15,543
Interest rate risk VaR – trading book	1,800	2,025	1,204	7,582

Currency Risk

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

CZK thousand	At 31 December	Average in	At 31 December	Average in
	2015	2015	2014	2014
Currency risk VaR	710	1,550	1,587	2,056

Equity Risk

Market risks arising from the Group's equity trading activities are managed using the Value at Risk method. At the end of 2013, the Group suspended trading with equity instruments in the banking portfolio.

Stresové testování

Stress Testing

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

(e) Operational Risk

In accordance with the applicable legislation, operational risk is defined as the risk of the Group's loss arising from the inappropriateness or failure of internal processes, human errors or failures of systems or the risk of loss arising from external events. The Group monitors, tracks and assesses these risks on a regular basis and undertakes measures aimed at minimising these risks. The Group applies the standardised approach to calculating capital adequacy, it intends to implement the advanced (AMA) approach in the future. At present, changes are being implemented so that the advanced approach could be applied.

The basic principal is the responsibility of each employee for the identification and escalation of the operational risk and for timely and accurate reporting of incidents. The Group has a central operational risk management function in place, which is responsible for the setting of the methodology, measurements or analyses and which provides methodical support to managers.

Operational risk management primarily draws upon the following:

- Event Data Collection;
- General Ledger Analysis;
- Risk Assessment;
- Scenario Analysis;
- Early Warning Indicators; and
- Mitigation Plans.

The objective of collecting data on the loss arising from operational risk events is not just to accumulate information but predominantly to analyse the causes of such events. More serious cases are presented to and discussed by the Operational Risk

Management Committee. Through the Operational Risk Management Committee, the Group also presents, discusses and approves measures aimed at minimising or fully eliminating further occurrence of similar events. Specific responsibilities are determined for the implementation of proposed changes and their fulfilment is reviewed by the Operational Risk Management Committee. Other cases are dealt with by the relevant departments.

The General Ledger Analysis provides reconciliation between the reported loss and its recognition in the books.

The Risk Assessment is used to raise awareness of operational risks, clarify individual processes and mitigate the operational risks identified. The Risk Assessment determines the risk of individual processes, organisational units or activities. The risk level is a relevant value for taking measures within qualitative risk management.

The Scenario Analysis is a process used by the Group to consider the impact of extreme but probable events on its activities, assess the probability of occurrence and estimate significance of the impact on a scale of possible results. The Scenario Analysis aims at: (i) providing a potential method to record a specific event that occurred in a specific organisation, (ii) increasing awareness and educate management by providing insight into various types of risks and managing the plan of remedies and investments.

EWIs are used for the ongoing monitoring and reporting of the risk exposure to operational risk. They provide early warning to take possible steps or make changes in the risk profile, which may initiate management measures.

The Risk Assessment is used to raise awareness of operational risks, clarify individual processes and mitigate the operational risk identified.

The Group defines and reviews the Risk Appetite on a regular basis. In using the above-specified instruments, the Group compares the identified risks with the appetite and prepares Mitigation Plans for the risks that exceed the appetite.

All instruments are used in a regular annual cycle.

(f) Capital Risk Management

The main tools used to manage capital risk include pertaining to minimum capital adequacy requirements.

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

41. FINANCIAL INSTRUMENTS – CREDIT RISK

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

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

(a) Assessment and Classification of Receivables

The Group assesses its receivables in accordance with the principles determined by CNB's Regulation No. 163/2014 dated 30 July 2014, on the Activities of Banks, Savings Banks and Credit Cooperatives and Securities Traders ("Regulation of the Czech National Bank"), as amended, and also in accordance with IAS 39 and internal regulations.

The Group assesses receivables based on the fulfilment of the criteria. Individual receivables are classified into five categories according to the Regulation of the Czech National Bank. For each client, each criterion is evaluated individually and the receivable is subsequently classified on the basis of the worst rating of the criteria to one of the following categories: standard, watch, substandard, doubtful, and loss. Substandard, doubtful and loss receivables are aggregately designated as receivables with debtor's default. If the Group records more receivables from one client, they are all classified in the same category, based on the receivable with the least favourable rating. This rule does not apply to retail receivables where the default and sub-categories are allocated on the level of receivables rather than the client.

The classification is performed on an annual basis, with the key criteria being:

- Number of days past maturity;
- Financial position of the debtor – client/transaction rating;
- Implementation of enforced restructuring;
- Resolution on insolvency; and
- Other individually assessed events relating to the anticipated customer's compliance with contractual obligations.

(b) Provisioning for Receivables

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

The Group applies the portfolio approach in respect of individually assessed receivables where no impairment was noted individually. In this case, the Group also determines impairment of the portfolio of similar individually unimpaired loans.

Portfolio provisions are calculated pursuant to the anticipated development in the loan portfolio (probability of default, default loss, etc).

The amount of the individual provision is determined based on the anticipated cash flows. Future cash flows are estimated pursuant to the assessment of all available information, including the estimated collateral value, possibility of the sale of a receivable, proceeds from the bankruptcy and anticipated length of the recovery process.

Problematic receivables from the SME and Corporate segments are dealt with by the Workout division. Significant (in terms of volume) loans are assessed by the Problem Loan Committee.

The value of the future cash flows of retail receivables is estimated on the basis of the historical behaviour of similar receivables and historical success of the recovery process.

The Group determines provisions for receivables at least on a monthly basis.

(c) Evaluation of Collateral

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

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

In arriving at the realisable value of collateral of immovable and movable assets, the Group refers to estimates of usual prices supervised by a specialised department of the Group or internal assessments prepared by this department. In other types of hedging instruments, their value including the recalculated value is determined in line with the internal standards of the Group. The realisable value of collateral is subsequently determined by discounting the appraised value using a correction coefficient which reflects the Group's ability to realise the collateral as and when required. The Group regularly reviews and updates collateral values and correction coefficients depending on the type and quality of the collateral, usually on an annual basis.

(d) Credit Risk Measurement Methods

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

In the corporate segment, the Group measures the credit risk through rating scales (see below) and each rating category is

allocated a certain risk rate (default probability and a coefficient for determining risk weighted assets); the risk measured using this method can be mitigated through collateral according to effective regulations of the Czech National Bank.

(e) Concentration of Credit Risk

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

The credit risk concentration analysis by sectors/industry and concentration by geographical areas is provided in Notes 20(c), 20(d) and 20(i).

(f) Recovery of Receivables

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

(g) Forbearance and Non-Performing Exposures

In compliance with the EBA's Implementing Technical Standard (ITS) on Supervisory Reporting (Forbearance and Non-Performing Exposures), the Group introduced a new definition of forbearance and non-performing exposures that do not represent default under the CNB's Regulation in 2014.

The key criterion in treating an exposure as forborne is a customer's financial health as of the date on which contractual conditions are adjusted. Receivables are defined as forborne if a customer has financial difficulties at the time of a change in contractual conditions (taking into account the client's internal rating or other circumstances known at that time) and if the adjustment of the contractual conditions is considered a payment relief provided in order to divert the client's unfavourable financial situation. If such an adjustment of contractual conditions results in subsequent forbearance or default exceeding 30 days, the exposure is considered non-performing irrespective of the conditions of the CNB's Regulation being met or not.

If a forborne exposure is classified as non-performing (after the forbearance is provided) it remains in this category for a period of at least 12 months. After the lapse of this period, the exposure is reclassified as performing forbearance provided the predefined conditions are met. Subsequently, the exposure is monitored on a regular basis during a probation period of at least 24 months. If the predefined conditions are met after the expiry of the probation period, the exposure ceases to be classified as forborne.

Within the defined processes, the Group's customers having financial difficulties and being provided with forbearance are assessed, rated and monitored according to specific algorithms in line with the relevant regulations. In practice, this means that all customers with financial difficulties who were provided with forbearance, or for whom forbearance is considered, are at least subject to the Early Warning System, or in case of default, they are treated by the Workout or Collection teams. The algorithms applied are in compliance with the parent group's requirements for individual segments of the Group. The above-specified processes have an impact on the classification of receivables under the five sub-categories of loan quality as specified in the CNB's Regulation (standard, monitored, non-standard, doubtful, and loss-making) and, consequently, on the assessment of the amount of individual and portfolio allowances.

The credit risk analysis of loans and advances to forborne customers under IFRS 7

CZK thousand	Loans and advances to forborne customers				Allowances	Collateral
	Before due date without default	After due date with default	With default	Total forbearance		
31 December 2015						
Public sector	-	-	-	-	-	-
Loans to corporate entities	570,983	19,406	2,862,569	3,452,958	(1,241,531)	3,268,240
Loans to private individuals	2,296,057	408,098	1,256,222	3,962,152	(835,179)	2,975,610
Small and medium-sized enterprises (SME)	186,656	34,958	249,936	471,550	(91,131)	234,677
Total	3,053,696	462,462	4,368,727	7,886,660	(2,167,841)	6,478,527

CZK thousand	Loans and advances to forborne customers				Allowances	Collateral
	Before due date without default	After due date with default	With default	Total forbearance		
31 December 2014						
Public sector	-	-	-	-	-	-
Loans to corporate entities	450,155	89,424	2,646,969	3,186,548	(1,136,307)	2,844,257
Loans to private individuals	3,349,664	498,364	1,746,014	5,567,935	(861,209)	4,291,970
Small and medium-sized enterprises (SME)	213,291	46,156	312,576	572,023	(208,453)	293,948
Total	4,013,110	633,944	4,705,559	9,326,506	(2,205,969)	7,430,175

The Group recognises no forborne loans and advances to banks.

The Group's interest income includes interest on loans and advances to forborne customers in the amount of CZK 279,238 thousand. No comparative information is available for 2014 as the project was implemented in the latter half of 2014.

Development of loans and advances to forborne customers

CZK thousand 2015	Loans to corporate entities	Loans to private individuals	Small and medium-sized entities (SME)	Total
Balance as of 1 January	3,186,548	5,567,935	572,023	9,326,506
Additions (+)	247,385	133,852	-	381,237
Disposals (-)	(27,153)	(741,749)	(35,270)	(804,172)
Movements in exposures (+/-)	46,178	(997,886)	(65,203)	(1,016,911)
Balance at 31 December	3,452,958	3,962,152	471,550	7,886,660

Comparative information for 2014 is not available as the project was implemented in the latter half of 2014.

The carrying amount of loans to forborne customers compared to the total loans and advances to customers

CZK thousand 2015	Loans and advances to customers	Loans and advances to forborne customers	Percentage of forborne loans and advances
Public sector	1,217,200	-	-
Loans to corporate entities	99,466,574	3,452,958	3.5%
Loans to private individuals	83,839,776	3,962,152	4.7%
Small and medium-sized enterprises (SME)	6,656,494	471,550	7.1%
Total at 31 December 2015	191,180,044	7,886,660	4.1%

CZK thousand 2014	Loans and advances to customers	Loans and advances to forborne customers	Percentage of forborne loans and advances
Public sector	1,048,242	-	-
Loans to corporate entities	90,862,097	3,186,548	3.5%
Loans to private individuals	76,616,518	5,567,935	7.3%
Small and medium-sized enterprises (SME)	6,015,012	572,023	9.5%
Total at 31 December 2014	174,541,869	9,326,506	5.3%

(h) Securitisation

The Group eliminates the credit risk of its exposures through synthetic securitisation. Securitisation involves merging loan exposure portfolios (loans and advances, guarantees and commitments) with the appropriate level of loan quality where the Group offers to transfer the credit risk arising from the loan exposures in securitisation to investors. The transactions are principally aimed at the improvement of the capital adequacy of the Group and the parent group. The loan exposures included in the synthetic securitisation performed by the Group do not meet the conditions for de-recognition of assets from the statement of financial position.

For an updated analysis of the Group's securitisation transactions, refer to Note 20(g).

(i) Portfolio quality

The rating which represents the portfolio quality is an internal rating used by the Raiffeisen Group.

For retail clients, the rating is in the interval from 0.5 to 5, where 5 represents default. The rating in the interval from 6.1 to 6.5 is used for project financing where 6.5 represents default. For corporate clients, the Group uses rating in the interval between 1 to 10 where 10 represents default. The corporate rating is additionally used for retail clients that have corporate products and are treated as corporate clients in terms of risks. The Group uses rating in the interval from A1 to D, where D is default, for financial institutions and public sector institutions.

CZK thousand	Rating	2015	2014
Retail clients:			
Highly excellent credit rating	0,5	19,371,067	12,092,577
Excellent credit rating	1,0	23,815,209	20,291,783
Very good credit rating	1,5	16,153,755	15,609,279
Good credit rating	2,0	10,021,773	10,428,435
Healthy credit rating	2,5	6,334,164	7,280,709
Acceptable credit rating	3,0	3,680,288	4,341,016
Limit credit rating	3,5	2,142,304	2,538,231
Weak credit rating	4,0	1,031,241	1,464,445
Very weak credit rating /monitored	4,5	1,213,950	1,670,391
Default	5,0	4,236,484	4,943,063
Project financing:			
Excellent project profile - very low risk	6,1	28,465,620	25,005,413
Good project profile - low risk	6,2	4,252,359	3,801,898
Acceptable project profile - average risk	6,3	364,691	295,804
Bad project profile - high risk	6,4	249,897	237,576
Default	6,5	1,062,818	920,636
Corporate clients:			
Highly excellent credit rating	1	765,734	1,349,051
Excellent credit rating	2	1,039,080	1,170,925
Very good credit rating	3	843,915	1,223,562
Good credit rating	4	10,097,214	4,651,073
Healthy credit rating	5	12,559,298	13,321,423
Acceptable credit rating	6	20,828,471	19,437,016
Limit credit rating	7	9,578,993	9,686,034
Weak credit rating	8	2,236,738	2,701,604
Very weak credit rating /monitored	9	1,360,373	634,959
Default	10	3,617,177	4,162,577
Financial institutions and public sector institutions:			
Very good credit rating	A3	1,420	8,555
Good credit rating	B1	982,041	94,675
Healthy credit rating	B2	811,893	1,653,883
Acceptable credit rating	B3	2,228,661	2,034,041
Limit credit rating	B4	82,258	91,477
Weak credit rating	B5	274,432	215,888
Very weak credit rating /monitored	C	-	-
No rating: before due date		1,473,150	1,157,659
No rating: past due date		3,576	26,211
Total		191,180,044	174,541,869

(j) Credit Quality of Not Due and Individually Unimpaired Loans to Customers

According to individual rating categories, the Group has the following undue and unimpaired financial assets according to its rating:

CZK thousand	Rating	2015	2014
Retail clients:			
Highly excellent credit rating	0,5	19,429,255	12,082,936
Excellent credit rating	1,0	23,781,321	20,267,594
Very good credit rating	1,5	16,086,664	15,548,038
Good credit rating	2,0	9,933,296	10,337,892
Healthy credit rating	2,5	6,244,910	7,139,293
Acceptable credit rating	3,0	3,552,336	4,155,321
Limit credit rating	3,5	1,980,048	2,297,905
Weak credit rating	4,0	737,691	1,122,562
Very weak credit rating /monitored	4,5	294,980	475,904
Default	5,0	3,596	7,003
Project financing:			
Excellent project profile - very low risk	6,1	28,452,080	24,078,850
Good project profile - low risk	6,2	4,188,864	3,785,247
Acceptable project profile - average risk	6,3	351,421	249,680
Bad project profile - high risk	6,4	243,645	145,238
Default	6,5	-	-
Corporate clients:			
Highly excellent credit rating	1	765,734	1,349,051
Excellent credit rating	2	1,039,078	1,170,925
Very good credit rating	3	843,655	1,215,879
Good credit rating	4	10,089,722	4,648,820
Healthy credit rating	5	12,542,365	13,205,469
Acceptable credit rating	6	20,729,884	19,253,917
Limit credit rating	7	9,489,065	9,489,225
Weak credit rating	8	2,131,070	2,608,022
Very weak credit rating /monitored	9	1,226,862	510,942
Default	10	-	3,501
Financial institutions and public sector institutions:			
Very good credit rating	A3	1,420	8,555
Good credit rating	B1	982,041	94,674
Healthy credit rating	B2	811,893	1,653,883
Acceptable credit rating	B3	2,228,661	2,034,041
Limit credit rating	B4	82,258	91,477
Weak credit rating	B5	274,016	215,888
Very weak credit rating /monitored	C	-	-
No rating		1,436,912	1,121,543
Total		179,954,743	160,369,275

(k) Maximum Exposure to Credit Risk

2015	On-balance sheet exposure (carrying amount)	Off-balance sheet exposure (carrying amount)	Aggregate exposure (carrying amount)	Allocated collateral – balance sheet	Allocated collateral – off balance sheet	Aggregate allocated collateral
CZK thousand						
Cash and balances with central banks	38,634,429	-	38,634,429	-	-	-
Loans and advances to financial institutions*	4,192,534	176,357	4,348,388	997,663	-	997,663
Loans and advances to customers*	184,923,692	41,843,002	226,766,694	156,325,593	21,610,538	177,936,131
Positive fair value of financial derivative transactions	3,346,581	-	3,346,581	335,299	-	335,299
Securities held to maturity	11,265,127	-	11,265,127	-	-	-
Securities at fair value through profit or loss	1,182,137	-	1,182,137	-	-	-
Securities available for sale	873,408	-	873,408	-	-	-
Income tax receivable	473	-	473	-	-	-
Other assets	1,166,109	-	1,166,109	-	-	-

* including allowances

2014	On-balance sheet exposure (carrying amount)	Off-balance sheet exposure (carrying amount)	Aggregate exposure (carrying amount)	Allocated collateral – balance sheet	Allocated collateral – off balance sheet	Aggregate allocated collateral
CZK thousand						
Cash and balances with central banks	10,645,952	-	10,645,952	-	-	-
Loans and advances to financial institutions*	23,188,266	212,777	23,401,043	18,710,227	-	18,710,227
Loans and advances to customers*	167,872,291	39,696,978	207,569,269	143,489,791	21,817,459	165,307,250
Positive fair value of financial derivative transactions	4,218,289	-	4,218,289	454,413	-	454,413
Securities held to maturity	12,420,499	-	12,420,499	-	-	-
Securities at fair value through profit or loss	6,904,538	-	6,904,538	-	-	-
Securities available for sale	517,011	-	517,011	-	-	-
Income tax receivable	1,427	-	1,427	-	-	-
Other assets	1,158,953	-	1,158,953	-	-	-

* including allowances

The data for 2014 were adjusted.

(I) Offset of Financial Assets and Financial Liabilities

The following table shows the impact of master netting agreements on assets and liabilities that are not offset in the consolidated statement of financial position.

2015			Relevant amount not offset in the consolidated statement of financial position			
CZK thousand	Amount of an asset/liability reported in the consolidated statement of financial position	Amount of an asset/liability offset in the consolidated statement of financial position	Net amount reported in the consolidated statement of financial position	Financial instrument	Received cash collateral	Total
Assets						
Positive values of financial derivatives	2,435,219	-	2,435,219	1,951,024	335,299	148,896
Loans and advances to financial institutions	67,261	-	67,261	67,261	-	-
Total assets	2,502,480	-	2,502,480	2,018,285	335,299	148,896
Liabilities						
Negative values of financial derivatives	2,421,905	-	2,421,905	1,951,024	358,834	112,047
Amounts owed to customers	2,421,905	-	2,421,905	1,951,024	358,834	112,047
Total liabilities						

2014			Relevant amount not offset in the consolidated statement of financial position			
CZK thousand	Amount of an asset/liability reported in the consolidated statement of financial position	Amount of an asset/liability offset in the consolidated statement of financial position	Net amount reported in the consolidated statement of financial position	Financial instrument	Received cash collateral	Total
Assets						
Positive values of financial derivatives	2,626,843	-	2,626,843	1,975,586	454,413	196,845
Loans and advances to financial institutions	19,160,258	-	19,160,258	18,785,088	-	375,171
Total assets	21,787,101	-	21,787,101	20,760,674	454,413	572,016
Liabilities						
Negative values of financial derivatives	1,312,694	-	1,312,694	704,254	441,127	167,313
Amounts owed to customers	-	-	-	-	-	-
Total liabilities	1,312,694	-	1,312,694	704,254	441,127	167,313

42. CHANGES IN THE CONSOLIDATION GROUP

(a) Newly Consolidated Entities in the Year Ended 31 December 2015

In 2015, the Group did not acquire any entities that would be included in the consolidation using the full consolidation method.

(b) Newly Consolidated Entities in the Year Ended 31 December 2014

CZK thousand	Fair value as of the date of inclusion in the consolidation group			Total
	Raiffeisen - Leasing, s.r.o.	Raiffeisen - Leasing Real Estate, s.r.o.	PZ PROJEKT a.s.	
Assets				
Cash and balances with central banks	68	128	4	200
Loans and advances to financial institutions	62,983	633,187	3,674	699,844
Loans and advances to customers	4,722,417	3,089,802	-	7,812,219
Tangible and intangible fixed assets	21,470	841,606	295,402	1,158,478
Other assets	72,956	559,052	16,616	648,624
Loans and advances to banks	(3,893,915)	(3,900,717)	(150,000)	(7,944,632)
Loans and advances to customers	(13,427)	(928,619)	(153,684)	(1,095,730)
Other liabilities	(149,798)	(107,287)	(12,012)	(269,097)
Fair value of identifiable net assets	822,754	187,152	-	1,009,906
Cost of investment	-	-	-	-
Fair value of the prior investment	411,377	169,988	-	581,365
Non-controlling interests	411,377	93,576	-	504,953
Fair value of identifiable net assets	(822,754)	(187,152)	-	(1,009 906)
Goodwill / (Negative goodwill)	-	76,412	-	76,412
Cash and cash equivalent	68	128	4	200
Cash inflow/(outflow) from the acquisition	68	128	4	200

On the grounds of prudence, the Group decided that it would not account for the goodwill in Raiffeisen - Leasing Real Estate, s.r.o. and fully wrote it off in the consolidated statement of comprehensive income, refer to Note 24.

(c) Disposals for the Year Ended 31 December 2015

In 2015, the Group sold no entities that would be included in the consolidation group using the full consolidation method or associates.

In 2015, the liquidation of Raiffeisen penzijní společnost a.s., "in liquidation", was finalised. The liquidation did not have an impact on the consolidated statement of comprehensive income. In relation to the liquidation, an amount of CZK 108,350 thousand was paid from the liquidation balance to the second shareholder. The same amount was charged against the non-controlling interest in the consolidated statement of financial position.

(d) Disposals for the Year Ended 31 December 2014

In 2014, the Group sold no entities that would be included in the consolidation group using the full consolidation method or associates.

43. RELATED PARTY TRANSACTIONS

At 31 December 2015

For related party transaction reporting purposes, the Group considers Raiffeisen CEE Region Holding GmbH (direct parent company) and Raiffeisen Zentralbank Österreich AG, Raiffeisen Bank International AG and Raiffeisen-Landesbanken-Holding GmbH (entities with controlling influence on the Group exercised indirectly) to be its parent companies.

CZK thousand	CZK thousand	Entities with significant influence over the Group	Associates and jointly controlled entities	Board of Directors, Supervisory Board and other managers	Other related parties	Total
Receivables	253,077	-	196,250	180,472	46,912	676,711
Positive fair value of financial derivatives	1,777,301	-	-	-	493	1,777,794
Payables	1,636,551	46,543	67,850	71,874	8,135,301	9,958,119
Negative fair value of financial derivatives	1,412,598	-	-	-	1,751	1,414,349
Other capital instruments	1,934,450	-	-	-	-	
Subordinated loan	2,740,743	-	-	-	-	2,740,743
Guarantees issued	21,269	-	-	-	21,600	42,869
Guarantees received	3,523,860	7,000	-	-	123,697	3,654,557
Nominal values of financial derivatives (off-balance sheet receivables)	188,947,658	-	-	-	577,772	189,525,430
Nominal values of financial derivatives (off-balance sheet payables)	189,205,972	-	-	-	579,339	189,785,311
Provided irrevocable loan commitments	-	(12,972)	-	(40,398)	-	(53,370)
Interest income	(114,074)	12	11,121	3,330	44,739	(54,872)
Interest expense	298,077	(18)	-	(589)	(149,084)	148,386
Fee and commission income	19,603	13	4,776	-	17,039	41,431
Fee and commission expense	(9,342)	-	-	-	(41,704)	(51,046)
Net profit or loss on financial operations	(37,508)	-	-	-	2,709	(34,799)
General administrative expenses	(142,685)	-	-	(76,568)	(7,421)	(226,674)
Other operating income, net	5,287	-	2,984	-	4,958	13,229

The receivables are principally composed of the following deposits with:

Credit balances on the current account maintained at:

- Raiffeisen Bank International AG (parent company) in the amount of CZK 245,671 thousand.

Provided loans:

- Flex-Space Plzeň I., spol. s r.o. (under joint control) in the amount of CZK 133,127 thousand.

Nominal values of financial derivatives - off-balance sheet receivables:

- Raiffeisen Bank International AG (parent company) in the amount of CZK 188,947,658 thousand.

The payables are principally composed of:

Credit balances on the current account of the Bank from:

- Raiffeisen Bank International AG (parent company) in the amount of CZK 568,590 thousand.

Term deposits:

- UNIQA Österreich Versicherung AG (entity controlled by the parent company Raiffeisen Zentralbank Österreich AG) in the amount of CZK 1,185,582 thousand;
- Raiffeisen Versicherung AG (entity controlled by the parent company Raiffeisen Zentralbank Österreich AG) in the amount of CZK 1,185,582 thousand;
- UNIQA pojišťovna, a.s. (entity controlled by the parent company Raiffeisen Zentralbank Österreich AG) in the amount of CZK 488,567 thousand;
- Raiffeisenbank AO (fellow subsidiary) in the amount of CZK 2,485,151 thousand;
- Raiffeisenbank (Bulgaria) EAD (fellow subsidiary) in the amount of CZK 810,817 thousand; and
- Eastern European Invest GmbH (fellow subsidiary) in the amount of CZK 1,297,325 thousand.

Received collateralising deposit:

- Raiffeisen Bank International AG (parent company) in the amount of CZK 299,707 thousand.

Issued debt securities of the Bank:

- Centrobank (fellow subsidiary) in the amount of CZK 240,421 thousand;
- Raiffeisen Stavební Spořitelna a.s. (fellow subsidiary) in the amount of CZK 252,376 thousand; and
- Raiffeisen Bank International AG (parent company) in the amount of CZK 54,050 thousand.

Nominal values of financial derivatives - off-balance sheet payables:

- Raiffeisen Bank International AG (parent company) in the amount of CZK 189,947,658 thousand.

Subordinate loans:

- Raiffeisen Bank International AG (parent company) in the amount of CZK 2,740,743 thousand.

Other capital instruments - subordinated unsecured AT1 capital investment certificates purchased:

- Raiffeisen Bank International AG (parent company) in the amount of CZK 1,934,450 thousand.

At 31 December 2014

For related party transaction reporting purposes, the Group considers Raiffeisen CEE Region Holding GmbH (direct parent company) and Raiffeisen Zentralbank Österreich AG, Raiffeisen Bank International AG and Raiffeisen-Landesbanken-Holding GmbH (entities with controlling influence on the Group exercised indirectly) to be its parent companies.

CZK thousand	Parent companies	Entities with significant influence over the Group	Associates and jointly controlled entities	Board of Directors, Supervisory Board and other managers	Other related parties	Total
Receivables	252,047	-	194,033	135,587	697,437	1,279,104
Positive fair value of financial derivatives	1,775,100	-	-	-	72,841	1,847,941
Payables	2,442,912	65,567	154,124	53,457	5,670,978	8,387,038
Negative fair value of financial derivatives	1,250,862	-	-	-	1,444	1,252,306
Other capital instruments	1,934,450	-	-	-	-	1,934,450
Subordinated loan	3,991,233	-	-	-	-	3,991,233
Guarantees issued	86,922	-	368,359	-	111,275	566,556
Guarantees received	2,898,906	7,000	-	-	147,558	3,053,464
Nominal values of financial derivatives (off-balance sheet receivables)	124,687,234	-	-	-	2,103,936	126,791,170
Nominal values of financial derivatives (off-balance sheet payables)	125,064,245	-	-	-	2,025,552	127,089,797
Provided irrevocable loan commitments	-	-	-	41,439	53,859	95,298
Interest income	(12,811)	89	8,137	3,324	4,942	3,681
Interest expense	71,307	(62)	(2,413)	(572)	(148,420)	(80,160)
Fee and commission income	13,250	42	4,776	-	71,191	89,259
Fee and commission expense	(36,255)	(298)	-	-	(46,932)	(83,485)
Net profit or loss on financial operations	434,277	-	-	12	79,736	514,025
General administrative expenses	(139,365)	-	-	(172,944)	(12,707)	(325,016)
Other operating income, net	571	-	686	-	4,507	5,764,

The receivables are principally composed of the following deposits with:

Credit balances on the current account maintained at:

- Raiffeisen Bank International AG (mateřská společnost) ve výši 252 047 tis. Kč.

Provided loans:

- Flex-Space Plzeň I., spol. s r.o. (jointly controlled company of Czech Real Estate Fund B. V.) in the amount of CZK 137,095 thousand.

Overdraft balances on the current account of the Bank for:

- IMPULS - Leasing Austria s.r.o. (associate of Raiffeisen Bank International AG) in the amount of CZK 482,931 thousand.

Nominal values of financial derivatives - off-balance sheet receivables:

- Raiffeisen Bank International AG (parent company) in the amount of CZK 117,866,036 thousand.

The payables are principally composed of:

Credit balances on the current account of the Group from:

- Raiffeisen Bank International AG (parent company) in the amount of CZK 1,582,972 thousand;
- Raiffeisenlandesbank Niederösterreich (entity holding indirect investment in the share capital of the parent company) in the amount of CZK 65,567 thousand.

Term deposits:

- UNIQA Personenversicherung AG (controlled by the parent company Raiffeisen Zentralbank Österreich AG) in the amount of CZK 1,225,717 thousand;
- Raiffeisen Versicherung AG (controlled by the parent company Raiffeisen Zentralbank Österreich AG) in the amount of CZK 1,225,787 thousand;
- Tatrabanka a.s. (fellow subsidiary) in the amount of CZK 1,100,001 thousand;
- Raiffeisen Bank International AG (parent company) in the amount of CZK 600,005 thousand; and
- UNIQA pojišťovna, a.s. (controlled by the parent company Raiffeisen Zentralbank Österreich AG) in the amount of CZK 491,247 thousand.

Received collateralising deposit:

- Raiffeisen Bank International AG (parent company) in the amount of CZK 448,590 thousand.

Issued debt securities of the Group:

- Centrobank (fellow subsidiary) in the amount of CZK 369,202 thousand;
- Raiffeisen Stavební Spořitelna a.s. (fellow subsidiary) in the amount of CZK 252,954 thousand;
- Raiffeisen Bank International AG (parent company) in the amount of CZK 152,948 thousand; and
- UNIQA pojišťovna, a.s. (controlled by the parent company Raiffeisen Zentralbank Österreich AG) in the amount of CZK 204,375 thousand.

Nominal values of financial derivatives - off-balance sheet payables:

- Raiffeisen Bank International AG (parent company) in the amount of CZK 117,924,647 thousand.

Subordinate loans:

- Raiffeisen Bank International AG (parent company) in the amount of CZK 3,991,233 thousand.

Other capital instruments - subordinate non-hedged AT1 capital investment certificates purchased:

- Raiffeisen Bank International AG (parent company) in the amount of CZK 1,934,450 thousand.

44. POST BALANCE SHEET EVENTS

As of 29 February 2016, the Group took over the retail portfolio of the Czech branch of Citibank Europe plc. The stated transaction has no impact on the consolidated financial statements for the year ended 31 December 2015. The Group anticipates reporting a significant increase in its aggregate assets in 2016 as a result of the take-over of the portfolio, namely client loans and deposits.

No other events that would have a material impact on the consolidated financial statements for the year ended 31 December 2015 occurred subsequent to the balance sheet date.

Information about capital

Information about capital	unconsolidated	consolidated
CZK thousand	31.12.2015	31.12.2015
Share capital	11,060,800	11,060,800
Retained earnings	7,835,350	8,013,111
Reserve fund	693,561	693,561
Common equity tier 1 (before deductions)	19,589,711	19,767,472
Intangible fixed assets	(1,796,151)	(1,814,689)
Provision shortage for IRB positions	(411,315)	(411,315)
Additional valuation adjustment (AVA) according to CRR	(537,638)	(537,638)
Securitization - junior tranche (with 1 250% risk weight)	(378,322)	(378,322)
Common equity tier 1 (after deductions)	16,466,284	16,625,508
Additional tier 1	1,934,450	1,934,450
Tier 1 capital	18,400,734	18,559,958
Aggregate amount of Tier 2 capital	2,770,613	2,770,613
Regulatory capital	21,171,347	21,330,571

Information about capital requirements (CZK thousand)	unconsolidated	consolidated
CZK thousand	31.12.2015	31.12.2015
Total capital requirement for credit risk	8,215,555	8,832,022
- Internal rating approach (IRB)	8,197,849	7,869,248
- Standardized approach (STA)	1,523	946,591
- Credit value adjustment (CVA risk)	16,183	16,183
Total capital requirement related to position, foreign exchange and commodity risks	72,543	72,543
Total capital requirement for operational risk	1,250,885	1,317,690
Total capital requirement	9,538,983	10,222,255

Risk weighted assets for the credit risk according to asset classes break down as follows:	unconsolidated	consolidated
CZK thousand	31.12.2015	31.12.2015
Internal rating approach (IRB)	102,473,113	98,365,595
Central governments and central banks exposures	52,286	52,286
Bank exposures	2,985,896	2,985,896
Corporate customer exposures	61,831,954	58,303,747
Retail customer exposures	30,299,312	30,299,312
Equity exposures	3,743,964	3,164,654
Exposures related to securitization	1,736,107	1,736,107
Other exposures	1,823,592	1,823,592
Standardized approach (STA)	19,042	11,832,393
Bank exposures	-	40,419
Corporate customer exposures	11,776	9,678,382
Retail customer exposures	-	795,797
Exposures secured by immovable property	7,266	133,673
Exposures at default	-	198,664
Equity exposures	-	67,269
Other exposures	-	918,188
Credit value adjustment (CVA risk)	202,288	202,288
	102,694,443	110,400,276

Capital ratios	unconsolidated	consolidated
	31.12.2015	31.12.2015
Core Tier 1 capital adequacy ratio	13,81%	13,01%
Tier 1 capital adequacy ratio	15,43%	14,53%
Total capital adequacy ratio	17,76%	16,69%

Ratio indicators	unconsolidated	consolidated
	31.12.2015	31.12.2015
Return of average assets (ROAA)	1,34%	-
Return of average Tier 1 capital (ROAE)	14,38%	-
Assets per one employee (CZK thousand)	92,743	-
General administrative expenses per one employee (CZK thousand)	1,930	-
Net profit or loss per one employee (CZK thousand)	964	-

Further details can be found in the regulatory disclosure report according to regulation no. 163/2014 available on Bank's internet webpage: <https://www.rb.cz/o-nas/povinne-uverejnovane-informace>

Report on Related Parties

prepared in accordance with Section 82 and the following of Act No. 90/2012 Coll., on commercial companies and cooperatives (the Act on Commercial Corporations), for the reporting period from 1 January 2015 to 31 December 2015

Raiffeisenbank a.s., having its registered office at: Hvězdova 1716/2b, Prague 4, 140 78, corporate ID: 49240901, entered in the Commercial Register maintained by the Municipal Court of Prague on 25 June 1993, Section B, Insert 2051 (hereinafter referred to as the "Bank") is part of the Raiffeisen Bank International AG group, in which relations between the Bank and controlling entities and between the Bank and entities controlled by the same controlling entities (hereinafter referred to as the "related parties") exist.

This report on relations among the below entities was prepared in accordance with the provisions of Section 82 of the Act on Commercial Corporations and with regard to the legal definition of business secret according to Section 504 of Act No. 89/2012 Coll., the Civil Code, as amended.

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1. CONTROLLING ENTITIES

The indirectly controlling entity is:

Raiffeisen-Landesbanken-Holding GmbH, having its registered office at Friedrich-Wilhelm-Raiffeisen-Platz 1, 1020 Vienna, Republic of Austria.

R-Landesbanken-Beteiligung GmbH, having its registered office at Friedrich-Wilhelm-Raiffeisen-Platz 1, 1020 Vienna, Republic of Austria.

Raiffeisen Zentralbank Österreich AG (hereinafter also "RZB"), having with its registered office at Am Stadtpark 9, 1030 Vienna, Republic of Austria.

Raiffeisen International Beteiligungs GmbH (hereinafter also "RIB"), having its registered office at Am Stadtpark 9, 1030 Vienna, Republic of Austria.

Raiffeisen Bank International AG (hereinafter also "RBI"), having its registered office at Am Stadtpark 9, 1030 Vienna, Republic of Austria.

Raiffeisen RS Beteiligungs GmbH, having its registered office at Am Stadtpark 9, 1030 Vienna, Republic of Austria.

The directly controlling entity (the direct shareholder) is:

Raiffeisen CEE Region Holding GmbH, having its registered office at Am Stadtpark 9, 1030 Vienna, Republic of Austria.

2. OTHER RELATED PARTIES

Czech Republic:

Raiffeisen – Leasing, s.r.o.	Prague 4, Hvězdova 1716/2b, 140 78
Raiffeisen – Leasing Real Estate, s.r.o. (note: ceased to exist by merger with Raiffeisen – Leasing, s.r.o. as of 1 January 2015)	Prague 4, Hvězdova 1716/2b, 140 78
Raiffeisen investiční společnost a.s.	Hvězdova 1716/2b, Prague 4, 140 78
Raiffeisen Investment, s.r.o. v likvidaci (note: erased from the Register of Companies as of 1 June 2015)	Prague 4, Hvězdova 1716/2b, 140 78
Raiffeisen penzijní společnost a.s. v likvidaci (note: erased from the Register of Companies as of 19 March 2015)	Prague 4, Hvězdova 1716/2b, 140 78
Raiffeisen Property Management, s.r.o.	Prague 1, Václavské náměstí 837/11, 110 00
Raiffeisen stavební spořitelna a.s.	Prague 3, Koněvova 2747/99, 130 00
Transaction System Servis s.r.o.	Prague 4, Hvězdova 1716/2b, 140 78
ZUNO BANK AG, organizační složka	Prague 4, Hvězdova 1716/2b, 140 78
Hotel Maria Prag Besitz s.r.o.	Prague 4, Hvězdova 1716/2b, 140 78
KHD a.s.	Karla Engliše 3219/4, 150 00 Prague 5
KONEVOVA s.r.o.	Prague 3, Koněvova 2747/99, 130 45
Raiffeisen FinCorp, s.r.o.	Prague 4, Hvězdova 1716/2b, 140 78

Related parties controlled indirectly through Raiffeisen-Leasing, s.r.o.:

Afrodité Property, s.r.o.	Prague 4, Hvězdova 1716/2b, 140 78
ALT POHLEDY s.r.o.	Prague 4, Hvězdova 1716/2b, 140 78
Amfion Property s.r.o.	Prague 4, Hvězdova 1716/2b, 140 78
Appolon Property, s.r.o.	Prague 4, Hvězdova 1716/2b, 140 78
Astra Property, s.r.o.	Prague 4, Hvězdova 1716/2b, 140 78
Athena Property, s.r.o. v likvidaci	Prague 4, Hvězdova 1716/2b, 140 78
Bondy Centrum s.r.o.	Prague 4, Hvězdova 1716/2b, 140 78
Boreas Property, s.r.o.	Prague 4, Hvězdova 1716/2b, 140 78
Credibilis a.s.	Prague 4, Hvězdova 1716/2b, 140 78

CRISTAL PALACE Property, s.r.o.	Prague 4, Hvězdova 1716/2b, 140 78
Dafne Property, s.r.o.	Prague 4, Hvězdova 1716/2b, 140 78
Dike Property, s.r.o.	Prague 4, Hvězdova 1716/2b, 140 78
Dione Property, s.r.o.	Prague 4, Hvězdova 1716/2b, 140 78
Easy Develop s.r.o.	Prague 4, Hvězdova 1716/2b, 140 78
Eris Property, s.r.o.	Prague 4, Hvězdova 1716/2b, 140 78
Éós Property s.r.o.	Prague 4, Hvězdova 1716/2b, 140 78
Euros Property, s.r.o.	Prague 4, Hvězdova 1716/2b, 140 78
Exit 90 SPV s.r.o.	Prague 4, Hvězdova 1716/2b, 140 78
Forkys Property, s.r.o.	Prague 10, Na Královce 437/7, 101 00
FORZA SOLE s.r.o.	Prague 4, Hvězdova 1716/2b, 140 78
FVE Cihelna s.r.o.	Prague 4, Hvězdova 1716/2b, 140 78
Gaia Property, s.r.o.	Prague 4, Hvězdova 1716/2b, 140 78
Gala Property, s.r.o.	Prague 4, Hvězdova 1716/2b, 140 78
Green Energie větrný park Bílčice, s.r.o. (note: erased from the Register of Companies as of 31 August 2015)	Prague 4, Hvězdova 1716/2b, 140 78
GS55 Sazovice s.r.o.	Prague 4, Hvězdova 1716/2b, 140 78
Hébé Property	Prague 4, Hvězdova 1716/2b, 140 78
Hermes Property, s.r.o.	Prague 4, Hvězdova 1716/2b, 140 78
Hestia Property s.r.o.	Prague 4, Hvězdova 1716/2b, 140 78
Holečkova Property, s.r.o.	Prague 4, Hvězdova 1716/2b, 140 78
Hyperion Property s.r.o.	Prague 4, Hvězdova 1716/2b, 140 78
Chronos Property, s.r.o.	Prague 4, Hvězdova 1716/2b, 140 78
Inó Property, s.r.o.	Prague 4, Hvězdova 1716/2b, 140 78
Iris Property, s.r.o.	Prague 4, Hvězdova 1716/2b, 140 78
Janus Property, s.r.o.	Prague 4, Hvězdova 1716/2b, 140 78
Kalypso Property, s.r.o.	Prague 4, Hvězdova 1716/2b, 140 78
Létó Property s.r.o.	Prague 4, Hvězdova 1716/2b, 140 78
Luna Property, s.r.o.	Prague 4, Hvězdova 1716/2b, 140 78
Maharal Hotels, s.r.o.	Prague 4, Hvězdova 1716/2b, 140 78
Médea Property, s.r.o.	Prague 4, Hvězdova 1716/2b, 140 78
Michalka – Sun s.r.o.	Prague 4, Hvězdova 1716/2b, 140 78
Na Stárce, s.r.o.	Prague 4, Hvězdova 1716/2b, 140 78
Neptun Property, s.r.o.	Prague 4, Hvězdova 1716/2b, 140 78
Nike Property, s.r.o.	Prague 4, Hvězdova 1716/2b, 140 78
Niobé Property, s.r.o.	Prague 4, Hvězdova 1716/2b, 140 78
Ofión Property s.r.o.	Prague 4, Hvězdova 1716/2b, 140 78
Onyx Energy projekt II s.r.o.	Prague 4, Hvězdova 1716/2b, 140 78
Onyx Energy s.r.o.	Prague 4, Hvězdova 1716/2b, 140 78
Orchideus Property, s.r.o.	Prague 4, Hvězdova 1716/2b, 140 78
Photon Energie s.r.o.	Prague 4, Hvězdova 1716/2b, 140 78
Photon SPV 10 s.r.o.	Prague 4, Hvězdova 1716/2b, 140 78
Photon SPV 11 s.r.o.	Prague 4, Hvězdova 1716/2b, 140 78
Photon SPV 3 s.r.o.	Prague 4, Hvězdova 1716/2b, 140 78

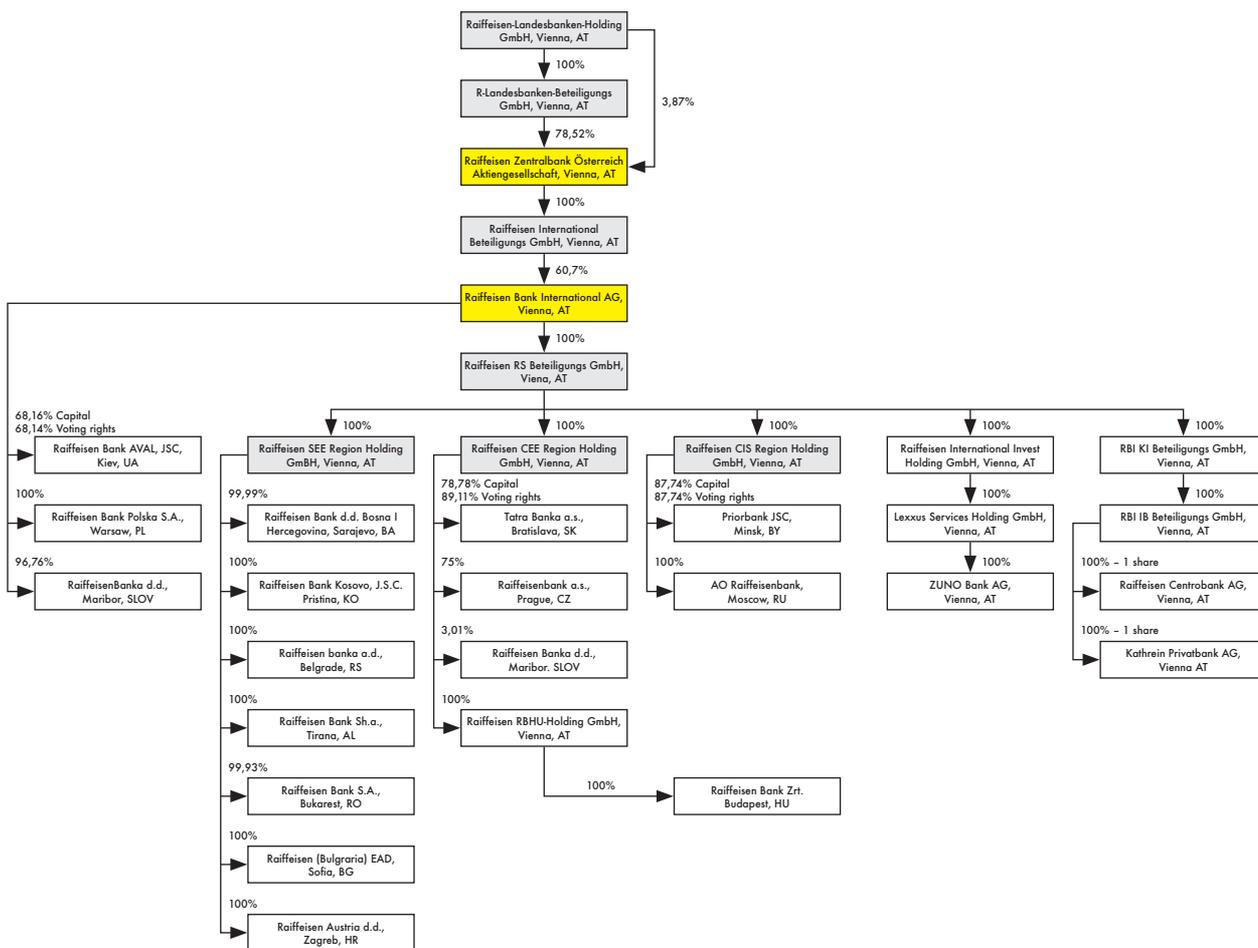
Photon SPV 4 s.r.o.	Prague 4, Hvězdova 1716/2b, 140 78
Photon SPV 6 s.r.o.	Prague 4, Hvězdova 1716/2b, 140 78
Photon SPV 8 s.r.o.	Prague 4, Hvězdova 1716/2b, 140 78
Pontos Property, s.r.o.	Prague 4, Hvězdova 1716/2b, 140 78
Priapos Property, s.r.o.	Prague 10, Na Královce 437/7, 101 00
Pyrit Property, s.r.o. v likvidaci (note: erased from the Register of Companies as of 18 February 2015)	Prague 4, Hvězdova 1716/2b, 140 78
PZ PROJEKT a.s.	Prague 4, Hvězdova 1716/2b, 140 78
Raiffeisen FinCorp s.r.o.	Prague 4, Hvězdova 1716/2b, 140 78
Raines Property, s.r.o.	Prague 4, Hvězdova 1716/2b, 140 78
RESIDENCE PARK TŘEBEŠ, s.r.o.	Prague 4, Hvězdova 1716/2b, 140 78
Rheia Property, s.r.o.	Prague 4, Hvězdova 1716/2b, 140 78
RLRE Alpha Property, s.r.o. v likvidaci (note: erased from the Register of Companies as of 9 June 2015)	Prague 4, Hvězdova 1716/2b, 140 78
RLRE Beta Property, s.r.o.	Prague 4, Hvězdova 1716/2b, 140 78
RLRE Carina Property, s.r.o.	Prague 4, Hvězdova 1716/2b, 140 78
RLRE Eta Property, s.r.o.	Prague 4, Hvězdova 1716/2b, 140 78
RLRE HOTEL ELLEN, s.r.o.	Prague 4, Hvězdova 1716/2b, 140 78
RLRE Jota Property, s.r.o.	Prague 4, Hvězdova 1716/2b, 140 78
RLRE Orion Property, s.r.o.	Prague 4, Hvězdova 1716/2b, 140 78
RLRE Ypsilon Property, s.r.o.	Prague 4, Hvězdova 1716/2b, 140 78
Selene Property s.r.o.	Prague 4, Hvězdova 1716/2b, 140 78
Sirius Property, s.r.o.	Prague 4, Hvězdova 1716/2b, 140 78
Sky Solar Distribuce s.r.o.	Prague 4, Hvězdova 1716/2b, 140 78
T.L.S. building construction s.r.o.	Prague 4, Hvězdova 1716/2b, 140 78
Theia Property, s.r.o.	Prague 4, Hvězdova 1716/2b, 140 78
UPC Real, s.r.o.	Prague 4, Hvězdova 1716/2b, 140 78
Viktor Property, s.r.o.	Prague 4, Hvězdova 1716/2b, 140 78
VILLA ATRIUM BUBENEČ s.r.o.	Prague 4, Hvězdova 1716/2b, 140 78
Zefyros Property s.r.o.	Prague 4, Hvězdova 1716/2b, 140 78
Zethos Property, s.r.o.	Prague 4, Hvězdova 1716/2b, 140 78
Phoenix Property, s.r.o. (note: sold on 11 May 2015)	Prague 4, Hvězdova 1716/2b, 140 78
RLRE Epsilon Property, s.r.o. (note: sold on 17 June 2015)	Prague 4, Hvězdova 1716/2b, 140 78
Trojské výhledy s.r.o. (note: sold on 1 July 2015)	Prague 4, Hvězdova 1716/2b, 140 78
Elektrárna Dynín s.r.o. (note: sold on 7 September 2015)	Prague 4, Hvězdova 1716/2b, 140 78
Logistický areál Hostivař, s.r.o. (note: sold on 7 October 2015)	Prague 4, Hvězdova 1716/2b, 140 78
Studio Invest, s.r.o. (note: sold on 24 November 2015)	Prague 4, Hvězdova 1716/2b, 140 78
RLRE Lyra Property s.r.o (note: sold on 20 April 2015)	Prague 4, Hvězdova 1716/2b, 140 78
Thetis Property, s.r.o. (note: sold on 25 February 2015)	Prague 4, Hvězdova 1716/2b, 140 78

Other countries:

Raiffeisen Bank Zrt.	Akadémia utca 6, Budapest, Hungary
Raiffeisen Bank Polska S.A.	Piekna ulica 20, Warsaw, Poland
Raiffeisen banka a.d.	Dorda Stanojevica 16, Novi Beograd, Serbia
Raiffeisenbank Austria d.d.	Petrinjska 59, Zagreb, Croatia
Tatra Banka, a.s.	Hodžovo námestie 3, 811 06, Bratislava, Slovak Republic
Centralised Raiffeisen International Services and Payments S.R.L.	Dimitre Pompei Bld. No. 9-9A, 020335 Bucharest, Romania
RZB Finance LLC	1133 Avenue of the Americas, 16th Floor, New York, NY 10036, USA
ZUNO BANK AG	Muthgasse 26, 1190, Vienna, Republic of Austria
Regional Card Processing Centre, s.r.o.	Hodžovo námestie 3, 811 06 Bratislava, Slovak Republic
RB International Finance LLC	1133 Avenue of the Americas, 16th Floor, New York, NY 10036, USA
Raiffeisen Bank S.A.	Sky Tower Building, 246C Calea Floreasca, Bucharest, Romania
Tatra Asset Management, správ. spol., a.s.	Hodžovo námestie 3, 850 05, Bratislava, Slovak Republic
Raiffeisen Centrobank AG	Tegetthoffstrasse I, 1020, Vienna, Republic of Austria
Raiffeisen Banka d.d. (former Raiffeisen Krekova Banka d.d.)	Zagrebska cesta 76, Maribor, Slovenia
Raiffeisen-Leasing International GmbH	Am Stadtpark 9, 1030 Vienna, Republic of Austria
Raiffeisen-Leasing Bank AG	Mooslackengasse 12, 1190 Vienna, Republic of Austria
AO Raiffeisenbank (former ZAO Raiffeisenbank)	Smolenskaya-Sennaya 28, Moscow, Russian Federation
Raiffeisen Informatik Consulting GmbH	Lillienbrunnngasse 7-9, A-1020 Vienna, Republic of Austria
Raiffeisen Kapitalanlage-Gesellschaft m.b.H (Raiffeisen Kag)	Mooslackengasse 12, 1190 Vienna, Republic of Austria
Ukrainian Processing Center	Moskovsky av., 9, Kyiv, 04073, Ukraine
Raiffeisen Leasing Polska S. A. Raiffeisenbank Sh. A	Prosta 51, Warsaw, postal code: 00-838 "Ruga e Kavajës" Tiranë

3. STRUCTURE OF RELATIONS AMONG RELATED PARTIES

3.1. Description of Relations Between the Controlled Entity and Controlling Parties



3.2. Role of the Controlled Entity within the Relationship Structure

Banking group of Raiffeisen Bank International AG (RBI Group) is a leading banking group operating in the region of Central and Eastern Europe. In the region's individual states, Raiffeisen Bank International AG renders banking service through a total of 15 individual majority owned subsidiary banks, network banks, holding a banking license. Raiffeisenbank a.s. is one of these network banks and its role is to provide banking services to both domestic and foreign clients in the Czech Republic in line with the group's strategy.

3.3. Method and Means of Control

The controlling parties exercise their influence by owning a 75% share in the controlled entity's registered capital and voting rights. In addition, members of the Board of Directors of Raiffeisen Bank International AG are also members of the Supervisory Board of Raiffeisenbank a.s.

4. LIST OF CONTRACTS

4.1 List of Contracts with Controlling Entities

In the 2015 reporting period, Raiffeisenbank a.s. had relations with the following controlling entities:

Raiffeisen Zentralbank Österreich AG

Legal Act	Counterparty	Date concluded	Performance/ Counter-Performance
Confidentiality Agreement	Raiffeisen Zentralbank Österreich AG	2 April 2010	Confidentiality agreement as part of potential mutual cooperation

Raiffeisenbank a.s. also had subordinated debt agreements concluded with Raiffeisen Zentralbank Österreich AG, which have been transferred to Raiffeisen Bank International AG in October 2010 as a result of a merger of Raiffeisen Zentralbank Österreich AG and Raiffeisen Bank International AG. In 2015, Raiffeisenbank a.s. paid contractual interest under these agreements.

Raiffeisen Bank International AG

Legal Act	Counterparty	Date concluded	Performance/ Counter-Performance
Subordinated Loan Contract	Raiffeisen Bank International AG	15 September 2008	Provision of a subordinated loan / payment of contractual interest
Amendment no. 1 to the Insurance Refund Agreement	Raiffeisen Bank International AG	20 December 2010	Change of contractual terms
Master Agreement on Cooperation in Risk Management and Reporting	Raiffeisen Bank International AG	1 January 2011	Definition of terms of cooperation in Risk Management and Reporting / payment of contractual fees
4 Service Agreements related to the Master Agreement on Cooperation in Risk Management and Reporting	Raiffeisen Bank International AG	1 January 2011	Detailed description of cooperation in the areas
Service Agreement	Raiffeisen Bank International AG	3 January 2011	Agreement on the provision of defined services in selected areas / payment of contractual remuneration
Agreement to Open a Correspondent Loro Account	Raiffeisen Bank International AG	28 March 2011	Opening of a correspondent account / payment of contractual fees
JIRA Application Communication Agreement	Raiffeisen Bank International AG	4 May 2011	Agreement to allow for mutual communication through a shared application
Master IT Cooperation Agreement	Raiffeisen Bank International AG	31 October 2011	Definition of terms of cooperation in IT services / payment of contractual fees
7 Service Descriptions related to the Master IT Cooperation Agreement	Raiffeisen Bank International AG	31 October 2011	Detailed description of cooperation in respect of specific IT application
STEP2 Indirect Participation Contract	Raiffeisen Bank International AG	7 November 2011	Definition of the terms of use of STEP2 services
Project Contract	Raiffeisen Bank International AG	11 November 2011	Analysis of the supply of software application / payment of contractual fees
Agreement to Open a Correspondent Loro Account	Raiffeisen Bank International AG	18 November 2011	Opening of a correspondent account / payment of contractual fees
Amendment no. 2 to the Insurance Refund Agreement	Raiffeisen Bank International AG	20 December 2011	Change of contractual terms

Legal Act	Counterparty	Date concluded	Performance/ Counter-Performance
Project Contract	Raiffeisen Bank International AG	29 December 2011	Analysis of the supply of software application / payment of contractual remuneration
7 partial amendments to Service Descriptions related to the Master IT Cooperation Agreement of 31 October 2011	Raiffeisen Bank International AG	23 February 2012 - 26 March 2012	Detailed description of cooperation in respect of specific IT applications for 2012
Master Project and Consultancy Agreement	Raiffeisen Bank International AG	23 March 2012	Consulting in project management / payment of contractual price
Financial Risk Insurance Policy (Crime Insurance)	Raiffeisen Bank International AG	1 April 2012	Financial risk insurance policy (Crime Insurance) / payment of contractual remuneration
Amendment to partial Service Agreement related to the Master Agreement on Cooperation in Risk Management and Reporting of 1 January 2011	Raiffeisen Bank International AG	12 June 2012	Stipulation of detailed terms for Rating Model Validation and Methods
Service Level Agreement	Raiffeisen Bank International AG	25 June 2012	Definition of cooperation within the competence centre in Fixed Income / payment of contractual fees
Amendment to the Master Project and Consultancy Agreement and Service Agreement	Raiffeisen Bank International AG	30 June 2012	Change of contractual terms
Amendment to the Project Contract of 11 November 2011	Raiffeisen Bank International AG	1 July 2012	Change of contractual terms
Service Agreement	Raiffeisen Bank International AG	14 August 2012	Agreement to provide services in OTC Transactions / payment of contractual remuneration
Implementing Agreement to the Master Project Consultancy Agreement of 23 March 2012	Raiffeisen Bank International AG	27 August 2012	Detailed definition of terms of a payment system project
Project Contract	Raiffeisen Bank International AG	11 September 2012	Analysis of the supply of a software application / payment of contractual remuneration
Master Placement Agreement	Raiffeisen Bank International AG	21 September 2012	Stipulation of general terms for offering securities issued by RBI
Placement Agreement	Raiffeisen Bank International AG	21 September 2012	Detailed definition of terms for offering securities issued by RBI / payment of contractual remuneration
Master Service Agreement	Raiffeisen Bank International AG	30 September 2012	Agreement to provide defined transaction services / payment of contractual remuneration
Service Agreement	Raiffeisen Bank International AG	2 October 2012	Agreement on consulting services in recruitment of top managers / payment of contractual remuneration
Partial Service Agreement related to the Master Agreement on Cooperation in Risk Management and Reporting of 1 January 2011	Raiffeisen Bank International AG	16 October 2012	Definition of detailed contractual terms for Workout
Project Contract	Raiffeisen Bank International AG	24 October 2012	Analysis of the supply of a software application / payment of contractual remuneration

Legal Act	Counterparty	Date concluded	Performance/ Counter-Performance
Partial Service Agreement related to the Master Agreement on Cooperation in Risk Management and Reporting of 1 January 2011	Raiffeisen Bank International AG	7 November 2012	Definition of detailed contractual terms for Credit Management Corporate
Amendment to Service Description Corporate Network International	Raiffeisen Bank International AG	1 January 2013	CNI system operation / payment of contractual remuneration + fees
Amendment of Service Description T.I.G.E.R. OPERATING	Raiffeisen Bank International AG	1 January 2013	TIGER system operation / payment of contractual fees
Amendment to Service Description RBI Midas Support Service	Raiffeisen Bank International AG	1 January 2013	MIDAS system support / payment of contractual fees
Amendment of Service Description Secunia VIM	Raiffeisen Bank International AG	1 January 2013	Secunia system operation / payment of contractual remuneration
Amendment of the Service Agreement of 2012	Raiffeisen Bank International AG	1 January 2013	Change of contractual terms
Service Description Group Customer Product Profitability Solution	Raiffeisen Bank International AG	1 January 2013	Agreement on common use of the Group Customer Product Profitability Solution / payment of contractual fees
Service Description RIAH Raiffeisen International Access Hub	Raiffeisen Bank International AG	1 January 2013	New group remote access / payment of contractual fees
Risk Participation Confirmation	Raiffeisen Bank International AG	25 January 2013	Participation in credit risk / payment of contractual fees
Risk Participation Confirmation	Raiffeisen Bank International AG	31 July 2013	Participation in credit risk / payment of contractual fees
Services to Support International Operations in RBI Group	Raiffeisen Bank International AG	1 March 2013	Agreement on mutual support in Operations / payment of contractual remuneration
Agreement for rendering the Project FATCA between RBI and RBCZ"	Raiffeisen Bank International AG	10 April 2013	Agreement on mutual cooperation in the FATCA Project / payment of contractual fees a remuneration
Service Agreement - Building a best fit Operations Target Operating Model	Raiffeisen Bank International AG	29 May 2013	Providing a service supporting international transactions in the RBI Group/ payment of contractual fees
FATCA Support Services	Raiffeisen Bank International AG	20 November 2013	Norkom infrastructure use for FATCA process identification / payment of contractual fees
Transfer Agreement - Subordinate Loan Transfer	Raiffeisen Bank International AG	26 November 2013	Subordinate loan transfer from Raiffeisenbank Malta /payment of contractual interest
Agreement for rendering the Project CAD Pool Balance in Midas and Payhub Interface	Raiffeisen Bank International AG	18 December 2013	Implementation of change request - CAD Pool Balance in Midas and Payhub Interface - ITDMIDAS-562 / payment of contractual remuneration
Agreement for rendering the Project Sender's Reference in MT950 for Outgoing Payment	Raiffeisen Bank International AG	18 December 2013	Implementation of change request - Sender's Reference in MT950 for Outgoing Payment - ITDMI-DAS-544/ payment of contractual remuneration

Legal Act	Counterparty	Date concluded	Performance/ Counter-Performance
ISLA Global Master Securities Lending Agreement - Schedule	Raiffeisen Bank International AG	19 December 2013	Master agreement on lending investment instruments / payment of contractual remuneration
Multichannel customer acquisition and Digital CC capability building	Raiffeisen Bank International AG	27 January 2014	Agreement on multichannel customer acquisition and Digital CC capability building / payment of agreed fees
RBCZ Lean Study Stay 2014 Cooperation Agreement	Raiffeisen Bank International AG	24 February 2014	Cooperation between the contractor and client in the Lean Study Stay 2014 training event
Amendment to International Group Marketing Agreement	Raiffeisen Bank International AG	14 March 2014	Amendment to the International Group Marketing Agreement / payment of contractual remuneration
Agreement for Integrated Risk Management Services and Risk Management Balance	Raiffeisen Bank International AG	26 March 2014	Fees to RBI / payment of contractual fees
Share Incentive Program	Raiffeisen Bank International AG	1 April 2014	Board member option scheme
Master Agreement for dealings in fund shares	Raiffeisen Bank International AG	2 April 2014	Dealings in funds managed by RCM / payment of contractual fees
Amendment No. 1 to FATCA Project Agreement	Raiffeisen Bank International AG	7 April 2014	Specification of FACTA implementation support / payment of contractual remuneration
Service Agreement for HO Services	Raiffeisen Bank International AG	15 April 2014	Service agreement for HO services / payment of contractual fees
Agreement (2014-2015) to Compensate for Marketing Research Costs	Raiffeisen Bank International AG	27 May 2014	Agreement to compensate for costs associated with marketing research to be carried out by RBI in the CR in 2014 and 2015 / payment of contractual remuneration
Amendment No. 1 to Master Agreement on Payment Card Processing	Raiffeisen Bank International AG	9 June 2014	Personal data protection update
Payments Hub (Midas-GPP) Interfaces	Raiffeisen Bank International AG	14 July 2014	Update of the agreement for 2014 / payment of contractual remuneration
Provision of GCPP IT Service and Support	Raiffeisen Bank International AG	14 July 2014	Provision of GCPP IT service and support / payment of agreed fees
Provision of Service for Corporate Network International CNI	Raiffeisen Bank International AG	14 July 2014	Provision of service for CNI / payment of agreed fees
RBI Midas Support Service	Raiffeisen Bank International AG	24 July 2014	Amendment to the Service Description RBI Midas Support Service - price update / payment of contractual remuneration
Amendment to Service Description RIAH	Raiffeisen Bank International AG	24 July 2014	Amendment to the Service Description RIAH - price increase / payment of contractual remuneration
Amendment to Lotus Notes International Domino Hub Service Agreement	Raiffeisen Bank International AG	24 July 2014	Amendment to the Lotus Notes International Domino Hub Service Agreement - price increase / payment of contractual remuneration

Legal Act	Counterparty	Date concluded	Performance/ Counter-Performance
Risk Participation Confirmation	Raiffeisen Bank International AG	8 August 2014	Risk Participation Confirmation
Agreement (ASLA) - Operations Center Model	Raiffeisen Bank International AG	27 August 2014	Operations Center Model agreement / payment of contractual fees
Amendment to TIGER Operating Agreement	Raiffeisen Bank International AG	29 September 2014	Amendment to the TIGER Operating Agreement / payment of contractual fees
Fraud Propensity Tool Agreement	Raiffeisen Bank International AG	22 October 2014	Fraud Propensity Tool agreement / payment of contractual fees
RDLO32 Project Agreement	Raiffeisen Bank International AG	2 December 2014	Audit findings - Treasury Limits - BN-497 / payment of agreed fees
Amendment No. 2 to FATCA Project Agreement	Raiffeisen Bank International AG	10 December 2014	Specification of FATCA implementation support for 2014 by RI / payment of contractual remuneration
Investment Certificates 2014	Raiffeisen Bank International AG	15 December 2014	Investment certificates 2014 / payment of agreed commissions
New Limit Approval - overdraft limit	Raiffeisen Bank International AG	12 January 2015	New limit approval - overdraft limit / payment of contractual fees
Non-Disclosure Agreement	Raiffeisen Bank International AG	30 January 2015	Non-Disclosure Agreement
Market Data Distribution Agreement	Raiffeisen Bank International AG	2 March 2015	Agreement on the provision of services within Market Data / / payment of contractual fees
McKinsey European Banking IT Benchmarking 2014	Raiffeisen Bank International AG	2 March 2015	Study European Banking IT Benchmarking (BIB / payment of contractual remuneration
Reimbursement Agreement	Raiffeisen Bank International AG	7 April 2015	"Rotation" programme within RBI
Agreement for rendering the Project Brain 2 (Kamakura)	Raiffeisen Bank International AG	21 April 2015	Services offered by RBI to our bank as part of the implementation of the Kamakura system / payment of contractual remuneration
Raiffeisen Bank International AG limit approval - extending the maturity of the bank guarantee	Raiffeisen Bank International AG	6 May 2015	Raiffeisen Bank International AG limit approval - extending the maturity of the bank guarantee
Amendment of Service Description Fraud Propensity Tool	Raiffeisen Bank International AG	16 June 2015	Amendment of Service Description Fraud Propensity Tool Agreement / payment of contractual fees
Amendment of Service Description Corporate Network International CNI	Raiffeisen Bank International AG	16 June 2015	Amendment of Service Description Corporate Network International CNI / payment of contractual fees
Amendment of Service Description Lotus Notes International Domino Hub service	Raiffeisen Bank International AG	16 June 2015	Amendment to Service Description Lotus Notes / payment of contractual fees
Amendment to Market Data Distribution Agreement	Raiffeisen Bank International AG	16 June 2015	Change of yearly fees / payment of contractual fees
Project Collateral Fields Changes	Raiffeisen Bank International AG	28 July 2015	Addition of attributes for reconciliations of Notes / payment of contractual fees
Participation Certificate	Raiffeisen Bank International AG	28 August 2015	Risk participation / payment of contractual fees

Legal Act	Counterparty	Date concluded	Performance/ Counter-Performance
Agreement for rendering the Project CPA rollout on Nearshored OFSAA Hub	Raiffeisen Bank International AG	9 September 2015	New Pricing Engine for Corp Division on RBI/ payment of contractual fees
Limit approval - non-funded participation	Raiffeisen Bank International AG	16 September 2015	Limit approval - non-funded participation / payment of contractual fees
Participation Certificate	Raiffeisen Bank International AG	28 September 2015	Risk participation / payment of contractual fees
Midas Core Banking System Agreement	Raiffeisen Bank International AG	30 September 2015	Sublicensing agreement on the provision of Midas Core Banking/ payment of contractual fees
Online Banking Security Service Agreement	Raiffeisen Bank International AG	8 October 2015	Agreement on banking security services / payment of contractual fees
Midas Maintenance & Upgrade Contract	Raiffeisen Bank International AG	13 October 2015	Midas licences and support / payment of contractual fees
Agreement on the termination of the contract about automatic balance transfers	Raiffeisen Bank International AG	16 October 2015	Agreement on the termination of the contract about automatic balance transfers from 20 May 2011
Limit approval - settlement limit increase	Raiffeisen Bank International AG	19 October 2015	Limit approval - settlement limit increase / payment of contractual fees
Micro Contract	Raiffeisen Bank International AG	12 November 2015	Agreement about the reimbursement of expenses related to marketing research data analysis / payment of contractual fees
FWR Contract	Raiffeisen Bank International AG	12 November 2015	Agreement about the reimbursement of expenses related to marketing research data analysis / payment of contractual fees
Limit approval - settlement limit increase	Raiffeisen Bank International AG	26 November 2015	Limit approval - settlement limit increase / payment of contractual fees
Agreement on automatic balance transfers	Raiffeisen Bank International AG	10 December 2015	Changes to mutual rights and obligations when making automatic balance between accounts administered by Raiffeisenbank a.s.
Agreement for rendering the CRS Group Program	Raiffeisen Bank International AG	16 December 2015	Mutual provision of services in the project Common Reporting Standard/ payment of contractual fees

In addition to the contracts referred to above, the Bank and the controlling entities entered into other bank transactions in the course of 2015, predominantly loans and borrowings in the money market and fixed-term transactions, under which the Bank received or paid interest and fees.

In the reporting period, the controlled entity received or provided no other performance or counter-performance in the interest or at the initiative of the controlling entity or entities controlled by the controlling entity outside the scope of performance or counter-performance, which is customary within the controlled entity's relations with the controlling entity as the shareholder of the controlled entity.

4.2 List of Contracts with Other Related Parties

In the 2015 reporting period, Raiffeisenbank a.s. had relations with the following related parties:

Raiffeisen stavební spořitelna a.s.

Legal Act	Counterparty	Date concluded	Performance/ Counter-Performance
Cooperation Contract	Raiffeisen stavební spořitelna a.s.	31 May 2002	Mediation of the sale of building saving schemes / payment of contractual commissions
Contract for the Provision of Call Centre Services	Raiffeisen stavební spořitelna a.s.	23 June 2005	Provision of call centre services to Raiffeisen stavební spořitelna / contractual fee
Amendment No. 5 to the Cooperation Contract of 31 May 2002	Raiffeisen stavební spořitelna a.s.	27 March 2009	Change of conditions of cooperation in mutual offering of products
Amendment No. 6 to the Cooperation Contract of 31 May 2002	Raiffeisen stavební spořitelna a.s.	23 December 2009	Change of conditions of cooperation in mutual offering of products
Cooperation Contract	Raiffeisen stavební spořitelna a.s.	7 June 2010	Change of mutual cooperation in providing payment cards / payment of contractual commission
Amendment to the Cooperation Contract of 7 June 2010	Raiffeisen stavební spořitelna a.s.	15 November 2011	Change of contractual terms for the purpose of addressing clients with a new offer
Treasury Master Agreement	Raiffeisen stavební spořitelna a.s.	29 February 2012	Agreement on rights and obligations related to transactions in the financial market
Personal Data Processing and Confidentiality Agreement	Raiffeisen stavební spořitelna a.s.	5 April 2012	Agreement on the processing of personal data and confidentiality as part of mutual business cooperation
Agreement on Further Terms of Cooperation	Raiffeisen stavební spořitelna a.s.	16 April 2012	Agreement on further cooperation in mutual offering of products to clients (according to the Cooperation Agreement of 31 May 2002)
Master Cooperation Agreement	Raiffeisen stavební spořitelna a.s.	24 April 2012	General stipulation of terms of a planned business transaction
Sales Representation Agreement concluded based on the Master Cooperation Agreement of 24 April 2012	Raiffeisen stavební spořitelna a.s.	24 April 2012	Stipulation of detailed terms of a planned business transaction
Guarantee Agreement concluded based on the Master Cooperation Agreement of 24 April 2012	Raiffeisen stavební spořitelna a.s.	24 April 2012	Stipulation of detailed terms of a planned business transaction
Amendment no. 1 to Master Cooperation Agreement from 24 April 2012	Raiffeisen stavební spořitelna a.s.	27 June 2012	Stipulation of detailed terms of a planned business transaction
Amendment No. 1 to the Cooperation Agreement of 1 December 2011	Raiffeisen stavební spořitelna a.s./ Vodafone Czech Republic, a.s.	29 June 2012	Change of contractual terms.
FTP Access Agreement	Raiffeisen stavební spořitelna a.s.	15 February 2013	Agreement on mutual data exchange using an FTP server (see Agreement on Further Terms of Cooperation of 16 April 2012)
Appendix 2 to the Sales Representation Agreement	Raiffeisen stavební spořitelna a.s.	7 March 2013	Specification of the Personal Account product and its offering / payment of contractual commissions

Legal Act	Counterparty	Date concluded	Performance/ Counter-Performance
Appendix 3 to the Sales Representation Agreement	Raiffeisen stavební spořitelna a.s.	7 March 2013	Changed Appendix 2 - Personal Account product specification
Marketing Research Agreement	Raiffeisen stavební spořitelna a.s.	1 April 2013	Marketing research - investment products / payment of contractual fee
Appendix 3 to the Sales Representation Agreement	Raiffeisen stavební spořitelna a.s.	18 July 2013	Changed Appendix 3 - EASY credit card product specification / payment of contractual commissions
Appendix 4 to the Sales Representation Agreement	Raiffeisen stavební spořitelna a.s.	18 July 2013	Changed Appendix 2 - EASY credit card product specification
Agreement to Terminate the Cooperation Agreement	Raiffeisen stavební spořitelna a.s.	23 July 2013	Termination of the Cooperation Agreement
Amendment No. 7 to the Cooperation Contract of 31 May 2002	Raiffeisen stavební spořitelna a.s.	24 July 2013	Definition of activities of RBCZ for Raiffeisen stavební spořitelna a.s. concerning online client service
Amendment No. 1 to the Agreement to Buy or Sell Securities	Raiffeisen stavební spořitelna a.s.	25 September 2013	Change of contractual terms
Direct Banking Service Agreement	Raiffeisen stavební spořitelna a.s.	15 November 2013	Agreement on direct banking services / payment of contractual fees
Amendment No. 5 to the Sales Representation Agreement	Raiffeisen stavební spořitelna a.s.	1 July 2014	Amendment No. 5 to the Sales Representation Agreement / payment of agreed commission
Sales Representation Agreement	Raiffeisen stavební spořitelna a.s.	15 December 2014	Agreement on sales representation / payment of commissions within Product Appendices
Product Appendix 1	Raiffeisen stavební spořitelna a.s.	15 December 2014	Addressing prospects interested in services related to mutual funds managed by RIS / payment of commission
Product Appendix 2	Raiffeisen stavební spořitelna a.s.	15 December 2014	Provision of a mortgage loan product / payment of commission
Product Appendix 3	Raiffeisen stavební spořitelna a.s.	15 December 2014	Identifying prospects interested in concluding an "Account agreement" / payment of commission
Product Appendix 4	Raiffeisen stavební spořitelna a.s.	15 December 2014	Addressing prospects interested in an EASY credit card / payment of commission
Product Appendix 5	Raiffeisen stavební spořitelna a.s.	15 December 2014	Identifying prospects interested in a MICRO loan product / payment of commission
Agreement to Provide X-business Internet Banking Services	Raiffeisen stavební spořitelna a.s.	3 February 2015	X-business internet banking / payment of contractual fees
Amendment 1 dated 27 April 2015 to the Business Representation Contract	Raiffeisen stavební spořitelna a.s.	27 April 2015	Change of Appendix 1
Agreement to issue a debit card	Raiffeisen stavební spořitelna a.s.	10 June 2015	Debit card issue
Prolongation of existing limits	Raiffeisen stavební spořitelna a.s.	10 December 2015	Prolongation of existing limits / payment of contractual fees
Insurance Participation Agreement	Raiffeisen stavební spořitelna a.s.	29 December 2015	Insurance participation/ payment of a share in an insurance premium

In 2015, Raiffeisanbank a.s. connected accounts to the X-business installation for the following companies: KONEVOVA s.r.o. and Raiffeisen stavební spořitelna a.s.

Raiffeisen – Leasing, s.r.o.

Legal Act	Counterparty	Date concluded	Performance/ Counter-Performance
Loan Contract	Raiffeisen – Leasing, s.r.o.	28 November 2005	Provision of a loan facility / payment of contractual interest
Contract for the Sublease of Non-Residential Premises	Raiffeisen – Leasing, s.r.o.	28 August 2008	Sublease of non-residential premises / payment of the rent
Bank Guarantee Agreement	Raiffeisen – Leasing, s.r.o.	12 June 2009	Provision of a bank guarantee / payment of contractual fees
Amendment no. 1 to the Contract on the Sublease of Non-Residential Premises from 28 August 2008	Raiffeisen – Leasing, s.r.o.	15 June 2009	Change of contractual terms
Bank Guarantee Agreement	Raiffeisen – Leasing, s.r.o.	30 September 2009	Provision of a bank guarantee / payment of contractual fees
Amendment no. 2 to the Contract on the Sublease of Non-Residential Premises from 28 August 2008	Raiffeisen – Leasing, s.r.o.	1 December 2009	Change of contractual terms
Cooperation Agreement	Raiffeisen – Leasing, s.r.o.	13 December 2010	Definition of mutual cooperation in the provision of payment cards / payment of contractual commission
Amendment no. 3 to the Contract on the Sublease of Non-Residential Premises from 28 August 2008	Raiffeisen – Leasing, s.r.o.	28 March 2011	Change of contractual terms
Amendment No. 7 to the Bank Guarantee Agreement of 30 September 2009	Raiffeisen – Leasing, s.r.o.	29 March 2011	Change of contractual terms
Amendment no. 7 to the Loan Contract from 28 November 2005	Raiffeisen – Leasing, s.r.o.	26 January 2011	Change of contractual terms
Amendment no. 8 to the Loan Contract from 28 November 2005	Raiffeisen – Leasing, s.r.o.	27 January 2011	Change of contractual terms
Amendment no. 9 to the Loan Contract from 28 November 2005	Raiffeisen – Leasing, s.r.o.	28 March 2011	Change of contractual terms
Loan Contract	Raiffeisen – Leasing, s.r.o.	28 March 2011	Provision of a loan facility / payment of contractual interest
Cash Pooling Agreement	Raiffeisen – Leasing, s.r.o.	28 April 2011	Automatic transfers of account balances
Amendment no. 3 to the Bank Guarantee Agreement from 12 June 2009	Raiffeisen – Leasing, s.r.o.	4 May 2011	Change of contractual terms
Amendment no. 4 to the Bank Guarantee Agreement from 12 June 2009	Raiffeisen – Leasing, s.r.o.	10 June 2011	Change of contractual terms
Amendment no. 8 to the Bank Guarantee Agreement from 30 September 2009	Raiffeisen – Leasing, s.r.o.	1 July 2011	Change of contractual terms
Risk Management Cooperation Contract	Raiffeisen – Leasing, s.r.o.	11 July 2011	Provision of credit risk analyses / payment of fees and costs according to the contract
Agreement on Accounts	Raiffeisen – Leasing, s.r.o.	21 July 2011	Agreement to open special accounts for clients of Raiffeisen-Leasing, s.r.o.
Agreement on Accounts	Raiffeisen – Leasing, s.r.o.	8 August 2011	Agreement to open special accounts for clients of Raiffeisen-Leasing, s.r.o.

Legal Act	Counterparty	Date concluded	Performance/ Counter-Performance
Agreement on Accounts	Raiffeisen - Leasing, s.r.o.	11 July 2011	Agreement to open special accounts for clients of Raiffeisen-Leasing, s.r.o.
Amendment no. 9 to the Bank Guarantee Agreement from 30 September 2009	Raiffeisen - Leasing, s.r.o.	9 September 2011	Change of contractual terms
Amendment no. 10 to the Bank Guarantee Agreement from 30 September 2009	Raiffeisen - Leasing, s.r.o.	12 December 2011	Change of contractual terms
Treasury Master Agreement	Raiffeisen - Leasing, s.r.o.	20 February 2012	Agreement on rights and obligations related to transactions in the financial market
Personal Data Processing and Confidentiality Agreement	Raiffeisen - Leasing, s.r.o.	1 March 2012	Agreement on the processing of personal data and confidentiality as part of mutual business cooperation
Amendment no. 10 to the Loan Contract from 28 November 2005	Raiffeisen - Leasing, s.r.o.	20 March 2012	Change of contractual terms
Amendment No. 1 to the Risk Management Cooperation Contract of 11 July 2011	Raiffeisen - Leasing, s.r.o.	13 April 2012	Change of contractual terms
Amendment no. 4 to the Contract on the Sublease of Non-Residential Premises from 28 August 2008	Raiffeisen - Leasing, s.r.o.	29 June 2012	Change of contractual terms
Agreement on Cooperation in Client Data Exchange	Raiffeisen - Leasing, s.r.o.	6 August 2012	Stipulation of rights and obligations in exchanging data for the purpose of business cooperation
FTP Access Agreement	Raiffeisen - Leasing, s.r.o.	6 August 2012	Agreement on the use of a server for mutual exchange of data
Loan Contract No. 110157/2012/01	Raiffeisen - Leasing, s.r.o.	27 September 2012	Provision of a credit limit / payment of contractual interest
Amendment No. 1 to Loan Contract No. 110157/2012/01 of 27 September 2012	Raiffeisen - Leasing, s.r.o.	16 November 2012	Change of contractual terms
Amendment No. 1 to the Agreement on Cooperation in Client Data Exchange S/2012/02973	Raiffeisen - Leasing, s.r.o.	27 March 2013	Stipulation of rights and obligations of contracting parties in exchanging information
Agreement on Non-Exclusive Sales Representation	Raiffeisen - Leasing, s.r.o.	18 April 2013	Stipulation of rights and obligations under non-exclusive sales representation / payment of contractual commissions
Amendment no. 5 to the Contract on the Sublease of Non-Residential Premises	Raiffeisen - Leasing, s.r.o.	28 June 2013	Change of contractual terms / payment of rent
Agreement on Cooperation and Provision of Information Systems and Technology Services	Raiffeisen - Leasing, s.r.o.	14 February 2014	Provision of information systems and technology services / payment of agreed remuneration
Agreement on Risk Participation and Provision of Special-Purpose Loan	Raiffeisen - Leasing, s.r.o.	15 May 2015	Provision of funds for leasing finance / payment of contractual fees
Purchase Contract	Raiffeisen - Leasing, s.r.o.	11 August 2014	Sale of movables / agreed price

Legal Act	Counterparty	Date concluded	Performance/ Counter-Performance
Amendment no. 6 to the Contract on the Sublease of Non-Residential Premises	Raiffeisen - Leasing, s.r.o.	11 February 2014	Amendment no. 6 to the Contract on the Sublease of Non-Residential Premises
Amendment no. 7 to the Contract on the Sublease of Non-Residential Premises	Raiffeisen - Leasing, s.r.o.	24 November 2014	Amendment no. 7 to the Contract on the Sublease of Non-Residential Premises
Master Service Agreement	Raiffeisen - Leasing, s.r.o.	14 January 2015	Provision of payroll accounting and registry services / payment of contractual fees
Amendment no. 12 to the Loan Contract no.110157/2012/01 of 27 September 2012	Raiffeisen - Leasing, s.r.o.	21 April 2015	Provision of credit limit / payment of contractual interest
Amendment no. 13 to the Loan Contract no.110157/2012/01	Raiffeisen - Leasing, s.r.o.	22 June 2015	Provision of credit limit / payment of contractual interest
Escrow Account Contract	Raiffeisen - Leasing, s.r.o.	24 June 2015	Opening and administration of an escrow account
Amendment no. 1 to Escrow Account Contract	Raiffeisen - Leasing, s.r.o.	14 July 2015	Opening and administration of an escrow account
Limit approval - review of the loan and treasury line including its extension and increase	Raiffeisen - Leasing, s.r.o.	27 July 2015	Limit approval - review of the loan and treasury line including its extension and increase
Amendment no. 15 to the Loan Contract no. 110157/2012/01	Raiffeisen - Leasing, s.r.o.	29 July 2015	Provision of credit limit / payment of contractual interest
Amendment no. 14 to the Loan Contract no. 110157/2012/01	Raiffeisen - Leasing, s.r.o.	31 July 2015	Provision of credit limit / payment of contractual interest
Amendment no. 16 to the Loan Contract no. 110157/2012/01	Raiffeisen - Leasing, s.r.o.	17 August 2015	Provision of credit limit / payment of contractual interest
Contract on the opening and administration of account no. 5170012066 (EUR)	Raiffeisen - Leasing, s.r.o.	24 August 2015	Account opening and administration
Master Agreement - RB car fleet management	Raiffeisen - Leasing, s.r.o.	30 September 2015	RB car fleet management / payment of contractual fees
Amendment no. 17 to the Loan Contract no. 110157/2012/01	Raiffeisen - Leasing, s.r.o.	30 September 2015	Provision of credit limit / payment of contractual interest
Amendment no. 1 on non-exclusive business representation	Raiffeisen - Leasing, s.r.o.	29 October 2015	Business representation / payment of contractual provisions
Contract on the opening and administration of account no. 5170012293 (EUR)	Raiffeisen - Leasing, s.r.o.	26 November 2015	Account opening and administration
Agreement on Cooperation in Compliance, Fraud Risk Management, Information Security and Physical Security	Raiffeisen - Leasing, s.r.o.	28 December 2015	Cooperation in the area of Compliance & Security / Payment of contractual remuneration

Raiffeisen – Leasing Real Estate, s.r.o.

(note: ceased to exist by merger with Raiffeisen – Leasing, s.r.o. as of 1 January 2015)

Legal Act	Counterparty	Date concluded	Performance/ Counter-Performance
Contract for the Use of Electronic Banking	Raiffeisen – Leasing Real Estate, s.r.o.	19 January 2004	Installation of the electronic banking system / contractual fee
Escrow Account Agreement	Raiffeisen – Leasing Real Estate, s.r.o. FONTÁNA HOTEL, s.r.o.	19 October 2004	Agreement to open an escrow account for depositing funds / payment of contractual fees
Amendment No. 1 to the Contract for the Use of Electronic Banking of 19 January 2004	Raiffeisen – Leasing Real Estate, s.r.o.	26 October 2005	Change of the contractual fee
Contract for the Opening and Maintenance of a Current Account	Raiffeisen – Leasing Real Estate, s.r.o.	19 April 2004	Opening and maintenance of a current account / payment of contractual fees
Amendment No. 1 to the Escrow Account Agreement of 19 October 2004	Raiffeisen – Leasing Real Estate, s.r.o. FONTÁNA HOTEL, s.r.o.	1 February 2006	Change of contractual terms
Amendment no. 1 to the Contract on the Sublease of Non-Residential Premises	Raiffeisen – Leasing Real Estate, s.r.o.	1 December 2009	Change of contractual terms
Loan Contract	Raiffeisen – Leasing Real Estate, s.r.o.	26 February 2010	Provision of credit a loan facility / payment of contractual interest
Amendment no. 1 to the Loan Contract from 26 February 2010	Raiffeisen – Leasing Real Estate, s.r.o.	23 August 2010	Change of contractual terms
Loan Contract	Raiffeisen – Leasing Real Estate, s.r.o.	21 June 2010	Provision of a loan facility / payment of contractual interest
Amendment no. 1 to the Loan Contract from 21 June 2010	Raiffeisen – Leasing Real Estate, s.r.o.	24 June 2010	Change of contractual terms
Loan Contract	Raiffeisen – Leasing Real Estate, s.r.o.	23 August 2010	Provision of credit a loan facility / payment of contractual interest
Amendment no. 1 to the Loan Contract from 23 August 2010	Raiffeisen – Leasing Real Estate, s.r.o.	25 August 2010	Change of contractual terms
Amendment No. 1 to the Credit Risk Cooperation Contract	Raiffeisen – Leasing Real Estate, s.r.o.	21 December 2010	Change of contractual terms
Treasury Master Agreement	Raiffeisen – Leasing Real Estate, s.r.o.	26 January 2011	Agreement on rights and obligations related to transactions in the financial market
Amendment to the Loan Contract from 26 February 2010	Raiffeisen – Leasing Real Estate, s.r.o.	31 March 2011	Change of contractual terms
Agreement to open a special account to pay up contributions in a founded company	Raiffeisen – Leasing Real Estate, s.r.o.	17 June 2011	Opening a special account / payment of contractual fees
Termination of the Agreement on Sublease of Non-Residential Premises between RLRE and RBCZ	Raiffeisen – Leasing Real Estate, s.r.o.	29 June 2012	Termination of the Agreement on Sublease of Non-Residential Premises between RLRE and RBCZ
Agreement to open a special account to pay up contributions in a founded company	Raiffeisen – Leasing Real Estate, s.r.o.	22 September 2011	Opening a special account / payment of contractual fees
Amendment No. 1 to the Escrow Account Agreement of 19 October 2004	Raiffeisen – Leasing Real Estate, s.r.o. FONTÁNA HOTEL, s.r.o.	7 October 2011	Change of contractual terms

Legal Act	Counterparty	Date concluded	Performance/ Counter-Performance
Loan Contract	Raiffeisen - Leasing Real Estate, s.r.o.	4 October 2011	Provision of credit a loan facility / payment of contractual interest
Loan Contract no. 112485/2012/01	Raiffeisen - Leasing Real Estate, s.r.o.	26 September 2012	Provision of credit limit / payment of contractual interest
Amendment no. 1 to the Loan Contract no. 112485/2012/01 from 26 September 2012	Raiffeisen - Leasing Real Estate, s.r.o.	16 November 2012	Change of contractual terms
Amendment no. 2 to the Loan Contract no. 112485/2012/01 from 26 September 2012	Raiffeisen - Leasing Real Estate, s.r.o.	20 December 2012	Change of contractual terms
Escrow Account Agreement	Raiffeisen - Leasing Real Estate, s.r.o. / Cann, s.r.o. / Metropolitní spořitelní družstvo	18 October 2012	Agreement to open an escrow account for depositing funds / payment of contractual remuneration
Agreement to Open a Special Account for Payment of Contribution upon Foundation of a Company	Raiffeisen - Leasing Real Estate, s.r.o.	27 November 2012	Agreement to open an escrow account for depositing funds / payment of contractual remuneration
Agreement to Open a Special Account for Payment of Contribution upon Foundation of a Company	Raiffeisen - Leasing Real Estate, s.r.o.	27 November 2012	Agreement to open an escrow account for depositing funds / payment of contractual remuneration
Guarantor's Statement	Raiffeisen - Leasing Real Estate, s.r.o.	19 December 2012	Security to a liability
Guarantor's Statement	Raiffeisen - Leasing Real Estate, s.r.o.	21 December 2012	Security to a liability
Escrow Account Agreement	Raiffeisen - Leasing Real Estate, s.r.o. / PSJ, a.s.	28 December 2012	Agreement to open an escrow account for depositing funds / payment of contractual remuneration
Agreement to Terminate the Credit Risk Cooperation Contract of 12 January 2004	Raiffeisen - Leasing Real Estate, s.r.o.	31 December 2012	Termination of contractual relationship
Amendment no. 3 to the Loan Contract	Raiffeisen - Leasing Real Estate, s.r.o.	31 January 2013	Change of contractual terms
Amendment no. 4 to the Loan Contract	Raiffeisen - Leasing Real Estate, s.r.o.	12 August 2013	Change of contractual terms
Agreement to Terminate the Loan Relationship - Loan Contract no.112485/2012/01	Raiffeisen - Leasing Real Estate, s.r.o. (successor to Raiffeisen Leasing s.r.o.)	21 April 2015	Agreement to terminate the loan contract

In 2015, Raiffeisenbank a.s. was related to a total of 89 companies (see the list in Chapter 2) indirectly through Raiffeisen-Leasing, s.r.o., with which it concluded contracts for the opening and maintenance of a current account, based on which it received standard contractual fees from and paid standard contractual interest to the above companies. Also, Raiffeisenbank a.s. concluded contracts for the use of electronic banking, or authorisation to use electronic banking, with these companies, based on which it received standard contractual fees from the above companies.

In 2012, Raiffeisenbank a.s. entered into a total of 9 Treasury Master Agreements with the above companies (Photon SPV 3 s.r.o., Photon SPV 4 s.r.o., Photon SPV 6 s.r.o., Photon SPV 8 s.r.o., Photon SPV 10 s.r.o., Photon SPV 11 s.r.o., Exit 90 SPV s.r.o., Onyx Energy s.r.o., Onyx Energy projekt II s.r.o.), the subject-matter of which agreements is the provision of trades concluded in the money and capital markets / payment of contractual fees.

On 2 March 2012, Raiffeisenbank a.s. entered into a Payment Card Acquiring Agreement with Hermes Property, s.r.o., the subject matter of which is the provision of services related to the acquiring of payment cards / payment of contractual fees.

In 2015 Raiffeisenbank a.s. concluded Master Treasury Agreements with Bondy Centrum s.r.o. and Raiffeisen FinCorp, s.r.o., the subject-matter of which is the provision of trades concluded in the money and capital markets / payment of contractual fees.

In 2015 Raiffeisenbank a.s. connected accounts to the Multicash installation for the following companies: Neptun Property s.r.o., Studioprojekt s.r.o., Na Stárce s.r.o., Theia Property s.r.o., Photon SPV 6 s.r.o., Médea Property s.r.o., Janus Property s.r.o., Niobé Property s.r.o., Kirké Property s.r.o., Photon SPV 10 s.r.o., Dafné Property s.r.o., Amfiión Property s.r.o., Inó Property s.r.o., Forkys Property s.r.o., Priapos Property s.r.o., Studio Invest s.r.o., Boreas Property s.r.o., Trojské výhledy s.r.o., Hestia Property s.r.o., Hyperion Property s.r.o., Ofión Property s.r.o., Éós Property s.r.o., Harmonia Property s.r.o., Pontos Property s.r.o., Erató Property s.r.o., Dorint Hotel Prag s.r.o., Studio Invest s.r.o.

Raiffeisen FinCorp, s.r.o

Legal Act	Counterparty	Date concluded	Performance/ Counter-Performance
Master Treasury Agreement	Raiffeisen FinCorp, s.r.o.	26 February 2015	Agreement on rights and obligations related to transaction on the financial market
Amendment to the Master Treasury Agreement	Raiffeisen FinCorp, s.r.o.	26 February 2015	Agreement on rights and obligations related to transaction on the financial market
Amendment no.2 to the Master Agreement on loan banking products	Raiffeisen FinCorp, s.r.o.	31 March 2015	Provision of credit limit / payment of contractual interest
Guarantor's Statement	Raiffeisen FinCorp, s.r.o.	11 May 2015	Security to a liability
Amendment no.3 to the Master Agreement on loan banking products	Raiffeisen FinCorp, s.r.o.	22 June 2015	Provision of credit limit / payment of contractual interest
Amendment no. 1 to the Guarantor's Statement	Raiffeisen FinCorp, s.r.o.	22 June 2015	Security to a liability
Amendment no.4 to the Master Agreement on loan banking products	Raiffeisen FinCorp, s.r.o.	31 July 2015	Provision of credit limit / payment of contractual interest

As of 31 December 2015, Raiffeisenbank a.s. concluded Agreements to Open and Administer Current Accounts with Raiffeisen FinCorp, s.r.o. Based on these agreements it accepted regular contractual fees from the above company and paid regular contractual interest.

KHD, a.s.

Legal Act	Counterparty	Date concluded	Performance/ Counter-Performance
Agreement to Open and Maintain a Current Account	KHD, a.s.	13 February 2009	Opening and maintenance of a current account / payment of contractual fees

Transaction System Servis s.r.o.

Legal Act	Counterparty	Date concluded	Performance/ Counter-Performance
Agreement to Open and Maintain a Current Account	Transaction System Servis s.r.o.	17 December 2008	Opening and maintenance of a current account / payment of contractual fees
Agreement on Direct Banking	Transaction System Servis s.r.o.	1 December 2010	Setting up direct banking services
Agreement on Cooperation in Preparation of Tax Returns for VAT Group	Transaction System Servis s.r.o.	25 February 2013	Cooperation in preparation of group tax returns for VAT group

Raiffeisen Investment, s.r.o., in liquidation

Legal Act	Counterparty	Date concluded	Performance/ Counter-Performance
Agreement on the Use of Electronic Banking	Raiffeisen Investment, s.r.o., in liquidation	2 December 2008	Installation of the electronic banking system / contractual fee
Agreement to Open and Maintain a Current Account	Raiffeisen Investment, s.r.o., in liquidation	1 October 2009	Opening and maintenance of a current account / payment of contractual fees
Contract for Sublease of Non-Residential Premises	Raiffeisen Investment, s.r.o., in liquidation	31 May 2013	Sublease of non-residential premises / payment of contractual rent
Agreement to Terminate Contract for Sublease of Non-Residential Premises	Raiffeisen Investment, s.r.o., in liquidation	30 July 2014	Agreement to terminate the Contract for sublease of non-residential premises

Raiffeisen penzijní společnost a.s. in liquidation

Legal Act	Counterparty	Date concluded	Performance/ Counter-Performance
Agreement to Open a Special Account for the Payment of Contribution	Raiffeisen penzijní společnost a.s.	4 May 2012	Opening an account for the payment of contribution upon foundation of a company / payment of contractual fee
Agreement to Open and Maintain a Current Account	Raiffeisen penzijní společnost a.s.	10 December 2012	Opening and maintenance of a current account / payment of contractual fees
Agreement on the Use of Electronic Banking	Raiffeisen penzijní společnost a.s.	10 December 2012	Installation of an electronic banking system / contractual remuneration
5 Agreements to Issue a Debit Card	Raiffeisen penzijní společnost a.s.	10 December 2012	Issue of a debit card / payment of contractual fees
3 Term Deposit Agreements	Raiffeisen penzijní společnost a.s.	13 December 2012	Agreement to open a term deposit / payment of contractual interest / payment of contractual fees
Agreement to Assign Rights and Obligations	Raiffeisen penzijní společnost a.s./SOFTIP a.s.	31 December 2012	Agreement to assign rights under a contract for work without compensation
Sales Representation Agreement	Raiffeisen penzijní společnost a.s.	1 January 2013	Agreement on sales representation / payment of commissions
Risk Management Agreement	Raiffeisen penzijní společnost a.s.	1 January 2013	Agreement on risk management / payment of contractual fees (terminated as of 30 June 2014)
Agreement on the Sublease of Non-Residential Premises	Raiffeisen penzijní společnost a.s.	11 January 2013	Agreement on the sublease of non-residential premises / payment of rent
Asset Management Agreement	Raiffeisen penzijní společnost a.s.	15 January 2013	Management of assets in funds / payment of contractual remunerations
Agreement to Open a Special Account for Registered Capital Increase	Raiffeisen penzijní společnost a.s.	1 February 2013	Opening a special account for an increase of registered capital / payment of contractual fee
Agreement on Cooperation in Preparation of Tax Returns for VAT Group	Raiffeisen penzijní společnost a.s.	13 March 2013	Stipulation of mutual rights and obligations of VAT group members
Agreement to Issue a Debit Card	Raiffeisen penzijní společnost a.s.	14 May 2013	Issued debit card / payment of contractual fees

Legal Act	Counterparty	Date concluded	Performance/ Counter-Performance
Amendment No. 1 to the Asset Management Agreement	Raiffeisen penzijní společnost a.s.	30 May 2013	Change of contractual terms
Treasury Master Agreement	Raiffeisen penzijní společnost a.s.	17 July 2013	Agreement on rights and obligations related to transactions in the financial market
Master Agreement on RPS Services	Raiffeisen penzijní společnost a.s.	22 July 2013	Provision of RPS services / payment of contractual remunerations and fees
Confidentiality Agreement	Raiffeisen penzijní společnost a.s.	15 August 2013	Confidentiality Agreement
Agreement on Information Systems and Technology Services	Raiffeisen penzijní společnost a.s.	19 September 2013	Agreement on IS and IT services / payment of contractual fees
Amendment No. 1 to Agreement on Information Technology Services - 2014 price update	Raiffeisen penzijní společnost a.s.	6 June 2014	Amendment No. 1 to the Agreement on Information Technology Services / payment of contractual remuneration
Amendment No. 1 to Risk Management Agreement	Raiffeisen penzijní společnost a.s.	30 June 2014	Termination of the Agreement
Bank Guarantee Agreement	Raiffeisen penzijní společnost a.s.	30 June 2014	Agreement to issue a bank guarantee / payment of contractual commission
Amendment No. 1 to Master Service Agreement	Raiffeisen penzijní společnost a.s.	30 June 2014	Payroll and mailing room services / payment of contractual fees
Amendment No. 2 to Agreement on Information Systems and Technology Services	Raiffeisen penzijní společnost a.s.	11 September 2014	Amendment No. 2 to the Agreement on Information Systems and Technology Services
Agreement to Terminate Agreement on Information Systems and Technology Services	Raiffeisen penzijní společnost a.s.	1 December 2014	Termination of the Agreement
Agreement on Discharge of Obligation	Raiffeisen penzijní společnost a.s.	5 February 2015	Account termination / Balance settlement

Raiffeisen investiční společnost a.s.

Legal Act	Counterparty	Date concluded	Performance/ Counter-Performance
Master Agreement on RIS Services	Raiffeisen investiční společnost a.s.	1 January 2013	Provision of RIS services / payment of contractual remunerations and fees
Agreement to Open and Maintain a Current Account	Raiffeisen investiční společnost a.s.	23 January 2013	Current account maintenance / payment of contractual fees
Agreement on Cooperation in Preparation of Tax Returns for VAT Group	Raiffeisen investiční společnost a.s.	14 February 2013	Stipulation of mutual rights and obligations of VAT group members
Agreement on the Sublease of Non-Residential Premises	Raiffeisen investiční společnost a.s.	29 March 2013	Agreement on the Sublease of Non-Residential Premises / payment of rent
Agreement on performance of Risk Management	Raiffeisen investiční společnost a.s.	1 May 2013	Risk management of the funds/ payment of contractual fees (note: agreement terminated by 31 December 2014)
Agreement to Issue a Debit Card	Raiffeisen investiční společnost a.s.	14 May 2013	Agreement to Issue a Debit Card / payment of contractual fees

Legal Act	Counterparty	Date concluded	Performance/ Counter-Performance
Confidentiality Agreement	Raiffeisen investiční společnost a.s.	17 June 2013	Confidentiality agreement
Risk Management Agreement	Raiffeisen investiční společnost a.s.	30 June 2013	Risk management related to funds / payment of contractual fees
Cooperation Agreement	Raiffeisen investiční společnost a.s.	17 June 2013	Agreement on cooperation (distribution of RIS funds) / payment of contractual remuneration
Service Agreement	Raiffeisen investiční společnost a.s.	17 June 2013	Provision of services - settlement of trades / payment of contractual remuneration
Agreement to Open and Maintain a Current Account	Raiffeisen investiční společnost a.s.	13 June 2013	Current Account maintenance / payment of contractual fees
Agreement on Direct Banking	Raiffeisen investiční společnost a.s.	18 June 2013	Setting up direct banking services / payment of contractual fees
Treasury Master Agreement	Raiffeisen investiční společnost a.s.	17 July 2013	Agreement on rights and obligations related to transactions in the financial market
FDP Loan Contract	Raiffeisen investiční společnost a.s.	30 August 2013	Loan for financing bond opportunity fund client settlements / payment of contractual interest and principal
FEC Loan Contract	Raiffeisen investiční společnost a.s.	30 August 2013	Loan for financing economic cycle fund client settlements / payment of contractual interest and principal
Agreement on Information System and Technology Services	Raiffeisen investiční společnost a.s.	19 September 2013	Agreement on the provision of IT services to RIS / payment of contractual remuneration
Agreement to Open and Maintain a Current Account	Raiffeisen investiční společnost a.s.	27 September 2013	Current Account maintenance / payment of contractual fees
Amendment no.1 to Cooperation Agreement S/2013/00263	Raiffeisen investiční společnost a.s.	1 October 2013	Replacement of the existing annexes No.1 a 2.
Amendment No. 1 to Service Agreement	Raiffeisen investiční společnost a.s.	1 January 2014	Modification of rights and obligations
Amendment no. 1 to the Contract on the Sublease of Non-Residential Premises	Raiffeisen investiční společnost a.s.	1 January 2014	Amendment to the Agreement on the sublease of non-residential premises / payment of rent
Amendment No. 1 to Agreement on Information System and Technology Services	Raiffeisen investiční společnost a.s.	1 January 2014	Remuneration amount update / payment of contractual remuneration
Amendment No. 1 to Treasury Master Agreement	Raiffeisen investiční společnost a.s.	31 January 2014	Modification according to EMIR
Agreement to Open and Maintain a Current Account	Raiffeisen investiční společnost a.s.	27 February 2014	Agreement to Open and Maintain a Current Account 5170010677-5500
Appendix No. 1 to the Agreement S/2014/00263	Raiffeisen investiční společnost a.s.	14 March 2014	The adjustment of the amount of remuneration / payment of contractual remuneration
Agreement to Open and Maintain a Current Account	Raiffeisen investiční společnost a.s.	21 March 2014	Agreement to Open and Maintain a Current Account for RFDP
Agreement to Open and Maintain a Current Account	Raiffeisen investiční společnost a.s.	21 March 2014	Agreement to Open and Maintain a Current Account for RCHFEC
Agreement to Open and Maintain a Current Account	Raiffeisen investiční společnost a.s.	21 March 2014	Agreement to Open and Maintain a Current Account for RCHFAP

Legal Act	Counterparty	Date concluded	Performance/ Counter-Performance
Amendment No. 2 to Cooperation Agreement	Raiffeisen investiční společnost a.s.	10 April 2014	Appendix update, modification of rights and obligations
Amendment No. 3 to Cooperation Agreement	Raiffeisen investiční společnost a.s.		Appendix update
Amendment No. 1 to Agreement on Cooperation in Preparation of Tax Returns for VAT Group	Raiffeisen investiční společnost a.s.	13 May 2014	Contact information update
Settlement Agreement	Raiffeisen investiční společnost a.s.	18 June 2014	Settlement of mutual rights and obligations / payment of contractual fees
Amendment No. 2 to Agreement on Information System and Technology Services	Raiffeisen investiční společnost a.s.	1 July 2014	Remuneration amount update / payment of contractual remuneration
Agreement to Open and Maintain a Current Account	Raiffeisen investiční společnost a.s.	10 July 2014	Agreement to Open and Maintain a Current Account (5170011354-5500 USD, 5170011362-5500 EUR)
Agreement on Certain Issues Related to Management of Qualifying Investors' Fund	Raiffeisen investiční společnost a.s.	18 July 2014	Cooperation, compulsory disclosure in management of Leonardo, open-end mutual fund
Agreement on Discharge of Obligation	Raiffeisen investiční společnost a.s.	8 October 2014	Agreement on Discharge of Obligation regarding account maintenance (EUR, USD) RFDP
Agreement on Discharge of Obligation	Raiffeisen investiční společnost a.s.	8 October 2014	Agreement on Discharge of Obligation regarding account maintenance (EUR, USD) RCHFEC
Agreement on Discharge of Obligation	Raiffeisen investiční společnost a.s.	8 October 2014	Agreement on Discharge of Obligation regarding account maintenance (EUR, USD) RCHFAP
Agreement on Discharge of Obligation	Raiffeisen investiční společnost a.s.	8 October 2014	Agreement on Discharge of Obligation regarding account maintenance (EUR, USD) Leonardo, open-end mutual fund
Cooperation Agreement	Raiffeisen investiční společnost a.s.	1 December 2014	Agreement on cooperation (RCM funds) / payment of agreed commission
Investment Instrument Brokerage Agreement	Raiffeisen investiční společnost a.s.	5 December 2014	Brokerage of purchases/sales of investment instruments / payment of contractual remuneration
Agreement on the Use of Electronic Banking	Raiffeisen investiční společnost a.s.	17 December 2014	Agreement to provide international electronic banking
Agreement on performance of Risk Management S/2014/00484	Raiffeisen investiční společnost a.s.	31.12.2014	Risk management of the funds/ payment of contractual fees
Agreement on Discharge of Obligation	Raiffeisen investiční společnost a.s.	28 January 2015	Termination of the agreement to issue a debit card
Agreement to Issue a Debit Card	Raiffeisen investiční společnost a.s.	19 February 2015	Issue of a debit card
Amendment no.1 to Master Service Agreement S/2013/00482	Raiffeisen investiční společnost a.s.	16 March 2015	Amendment supplements the existing Appendix no. 2, part 1/ payment of contractual remuneration
Amendment no.1 to Agreement on the Use of Electronic Banking	Raiffeisen investiční společnost a.s.	21 April 2015	Amendment changes point 6.8. of the contract

Legal Act	Counterparty	Date concluded	Performance/ Counter-Performance
Amendment no.4 to Cooperation Agreement S/2013/00263	Raiffeisen investiční společnost a.s.	12 June 2015	Amendment terminates appendix no. 1 and 2 of the contract and provides updated versions /change of authorised person
Amendment no.2 to Service Agreement S/2013/00265	Raiffeisen investiční společnost a.s.	15 June 2015	Amendment terminates appendix no. 1 of the contract and provides an updated version
Amendment no.5 to Cooperation Agreement S/2013/00263	Raiffeisen investiční společnost a.s.	13 July 2015	Amendment terminates appendix no. 1 and 2 of the contract and provides updated versions
Agreement on Discharge of Obligation	Raiffeisen investiční společnost a.s.	27 July 2015	Termination of the agreement to issue a debit card
Agreement on Discharge of Obligation	Raiffeisen investiční společnost a.s.	27 July 2015	Agreement on Discharge of Obligation regarding account maintenance (CZK) RFDP
Agreement on Discharge of Obligation	Raiffeisen investiční společnost a.s.	27 July 2015	Agreement on Discharge of Obligation regarding account maintenance (CZK) RFEC
Agreement to Provide Outsourcing Services in RIS Risk Management	Raiffeisen investiční společnost a.s.	30 July 2015	Agreement to Provide Outsourcing Services in RIS Risk Management / payment of contractual remuneration
Amendment no.1 to Cooperation Agreement S/2014/00508	Raiffeisen investiční společnost a.s.	1 September 2015	Update of appendix no.1 and 2 par. 5 of the agreement /new wording of par. 5 in the Client section
Agreement on Discharge of Obligation	Raiffeisen investiční společnost a.s.	26 October 2015	Termination of the agreement on current accounts
Appendix Update to Master Treasury Agreement	Raiffeisen investiční společnost a.s.	9 November 2015	Update of appendix no. 5. and 7.
Appendix Update to the brokerage agreement	Raiffeisen investiční společnost a.s.	9 November 2015	Update of appendix no. 1. and 10.
Cooperation Agreement in the Area of Compliance	Raiffeisen investiční společnost a.s.	3 December 2015	Stipulation of the conditions of the cooperation of RB in the area of compliance and FRM / payment of contractual remuneration
Amendment No.6 to Cooperation Agreement S/2013/00263	Raiffeisen investiční společnost a.s.	7 December 2015	Amendment terminates appendix no. 1 and 2 of the contract and provides updated versions / payment of contractual remuneration
Amendment No.7 to Cooperation Agreement S/2013/00263	Raiffeisen investiční společnost a.s.	7 December 2015	Change in fee structure of the provider/ replacement of annex 1 and 3

Raiffeisen Property Management, s.r.o.

Legal Act	Counterparty	Date concluded	Performance/ Counter-Performance
Agreement to Open and Maintain a Current Account	Raiffeisen Property Management, s.r.o. (previously Raiffeisen Property Invest, s.r.o.)	12 May 1997	Current Account maintenance / payment of contractual fees
Agreement to Open and Maintain a Current Account	Raiffeisen Property Management, s.r.o. (previously Raiffeisen Property Invest, s.r.o.)	16 December 2008	Current Account maintenance / payment of contractual fees

Hotel Maria Prag Besitz s.r.o.

Legal Act	Counterparty	Date concluded	Performance/ Counter-Performance
Agreement on Maintenance of a Current Account	Hotel Maria Prag Besitz s.r.o.	19 October 2006	Current Account maintenance / payment of contractual fees

Raiffeisen Bank Zrt.

Legal Act	Counterparty	Date concluded	Performance/ Counter-Performance
Agreement to Open a Nostro Account	Raiffeisen Bank Zrt.	2 August 2001	Maintenance of a nostro account / payment of contractual fees
Agreement to Open and Maintain a Securities Account	Raiffeisen Bank Zrt.	11 July 2005	Definition of conditions of maintenance of RBCZ's securities account in Hungary / payment of contractual fees
ISDA Master Agreement	Raiffeisen Bank Zrt.	29 April 2011	Master Agreement stipulating mutual terms and conditions of money market trading
Amendment - Schedule to the ISDA Master Agreement	Raiffeisen Bank Zrt.	29 April 2011	Definition of detailed terms and conditions of money market trading

Raiffeisen banka a.d.

Legal Act	Counterparty	Date concluded	Performance/ Counter-Performance
Loan Contract	Raiffeisen banka a.d.	21 December 2004	Provision of credit a loan facility / payment of contractual interest
Amendment no. 1 to the Loan Contract from 21 December 2004	Raiffeisen banka a.d.	30 March 2005	Change of contractual relationships until 30 April 2005
Loan Contract	Raiffeisen banka a.d.	14 June 2005	Provision of credit a loan facility / payment of contractual interest

Raiffeisenbank Austria d.d.

Legal Act	Counterparty	Date concluded	Performance/ Counter-Performance
Agreement to Open a Nostro Account	Raiffeisenbank Austria d.d.	21 May 2001	Maintenance of a nostro account / payment of contractual fees
ISDA Master Agreement	Raiffeisenbank Austria d.d.	8 June 2011	Master Agreement stipulating mutual terms and conditions of money market trading
Amendment - Schedule to the ISDA Master Agreement"	Raiffeisenbank Austria d.d.	8 June 2011	Definition of detailed terms and conditions of money market trading
Agreement to open a correspondent account	Raiffeisenbank Austria d.d.	18 May 2011	Maintenance of a correspondent account / payment of contractual fees
Overdraft nostro limit increase	Raiffeisenbank Austria d.d.	30 September 2015	Overdraft nostro limit increase / payment of contractual fees

Tatra Banka, a.s.

Legal Act	Counterparty	Date concluded	Performance/ Counter-Performance
Agreement on Shared Use of Banker 's Almanac On-line	Tatra Banka, a.s.	15 June 2004	Agreement on joint ordering and use of an electronic database / agreement on proportional payment of the price
Risk Participation Agreement	Tatra Banka, a.s.	18 May 2005	Credit risk participation / payment of contractual fees
Risk Participation Agreement	Tatra Banka, a.s.	18 August 2005	Credit risk participation / payment of contractual fees
Risk Participation Agreement	Tatra Banka, a.s.	16 November 2005	Credit risk participation / payment of contractual fees
Contract for Pledge on Government Bonds	Tatra Banka, a.s.	19 May 2005	Establishment of pledge on bonds
Amendment No. 1 to the Contract for Pledge on Bonds of 19 May 2005	Tatra Banka, a.s.	16 November 2005	Adjustment of rights and obligations
Syndicated Investment Facility Agreement	Tatra Banka, a.s.	12 December 2005	Provision of credit a loan facility / payment of contractual interest
Risk Participation Confirmation	Tatra Banka, a.s.	30 October 2006	Credit risk participation / payment of contractual fees
Risk Participation Confirmation	Tatra Banka, a.s.	30 October 2006	Credit risk participation / payment of contractual fees
Risk Participation Confirmation	Tatra Banka, a.s.	30 October 2006	Credit risk participation / payment of contractual fees
Risk Participation Confirmation	Tatra Banka, a.s.	7 December 2006	Credit risk participation / payment of contractual fees
Risk Participation Confirmation	Tatra Banka, a.s.	18 December 2006	Credit risk participation / payment of contractual fees
Risk Participation Confirmation	Tatra Banka, a.s.	21 December 2006	Credit risk participation / payment of contractual fees
Risk Participation Confirmation	Tatra Banka, a.s.	21 December 2006	Credit risk participation / payment of contractual fees
Risk Participation Confirmation	Tatra Banka, a.s.	30 October 2007	Credit risk participation / payment of contractual fees
Risk Participation Confirmation	Tatra Banka, a.s.	22 November 2007	Credit risk participation / payment of contractual fees
Risk Participation Confirmation	Tatra Banka, a.s.	27 February 2008	Credit risk participation / payment of contractual fees
Risk Participation Confirmation	Tatra Banka, a.s.	8 December 2008	Credit risk participation / payment of contractual fees
Risk Participation Confirmation	Tatra Banka, a.s.	19 December 2008	Credit risk participation / payment of contractual fees
Risk Participation Confirmation	Tatra Banka, a.s.	19 December 2008	Credit risk participation / payment of contractual fees
Risk Participation Confirmation	Tatra Banka, a.s.	26 August 2008	Credit risk participation / payment of contractual fees
Amendment No. 5 to the Agreement on Shared Use of Banker's Almanac On-line of 15 June 2004	Tatra Banka, a.s.	8 June 2009	Prolongation of the agreement

Legal Act	Counterparty	Date concluded	Performance/ Counter-Performance
Amendment No. 6 to the Agreement on Shared Use of Banker's Almanac On-line of 15 June 2004	Tatra Banka, a.s.	16 December 2009	Agreement on joint order
Confidentiality Agreement	Tatra Banka, a.s.	4 May 2010	Agreement on confidentiality as part of potential mutual cooperation
Cooperation Agreement	Tatra Banka, a.s.	1 August 2010	Agreement on conditions for transfer of information and access to premises
JIRA Application Communication Agreement	Tatra Banka, a.s.	6 October 2010	Agreement to allow for mutual communication through a shared application.
ISDA Master Agreement	Tatra Banka, a.s.	5 October 2011	Master Agreement stipulating mutual terms and conditions of money market trading
Amendment - Schedule to the ISDA Master Agreement	Tatra Banka, a.s.	5 October 2011	Definition of detailed terms and conditions of money market trading
Risk Participation Confirmation	Tatra Banka, a.s.	5 February 2013	Credit risk participation / payment of contractual fees
Risk Participation Confirmation	Tatra Banka, a.s.	26 September 2013	Credit risk participation / payment of contractual fees
Amendment No.7 to the Agreement on Shared Use of Banker's Almanac On-line of 15 June 2004	Tatra Banka, a.s.	19 December 2013	Amendment No.7 to the Agreement on Shared Use of Banker's Almanac / payment of contractual remuneration
Risk Participation Confirmation	Tatra Banka, a.s.	20 December 2013	Credit risk participation / payment of contractual fees
Risk Participation Confirmation	Tatra Banka, a.s.	31 January 2014	Credit risk participation / payment of contractual fees (Geosan Development SK)
Amendment No.8 to the Agreement on Shared Use of Banker's Almanac On-line	Tatra Banka, a.s.	29 April 2014	Amendment No.8 to the Agreement on Shared Use of Banker's Almanac On-line / payment of contractual remuneration
Amendment No.9 to the Agreement on Shared Use of Banker's Almanac On-line	Tatra Banka, a.s.	25 July 2014	Amendment No.8 to the Agreement on Shared Use of Banker's Almanac On-line /
Agreement to Provide Information Technology Services	Tatra Banka, a.s.	1 May 2015	Provision of IT Services / payment of contractual remuneration
Agreement to Provide Confidential Information	Tatra Banka, a.s.	21 May 2015	Provision of confidential information
Agreement on Communication through the Citrix Application	Tatra Banka, a.s.	3 June 2015	Communication agreement
Agreement on Communication through the Sharepoint Application	Tatra Banka, a.s.	3 June 2015	Communication agreement
Sublicensing Agreement on the Use of Finance Planning for Premium Banking Programs	Tatra Banka, a.s.	30 September 2015	Use of premium banking programs / Payment of contractual remuneration
Limit increase - funded participation	Tatra Banka, a.s.	19 October 2015	Limit increase - funded participation / payment of contractual fees
Limit increase - non-funded participation	Tatra Banka, a.s.	9 December 2015	Limit increase - non-funded participation / payment of contractual fees

Tatra Asset Management, správk. spol., a.s.

Legal Act	Counterparty	Date concluded	Performance/ Counter-Performance
Agreement on Communication via Sharepoint Portal	Tatra Asset Management, správk. spol., a.s..	15 July 2012	Agreement on enabling mutual communication via a shared application
Agreement to Bank Guarantee Agreement between RBCZ and RPS	Tatra Asset Management, správk. spol., a.s..	22 December 2014	Agreement to the Agreement to issue a bank guarantee between RBCZ and RPS / payment of contractual remuneration

Regional Card Processing Centre, s.r.o.

Legal Act	Counterparty	Date concluded	Performance/ Counter-Performance
Statement of Work	Regional Card Processing Centre, s.r.o.	10 February 2010	Agreement on mutual cooperation as part of the bank's project / payment of contractual fee
Framework Agreement on Payment Card Processing	Regional Card Processing Centre, s.r.o.	1 January 2011	Provision of payment card processing / payment of contractual fee
Statement of Work	Regional Card Processing Centre, s.r.o.	1 January 2011	Agreement on mutual cooperation as part of the bank's project / payment of contractual fee
Amendment no. 1 to Statement of Work	Regional Card Processing Centre, s.r.o.	6 June 2012	Change of contractual terms
Amendment No. 1 to Framework Agreement on Payment Card Processing of 2011	Regional Card Processing Centre, s.r.o.	9 June 2014	Amendment to the Agreement, modification of the data processing and storing method
Statement of Work	Regional Card Processing Centre, s.r.o.	12 November 2015	Contract defining the extent of work, schedule, price and acceptance criteria of RPC deliveries for a project

Raiffeisen Bank Polska S.A.

Legal Act	Counterparty	Date concluded	Performance/ Counter-Performance
Contract for the Establishment of Pledge on Receivables from Deposits	Raiffeisen Bank Polska S.A./ OFO Polska Sp. Z o.o.	25 August 2005	Establishment of pledge on receivables from deposits
Risk Participation Confirmation	Raiffeisen Bank Polska S.A.	22 December 2006	Credit risk participation / payment of contractual fees
ISDA Master Agreement	Raiffeisen Bank Polska S.A.	27 May 2011	Master Agreement stipulating mutual terms and conditions of money market trading
Amendment - Schedule to the ISDA Master Agreement	Raiffeisen Bank Polska S.A.	27 May 2011	Definition of detailed terms and conditions of money market trading
Mutual Confidentiality Agreement - EVO	Raiffeisen Bank Polska S.A.	2 June 2014	Confidentiality agreement between Raiffeisenbank a.s., Raiffeisen Bank Polska, and Evo Payments International for a project
Mutual Confidentiality Agreement -Equens SE	Raiffeisen Bank Polska S.A.	2 June 2014	Confidentiality agreement between Raiffeisenbank a.s., Raiffeisen Bank Polska, and Equens SE for a project

Legal Act	Counterparty	Date concluded	Performance/ Counter-Performance
Mutual Confidentiality Agreement - ATOS Worldline	Raiffeisen Bank Polska S.A.	26 June 2014	Confidentiality agreement between Raiffeisenbank a.s., Raiffeisen Bank Polska, and ATOS Worldline for a project
Mutual Confidentiality Agreement - Six Payment Services	Raiffeisen Bank Polska S.A.	3 July 2014	Confidentiality agreement between Raiffeisenbank a.s., Raiffeisen Bank Polska, and Six Payment Services for a project
Mutual Confidentiality Agreement - Elavon Financial Service	Raiffeisen Bank Polska S.A.	3 July 2014	Confidentiality agreement between Raiffeisenbank a.s., Raiffeisen Bank Polska, and Elavon Financial Service for a project
Mutual Confidentiality Agreement - First Data	Raiffeisen Bank Polska S.A.	15 July 2014	Confidentiality agreement between Raiffeisenbank a.s., Raiffeisen Bank Polska, and First Data for a project
Mutual Confidentiality Agreement - Global Payments Inc	Raiffeisen Bank Polska S.A.	1 October 2014	Confidentiality agreement between Raiffeisenbank a.s., Raiffeisen Bank Polska, and Global Payments Inc. for
Mutual Confidentiality Agreement - Provus	Raiffeisen Bank Polska S.A.	1 October 2014	Confidentiality agreement between Raiffeisenbank a.s., Raiffeisen Bank Polska, and Provus for a project
Limit approval - bank guarantee maturity extension	Raiffeisen Bank Polska S.A.	16 September 2015	Limit approval - bank guarantee maturity extension
Limit approval - bank guarantee	Raiffeisen Bank Polska S.A.	9 December 2015	Limit prolongation / payment of contractual fees

Raiffeisen Bank S.A.

Legal Act	Counterparty	Date concluded	Performance/ Counter-Performance
Agreement to Open a Nostro Account	Raiffeisen Bank S.A.	19 August 2005	Maintenance of a nostro account / payment of contractual fees

Raiffeisen Centrobank AG

Legal Act	Counterparty	Date concluded	Performance/ Counter-Performance
Agreement to Open and Maintain a Current / Correspondent Account	Raiffeisen Centrobank AG	23 October 2007	Opening and maintenance of a current/correspondent account / payment of contractual fees
Distribution Agreement	Raiffeisen Centrobank AG	27 June 2012	Agreement on joint distribution of structured products / payment of contractual commission
Amendment No. 1 to the Distribution Agreement of 27 June 2012	Raiffeisen Centrobank AG	9 October 2012	Change of contractual terms
Amendment No. 1 to the Distribution Agreement	Raiffeisen Centrobank AG	9 October 2012	Change of contractual terms
Cost Sharing Agreement	Raiffeisen Centrobank AG	9 October 2012	Agreement on sharing costs of joint distribution

Raiffeisen Banka d.d. (former Raiffeisen Krekova Banka d.d.)

Legal Act	Counterparty	Date concluded	Performance/ Counter-Performance
Loan Contract	Raiffeisen Krekova Banka d.d.	3 June 2005	Provision of credit a loan facility / payment of contractual interest
Additional contractual arrangement to the Loan Contract of 3 June 2005	Raiffeisen Krekova Banka d.d.	3 June 2005	Determination of the loan amount
Amendment No. 1 to the Loan Contract of 3 June 2005	Raiffeisen Krekova Banka d.d.	26 August 2005	Adjustment of the method of payment of interest
Loan Contract	Raiffeisen Krekova Banka d.d.	14 September 2005	Provision of credit a loan facility / payment of contractual interest
Additional contractual arrangement to the Loan Contract of 14 September 2005	Raiffeisen Krekova Banka d.d.	6 September 2005	Determination of the volume of drawn funds
Amendment No. 1 to the Loan Contract of 14 September 2005	Raiffeisen Krekova Banka d.d.	1 December 2005	Prolongation of the loan drawdown term

Raiffeisen – Leasing International GmbH

Legal Act	Counterparty	Date concluded	Performance/ Counter-Performance
Creditor Agreement	Raiffeisen – Leasing International GmbH	10 March 2005	Agreement on joint steps towards debtors
Syndicate Agreement	Raiffeisen – Leasing International GmbH	3 May 2004	Agreement on cooperation in corporate governance
Amendment to the Creditor Agreement of 10 March 2005	Raiffeisen-Leasing International GmbH / RLRE Kappa Property, s.r.o. / RLRE Lambda Property s.r.o.	24 June 2005	Amendment to the contractual relationships
Agreement on Joint Refinancing	Raiffeisen-Leasing International GmbH / RLRE Kappa Property, s.r.o. / RLRE Lambda Property s.r.o.	21 October 2005	Agreement on participation in loan refinancing
Escrow Account Agreement	Raiffeisen-Leasing International GmbH / RLRE Kappa Property, s.r.o. / RLRE Lambda Property s.r.o.	24 October 2005	Opening of an account with specific conditions of disposal of funds
Creditor Agreement	Raiffeisen-Leasing International GmbH / RLRE Kappa Property, s.r.o. / RLRE Lambda Property, s.r.o.	29 December 2004	Agreement on joint future steps
Escrow Account Agreement	Raiffeisen-Leasing International GmbH / RLRE Kappa Property, s.r.o. / RLRE Lambda Property s.r.o.	29 December 2004	Opening of an account with specific conditions of disposal of funds

Raiffeisen – Leasing Bank AG

Legal Act	Counterparty	Date concluded	Performance/ Counter-Performance
Contract for the Establishment of Pledge on Receivables from Deposits	Raiffeisen-Leasing Bank AG	27 January 2005	Establishment of pledge on receivables from deposits

Centralised Raiffeisen International Services and Payments S.R.L.

Legal Act	Counterparty	Date concluded	Performance/ Counter-Performance
Cooperation Framework Agreement	Centralised Raiffeisen International Services and Payments S.R.L.	18 June 2007	SWIFT access settings / payment of contractual fees
Agreement on Data Processing and Protection	Centralised Raiffeisen International Services and Payments S.R.L.	18 June 2007	Agreement on the handling and protection of data
Annex No. 3 to Cooperation Framework Agreement	Centralised Raiffeisen International Services and Payments S.R.L.	8 February 2008	Cooperation in the FiSa group programme determining fees for scanning of transactions to sanctioned parties
Annex No. 4a to Cooperation Framework Agreement	Centralised Raiffeisen International Services and Payments S.R.L.	12 August 2009	Specification of services for the use of a common platform for international payments
Confidentiality Agreement	Centralised Raiffeisen International Services and Payments S.R.L.	20 January 2010	Agreement on confidentiality as part of potential mutual cooperation
Annex No. 5 to Cooperation Framework Agreement	Centralised Raiffeisen International Services and Payments S.R.L.	27 August 2010	Specification of services for the use of a common platform for international payments
Annex No. 4 to Cooperation Framework Agreement	Centralised Raiffeisen International Services and Payments S.R.L.	12 November 2010	Specification of services for the use of a common platform for international payments
Annex No. 1 to Amendment No. 4 to Cooperation Framework Agreement	Centralised Raiffeisen International Services and Payments S.R.L.	6 December 2012	Specification of services for the use of a common platform for international payments
Amendment No. 2 to Annex No. 4 to Framework Agreement	Centralised Raiffeisen International Services and Payments S.R.L.	18 August 2014	Amendment to the Framework Agreement, stipulating times guaranteed by CRISP for cases of SWIFT service downtime
Amendment No. 2 to Annex No. 2 to Framework Agreement	Centralised Raiffeisen International Services and Payments S.R.L.	18 August 2014	Amendment to the Framework Agreement, stipulating times guaranteed by CRISP for cases of SWIFT service downtime
Appendix no. 6 to the Cooperation Agreement	Centralised Raiffeisen International Services and Payments S.R.L.	8 January 2015	iReg hosting and support - Fatca Reporting Support Services
Section 11 Appendix no. 6 to the Cooperation Agreement	Centralised Raiffeisen International Services and Payments S.R.L.	8 January 2015	iReg hosting and support - Fatca Reporting Support Services

RZB Finance LLC

Legal Act	Counterparty	Date concluded	Performance/ Counter-Performance
Master Risk Participation Agreement	RZB Finance LLC	12 September 2007	Agreement on participation in credit risk, based on which the below risk participation confirmations were issued / payment of contractual fees
Risk Participation Confirmation	RZB Finance LLC	12 September 2007	Credit risk participation / payment of contractual fees
Risk Participation Confirmation	RZB Finance LLC	6 December 2007	Credit risk participation / payment of contractual fees

ZUNO BANK AG (former Raiffeisen International Direct Bank AG)

Legal Act	Counterparty	Date concluded	Performance/ Counter-Performance
Confidentiality Agreement	Raiffeisen International Direct Bank AG	23 October 2009	Agreement on confidentiality as part of potential mutual cooperation
Service Agreement	Raiffeisen International Direct Bank AG	3 March 2010	Cooperation in establishing the structural unit / payment of contractual fee
Amendment No. 1 to the Service Agreement of 3 March 2010	ZUNO BANK AG	1 August 2010	Change of contractual terms
Service Agreement	ZUNO BANK AG	1 October 2010	Cooperation in the area of human resources / payment of contractual remuneration
Agreement on the Sublease of Non-Residential Premises	ZUNO BANK AG	2 September 2013	Agreement on the Sublease of Non-Residential Premises / payment of rent
Amendment no. 1 and 2 to the Contract on the Sublease of Non-Residential Premises of 2 September 2013	ZUNO BANK AG	31 December 2013	Change of contractual terms
Digital Space Competence Centre Service Agreement	ZUNO BANK AG	1 April 2014	Provision of services for the Digital Space Competence Centre / payment of fees
Provision of Services for Digital Space Competence Centre	ZUNO BANK AG	1 April 2014	Provision of services for the Digital Space Competence Centre / payment of fees
Amendment no. 3 to the Contract on the Sublease of Non-Residential Premises	ZUNO BANK AG	12 May 2014	Amendment no. 3 to the Contract on the Sublease of Non-Residential Premises // payment of rent
Amendment no. 4 to the Contract on the Sublease of Non-Residential Premises	ZUNO BANK AG	7 August 2014	Amendment no. 4 to the Contract on the Sublease of Non-Residential Premises // payment of rent

ZUNO BANK AG, organizační složka

Legal Act	Counterparty	Date concluded	Performance/ Counter-Performance
Agreement on Maintenance of a Current/Correspondent Account	ZUNO BANK AG, organizační složka	22 September 2010	Maintenance of a current/correspondent account / payment of contractual fees
Cooperation Agreement	ZUNO BANK AG, organizační složka	31 October 2012	Agreement on mutual cooperation in ATM use

AO Raiffeisenbank (former ZAO Raiffeisenbank)

Legal Act	Counterparty	Date concluded	Performance/ Counter-Performance
Correspondent Account Agreement	AO Raiffeisenbank	3 September 2008	Maintenance of a correspondent account / payment of contractual fees
ISDA Master Agreement	AO Raiffeisenbank	8 September 2011	Master Agreement stipulating mutual terms and conditions of money market trading
Amendment - Schedule to the ISDA Master Agreement	AO Raiffeisenbank	8 September 2011	Definition of detailed terms and conditions of money market trading

Raiffeisen Informatik Consulting GmbH

Legal Act	Counterparty	Date concluded	Performance/ Counter-Performance
Purchase Agreement for Oracle Cap-Limit Licence and Maintenance Services	Raiffeisen Informatik Consulting GmbH	8 September 2010	Provision of licenses / payment of contractual fees
Amendment No. 1 to the Purchase Agreement for Oracle Cap-Limit Licence and Maintenance Services	Raiffeisen Informatik Consulting GmbH	1 June 2011	Change of contractual obligations
Agreement on the Implementation, Operation and Support of ITSM Box	Raiffeisen Informatik Consulting GmbH	10 April 2015	Agreement on the Implementation, Operation and Support of ITSM Box / payment of contractual fees

RB International Finance LLC

Legal Act	Counterparty	Date concluded	Performance/ Counter-Performance
Risk Participation Confirmation	RB International Finance LLC	26 February 2013	Credit risk participation / payment of contractual fees
Limit approval - maturity extension	RB International Finance LLC	30 September 2015	Limit approval - maturity extension / payment of contractual fees

Raiffeisen Kapitalanlage-Gesellschaft m.b.H (Raiffeisen Kag)

Legal Act	Counterparty	Date concluded	Performance/ Counter-Performance
Investment Management Agreement (Raiffeisen CZK Balanced Fund)	Raiffeisen Kapitalanlage-Gesellschaft m.b.H / Raiffeisen Zentralbank Österreich AG	30 November 2007	Agreement to appoint an investment manager and to stipulate rights and obligations in management of the fund in question
Investment Management Agreement (Raiffeisen CZK Liquid Fund)	Raiffeisen Kapitalanlage-Gesellschaft m.b.H / Raiffeisen Zentralbank Österreich AG	30 November 2007	Agreement to appoint an investment manager and to stipulate rights and obligations in management of the fund in question
Investment Management Agreement (Raiffeisen CZK Aktien Fund)	Raiffeisen Kapitalanlage-Gesellschaft m.b.H / Raiffeisen Zentralbank Österreich AG	30 November 2007	Agreement to appoint an investment manager and to stipulate rights and obligations in management of the fund in question
Investment Management Agreement (Raiffeisen Czech Click Fund)	Raiffeisen Kapitalanlage-Gesellschaft m.b.H	3 October 2010	Agreement to appoint an investment manager and to stipulate rights and obligations in management of the fund in question
Investment Management Agreement (Raiffeisen CZK LifeCycle Fund 2040)	Raiffeisen Kapitalanlage-Gesellschaft m.b.H	3 November 2010	Agreement to appoint an investment manager and to stipulate rights and obligations in management of the fund in question
Investment Management Agreement (Raiffeisen Czech Bonds Fund)	Raiffeisen Kapitalanlage-Gesellschaft m.b.H	8 August 2011	Agreement to appoint an investment manager and to stipulate rights and obligations in management of the fund in question
Management Agreement (Raiffeisen Czech Click Fund II)	Raiffeisen Kapitalanlage-Gesellschaft m.b.H	24 November 2011	Agreement to appoint an investment manager and to stipulate rights and obligations in management of the fund in question

Legal Act	Counterparty	Date concluded	Performance/ Counter-Performance
Memorandum of Understanding	Raiffeisen Kapitalanlage-Gesellschaft m.b.H / Raiffeisen investiční společnost a.s.	6 January 2013	Memorandum of understanding in transferring fund management to Raiffeisen investiční společnost a.s.
Termination Agreement	Raiffeisen Kapitalanlage-Gesellschaft m.b.H	30 June 2013	Agreement to terminate the investment management agreements for the individual CZK funds above

Maharal Hotels, s.r.o.

Legal Act	Counterparty	Date concluded	Performance/ Counter-Performance
Bank Guarantee no.150276 from 23 February 2015	Maharal Hotels, s.r.o.	23 February 2015	Bank guarantee / payment of contractual fees
Agreement to Issue a Bank Guarantee, reg. no. 099005/2015/01	Maharal Hotels, s.r.o.	18 February 2015	Agreement to Issue a Bank Guarantee / payment of contractual commission

Ukrainian Processing Center

Legal Act	Counterparty	Date concluded	Performance/ Counter-Performance
Master Agreement - 3D Secure Payment Cards	Ukrainian Processing Center	26 March 2014	Master agreement - 3D Secure payment cards / payment of contractual fees
Price sheet	Ukrainian Processing Center	29 April 2014	Price sheet to the Master Agreement / payment of contractual fees
Appendix 5 to Master Agreement	Ukrainian Processing Center	7 May 2014	Appendix 5 to the Master agreement, definition of contractual terms
Amendment to Appendix 5 to Master Agreement	Ukrainian Processing Center	13 May 2014	Amendment to Appendix 5 to the Master Agreement, definition of contractual terms

Raiffeisen Leasing Polska S.A.

Legal Act	Counterparty	Date concluded	Performance/ Counter-Performance
Non-Disclosure Agreement	Raiffeisen-Leasing Polska S.A.	27 August 2015	Non-Disclosure Agreement
Mutual Cooperation Agreement	Raiffeisen-Leasing Polska S.A.	21 August 2015	Mutual Cooperation Agreement

Raiffeisenbank Sh. A

Legal Act	Counterparty	Date concluded	Performance/ Counter-Performance
Limit Approval	Raiffeisenbank Sh. A	9 December 2015	Limit approval / payment of contractual interest

In addition to contracts concluded in 2015 referred to above, the Bank and other related parties entered into other transactions in the reporting period, particularly loans and borrowings in the money market and fixed-term transactions, under which the Bank received or paid interest and fees.

5. LIST OF OTHER LEGAL ACTS

5.1. List of Other Legal Acts with Controlling Entities

Raiffeisen CEE Region Holding GmbH

Legal Act	Counterparty	Date concluded	Performance/ Counter-Performance
Resolution of Regular General Meeting of Raiffeisenbank a.s. - Payment of Dividends for 2014	Raiffeisen CEE Region Holding GmbH	28 April 2015	Payment of dividends based on a resolution of the regular General Meeting

5.2. List of Other Legal Acts with Other Related Parties

Raiffeisen stavební spořitelna a.s.

Legal Act	Counterparty	Date concluded	Performance/ Counter-Performance
Resolution of Regular General Meeting of Raiffeisen stavební spořitelna a.s. - Payment of Dividends for 2014	Raiffeisenbank a.s.	29 April 2015	Acceptance of dividends based on a resolution of the General Meeting

Raiffeisen - Leasing, s.r.o.

Legal Act	Counterparty	Date concluded	Performance/ Counter-Performance
Resolution of General Meeting of Raiffeisen-Leasing, s.r.o. - Payment of a Share in the Company's Profits	Raiffeisenbank a.s.	26 June 2015	Acceptance of a share in profits based on a resolution of the General Meeting
Resolution of General Meeting of Raiffeisen-Leasing, s.r.o. - Payment of a Portion of Retained Earnings	Raiffeisenbank a.s.	27 October 2015	Acceptance of a portion of retained earnings based on a resolution of the General Meeting

5.3. Overview of actions made at the initiative or in the interest of the controlling party or entities controlled by it, if such actions applied to assets exceeding 10% of the controlled entity's equity.

None.

6. LIST OF OTHER FACTUAL MEASURES

6.1. List of Measures Adopted at the Initiative of Controlling Parties

None.

General Limits

The Bank has approved general limits for transactions with related parties that apply to current and term deposits, loans, repurchase transactions, treasury shares, letters of credit, provided and received guarantees at request or to the benefit of the controlling party or other parties controlled by the same controlling entity.

6.2. List of Measures Adopted in the Interest of Other Related Parties

None.

7. CLOSING STATEMENT OF THE BOARD OF DIRECTORS OF RAIFFEISENBANK A.S.

We hereby represent that to our best knowledge, the Report on Related Parties of Raiffeisenbank a.s. prepared in accordance with Section 82 of the Act on Commercial Corporations for the reporting period from 1 January 2015 to 31 December 2015 includes all of the below, concluded or effected in the reporting period and known to us as at the date of signing of this report:

- Contracts between related parties;
- Performance and counter-performance provided to related parties;
- Other legal acts made in the interest of these parties; and
- All other factual measures adopted or made in the interest or at the initiative of these parties.

In identifying other related parties, the Board of Directors of Raiffeisenbank a.s. used information provided by Raiffeisen Zentralbank Österreich AG, Raiffeisen Bank International AG and other controlling parties.

Furthermore, we represent that we are not aware of any detriment to assets caused as a result of contracts, other legal acts and other factual measures concluded, made or adopted by the Bank in the reporting period from 1 January 2015 to 31 December 2015.

The Board of Directors of Raiffeisenbank a.s. represents that as part of evaluation of the benefits and detriments, the Board is not aware of any material detriments arising out of the relations among the related parties, and in the Board's opinion, benefits arising out of these relations prevail, in particular benefits arising out of common synergies within the group. Furthermore, the Board of Directors of Raiffeisenbank a.s. represents that it is not aware of any material risks ensuing for Raiffeisenbank a.s. as the controlled entity.

In Prague on 31 March 2016



Igor Vida
Chairman of the Board of Directors



Jan Pudil
Member of the Board of Directors

General Information about the Issuer

Company name:

Raiffeisenbank a.s.

Registered office:

Hvězdova 1716/2b, 140 78 Prague 4

Company registration number: 49240901

Date of Incorporation:

25 June 1993

Court of registration and number under which the issuer is registered at this court:

Commercial Register at the Municipal Court in Prague, Section B, Insert 2051

The issuer was established in accordance with the laws of the Czech Republic, pursuant to Act no 513/1991 Coll. , the Commercial Code (more precisely Act no. 90/2012 Coll., the Companies Act), and Act no. 21/1992 Coll., the Act on Banks. The issuer is a joint-stock company.

The issuer's scope of business under Article 2 of the issuer's Articles of Association is banking and financial transactions and other operations listed in the banking licence, granted in accordance with Act no. 21/1992 Coll. The issuer is also entitled to set up branch offices or other company units in the Czech Republic and abroad, and to establish subsidiaries and hold capital interests provided that generally binding legal regulations are respected.

As of 31 December 2015, Raiffeisenbank a.s. owns the following real estate:

In the real estate registration area of Hradec Králové, parcel number: construction parcel no. 103, additional land area no. 76, title deed no. 20767, identification code: 646873 address: V Kopečku 75, 500 02 Hradec Králové.

Raiffeisenbank a.s. (the issuer) is not party to any court, administrative, or arbitration proceedings instituted during the past two accounting periods which had or could have a significant effect on the issuer's financial position.

The issuer does not depend on patents or licences, industrial, commercial, or financial agreements, or new production processes which could be of fundamental significance for the issuer's business activities or profitability.

Information in accordance with Section 118(4) of Act no. 256/2004 Coll., the Capital Market Act

Section 118(4) letter (a) in connection with point 6.2 of Annex XI to Commission Regulation (EC) No 809/2004 of 29 April 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council as regards information contained in prospectuses as well as the format, incorporation by reference and publication of such prospectuses, and dissemination of advertisements

In accordance with the bank's Articles of Association, no shareholders have the possibility to influence the activities of Raiffeisenbank a.s. other than by their votes. None of the members of their bodies had an ownership interest in Raiffeisenbank a.s. as at the date stated above.

Section 118(4) letter (a) in connection with point 9.2 of Annex XI to Commission Regulation (EC) No 809/2004 of 29 April 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council as regards information contained in prospectuses as well as the format, incorporation by reference and publication of such prospectuses, and dissemination of advertisements

The bank declares that it is not aware of any conflict of interest between the obligations of the members of the steering and supervisory bodies to the bank and their personal interests or other obligations.

Section 118(4) letter (a) in connection with point 10.1 of Annex XI to Commission Regulation (EC) No 809/2004 of 29 April 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council as regards information contained in prospectuses as well as the format, incorporation by reference and publication of such prospectuses, and dissemination of advertisements

Raiffeisen CEE Region Holding GmbH is the owner of 75% of the shares of the bank. Raiffeisen CEE Region Holding GmbH is a subsidiary of Raiffeisen Bank International AG (indirectly). Raiffeisen Bank International AG is a subsidiary of Raiffeisen Zentralbank Österreich AG. The representatives of the majority shareholder are in the bank's supervisory board, in the Executive Board, and in the Audit Committee. A representative of the second shareholder is also in the supervisory board, i.e. RB Prag Beteiligungs GmbH, which is the owner of 25% of the shares of the bank and a representative of the employees. RB Prag Beteiligungs GmbH is the indirect 100% subsidiary of Raiffeisenlandesbank Oberösterreich AG.

Section 118(4) letter (b):

Internal control is defined as a process carried out/influenced by the bank's Board of Directors, the executive body, and other employees, devised in such a way as to provide adequate assurance in reaching objectives in three areas:

- Effectiveness, efficiency, and economy
- Reliability of internal management and controls, including the protection of assets
- Harmonisation with the rules and regulations

Key concepts of internal control:

- Internal control is a process (a means of reaching objectives, not an objective in and of itself),
- Internal control is carried out by people (it does not involve only forms and manuals, but people at each level of organisation),
- Internal control can only achieve a proportional level of certainty (not absolute certainty, with respect to the management of the organisation).

Control activities are an integral part of the everyday activities of the bank. The objective is to ensure that the risk undertaken was kept within the tolerance level set out by the management risk process.

Control activities include, in particular:

- Inspecting the management structure,
- Adequate control of mechanisms for the individual processes at the bank,
- Physical control.

The control system consists of, in particular:

- Control implemented by each employee when carrying out their work activities,
- Control implemented by the head employee when carrying out management activities,
- Compliance activities,
- Internal audit activities,
- Management of operational and other risks,
- Management of the continuity of the bank's activities.

The procedures for control activities are contained in the internal regulations of the bank and consist of approval procedures, authorisation, verification, approval, reconciliation, control of performance, securing assets, separation of obligations, or establishing rights and obligations. Compliance with the established procedures and their adequacy is regularly verified.

As a part of internal control, the bank has introduced and maintained internal mechanisms for preventative and subsequent evaluation of the functioning and effectiveness of the steering and control system as a whole and its integral parts.

Section 118(4) letter (c):

The executive body of the bank is the Board of Directors. The bank's Board of Directors has seven members. The members of the Board of Directors are elected and recalled by the Supervisory Board. One of the members of the Board of Directors is elected as the chair of the Board of Directors and one as the vice-chair. The first term of office is three years, and if re-elected, the term of office is five years. The Board of Directors constitutes a quorum if at least more than half of its members are present at a meeting. The Board of Directors makes decisions through voting, and the votes of a majority of all board members are required to adopt a resolution. In the event of a tied vote, the vote of the chair of the Board is decisive. In addition to meetings, the Board of Directors may also make decisions through per-rollam voting.

The Supervisory Board is the supervisory body of the company. The Supervisory Board has nine members, which are elected and recalled by the General Meeting of the company. Two of the current members of the Supervisory Board were elected by the employees of the company. One of the members of the Supervisory Board is also elected chair of the Supervisory Board. The Supervisory Board constitutes a quorum if the majority of its members are present. A simple majority of votes of all Supervisory Board members is required to adopt resolutions. In addition to meetings, the Supervisory Board may also make decisions through per-rollam voting.

Additional executive and supervisory bodies of the issuer include the Executive Committee and the Audit Committee.

The Executive Committee has four members, who are elected and recalled by the General Meeting of the company. Members of the Executive Committee may also be members of the Supervisory Board. The term of office for members of the Executive Committee is four years. One of the members of the Executive Committee is also elected chair of the Executive Committee. The Executive Committee constitutes a quorum if all of its members are present at a meeting. The agreement of all members of the Executive Committee is necessary to adopt resolutions. In addition to meetings, the Executive Committee may also make decisions through per-rollam voting.

The Audit Committee has three members who are appointed or recalled by the General Meeting of the company. They are appointed from members of the Supervisory Board or third parties. The term of office for members of the Audit Committee is five years. One of the members of the Audit Committee is elected chair of the Audit Committee. The Audit Committee constitutes a quorum if at least two of its members are present at a meeting. Agreement by a majority of all members of the Audit Committee is required to adopt resolutions. In addition to meetings, the Audit Committee may also make decisions through per-rollam voting.

Raiffeisenbank has 13 committees established by the Board of Directors.

Assets and Liabilities Committee

Quorum	Decision-making	
More than 50% of members present	Approval of all present members	
JELÍNEK TOMÁŠ	Executive Director for Finance	Chairman
VIDA IGOR	Chief Executive Officer	Vice-Chairman
PUDIL JAN	Member of the Board for Markets & Investment Banking	Member
JEŽEK FRANTIŠEK	Member of the Board for Risk	Member
RABIŇÁK RUDOLF	Member of the Board for Corporate	Member
KREIDL VLADIMÍR	Member of the Board for Retail	Member
FISCHER MILAN	Head of Trading	Member
HANUŠ MARTIN	Head of Risk Controlling	Member
HOUFEK JAN	Head of Market Risk	Member
MELOUN VÁCLAV	Head of Asset & Liability Management	Member

Credit Committee

Quorum	Decision-making	
At least three members of the committee and at least one must be from credit risk	Approval of all present members	
JEŽEK FRANTIŠEK	Member of the Board for Risk	Chairman
RABIŇÁK RUDOLF	Member of the Board for Corporate	Vice-Chairman
VIDA IGOR	Chief Executive Officer	Member
PŘÍHODA HYNEK	Head of Corporate and SE Risk	Member
HAVRÁNEK JIŘÍ	Head of Industry Risk	Member
GÜRTLER TOMÁŠ	Member of the Board for Real Estate and Structured Finance	Member
TUTASS BARBARA	Head of Large Corporates	Member
ŠTĚTINA VÁCLAV	Head of Corporate Sales	Member

Non-Performing Loans Committee

Quorum	Decision-making	
At least three members of the committee and at least one must be from Workout	Not specified	
JEŽEK FRANTIŠEK	Member of the Board for Risk	Chairman
KLUMPAR JIŘÍ	Head of Workout	Vice-Chairman
VIDA IGOR	Chief Executive Officer	Member
PŘÍHODA HYNEK	Head of Corporate & SE Risk	Member
HORA MATĚJ	Head of Industry Risk II	Member
STARK RADEK	Head of Complex Cases Restructuring	Member
NOVOTNÝ MAREK	Senior Lawyer	Member

Pricing and Interest Committee

Quorum	Decision-making	
More than 50% of members present	Consent of all present members needed for adopting a specific proposal	
KREIDL VLADIMÍR	Member of the Board for Retail	Chairman
JELÍNEK TOMÁŠ	Executive Director for Finance	Vice-Chairman
LANGMAYER JOSEF	Head of Controlling	Member
KOVÁŘOVÁ HANA	Head of Brand Strategy & Communication	Member
ŠTĚTKA PETR	Head of PI Segment & Product Management	Member
KUBIČKA PAVEL	Head of Corporate Development	Member
DŽAVAN MATÚŠ	Head of Retail Risk & Collection	Member
HANUŠ MARTIN	Head of Risk Controlling	Member

Investment Committee for Asset Management

Quorum	Decision-making	
If at least four members of the committee are present at the meeting, and at least one must be the chair or vice-chair	Consent of all present members needed for adopting a specific proposal	
SLADKOVSKÝ JAROMÍR	Head of Investment Management	Chairman
ONDRUŠKA MICHAL	Head of Asset Management	Vice-Chairman
HORSKÁ HELENA	Head of Economic Research	Member
n/a	Executive Director for Private Banking	Member
HOUFEK JAN	Head of Market Risk	Member
ZEZULA MARTIN	Portfolio Manager	Member

Retail Risk Management Committee

Quorum	Decision-making	
More than 50% of members present	Consent of all present members needed for adopting a specific proposal	
JEŽEK FRANTIŠEK	Member of the Board for Risk	Chairman
KREIDL VLADIMÍR	Member of the Board for Retail	Vice-Chairman
DŽAVAN MATÚŠ	Head of Retail Risk & Collections	Member
HUSÁK DAVID	Head of Retail Underwriting	Member
ŠTĚTKA PETR	Head of PI Segment & Product Management	Member
RICHTER MAREK	Head of Strategic Sales & Mortgage Business	Member

Operational Risk Management Committee

Quorum	Decision-making	
More than 50% of members present and at least one represents Risk	Consent of more than 50% of all members needed to adopt a specific proposal	
JEŽEK FRANTIŠEK	Member of the Board for Risk	Chairman
HANUŠ MARTIN	Head of Risk Controlling	Vice-Chairman
PRAIBIŠ DAVID	Head of Operational Risk	Member
NAGY ALEXANDER	Head of Compliance & Security	Member
MATULA MILOŠ	Member of the Board for Operations	Member
JABŮREK TOMÁŠ	Head of IT Operations	Member
ONDRŮŠEK ČESTMÍR	Head of Management Support	Member
ONDROUŠKOVÁ TEREZA	Head of Accounting & Taxes	Member

Project Committee

Quorum	Decision-making	
More than 50% of members present	Consent of a two-thirds majority of present members is needed to adopt a proposal	
VIDA IGOR	Chief Executive Officer	Chairman
MATULA MILOŠ	Member of the Board for Operations	Vice-Chairman
HAIN MILAN	Member of the Board for IT	Member
KREIDL VLADIMÍR	Member of the Board for Retail	Member
PUDIL JAN	Member of the Board for Markets & Investment Banking	Member
JEŽEK FRANTIŠEK	Member of the Board for Risk	Member
RABIŇÁK RUDOLF	Member of the Board for Corporate	Member

Real Estate Investment Committee

Quorum	Decision-making	
More than a 50% majority and a representative of Risk Management must always be present	Consent of all present members needed for adopting a specific proposal	
GÜRTLER TOMÁŠ	Executive Director for Real Estate and Structured Finance	Chairman
ALOIS LANNERGER	Member of the Board of Raiffeisen Leasing Real Estate	Vice-Chairman
JEŽEK FRANTIŠEK	Member of the Board for Risk	Member
RABIŇÁK RUDOLF	Member of the Board for Corporate	Vice-Chairman
PŘÍHODA HYNEK	Head of Corporate and SE Risk	Member
ONDROUŠKOVÁ TEREZA	Head of Accounting & Taxes	Member

IT Change Control Committee

Quorum	Decision-making	
More than 50% of members present	Consent of a two-thirds majority of all present members of the committee is needed to adopt a proposal	
HAIN MILAN	Member of the Board for IT	Chairman
JELÍNEK TOMÁŠ	Executive Director for Finance	Vice-Chairman
KREIDL VLADIMÍR	Member of the Board for Retail	Member
RABIŇÁK RUDOLF	Member of the Board for Corporate	Member
JEŽEK FRANTIŠEK	Member of the Board for Risk	Member
MATULA MILOŠ	Member of the Board for Operations	Member
PUDIL JAN	Member of the Board for Markets & Investment Banking	Member
SLADKOVSKÝ JAROMÍR	Head of Investment Management	Member

Investment Products Committee

Quorum	Decision-making	
More than 50% of members present	Consent of a majority of all members of the committee is needed to adopt a proposal.	
SLADKOVSKÝ JAROMÍR	Head of Investment Management	Chairman
JELÍNEK TOMÁŠ	Executive Director for Finance	Vice-Chairman
KREIDL VLADIMÍR	Member of the Board for Retail	Member
PUDIL JAN	Member of the Board for Markets & Investment Banking	Member
JEŽEK FRANTIŠEK	Member of the Board for Risk	Member
n/a	Executive Director for Private Banking	Member
KUBIČKA PAVEL	Head of Corporate Development	Member

Corporate Products Committee

Quorum	Decision-making	
If at least two members of the committee are present at the meeting		
RABIŇÁK RUDOLF	Member of the Board for Corporate	Chairman
JEŽEK FRANTIŠEK	Member of the Board for Risk	Vice-Chairman
MATULA MILOŠ	Member of the Board for Operations	Chairman

Marketing Committee

Quorum	Decision-making	
More than 50% of members present	Consent of all present members needed for adopting a specific	
KREIDL VLADIMÍR	Member of the Board for Retail	Chairman
ŠTĚTKA PETR	Head of PI Segment & Product Management	Vice-Chairman
KOVÁŘOVÁ HANA	Head of Brand Strategy & Communication	Member
MALÍŘ JOSEF	Head of Distribution Network	Member
RICHTER MAREK	Head of Strategic Sales & Mortgage Business	Member

Each member of the Board of Directors is entitled to attend any meeting of any committee. Each member of the Board of Directors has veto power over any decision made by any committee. In such case, the specific matter is to be discussed at the following meeting of the Board of Directors.

Valid as of December 2015

Section 118(4) letter (d):

The registered capital of the issuer is allocated to the relevant number of common bearer shares with a nominal value of CZK 10,000 each. The company's shares are dematerialised and are not quoted. The same rights and obligations are associated with all the company's shares. These rights and obligations are set out in the relevant provisions of the company's Articles of Association and the Companies Act. The rights associated with the company's shares include the right to participate in the company's general meeting and to vote on matters within the competency of the general meeting, and the right to a share in the profit – dividends. Voting rights belonging to stock are based on the nominal value, with a single vote given for each CZK 10,000 (per share). None of the shares of the company have restrictions on voting rights. Each shareholder has the same rights to a share in the profit of the company – dividends – in the scope approved by the general meeting on the basis of the financial results of the company in a ratio equivalent to its share in the registered capital. Each shareholder has the same rights to participate in increasing the company's registered capital in proportion to its share in the registered capital and voting rights and also the obligation to pay up the subscribed shares by the deadline during an increase in the registered capital. There are no special rights or obligations associated with the company's shares, with the exception of those set out in the Articles of Association of the company and in the Companies Act.

Section 118(4) letter (e):

The competence of the General Meeting of companies is defined in the Companies Act and the Articles of Association of the companies.

The General Meeting constitutes a quorum if shareholders are present who have stock with a nominal value of more than half of the registered capital. Voting rights belonging to stock are based on the nominal value, with a single vote given for each CZK 10,000 (per share). The company has two shareholders whose shares in the registered capital and voting rights are 75% and 25%. Decisions of the General Meeting require a two-thirds majority of the duly submitted votes of present shareholders, unless specified otherwise by law or these Articles

of Association. Voting at the General Meeting is performed by a show of hands (acclamation). Voting at the General Meeting or decision-making outside the General Meeting (per rollam) may be carried out by technical means relating to all matters in the competence of the General Meeting.

The following fall under the competence of the General Meeting:

- Decisions about a change in the Articles of Association, unless this is a change resulting from an increase in the registered capital or a change which occurred based on other legal circumstances,
- Decisions to increase or reduce the registered capital or to authorise the Board of Directors to increase the registered capital,
- Decisions to issue bonds in accordance with Section 286 of the Companies Act,
- Election and recall of members of the Supervisory Board and other bodies specified in the Articles of Association,
- Approval of regular or exceptional accounting statements and consolidated financial statements, including, in legally mandated cases, interim financial statements, decisions on the distribution of profit, covering losses, and determining bonuses,
- Decisions on registration of the company's participating securities in accordance with special legal regulations, and for cancelling their registration,
- Decisions on liquidating the company,
- Decisions on mergers, transfer of equity to a single shareholder, or demergers, or change of legal form,
- Decisions on the conclusion of contracts for transfer of the enterprise or its significant portion and/or its lease holding, or decisions on the conclusion of such contracts by controlled entities,
- Approval of controlling contracts, contracts for transfer of profit, and contracts for silent partnerships and their modification,
- Approval of the conclusion of contracts, based upon which the company is to acquire or appropriate assets, if the value of the assets acquired or appropriated during a single accounting period exceeds one third of the equity capital based upon the most recent duly compiled accounting statements of the company or the consolidated financial statements,
- Decisions on other matters which the law or the Articles of Association place under the competence of the General Meeting.zahrnují do působnosti valné hromady.

Section 118(4) letter (f):

Monetary and natural income received by top management from the issuer and from entities controlled by the issuer during the accounting period:

CZK thousand			Monetary income		Natura income
Board of Directors	Total	Remuneration - board member	51,937	72 %	
		Other	16,311	23 %	
			71,954		3,706
	From entities controlled by the issuer	-			
Supervisory Board	Total	Remuneration - sup. board member	4,614	100 %	
		Other	-	-	
			4,614		
	From entities controlled by the issuer	-			
Other management	Total	Wages via employment	-		
		Other	-		
			-		
	From entities controlled by the issuer	-			

Section 118(4) letter (g):

The top managers of the issuer or closely related individuals do not own stock or similar securities representing a share in the issuer, do not hold any options or similar investment instruments related to the stock or similar security representing a share in the issuer, and are not the contracting parties of such contracts or have such contracts concluded in their favour.

- the issuer, approved by the Supervisory Board),
- Financial criteria: reaching the set amount of profit after tax, the ratio of costs to operating revenue, return on risk-weighted capital, complying with the operating costs and meeting the limit for weighted assets, and
- Non-financial criteria: meeting the goals relating to the strategic projects of the issuer, attaining quality with respect to providing products and services and relating to the activities of units under the direct management of the board member.

Section 118(4) letter (h):

Principles of remuneration for the top managers of the issuer

Remuneration for the members of the Board of Directors

The members of the Board of Directors perform their offices under a mandate agreement, and in accordance with Act no. 90/2012 Coll., the Companies Act, hold no executive positions. The former agreements for the position of executive directors were terminated as at 30 June 2014. The principles contained in the agreement on performance of the office of board member are:

- Fixed wage for performance as a board member (paid by the issuer and approved by the majority shareholder) – monetary remuneration,
- Flexible wage for performance as a board member upon fulfilment of the financial and non-financial criteria (paid by

Payment of the flexible component of salaries is duly regulated by the provisions of Annex 1 to Decree no. 163/2014 Coll., on performance of the undertakings of banks, savings banks, and credit institutions and securities traders, as amended, the application of which is contained in the Basic Regulations for Remuneration approved by the Supervisory Board on 2 December 2015. A substantial part of the remuneration, a minimum of 40%, is distributed over a period of three years. 50% of the flexible remuneration is paid in the form of a non-monetary instrument – a phantom stock plan.

The majority shareholder monitors and assesses fulfilment of the financial and non-financial criteria for the flexible wage and also proposes the amount of the flexible wage and submits a proposal for payment to the Supervisory Board.

The board members have company cars at their disposal for a total purchase price of CZK 6,652,960.

The above principles of remuneration for the members of the Board of Directors who are also in top management positions are valid as at June 2014.

Remuneration of the supervisory board members

The supervisory board members are:

- appointed by the general meeting of the issuer (seven members), and
- elected from among the employees of the company in accordance with the former legislation (two members).

Under the agreement on the performance of the office, all members of the Supervisory Board (appointed by the general meeting and elected from among the employees) are paid monetary remuneration. This remuneration is fixed in nature and is not dependent on the company's results. Shares in the profit or any other variable remuneration are not paid to members of the Supervisory Board. The supervisory board members have company cars at their disposal for a total purchase price of CZK 721,549.

The principles of remuneration for members of the Supervisory Board are contained in the Basic Principles of Remuneration approved by the Supervisory Board of the issuer on 2 December 2015. The natural income section contains an amount equal to 1% of the purchase prices of company cars used for private purposes times the number of months used and the premium life insurance for members of the Board of Directors, if arranged.

Identification of top managers of the issuer, their job positions, and executive authority:

Igor Vida, Chairman of the Board of Directors
(since 1 April 2015, or 7 April 2015)
Rudolf Rabiňák, Vice-Chairman of the Board of Directors
František Ježek, Member of the Board of Directors
Miloš Matula, Member of the Board of Directors
Vladimír Kreidl, Member of the Board of Directors
Jan Pudil, Member of the Board of Directors
Milan Hain, Member of the Board of Directors

Karl Sevelda, Chairman of the Supervisory Board
Peter Lennkh, Vice-Chairman of the Supervisory Board
Aris Bogdaneris, Member of the Supervisory Board
(until 15 April 2015)
Reinhard Schwendtbauer, Member of the Supervisory Board
Michal Přádka, Member of the Supervisory Board
Petr Rögner, Member of the Supervisory Board
Klemens Breuer, Member of the Supervisory Board
Johann Strobl, Member of the Supervisory Board
Martin Grüll, Member of the Supervisory Board
Andreas Gschwenter, Member of the Supervisory Board
(since 19 August 2015)

Section 118(4) letter (j):

The bank was one of the first to fully comply with the Code of Conduct of the Czech Banking Association – Standard no.19/2005, which institutes uniform guidelines governing the conduct of banks towards their clients, especially with regard to the clients' right to access information.

The bank must also comply with the RZB Code of Conduct – an ethics code valid for all employees belonging to the Raiffeisen Group. The RZB Code of Conduct sets out the basic values of the bank and presents the framework for the firm's culture, which is in accordance with law and focuses on ethical principles. The Code of Conduct is available in Czech at www.rb.cz/Obance.

As a full member of the Czech Capital Market Association (AKAT), the bank is bound by the Code of Ethics of the Capital Market Association. The AKAT Code of Ethics is a collection of rules, principles, guidelines and standards governing the provision of investment and related services in the field of investment management by AKAT members. The Code is based on the business activities of AKAT and creates rules formulating and developing the ethical behaviour and commercial culture on the market, while also attempting to ensure equal conditions for individual market players within the scope of competition. The Code in its entirety is available at www.akatcr.cz/dokumenty.

The bank is a member of the Coalition for Transparent Business, which is an association geared to cultivating the business environment in the Czech Republic and which brings together Czech and international companies operating in the Czech Republic across all branches of business.

Section 118(4) letter (k):

Information on remuneration charged by the auditors during the accounting period, shown by individual type of service and separately for the issuer and the consolidated whole:

	2015
Consolidated	CZK thousand
Audit	6 528
Tax consulting	676
Other consulting	73
Individually for RB	CZK thousand
Audit	5 181
Tax consulting	198
Other consulting	40

Information about securities

Raiffeisenbank a.s. bond programme

Maximum volume of unpaid bonds:

CZK 20,000,000,000

Duration of programme: 15 years

The bond programme for Raiffeisenbank a.s. with a maximum unpaid bond volume of CZK 20,000,000,000 and a programme duration of 15 years. The prospectus for the bond programme containing the general issue terms was approved by a decision of the Czech National Bank dated 7 September 2006, no. 45/N/108/2006/3 2006/7164/540, coming into legal force on 8 September 2006.

The following is a list of bonds issued as a part of the programme that have not yet reached maturity:

Raiffeisenbank a.s. mortgage bond 5.10/17

ISIN:	CZ0002001670
Issue date:	12 December 2007
Class:	mortgage bond
Form:	bearer
Type:	dematerialised
Total issue volume:	CZK 5,500,000,000
Par value per security:	CZK 10,000
Quantity:	550,000

Interest on bonds and maturity dates for interest or other yield: fixed interest rate of 5.10% p.a., payable once a year retrospectively to 12 December
 Method of transferring the bonds: transferability is not restricted; bonds are transferred on registration of the transfers at Centrální depozitář cenných papírů, a.s. in accordance with the valid regulations of Centrální depozitář cenných papírů, a.s.
 Issue administrator: Raiffeisenbank a.s.
 Designated premises of the administrator: Raiffeisenbank a.s., Olbrachtova 2006/9, 140 21 Prague 4
 Names of the public markets on which the securities are accepted for trading: Prague Stock Exchange
 Bond currency: CZK
 Maturity of bonds: the mortgage bonds are payable in their par value on 12 December 2017.

Raiffeisenbank a.s. mortgage bond 5.50/17

ISIN:	CZ0002001928
Issue date:	20 December 2007
Class:	mortgage bond
Form:	bearer
Type:	dematerialised
Total issue volume:	CZK 2,000,000,000
Par value per security:	CZK 10,000
Quantity:	200,000

Interest on bonds and maturity dates for interest or other yield: fixed interest rate of 5.50% p.a., payable once a year retrospectively to 20 December
 Method of transferring the bonds: transferability is not restricted; bonds are transferred on registration of the transfers at Centrální depozitář cenných papírů, a.s. in accordance with the valid regulations of Centrální depozitář cenných papírů, a.s.
 Issue administrator: Raiffeisenbank a.s.
 Designated premises of the administrator: Raiffeisenbank a.s., Olbrachtova 2006/9, 140 21 Prague 4
 Names of the public markets on which the securities are accepted for trading: Prague Stock Exchange
 Bond currency: CZK
 Maturity of bonds: the mortgage bonds are payable in their par value on 20 December 2017.

Rights associated with the bonds:
 All rights and obligations associated with the Bonds are governed by and construed in accordance with the laws of the Czech Republic. These rights and obligations are stipulated in the conditions for each issue.

Raiffeisenbank a.s. bond programme

Maximum volume of unpaid bonds: CZK 50,000,000,000
Duration of the programme: 15 years

The bond programme for Raiffeisenbank a.s. with a maximum unpaid bond volume of CZK 50,000,000,000 and a programme duration of 15 years. The prospectus for the bond programme containing the general issue terms was approved by a decision of the Czech National Bank dated 20 November 2008, no. 2008/13442/570 under file no. Sp/2008/330/572, coming into legal force on 20 November 2008.

The following is a list of bonds issued as a part of the programme that have not yet reached maturity.

GARANTINVEST XVII mortgage bond 3.30/16

ISIN:	CZ0002002314
Issue date:	4 May 2011
Class:	mortgage bond
Form:	bearer
Type:	certificated (collective bond)
Total issue volume:	CZK 500,000,000
Par value per security:	CZK 10,000
Quantity:	50,000

Interest on bonds and maturity dates for interest or other yield: fixed interest rate of 3.30% p.a., payable once a year retrospectively to 4 May
 Method of transferring the bonds: the bonds are freely transferable only to the Issuer with no restrictions. The transferability of the Bonds by a bond holder who is not the Issuer to an entity other than the Issuer is not permitted. After ownership rights to any Bond are transferred to the Issuer, it is authorised to transfer such Bond back to any third party at any time.
 Issue administrator: Raiffeisenbank a.s.
 Designated premises of the administrator: Raiffeisenbank a.s., Hvězdova 1716/2b, 140 78 Prague 4
 Names of the public markets on which the securities are accepted for trading: the bonds are not tradable on the regulated market or in the multilateral trading system.
 Bond currency: CZK
 Maturity of the bonds: the mortgage bonds will be payable in their par value on 4 May 2016.

RBCZ bond 4.45/16

ISIN:	CZ0003702938
Issue date:	1 July 2011
Class:	bond
Form:	bearer
Type:	certificated (collective bond)
Total issue volume:	CZK 200,000,000
Par value per security:	CZK 50,000,000
Quantity:	4

Interest on bonds and maturity dates for interest or other yield: fixed interest rate of 4.45% p.a., payable once a year retrospectively on 1 July
 Method of transferring the bonds: the bonds are freely transferable only to the Issuer with no restrictions. The transferability of the Bonds by a bond holder who is not the Issuer to an entity other than the Issuer is not permitted. After ownership rights to any Bond are transferred to the Issuer, it is authorised to transfer such Bond back to any third party at any time;
 Issue administrator: Raiffeisenbank a.s.
 Designated premises of the administrator: Raiffeisenbank a.s., Hvězdova 1716/2b, 140 78 Prague 4
 Names of the public markets on which the securities are accepted for trading: the bonds are not tradable on the regulated market or in the multilateral trading system.
 Bond currency: CZK
 Maturity of bonds: the bonds are payable in their par value on 1 July 2016.

GARANTINVEST XIX mortgage bond 3.20/16

ISIN:	CZ0002002363
Issue date:	27 July 2011
Class:	mortgage bond
Form:	bearer
Type:	certificated (collective bond)
Total issue volume:	CZK 500,000,000
Par value per security:	CZK 10,000
Quantity:	50,000;

Interest on bonds and maturity dates for interest or other yield: fixed interest rate of 3.20% p.a., payable once a year retrospectively to 27 July
 Method of transferring the bonds: The bonds are freely transferable only to the Issuer with no restrictions. The transferability of the Bonds by a bond holder who is not the Issuer to an entity other than the Issuer is not permitted. After ownership rights to any Bond are transferred to the Issuer, it is authorised to transfer such Bond back to any third party at any time.
 Issue administrator: Raiffeisenbank a.s.
 Designated premises of the administrator: Raiffeisenbank a.s., Hvězdova 1716/2b, 140 78 Prague 4
 Names of the public markets on which the securities are accepted for trading: the bonds are not tradable on the regulated market or in the multilateral trading system.
 Bond currency: CZK
 Maturity of the bonds: the mortgage bonds will be payable in their par value on 27 July 2016.

Raiffeisenbank a.s. subordinated bond 4.75/16

ISIN:	CZ0003702953;
Issue date:	21 September 2011
Class:	subordinated bond
Form:	bearer
Type:	dematerialised
Total issue volume:	CZK 125,000,000
Par value per security:	CZK 10,000
Quantity:	12,500

Interest on bonds and maturity dates for interest or other yield: fixed interest rate of 4.75% p.a., payable once a year retrospectively to 21 September

Method of transferring the bonds: transferability is not restricted; bonds are transferred on registration of the transfers at Centrální depozitář cenných papírů, a.s. in accordance with the valid regulations of Centrální depozitář cenných papírů, a.s.

Issue administrator: Raiffeisenbank a.s.

Designated premises of the administrator: Raiffeisenbank a.s., Hvězdova 1716/2b, 140 78 Prague 4

Names of the public markets on which the securities are accepted for trading: the subordinated bonds are not tradable on the regulated market or in the multilateral trading system.

Bond currency: CZK

Maturity of the bonds: the subordinated bonds will be payable in their par value on 21 September 2016.

Raiffeisenbank a.s. subordinated bond VAR/18

ISIN:	CZ0003702961
Issue date:	21 September 2011
Class:	subordinated bond;
Form:	bearer;
Type:	dematerialised;
Total issue volume:	CZK 125,000,000
Par value per security:	CZK 10,000
Quantity:	12,500

Interest on bonds and maturity dates for interest or other yield: interest is paid biannually, always on 21 September and 21 March. The interest rate for the first yield period, i.e. from 21 September to 21 March 2012, is 4% p.a. For the remainder of the yield periods, the interest rate is calculated based on the 6M PRIBOR plus 2.5% p.a.

Method of transferring the bonds: transferability is not restricted; the subordinated bonds are transferred on registration of the transfers at Centrální depozitář cenných papírů, a.s. in accordance with the valid regulations of Centrální depozitář cenných papírů, a.s.

Issue administrator: Raiffeisenbank a.s.

Designated premises of the administrator: Raiffeisenbank a.s., Hvězdova 1716/2b, 140 78 Prague 4

Names of the public markets on which the securities are accepted for trading: the subordinated bonds are not tradable on the regulated market or in the multilateral trading system;

Bond currency: CZK

Maturity of bonds: the subordinated bonds are payable in their par value on 21 September 2018.

Raiffeisenbank a.s. mortgage bond 3.00/16

ISIN:	CZ0002002405
Issue date:	26 September 2011
Class:	mortgage bond
Form:	bearer
Type:	dematerialised
Total issue volume:	CZK 1,000,000,000
Par value per security:	CZK 10,000
Quantity:	100,000

Interest on bonds and maturity dates for interest or other yield: fixed interest rate of 3.00% p.a., payable once a year retrospectively on 26 September

Method of transferring the bonds: transferability is not restricted; bonds are transferred on registration of the transfers at Centrální depozitář cenných papírů, a.s. in accordance with the valid regulations of Centrální depozitář cenných papírů, a.s.

Issue administrator: Raiffeisenbank a.s.

Designated premises of the administrator: Raiffeisenbank a.s., Hvězdova 1716/2b, 140 78 Prague 4

Names of the public markets on which the securities are accepted for trading: Prague Stock Exchange

Bond currency: CZK

Maturity of bonds: the mortgage bonds are payable in their par value on 26 September 2016.

GARANTINVEST XX mortgage bond 2.70/17

ISIN:	CZ0002002439
Issue date:	11 January 2012
Class:	mortgage bond
Form:	bearer
Type:	certificated (collective bond)
Total issue volume:	CZK 285,000,000
Par value per security:	CZK 10,000
Quantity:	28,500;

Interest on bonds and maturity dates for interest or other yield: fixed interest rate of 2.70% p.a., payable once a year retrospectively to 11 January

Method of transferring the bonds: The bonds are freely transferable only to the Issuer with no restrictions. The transferability of the Bonds by a bond holder who is not the Issuer to an entity other than the Issuer is not permitted. After ownership rights to any Bond are transferred to the Issuer, it is authorised to transfer such Bond back to any third party at any time.

Issue administrator: Raiffeisenbank a.s.

Designated premises of the administrator: Raiffeisenbank a.s., Hvězdova 1716/2b, 140 78 Prague 4

Names of the public markets on which the securities are accepted for trading: the bonds are not tradable on the regulated market or in the multilateral trading system.

Bond currency: CZK

Maturity of the bonds: the mortgage bonds will be payable in their par value on 11 January 2017.

RBCZ bond - FWR VAR/17

ISIN:	CZ0003703175;
Issue date:	8 February 2012
Class:	bond
Form:	bearer
Type:	certificated (collective bond)
Total issue volume:	CZK 250,000,000
Par value per security:	CZK 1
Quantity:	250,000,000

Interest on bonds and maturity dates for interest or other yield: flexible 12M PRIBID interest rate plus 1% p.a., payable once a year retrospectively to 8 February

Method of transferring the bonds: the bonds are freely transferable only to the Issuer with no restrictions. The transferability of the Bonds by a bond holder who is not the Issuer to an entity other than the Issuer is not permitted. After ownership rights to any Bond are transferred to the Issuer, it is authorised to transfer such Bond back to any third party at any time.

Issue administrator: Raiffeisenbank a.s.

Designated premises of the administrator: Raiffeisenbank a.s., Hvězdova 1716/2b, 140 78 Prague 4

Names of the public markets on which the securities are accepted for trading: the bonds are not tradable on the regulated market or in the multilateral trading system.

Bond currency: CZK

Maturity of the bonds: the bonds will be payable in their par value on 8 February 2017.

RBCZ bond - FWR III VAR/19

ISIN:	CZ0003703670
Issue date:	28 December 2012
Class:	bond
Form:	bearer
Type:	dematerialised
Total issue volume:	CZK 5,000,000,000
Par value per security:	CZK 1
Quantity:	5,000,000,000

Interest on bonds and maturity dates for interest or other yield: the yield on the Bonds is composed of the flexible 6M PRIBOR interest rate and the supplementary yield which is calculated as a yield in the amount of 0.75% p.a., paid biannually always by 28 December and 28 June retrospectively each year.

Method of transferring the bonds: the bonds are freely transferable only to the Issuer with no restrictions. The transferability of the Bonds by a bond holder who is not the Issuer to an entity other than the Issuer is not permitted. After ownership rights to any Bond are transferred to the Issuer, it is authorised to transfer such Bond back to any third party at any time.

Issue administrator: Raiffeisenbank a.s.

Designated premises of the administrator: Raiffeisenbank a.s., Hvězdova 1716/2b, 140 78 Prague 4

Names of the public markets on which the securities are accepted for trading: the bonds are not tradable on the regulated market or in the multilateral trading system.

Bond currency: CZK

Maturity of bonds: the bonds are payable in their par value on 28 December 2019.

Rights associated with the bonds:

All rights and obligations associated with the Bonds are governed by and construed in accordance with the laws of the Czech Republic. These rights and obligations are stipulated in the conditions for each issue.

International bond programme for Raiffeisenbank mortgage bonds

Maximum volume of unpaid bonds: EUR 5,000,000,000

The bond programme consists of a maximum unpaid bond volume of EUR 5,000,000,000. The prospectus for the bond programme containing the general issue terms was approved by the Commission de Surveillance du Secteur Financier in Luxembourg and was announced to the Czech National Bank.

The following is a list of bonds issued as a part of the programme that have not yet reached maturity.

RBCZ VAR 5/12/2017

ISIN: XS0861195369;
 Issue date: 5 December 2012;
 Class: mortgage bond
 Form: bearer
 Type: dematerialised
 Total issue volume: EUR 500,000,000
 Par value per security: EUR 1,000
 Quantity: 500,000

Interest on bonds and maturity dates for interest or other yield: the yield on the Bonds is composed of the flexible 6M EURIBOR interest rate and the supplementary yield in the amount of 1.15% p.a., paid biannually always by 5 December and 5 June retrospectively each year.
 Method of transferring the securities: transferability is not restricted; mortgage bonds are transferred on registration of the transfers at Clearstream Banking société anonyme Luxembourg and/or Euroclear Bank SA/NV in accordance with the valid regulations.
 Issue administrator: Citibank N.A.
 Designated premises of the administrator: Citibank N.A., Citi Centre, Canada Square, Canary Wharf, London E14 5LB, United Kingdom
 Names of the public markets on which the securities are accepted for trading: Luxembourg Stock Exchange;
 Bond currency: EUR
 Maturity of bonds: the mortgage bonds are payable in their par value on 5 December 2017.

RBCZ 0,75% 5/11/2019

ISIN: XS1132335248;
 Issue date: 5 November 2014;
 Class: mortgage bond
 Form: bearer
 Type: dematerialised
 Total issue volume: EUR 500,000,000
 Par value per security: EUR 100,000
 Quantity: 5,000

Interest on bonds and maturity dates for interest or other yield: the yield on the Bonds is fixed interest rate 0.75 % p.a., paid annually always by 5 November retrospectively each year.
 Method of transferring the securities: transferability is not restricted; mortgage bonds are transferred on registration of the transfers at Clearstream Banking société anonyme Luxembourg and/or Euroclear Bank SA/NV in accordance with the valid regulations.
 Issue administrator: Citibank N.A.
 Designated premises of the administrator: Citibank N.A., Citi Centre, Canada Square, Canary Wharf, London E14 5LB, United Kingdom
 Names of the public markets on which the securities are accepted for trading: Luxembourg Stock Exchange;
 Bond currency: EUR
 Maturity of bonds: the mortgage bonds are payable in their par value on 5 November 2019.

Rights associated with the bonds:
 All rights and obligations associated with the Bonds are governed by and construed in accordance with the laws of Great Britain. The rights and obligations of the block of mortgage bonds is governed by the laws of the Czech Republic.

Raiffeisenbank a.s. bond programme

Maximum volume of unpaid mortgage bonds: CZK 3,000,000,000
Duration of the programme: 5 years

A bond programme with a maximum unpaid volume of mortgage bonds of CZK 3,000,000,000 with a programme duration of five years and with a maximum maturity for any bonds issued in the programme of seven years. The prospectus for the bond programme containing the general issue terms was approved by a decision of the Securities Commission, no. 45/N/47/2005/1, dated 10 May 2005, coming into legal force on 13 May 2005.

The following is a list of bonds issued as a part of the programme that have not yet reached maturity.

eBanka, a. s. mortgage bond 6.00/17

ISIN:	CZ0002001696
Issue date:	12 December 2007
Class:	mortgage bond
Form:	bearer
Type:	dematerialised
Total issue volume:	CZK 500,000,000
Par value per security:	CZK 10,000
Quantity:	50,000

Interest on bonds and maturity dates for interest or other yield: fixed interest rate of 6.00% p.a., payable once a year retrospectively to 12 December

Method of transferring the bonds: transferability is not restricted; bonds are transferred on registration of the transfers at Centrální depozitář cenných papírů, a.s. in accordance with the valid regulations of Centrální depozitář cenných papírů, a.s.

Issue administrator: Raiffeisenbank a.s.

Designated premises of the administrator: Raiffeisenbank a.s., Olbrachtova 2006/9, 140 21 Prague 4

Names of the public markets on which the securities are accepted for trading: Prague Stock Exchange

Bond currency: CZK

Maturity of bonds: the mortgage bonds are payable in their par value on 12 December 2017.

Rights associated with the bonds:

All rights and obligations associated with the Bonds are governed by and construed in accordance with the laws of the Czech Republic. These rights and obligations are stipulated in the conditions for each issue.

Persons Responsible for the Annual Report

We hereby declare that, to the best of our knowledge, the annual report and the consolidated annual report provides a true and accurate picture of the financial situation, business activities, and financial results of the issuer and its consolidated whole for the previous accounting period and of the outlook for the future development of the financial position, business activities and financial results.

Prague, on 27 April 2016



Igor Vida
Chairman of the Board of Directors



Tomáš Jelínek
Executive Director and Head of the
Finance Division

Raiffeisen Bank International at a glance

Raiffeisen Bank International AG regards Central and Eastern Europe (including Austria) as its home market. For over 25 years, RBI has been operating in Central and Eastern Europe (CEE), where today it maintains a closely knit network of subsidiary banks, leasing companies and numerous specialized financial service providers. As a universal bank, RBI ranks among the top five banks in several countries. This role is supported by the Raiffeisen brand, which is one of the most widely recognized brands in the region. RBI has positioned itself in CEE as a fully integrated corporate and retail banking group with a comprehensive product offering. In CEE, at the end of 2015, around 48,000 RBI employees served some 14.9 million customers in around 2,700 business outlets.

In Austria, RBI is one of the top corporate and investment banks. It primarily serves Austrian customers, but also international customers and major multinational clients operating in CEE. All in all, RBI employs about 51,000 employees and has total assets of approximately € 114 billion.

RZB was founded in 1927 as “Genossenschaftliche Zentralbank”. The RZB founded its first subsidiary bank in CEE already back in 1987. Since then, further own subsidiaries have been established. From 2000 onward, Raiffeisen’s expansion into CEE countries has mainly been achieved by acquiring existing banks. These were subsequently combined into a holding company that operated under the name Raiffeisen International from 2003.

In April 2005, Raiffeisen International was listed on the Vienna Stock Exchange in order to finance its future growth efficiently. Today’s RBI was established in 2010 through the merger of Raiffeisen International with the principal business areas of RZB. At year-end 2015, RZB – which functions as the central institution of the Austrian Raiffeisen Banking Group – held approximately 60.7 per cent of RBI’s stock, with the remaining shares in free float.

Addresses

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Banking network

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 "European Trade Center"
 Bulevardi "Bajram Curri"
 Tirana
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 Fax: +355-4-22 755 99
 SWIFT/BIC: SGSBALTX
 www.raiffeisen.al

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Priorbank JSC
 V. Khoruzhey str. 31-A
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 Fax: +375-17-28 9-9191
 SWIFT/BIC: PJCBBY2X
 www.priorbank.by

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 Bosna i Hercegovina
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 SWIFT/BIC: UBRTHUHB
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 SWIFT/BIC: RBKOKKPR
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 SWIFT/BIC: RCBWPLPW
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 SWIFT/BIC: RZBRROBU
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Russia

AO Raiffeisenbank
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 119002 Moscow
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 Fax: +7-495-72 1-9901
 SWIFT/BIC: RZBMRUMM
 www.raiffeisen.ru

Serbia

Raiffeisen banka a.d.

Djordja Stanojevic 16
11070 Novi Beograd
Phone: +381-11-32 021 00
Fax: +381-11-22 070 80
SWIFT/BIC: RZBSRSBG
www.raiffeisenbank.rs

Slovakia

Tatra banka, a.s.

Hodžovo námestie 3
P.O. Box 42
85005 Bratislava 55
Phone: +421-2-59 19-1111
Fax: +421-2-59 19-1110
SWIFT/BIC: TATRKBX
www.tatrabanka.sk

Slovenia

Raiffeisen Banka d.d.

Zagrebska cesta 76
2000 Maribor
Phone: +386-2-22 931 00
Fax: +386-2-30 344 2
SWIFT/BIC: KREKS122
www.raiffeisen.si

Ukraine

Raiffeisen Bank Aval JSC

9, vul Leskova
01011 Kiev
Phone: +38-044-49 088 88,
Fax: +38-044-295-32 31
SWIFT/BIC: AVALUAUK
www.aval.ua

Leasing companies

Austria

Raiffeisen-Leasing International GmbH

Am Stadtpark 3
1030 Vienna
Phone: +43-1-71 707-2071
Fax: +43-1-71 707-76 2966
www.rli.co.at

Albania

Raiffeisen Leasing Sh.a.

"European Trade Center"
Bulevardi "Bajram Curri"
Tirana
Phone: +355-4-22 749 20
Fax: +355-4-22 325 24
www.raiffeisen-leasing.al

Belarus

"Raiffeisen-Leasing" JLLC

V. Khoruzhey 31-A
220002 Minsk
Phone: +375-17-28 9-9394
Fax: +375-17-28 9-9974
www.rl.by

Bosnia and Herzegovina

Raiffeisen Leasing d.o.o. Sarajevo

Zmaj od Bosne bb.
71000 Sarajevo
Phone: +387-33-254 354
Fax: +387-33-212 273
www.rlbh.ba

Bulgaria

Raiffeisen Leasing Bulgaria OOD

32A Cherni Vrah Blvd. Fl.6
1407 Sofia
Phone: +359-2-49 191 91
Fax: +359-2-97 420 57
www.rlbh.bg

Croatia

Raiffeisen Leasing d.o.o.

Radnicka cesta 43
10000 Zagreb
Phone: +385-1-65 9-5000
Fax: +385-1-65 9-5050
www.rlhr.hr

Czech Republic

Raiffeisen-Leasing s.r.o.

Hvězdova 1716/2b
140 78 Prague 4
Phone: +420-2-215 116 11
Fax: +420-2-215 116 66
www.rl.cz

Hungary

Raiffeisen Lízing Zrt.

Vérmező út. 4
1012 Budapest
Phone: +36-1-477 8709
Fax: +36-1-477 8702
www.raiffeisenlizing.hu

Kazakhstan

Raiffeisen Leasing Kazakhstan LLP

Shevchenko Str. 146, No. 12
050008 Almaty
Phone: +7-727-378 54 30
Fax: +7-727-378 54 31
www.rlkz.at

Kosovo

Raiffeisen Leasing Kosovo

Gazmend Zajmi n.n., Sunny Hill
10000 Pristina
Phone: +381-38-22 222 2
Fax: +381-38-20 301 103
www.raiffeisenleasing-kosovo.com

Moldova

I.C.S. Raiffeisen Leasing S.R.L.

Alexandru cel Bun 51
2012 Chişinău
Phone: +373-22-27 931 3
Fax: +373-22-22 838 1
www.raiffeisen-leasing.md

Poland

Raiffeisen-Leasing Polska S.A.

Ul. Prosta 51
00-838 Warsaw
Phone: +48-22-32 636-00
Fax: +48-22-32 636-01
www.rl.com.pl

Romania

Raiffeisen Leasing IFN S.A.

Calea Floreasca 246 D
014476 Bucharest
Phone: +40-21-36 532 96
Fax: +40-37-28 799 88
www.raiffeisen-leasing.ro

Russia

OOO Raiffeisen-Leasing

Smolenskaya-Sennaya 28
119121 Moscow
Phone: +7-495-72 1-9980
Fax: +7-495-72 1-9901
www.raiffeisen-leasing.ru

Serbia

Raiffeisen Leasing d.o.o.

Djordja Stanojevic 16
11070 Novi Beograd
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Fax: +381-11-228 9007
www.raiffeisen-leasing.rs

Slovakia

Tatra-Leasing s.r.o.

Černyševského 50
85101 Bratislava
Phone: +421-2-59 19-3053
Fax: +421-2-59 19-3048
www.tatraleasing.sk

Slovenia

Raiffeisen Leasing d.o.o.

Letališka cesta 29a
SI-1000 Ljubljana
Phone: +386-1-241-6250
Fax: +386-1-241-6268
www.rl-sl.si

Ukraine

LLC Raiffeisen Leasing Aval

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Build. 5 Office 101
04073 Kiev
Phone: +380-44-590 24 90
Fax: +380-44-200 04 08
www.rla.com.ua

Branches and representative offices – Europe

France

RBI Representative Office Paris

9-11 Avenue Franklin D. Roosevelt
75008 Paris
Phone: +33-1-45 612 700
Fax: +33-1-45 611 606

Germany

RBI Frankfurt Branch

Wiesenhüttenplatz 26
60 329 Frankfurt
Phone: +49-69-29 921 924
Fax: +49-69-29 921 9-22

Sweden

RBI Representative Office

Nordic Countries
Drottninggatan 89, 14th floor
11360 Stockholm
Phone: +46-8-440 5086
Fax: +46-8-440 5089

UK

RBI London Branch

Leaf C 9th Floor, Tower 42
25 Old Broad Street
London EC2N 1HQ
Phone: +44-20-79 33-8000
Fax: +44-20-79 33-8099

Branches and representative offices – Asia and America

China

RBI Beijing Branch

Beijing International Club Suite 200
2nd floor
Jianguomenwai Dajie 21
100020 Beijing
Phone: +86-10-65 32-3388
Fax: +86-10-65 32-5926

RBI Hong Kong Branch

Unit 2102, 21st Floor,
Tower One, Lippo Centre
89 Queensway, Hong Kong
Phone: +85-2-27 30-2112
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RBI Representative Office Zhuhai

Room 2404, Yue Cai Building
No. 188, Jingshan Road, Jida,
Zhuhai, Guangdong Province
519015, P.R. China
Phone: +86-756-32 3-3500
Fax: +86-756-32 3-3321

India

RBI Representative Office Mumbai

501, Kamla Hub, Gulmohar Road, Juhu
Mumbai - 400049
Phone: +91-22-26 230 657
Fax: +91-22-26 244 529

Korea

RBI Representative Office Korea

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24 Jongno 1ga
Seoul 110-888
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Phone: +82-2-72 5-7951
Fax: +82-2-72 5-7988

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RBI Singapore Branch

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1133 Avenue of the Americas,
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Fax: +1-212-94 420 93

RZB Austria Representative Office New York

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Vietnam

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Rakousko

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Phone: +43-1-26 216-0
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Raiffeisen Financial Group in the Czech Republic

Raiffeisen INVESTIČNÍ SPOLEČNOST

Raiffeisen investiční společnost (RIS) commenced its operations in mid-2013 upon listing its first two funds on the capital market. During 2015, RIS issued mutual funds for more than CZK 6.2 billion, and by 31 December 2015, it had 12 Czech crown denominated funds in its management for a total value of CZK 13.8 billion.

RIS funds now offer a full scale of investment opportunities for all types of investors depending on their risk profile. The most popular fund has become the conservative investor fund – Raiffeisen secure economic cycle fund, which manages investor assets of more than CZK 3.7 billion.

Raiffeisen investiční společnost a.s.
Hvězdova 1716/2b, 140 78 Prague 4
Phone: +420 844 100 900
E-mail: info@rb.cz
www.rfis.cz

Raiffeisen STAVEBNÍ SPOŘITELNA

Raiffeisen stavební spořitelna (RSTS) was founded in 1993 as the first building society in the Czech Republic. For more than 20 years, it has arranged for clients favourable building savings, housing loans, and comprehensive financial advice. In 1998, the company became a part of the strong Raiffeisen financial group, which operates in 37 countries around the world. A milestone in the history of the company occurred in 2008 when it merged with HYPO stavební spořitelna. During the same year, the ownership structure of RSTS was changed for both shareholders, and currently, Raiffeisen Bausparkassen Holding GmbH owns a 90% share, and Raiffeisenbank a.s. holds the remaining 10%. Raiffeisen stavební spořitelna is a traditional but modern bank with branches throughout the Czech Republic. In more than 200 consultancy locations and also through the branches of its business partners, RSTS offers its clients comprehensive solutions for quality housing, as well as securing families, assets, and retirement.

Raiffeisen stavební spořitelna a.s.
Koněvova 2747/99
130 45 Prague 3
Phone: 271 031 111
Fax: 222 581 156
E-mail: rsts@rsts.cz
www.rsts.cz
Toll-free info line: 800 11 22 11

An important event at the end of 2015 was the successful launch of the first Czech feeder fund on the market, i.e. Raiffeisen fund for high-yield bonds. As a part of the Master-Feeder structure, the Feeder Fund (Raiffeisen fund for high-yield bonds) invests a minimum of 85% of its assets in the Master Fund, in this case, in the Raiffeisen Europa High Yield fund managed by its affiliated company in Austria, Raiffeisen Capital Management. The remaining amount of assets of the Feeder Fund (up to 15%) is used for currency hedging in relation to expected development on financial markets. Another new development is the launch of a fund managed on the basis of quantitative models, i.e. Raiffeisen Optimal Distribution Fund.

The company has registered capital of CZK 40 million, which is divided into 40 book-entry registered shares with a nominal value of CZK 1,000,000 each. RIS's 100% shareholder is Raiffeisenbank a.s.

In 2015, RSTS received a number of prestigious awards. In the spring, the company placed in the Superbrands rankings. The title is an indication of the excellent status of the brand on the local market, and it is an acknowledged independent global authority in the area of evaluation and the quality of business brands. The evaluation combines economic and business indicators as well as familiarity and perception of a brand for clients and the public. The internal employee magazine Speciál also entered the competition. During its first contest for the best company publication Zlatý středník, it received 2nd place for the best employee magazine, while 1st place was not awarded. In 2015, its intense work on the company's web pages paid off – for the third time in a row, they were awarded the best banking web pages of the year in the competition for the best digital projects of the year WebTop100.



UNIQA pojišťovna, a.s. commenced its operations on the Czech insurance market in 1993, originally under the name Česko-rakouská pojišťovna. The company changed its name to UNIQA pojišťovna in 2001 as a part of the international strategy of the parent concern to integrate the company's identity under the UNIQA brand name. UNIQA's international concern has its headquarters in Vienna and is an important Austrian insurance company with more than one fifth of the market. With its more than 40 subsidiary companies, UNIQA operates in 19 countries throughout Europe and serves more than 11 million clients.

The sole shareholder of the Czech UNIQA pojišťovna is UNIQA International Versicherungs-Holding AG. The insurance company's registered capital is CZK 500 million.

UNIQA pojišťovna holds a universal insurance licence allowing the company to carry out business in the area of both life and non-life insurance. Currently, UNIQA offers all types of insurance products covering the insurance needs of all private and corporate clients.

During the twenty-two years of its existence, UNIQA has always been one of the ten largest insurance companies on the Czech market. Currently, it provides its services at 147 business locations throughout the Czech Republic. Its portfolio includes more than 765,000 insurance policies. Annual prescribed premiums in 2015 were CZK 5.8 billion.

UNIQA pojišťovna has closely cooperated with the Raiffeisen group for many years. This cooperation has also successfully expanded in other European countries where both brands are active on the financial market. Insurance is an integral part of financial services, and hence UNIQA pojišťovna has prepared optimal products for this purpose, such as leasing, credit, and mortgage transactions.

UNIQA pojišťovna, a.s.
Evropská 136, 160 12 Prague 6
Phone: 225 393 111, fax: 225 393 777
E-mail: uniqa@uniqa.cz
www.uniqa.cz

Last year, UNIQA continued the successful sale of life insurance at the Raiffeisenbank branch offices under the brand Raiffeisen life insurance DIVIDENDA. In 2015, bankers concluded close to 2,900 life insurance policies with clients, and total annual premiums reached close to CZK 31 million. The same as in previous years, growth was achieved in the number of property insurance policies. In 2015, a total of 6,900 new insurance policies were opened. Thus, prescribed premiums relating to property insurance for households and buildings amounted to approximately CZK 64 million.

Another important product relating to bank insurance is casualty insurance offered with the eKonto bank account, which is an interesting product for sufficient risk coverage thanks to a simplified process and a favourable price. 84,000 Raiffeisenbank clients have already arranged casualty insurance as a supplementary product for their bank accounts. Good results were also achieved in the sale of insurance with payment cards issued by Raiffeisenbank. Clients may select with their payment cards travel insurance, purchasing insurance, insurance for financial damage incurred by the misuse of payment cards, or insurance for withdrawn credit amounts.

Two new insurance products were introduced to Raiffeisenbank's range of products during 2015: mortgage payment insurance and a comprehensive insurance package for small and medium-size entrepreneurs with the eKonto bank account.

Prescribed premiums for the sale of insurance products at Raiffeisenbank in 2015 amounted to CZK 276 million.



For the past 21 years, Raiffeisen-Leasing, s.r.o. has offered companies and individuals comprehensive services for financing their investment needs relating to movables as well as commercial real estate and development projects. Raiffeisen-Leasing's partner institutions are Raiffeisenbank a. s. and Raiffeisen-Leasing International GmbH Wien. The company is a member of the Czech Leasing and Financial Association and the Czech-German Chamber of Industry and Commerce.

Effective from 1 January 2015, Raiffeisen-Leasing Real Estate, s.r.o. was merged by acquisition with Raiffeisen-Leasing, s.r.o., which is the successor company. With this step, two successful leasing companies in the Raiffeisen financial group have joined together into one strong entity which offers on the Czech market a unique spectrum of financing for fixed assets, such as real estate and developer financing, financing of machinery, equipment, freight vehicles and tractors, locomotives, boats and aircraft, as well as the financing and fleet management of private and commercial vehicles.

In 2015, Raiffeisen-Leasing financed commodities and real estate in new commercial transactions for a total purchase-price volume of CZK 5.623 billion, which is an increase of 8% year-on-year. Profit after taxes according to the IFRS increased to CZK 252 million, which is a rise of 40% over 2014. This was the most successful year in the history of Raiffeisen-Leasing.

Raiffeisen - Leasing, s.r.o.
 Hvězdova 1716/2b
 140 78 Prague 4
 Phone: 221 511 611, Fax: 221 511 666
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 www.rl.cz

In 2015, Raiffeisen-Leasing expanded into Raiffeisenbank's branch network with its loan focusing on financing private and freight vehicles for clients in the Micro segment. Financing vehicles for entrepreneurs and small businesses through the bank's branch network commenced in November 2015, and it was so successful that this product will be offered in 2016 to private individuals in the Raiffeisenbank branch network.

In the area of real estate, Raiffeisen-Leasing continued to implement projects as the financing partner and for its own development activities. In Prague Modřany, the new Austrian high school building was put into operation. The Austrian and Czech ministers of education as well as other important guests participated in the gala opening of the school in September 2015. In Prague Písnice, the construction of the Vrtilka row houses continued.

In 2016, Raiffeisen-Leasing plans to take advantage of the favourable economic environment and to significantly expand into the financing of machinery and equipment. It will primarily focus on highly standardised transactions with a volume of around CKZ 1 million, which are represented by a lower share in the company's current active portfolio. In addition, the company will focus on acquiring new clients, strengthening the programme of benefits for existing clients, and continuing to improve its close cooperation with Raiffeisenbank.

Raiffeisenbank's branches:

Branch office	Address	Telephone
Beroun	Husovo náměstí 45, 266 01, Beroun	311 600 027
* Brno - Česká	Česká 12, 602 00, Brno	517 545 001
Brno Hradecká Globus	Hradecká 408/40, 621 00, Brno - Ivanovice	549 122 411
* Brno Jánská	Jánská 1/3, 602 00, Brno	542 221 370
Brno - Lidická	Lidická 26, 602 00, Brno	532 195 610
Brno Královo Pole	Palackého třída 76, 612 00, Brno	581 853 475
Brno - Masarykova	Masarykova 30, 602 00, Brno	532 196 811
Brno Svobody	Nám. Svobody 2, 602 00 Brno	531 022 900
Brno - Campus Netroufalky	Netroufalky 770, 625 00, Brno	518 700 711
Brno Olympia	Olympia U Dálnice 777, 664 42, Brno	547 243 868
Brno - Vídeňská 281/77	Vídeňská 281/77, Brno-Štýřice, 639 00, Brno	542 424 811
Česká Lípa	Náměstí T. G. M 193, 470 01, Česká Lípa	487 881 811
* České Budějovice - Hroznová	Hroznová 7/62, 370 01, České Budějovice	386 357 815
České Budějovice - Lannova třída	Lannova třída 51/23, 370 01, České Budějovice	383 709 011
České Budějovice - Milady Horákové	Milady Horákové 1498, 370 05, České Budějovice	385 790 111
České Budějovice - Nám. P. Otakara	Náměstí Přemysla Otakara II. 13, 370 63, České Budějovice	386 707 411
Český Krumlov	Náměstí Svornosti 15, 381 01, Český Krumlov	380 712 705
Děčín	Myslbekova 80/3, 405 01, Děčín	412 432 085
Domažlice	Msgr.B.Staška 68, 344 01, Domažlice	379 775 917
Frýdek - Místek - J. V. Sládka	J. V. Sládka 84, 738 01, Frýdek-Místek	558 440 910
Haviřov	Hlavní třída 438/73, 736 01, Haviřov - Město	596 808 311
Hodonín	Národní třída 18a, 695 01, Hodonín	518 399 811
Hradec Králové - Rašínova, Tesco	Rašínova třída 1669, 500 02, Hradec Králové	498 511 011
Hradec Králové - S. K. Neumanna	S. K. Neumanna 487, 500 02, Hradec Králové	493 334 111
* Hradec Králové - V Kopečku	V Kopečku 75, 500 03, Hradec Králové	495 069 666
Cheb	Májová 16, 350 02, Cheb	354 433 629
* Chomutov	Žižkovo nám. 120, 430 01, Chomutov	474 930 900
Jablonec nad Nisou	Komenského 8, 466 01, Jablonec nad Nisou	483 737 141
* Jihlava - Masarykovo náměstí	Masarykovo náměstí 35, 586 01, Jihlava	567 578 911
* Karlovy Vary - Krále Jiřího	Krále Jiřího 39, 360 01, Karlovy Vary	353 167 777
Karviná - Masarykovo nám.	Masarykovo nám. 28/15, 733 01, Karviná	597 497 711
Kladno	Osvobozených politických vězňů 656, , 272 01, Kladno	312 709 413
Klatovy, Náměstí Míru	Náměstí Míru 168/1, 339 01, Klatovy	376 541 811
* Kolín	Kutnohorská 43, 280 02, Kolín	321 338 982
Krnov, Hlavní náměstí	Hlavní náměstí 97/36, 794 01, Krnov	554 601 111
Liberec - Jánská	Jánská 863/9, 460 01, Liberec	482 711 730
* Liberec - Na Rybníčku	Na Rybníčku 1, 460 01, Liberec 3	488 100 011
Liberec - Pražská	Pražská 6/133, 460 01, Liberec 2	483 519 080
* Mladá Boleslav - TGM	T. G. Masaryka 1009, 293 01, Mladá Boleslav	326 700 981
Mladá Boleslav - Bondy Centrum	ř. Václava Klementa č.p. 1459, 293 01, Mladá Boleslav	326 509 611
Most	Budovatelů 1996/4, 434 01, Most	476 140 216
Olomouc - Horní lán	Horní lán 1328/6, 779 00, Olomouc	582 800 901
* Olomouc - Národní dům	8. května 464/21, 779 00, Olomouc	582 800 400
Olomouc - Nám. Národních Hrdinů	nám. Národních hrdinů 1, 779 00, Olomouc	585 206 911
Opava - Horní náměstí	Horní náměstí 32, 746 01, Opava	553 759 311
Ostrava 28.října, Nová Karolina PARK	28.října 3348/65, 702 00, Ostrava	597 011 541
* Ostrava Dlouhá	Dlouhá 3, 702 00, Ostrava	596 111 863
Ostrava - Nová Karolina	Jantarová 3344/4, Forum Nová Karolina, 702 00, Ostrava	596 664 171

Branch office	Address	Telephone
Ostrava - Poruba	Opavská 6230/29a, 708 00, Ostrava - Poruba	596 945 127
Ostrava, Rudná, Avion Shopping Park	Rudná 114/3114 - Avion Shopping Park, 700 30, Ostrava	558 944 011
Ostrava Tesco	TESCO, Sjízdna 5554, 722 00, Ostrava	596 966 432
Ostrava - Výškovická	Výškovická 2637/114, 700 30, Ostrava - Zábřeh	596 797 011
* Pardubice - 17. listopadu	17. listopadu 238, 530 02, Pardubice	466 610 016
Pardubice - K Polabinám	K Polabinám 1893-4, 530 02, Pardubice	466 512 197
Písek	Velké náměstí 116, 397 01, Písek	382 759 111
Plzeň - Americká 1	Americká 1, 301 00, Plzeň	377 236 582
Plzeň - Americká 66	Americká 66, 306 29, Plzeň	377 279 411
* Plzeň - Bedřicha Smetany	Bedřicha Smetany 11, 301 00, Plzeň	374 334 800
Plzeň - Olympia	Olympia, Písecká 972/1, 326 00, Plzeň Černice	377 222 156
Prague - Na Příkopě	Na Příkopě 860/24, 110 00, Prague 1	225 374 011
Prague - Palladium	Náměstí republiky 1, 110 00, Prague 1	225 376 503
* Prague - Národní 9	Národní 9/1010, 110 00, Prague 1	221 411 922
Prague - Spálená	Spálená 16, 110 00, Prague 1	224 948 883
Prague - Václavské náměstí, Astra	Václavské náměstí 773/4, 110 00, Prague 1	234 093 311
Prague - Jalta	Václavské náměstí 43, 110 00, Prague 1	222 115 590
Prague - Valentinská	Valentinská 9/57, 110 00, Prague 1	234 702 206
Prague - Vodičkova	Vodičkova 38, 110 00, Prague 1	221 141 261
Prague - Moskevská	Moskevská 43, 101 00, Prague 10	271 078 812
Prague - Nákupní - Europark	Nákupní 389/3, 102 00, Prague 10	234 093 011
Prague - Park Hostivař	Interspar Švehlova 32/1392, 102 00, Prague 10	272 656 215
Prague - Vinohradská	Vinice Vinohradská 230, 100 00, Prague 10	274 001 778
Prague - Eden Vršovická	OC Eden, Vršovická 1527/68b, 100 00, Prague 10	225 282 911
Prague - Bělehradská	Bělehradská 100/18, 120 00, Prague 2	221 511 281
Prague - Jugoslávská	Jugoslávská 320/21, 120 00, Prague 2	222 517 800
* Prague - Karlovo náměstí (RB)	Karlovo náměstí 10, 120 00, Prague 2	224 900 711
Prague - Seifertova	Seifertova 995/29, 130 00, Prague 3	225 282 611
Prague - Nitranská	Nitranská 988/19, vstup z ulice Vinohradská, 130 00, Prague 3	296 338 011
Prague - Flora	Chrudimská 7, 130 00, Prague 3	225 376 611
Prague - Želivského	Želivského 1738/16, 130 00, Prague 3	225 374 600
Prague - Háje	Arkalycká 877, 149 00, Prague 4	272 653 815
* Prague - City Tower (Hvězdova)	Hvězdova 1716/2B, 140 78, Prague 4	234 405 130
Prague - Na Pankráci Gemini	Na Pankráci 1724, 140 78, Prague 4	234 261 211
Prague - náměstí brí Synků	Bratří Synků 300/15, 140 00, Prague 4	234 700 911
Prague - Novodvorská	Novoplatza Novodvorská 1800/136, 142 00, Prague 4	241 406 914
* Prague - Budějovická	Olbrachtova 2006/9, 140 21, Prague 4	234 401 026
Prague - Olbrachtova DBK	Olbrachtova DBK, 140 00, Prague 4	234 709 911
Prague - Pražského povstání	Na Pankráci 79, 14000, Prague 4	234 702 111
Prague - Lidická	Lidická 42, 150 00, Prague 5-Smíchov	251 010 811
Prague - Anděl	Zlatý Anděl, Nádražní 23, 150 00, Prague 5	251 510 444
Prague - Petržilkova	Petržilkova 2706/30, 158 00, Prague 5	296 334 011
Prague - Zličín	Řevnická 1/121, 150 00, Prague 5	234 720 101
Prague - Barrandov	Tilleho nám. 792/2, 152 00, Prague 5 - Hlubočepy	234 724 111
Prague - Bělohorská	Bělohorská 71, 169 00, Prague 6	233 356 840
Prague - Dejvická 11	Dejvická 11, 160 00, Prague 6	233 089 711
Prague - Evropská	Evropská 136, 136 00, Prague 6	234 715 115
Prague - Komunardů	Komunardů 21/1045, 170 00, Prague 7	225 020 380

Branch office	Address	Telephone
Prague - Milady Horákové 10	Milady Horákové 10, 170 00, Prague 7	233 028 022
Prague - Ládví	Kyselova 1658, 182 00, Prague 8 - Ládví	283 880 342
Prague - Thámova	Thámova 118/17, 186 00, Prague 8	234 720 911
Prague - Zenklova	Zenklova 22/340, 180 00, Prague 8	225 983 511
Prague - Chlumecká	Chlumecká 765/6, 198 00, Prague 9	281 008 111
Prague - Jandova (OSN)	Jandova 135/2, 190 00, Prague 9	225 545 511
Prague - Prosecká	Prosecká 851/64, ProsekPoint, 190 00, Prague 9	225 983 600
Prague - Veselská Letňany	OC Letňany, Veselská 663, 199 00, Prague 9 - Letňany	234 261 047
Prostějov	Hlaváčkovo nám.3, 796 01, Prostějov	582 400 800
Přerov	Komenského 758/11, 750 02, Přerov	587 800 911
Příbram, Zahradnická	Zahradnická 70, 26101, Příbram 3	318 646 193
Říčany - Masarykovo náměstí	Masarykovo náměstí 155, 251 01, Říčany	323 209 011
* Šumperk	17. listopadu 9, 787 01, Šumperk	583 219 734
* Tábor - Bílkova	Bílkova 960, 390 02, Tábor	381 201 611
Teplice - 28. října	28.října 7/963, 415 01, Teplice	417 816 074
Teplice, nám. Svobody, GALERIE	Nám. Svobody 3316, 415 01, Teplice	417 534 703
* Trutnov - Horská	Horská 97, Trutnov, 541 01, Trutnov	498 501 801
Třebíč, Jejkovská brána	Jejkovská brána 36/1, 674 01, Třebíč	568 891 236
Třinec	Náměstí Svobody 528, 739 61, Třinec	558 944 911
Uherské Hradiště, Obchodní	Obchodní ul. 1508, 686 01, Uherské Hradiště	576 000 401
Ústí nad Labem - Forum, Bílinská	Bílinská 3490/6, 400 01, Ústí n. L.	478 050 111
* Ústí nad Labem - Pařížská	Pařížská 20, 400 01, Ústí nad Labem	477 101 701
* Zlín - Kvítková	Kvítková 552, 760 01, Zlín	577 008 016
Zlín - Nám. Míru	nám. Míru 9, 760 01, Zlín	577 011 124
Znojmo	Masarykovo náměstí 325/3, 669 02, Znojmo	515 209 711
* Žďár nad Sázavou	Nám. Republiky 42, 591 01, Žďár nad Sázavou	566 652 715

Branches marked with an asterisk * are also specialised Corporate Centres or Business Points for Entrepreneurs and Companies SEMM.

Mortgage centres:

Pobočka	Adresa	Telefon
Brno	Česká 12, 602 00 Brno	517 545 333
Hodonín	Národní třída 18A, 695 01 Hodonín	518 399 819
Znojmo	Masarykovo nám. 325/3, 662 02 Znojmo	515 209 724
České Budějovice	Náměstí Přemysla Otakara II. 13, 370 63 České Budějovice	386 707 413
Tábor	Bílková 960, 390 02 Tábor	381 201 614
Hradec Králové	V Kopečku 75, 500 02 Hradec Králové	495 069 677
Jihlava	Masarykovo náměstí 35, 586 01 Jihlava	567 578 918
Karlovy Vary	Krále Jiřího 39, 360 01 Karlovy Vary	353 167 719
Liberec	Na Rybníčku 874/1, 460 01 Liberec	488 100 020
Olomouc	Národní dům, 8.května 464/21, 779 00 Olomouc	582 800 415
Ostrava	Dlouhá 3, 702 00 Ostrava 1	581 853 732
Frýdek Místek	J. V. Sládka 84, 73802 Frýdek-Místek	558 440 911
Opava	Horní nám. 32, 746 01 Opava	553 759 312
Ostrava Poruba	Opavská 6230/29a, 708 00 Ostrava-Poruba	596 912 835
Pardubice	K Polabinám 1893-4, 530 02 Pardubice	467 002 510
Plzeň	Americká 1, 306 29 Plzeň	379 305 545
Prague - Budějovická	Olbrachtova 9, 140 21 Prague 4	234 401 015
Prague - Gemini	Na Pankráci 1724, 140 00 Praha 4	234 261 213
Prague - Karlovo nám.	Karlovo náměstí 2097/10, 120 00 Prague 2	224 900 722
Prague - Jandova	Jandova 135/2, 190 00 Prague 9	225 545 518
Prague - Vodičkova	Vodičkova 38, 110 00 Prague 1	225 374 059
Ústí nad Labem	Pařížská 227/20, 400 01 Ústí nad Labem	475 237 486
Most	Budovatelů 1996/4, 434 01 Most	476 140 223
Zlín	Kvítková 552, 760 01 Zlín	577 008 042

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