

## **First Supplement dated 21 May 2021 to the Base Prospectus dated 15 December 2020**

*This document constitutes a supplement (the "**First Supplement**") for the purpose of Article 23 (1) of the Regulation (EU) 2017/1129 of the European Parliament and of the Council (as amended, the "**Prospectus Regulation**") and is supplemental to and should be read in conjunction with, the base prospectus dated 15 December 2020 (the "**Original Base Prospectus**") of Raiffeisenbank a.s. (the "**Issuer**" ) prepared in relation to the Issuer's EUR 5,000,000,000 Mortgage Covered Bonds (in Czech, hypoteční zástavní list) Programme. The Original Base Prospectus in the form as supplemented by this First Supplement is hereinafter referred to as the "**Base Prospectus**".*

Terms defined in the Original Base Prospectus have the same meaning when used in this First Supplement. To the extent that there is any inconsistency between (a) any statement in this First Supplement and (b) any other statement in the Original Base Prospectus prior to the date of this First Supplement, the statements in (a) will prevail.

This First Supplement has been approved by the *Commission de Surveillance du Secteur Financier* (the "**CSSF**") and will be published together with any documents incorporated by reference in electronic form on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)) and on the website of the Issuer [www.rb.cz](http://www.rb.cz) (under the following link: <https://www.rb.cz/en/obligatory-published-information/raiffeisen-as-bond-programme>). The Original Base Prospectus is published together with any documents incorporated by reference in electronic form on the website of the Luxembourg Stock Exchange [www.bourse.lu](http://www.bourse.lu) and on the website of the Issuer [www.rb.cz](http://www.rb.cz) (under the following link: <https://www.rb.cz/en/obligatory-published-information/raiffeisen-as-bond-programme>).

The CSSF only approves this First Supplement as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the Issuer that is the subject of this First Supplement.

By approving this First Supplement, the CSSF assumes no responsibility as to the economic and financial soundness of the transaction or the quality or solvency of the Issuer pursuant to Article 6 (4) of the Luxembourg act relating to prospectuses for securities dated 16 July 2019 (*Loi du 16 juillet 2019 relative aux prospectus pour valeurs mobilières et portant mise en oeuvre du règlement (UE) 2017/1129*, the "**Luxembourg Prospectus Law**").

The Issuer with its registered office at Hvězdova 1716/2b, 140 78 Prague 4, Czech Republic, accepts responsibility for the information contained in this First Supplement. The Issuer hereby declares, that to the best of its knowledge, the information contained in this First Supplement is in accordance with the facts and that this First Supplement makes no omission likely to affect its import.

## **NOTICE**

This First Supplement does not constitute an offer of, or an invitation by or on behalf of the Issuer to subscribe for, or purchase, any debt securities the Issuer may issue. No person has been authorised by the Issuer to give any information or to make any representation other than those contained in this First Supplement or the Base Prospectus. If given or made, any such information or representation should not be relied upon as having been authorised by the Issuer.

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## SUPPLEMENTAL INFORMATION

### Part A – Amendments to the section RISK FACTORS

- 1) On pages 18 to 19 of the Original Base Prospectus, in the risk factor "**The recent outbreak of COVID-19 could adversely affect the Issuer's business**", the existing text shall be modified as follows, whereby added text is printed in blue and underlined and deleted text is printed in ~~red and strikethrough~~:

"The recent COVID-19 outbreak and its development into a global pandemic, coupled with the measures implemented by relevant government authorities to contain it, such as closing of public services, travel restrictions, border controls and other measures to discourage or prohibit the movement of people, is expected to have a material and adverse impact on the Czech and global financial markets and on the level of economic activity in the Czech Republic and the world economy as of the date of this Base Prospectus.

In the course of March 2020, the Raiffeisen Group started to offer suspension of credit repayment for up to one year, applicable to private individuals, entrepreneurs as well as businesses. As at ~~30 June~~31 October 2020, the resulting impact of this moratorium (the "**Contractual Moratorium**") together with the Moratorium (all capitalized terms in this risk factor shall have the meanings ascribed to them in the risk factor "*The Czech legislative measures taken in response to the COVID-19 pandemic will have effect on the Issuer's business*") introduced by the COVID-19 Loan Moratorium Act was, in relation to the business of the Raiffeisen Group ~~was~~ more than ~~2428~~ thousand approved applications (out of which less than 3 thousand relate to moratorium and approximately 25.5 thousand relate to Moratorium) with the total loan amount of CZK ~~40.054~~ billion (out of which CZK 17.4 billion relate to moratorium and CZK 36.6 billion relate to Moratorium), of which households account for CZK ~~16.8~~23.5 billion and corporate clients account for CZK ~~23.6~~30.5 billion. During the period from October 2020 to December 2020 Raiffeisenbank Group approved additional Contractual Moratoriums with the total loan amount of CZK 2.7 billion and additional Moratoriums with the total loan amount CZK 1.8 billion. During the period from January 2021 to April 2021, subsequent forbearance of CZK 0.4 billion was approved for loans for which the Raiffeisen Group granted a suspension of loan repayments due to the Contractual Moratorium. Subsequent forbearance of CZK 0.6 billion was approved for loans with a granted Moratorium valid until the end of October 2020.

As of 31 October 2020 15.5% of loan portfolio of the Issuer attributable to households was affected by moratorium (i.e. either by the Moratorium or the Contractual Moratorium) out of which 10% became non-performing loans within 6 months from the moratorium termination. As a result 1.6% of the loan portfolio attributable to household became non-performing loans as of 31 October 2020.

As of 31 October 2020 12.2% of loan portfolio of the Issuer attributable to corporate clients was affected by moratorium (i.e. either by the Moratorium or the Contractual Moratorium) out of which 3.9% became non-performing loans within 6 month from the moratorium termination. As a result 0.5% of the loan portfolio attributable to corporate clients became non-performing loans as of 31 October 2020.

~~The Raiffeisen Group launched its offer of credit facilities for corporates and businesses under the COVID guarantee programmes operated by Českomoravská záruční a rozvojová banka, a.s., with COVID III being the most extensive programme. The Raiffeisen Group also continues to provide loans to clients in all segments, whereas clients are able to deal with a vast majority of their banking operations in a remote regime without having to visit a branch office.~~

~~The COVID-19 outbreak accelerated the strategic priorities in connection with the optimizing of the Raiffeisen Group's branch network. In line with the IAS 36 and IFRS 16 requirements, the Raiffeisen Group assessed the indicators of possible impairment of these assets. The Raiffeisen Group identified significant impairment in respect of 7 leased branch offices reported as rights of use and these branch offices were closed as of 30 June 2020. As 22 September 2020, the book value of these rights of use were zero and the impairment of the right of use amounted to CZK 8.5 million.~~

According to IFRS 9, the loan moratorium results in modification of the contractual cash flows of a financial asset. The Raiffeisen Group evaluated this modification as an immaterial modification of the financial assets that does not result in derecognition of the original financial asset. The modification gain or loss equals to the difference between the gross book value of the loan before modification and the net current value of the cash flows of the modified financial asset discounted at the original effective interest rate. The Raiffeisen Group recognized the modification loss in the consolidated statement of comprehensive income under "Other operating cost". As at ~~30 June~~31 December 2020, the modification loss caused by the COVID-19 outbreak amounted to CZK ~~98~~97 million.

In accordance with the EBA guidance, granting a private [moratorium \(such as the Contractual Moratorium\)](#) or public moratorium ([such as the Moratorium](#)) to a client is not automatically considered an indicator of a significant increase of credit risk leading to worse exposure staging. On the other hand, it may result in worse staging of the client based on individual assessment as part of extraordinary or regular monitoring or annual assessment renewal. The Raiffeisen Group's exposures under a public or private moratorium are reported as forbore exposures, however without automatically worsening the risk category. When evaluating significant increases of credit risk, the Raiffeisen Group continues to apply a set of qualitative, quantitative and additional criteria. In connection with the COVID-19 outbreak, the Raiffeisen Group created ~~provisions in the amount of CZK 387.7 million.~~[adjustments in the amount of CZK 956.3 million out of a total adjustments of CZK 1 724 million.](#)

The Raiffeisen Group regularly monitors development of the clients under loan repayment moratoria in order to (i) support the clients with targeted selected measures; (ii) set up the recovery personnel capacities for the anticipated wave of defaults ~~in the course of the fourth quarter of 2020~~[after the end of Moratorium](#); and (iii) estimate the future impacts on the profit and loss statement on a regular basis. The work and activities performed particularly consist of (i) dynamic monitoring of risk indicators; (ii) client surveys; and (iii) reasonable sizing of and seniority in expert teams focused on loan restructuring in retail and corporate segments.

The Raiffeisen Group also closely monitors the sectors that are most struck by effects of the COVID-19 outbreak (automotive industry, hotels and tourism, hospitality and entertainment, transport, etc.). Rules applicable to the assessment of risk categories were adjusted in respect of retail clients in these sectors. In corporate segments, individual assessment was used to review the entire portfolio in the affected segments and to evaluate the risk associated with particular clients under different stress scenarios of effects of the COVID-19 outbreak.

For the time being, the economic outlook remains uncertain due to ~~the risk of the subsequent waves of the~~ COVID-19 outbreak. Following evaluation of the current situation and possible scenarios of future development, the Raiffeisen Group's management expects the Raiffeisen Group's business in ~~2020-2021~~[2020-2021](#) to remain profitable; the economic results for ~~2020~~[2021](#) will be sufficient to cover the Raiffeisen Group's capital needs and there is no significant uncertainty relating to events or circumstances that might crucially challenge the Raiffeisen Group's ability to continue as a going concern.

The extent of the risk posed by the COVID-19 outbreak in the future is, however, unclear; if the impact of the virus is severe or prolonged and the restrictions imposed due to COVID-19 continue for extended periods of time, this may result in greater volatility but also in reduced liquidity, widening of credit spreads and lack of price transparency in credit markets. This may have a materially adverse impact on the Issuer's financial performance and position in future."

- 2) On pages 19 to 20 of the Original Base Prospectus, in the risk factor "**The Czech legislative measures taken in response to the COVID-19 pandemic will have effect on the Issuer's business**" the existing text shall be modified as follows, whereby added text is printed in [blue and underlined](#) and deleted text is printed in ~~red and strikethrough~~:

"Under Act No. 177/2020 Coll., on credit repayment measures in connection with COVID-19 pandemic (the "COVID-19 Loan Moratorium Act") each borrower of (i) a loan in relation to which a loan agreement has been signed and which has been utilised before 26 March 2020; or (ii) a loan in relation to which a loan agreement has been signed before 26 March 2020, but the loan has not been utilised, if the loan is, inter alia, secured by mortgage of real estate or used for real estate development, had option to apply for the Moratorium. If the borrower notified the lender of its intention to take advantage of the Moratorium, the Moratorium was going to run from the first day of the following calendar month after the notice date until (i) 31 October 2020; or (ii) 31 July 2020, provided that the borrower notifies its intention to use such shortened Moratorium period.

~~In particular, this means that:~~

~~(a) the moment of fulfilment of monetary debts owed by the borrower to the lender under the loan agreement was postponed by the duration of the Moratorium; and~~

~~(b) the duration of the security securing the loan was extended by the duration of the Moratorium.~~

~~During the Moratorium, both principal and interest payments were deferred for loans provided to natural persons, whereas only principal payments were deferred for loans provided to legal persons. During the Moratorium, the interest rates on the consumer loans were capped at a rate corresponding to the repo rate published by the CNB increased by eight percentage points.~~

As one of the Issuer's principal activity as a bank is providing loans, the COVID-19 Loan Moratorium Act and the institute of Moratorium in particular has had and will continue to have an impact on its business. The intention of the COVID-19 Loan Moratorium Act from the perspective of credit institutions, including the Issuer, was to avoid costs caused by a necessity to create adjustments, because, given the public law nature of the regulation introduced by the COVID-19 Loan Moratorium Act and the fact that neither party was initiating the deferral of payments, it is not necessary to automatically classify the exposures which would be subject to a deferral of payments in connection with the COVID-19 Loan Moratorium Act as non-performing or forbore exposures until the end of the Moratorium, which implies that the deferral of payments in connection with the COVID-19 Loan Moratorium Act should not have a significant impact on the fulfilment of the credit institutions' capital requirements. Simultaneously, the Issuer remains obliged to assess and monitor the credit quality of the exposures benefiting from the measures introduced by the COVID-19 Loan Moratorium Act. At the same time, however, there will be some uncertainty as the debtor's ability to repay cannot be adequately monitored during the Moratorium and there is a risk that a number of debtors will be in default after its ending any way and the Issuer will have to incur additional costs connected with creating adjustments.

Another risk that the Issuer may face as a result of the COVID-19 Loan Moratorium Act is the risk of reduced liquidity. Due to the temporary loss of the Issuer's income from principal and interest payments in the case of consumer loans and the temporary loss of principal payments in the case of entrepreneur loans, the Issuer's liquidity will be reduced. Although the Issuer's loan to deposit ratio as of ~~30 June~~ 31 December 2020 was 74.2 per cent.<sup>1</sup>, the future impacts cannot be fully predicted. Should the Issuer incur unexpected and significant expenses in connection with the COVID-19 pandemic, the lack of liquidity may affect the Issuer's ability to bear these costs. In addition, it cannot be assumed with certainty that the Moratorium will not be extended in the event of the continuing consequences of the COVID-19 outbreak, which would further reduce the Issuer's liquidity. As of ~~18 September~~ 31 October 2020, ~~422,217~~ approximately 25.5 thousands clients in the Czech Republic have opted for the Moratorium, whereas the aggregate amount of the loans affected by the Moratorium as of ~~3 July~~ 31 October 2020 was CZK ~~661~~ 36.6 billion.

Even though the Moratorium period is now over, there is a risk that a number of debtors will default on the repayments of their loans in the coming months and the Issuer will have to incur additional costs

<sup>1</sup> Calculated as loans and advances to customers divided by deposits from customers

connected with creating provisions. This risk is compounded by the reinstatement of the restrictions in the second and subsequent waves of the COVID-19 outbreak in 2020 and 2021.

Further, under the COVID-19 Insolvency Act, the debtor's obligation to file for insolvency is suspended for the duration of the relevant measures taken by the Czech Government, as well as for six months following their expiry, but not beyond 30 June 2021, the date having been pushed from the original date of 31 December 2020 by the Act No. 460/2020 Coll. (the "COVID-19 Insolvency Amendment Act"). ~~longer than until 30 June 2021.~~ Further, the COVID-19 Insolvency Act, as amended by the COVID-19 Insolvency Amendment Act introduced ~~s~~ certain exceptions and specific provisions (including application for relief, limitations in respect of enforcement of judicial decisions and occurrence of the debtor's default) that may potentially lead to prolongation of the debt enforcement proceedings as well as the process of enforcement of security interests. The changes implemented by the COVID-19 Insolvency Act could have an adverse effect on the Issuer's business, as the Issuer may find itself unable to file insolvency petitions against non-performing debtors, thereby increasing time it would take to satisfy the Issuer's claims in the event of the debtor's bankruptcy."

- 3) On page 20 of the Original Base Prospectus, in the risk factor "**Social, economic or political developments in the Czech Republic could adversely affect the Issuer**" the existing text in the second paragraph shall be modified as follows, whereby added text is printed in blue and underlined and deleted text is printed in ~~red and strikethrough~~:

"Also, as of the date of ~~this Base Prospectus~~ the First Supplement the Czech economy is profoundly influenced by the COVID-19 outbreak and the measures adopted to prevent and limit the spread of the disease, causing the outlook to be very uncertain. Based on the Macroeconomic Forecast of the Ministry of Finance of the Czech Republic published ~~on 22 September 2020~~ in April 2021, it is expected that the economic activity will gradually recover, ~~however~~ and the economic performance is expected to ~~drop~~ rise by ~~6.63.1~~ per cent. in 2020 ~~with steep decline in all areas of use other than~~ supported by the creation of gross fixed capital, recovery of reserves and general government consumption.<sup>2</sup> Based on the forecast of the CNB announced on 6 ~~Agusut~~ May 2020<sup>1</sup>, the level of inflation in the ~~third~~ second quarter of ~~2021~~ 2022 is expected at ~~2.24~~ per cent. whereas i tis expected to remain at this level also in the fourth quarter of 2021 and 2.2 per cent in the third quarter of 2022.<sup>3</sup> The Czech government is introducing support measures that would alleviate the impact on both businesses and households with the aim of preventing long term damage to the productive capacity. Nevertheless, the positive forecasts referred to above might not materialize and the Czech economy ~~is unlikely to~~ might not avoid a deep recession which could have a material adverse effect on the Issuer's business, results of operations, financial condition, liquidity, capital base or prospects."

- 4) On page 20 of the Original Base Prospectus, in the risk factor "**Social, economic or political developments in the Czech Republic could adversely affect the Issuer**" the text of footnote 1 shall be amended as follows, whereby added text is printed in blue and underlined and deleted text is printed in ~~red and strikethrough~~:

"Source: Macroeconomic Forecast of the Ministry of Finance of the Czech Republic available in Czech language only at: ~~https://www.mfcr.cz/en/statistics/macroeconomic-forecast/2020/macroeconomic-forecast-september-2020-39480~~ https://www.mfcr.cz/cs/verejny-sektor/makroekonomika/makroekonomicka-predikce/2021/makroekonomicka-predikce-duben-2021-41494"

- 5) On page 24 of the Original Base Prospectus, in the risk factor "**The United Kingdom's departure from the EU could adversely affect the Issuer**" the existing text shall be deleted and replaced by the following paragraph:

<sup>2</sup> Source: Macroeconomic Forecast of the Ministry of Finance of the Czech Republic available at:

<https://www.mfcr.cz/en/statistics/macroeconomic-forecast/2020/macroeconomic-forecast-september-2020-39480>

<sup>3</sup> Source: Forecast of the CNB available at: <https://www.cnb.cz/en/monetary-policy/forecast/>



"The UK has left the EU as of 31 January 2020 (the "**Brexit**") and the transition period ended on 31 December 2020. Therefore, the Treaty on the European Union and the Treaty on the Functioning of the European Union have ceased to apply to the UK.

The Agreement on the withdrawal of the United Kingdom of Great Britain and Northern Ireland from the European Union and the European Atomic Energy Community dated 24 January 2020 provided the UK with a transitional period until 31 December 2020, during which the UK was bound by EU rules despite not being its member state and remained in the single market area, while the future terms of the UK's relationship with the EU were being negotiated. On 24 December 2020, the EU and the UK agreed on the Trade and Cooperation Agreement (the **Trade and Cooperation Agreement**), which sets out the principles of the relationship between the EU and the UK following the end of the transitional period. The trade Cooperation Agreement was approved by the European Parliament on 29 February 2021 and ratified by the Council of the European Union on 30 January 2021. Given the recent agreement on the Trade and Cooperation Agreement, its practical application and the overall relationship of the UK and the EU is not fully clear. Any of these effects of Brexit, and others which cannot be anticipated, could adversely affect the Issuer's business, results of operations, financial condition and cash flows, and could negatively impact the value of the Mortgage Covered Bonds."

- 6) On page 30 of the Original Base Prospectus, in the risk factor "**The Issuer is subject to risks in its trading activities**" the first paragraph of the existing text shall be modified as follows, whereby added text is printed in blue and underlined and deleted text is printed in ~~red and strikethrough~~:

"The Issuer trades various securities and derivatives, including debt, equity and commodities, both as agent and principal, and it derives a portion of its non-interest income from profits earned in such trades. The consolidated ~~trading results including results of currency trading~~ net gain on financial operations of the Issuer for the year ~~2019-2020 were~~ was CZK ~~(1.208199) billion~~ million."

- 7) On pages 30 to 31 of the Original Base Prospectus, in the risk factor "**Changes and developments in laws or regulations in the Czech Republic and the EU, including legislation relating to the financial and banking sectors, may have a material adverse impact on the Issuer**" the second paragraph of the existing text shall be modified as follows, whereby added text is printed in blue and underlined and deleted text is printed in ~~red and strikethrough~~:

"For example, in August 2016, the CNB increased the capital requirements for five Czech banks, including the Issuer, because they are considered to be of systemic importance to the Czech banking system. In ~~2019~~ 2020, the systemic risk buffer of the Issuer was set at 1 per cent."

- 8) On page 32 of the Original Base Prospectus, the risk factor "**Risk of the United Kingdom no longer being party to the Recast Brussels Regulation**" shall be deleted.
- 9) On page 44 of the Original Base Prospectus, heading of the risk factor "**In respect of any Mortgage Covered Bonds issued with a specific use of proceeds, such as a Green Bond or Social Bond, there can be no assurance that such use of proceeds will be suitable for the investment criteria of an investor**", shall be modified as follows, whereby added text is printed in blue and underlined:

*"In respect of any Mortgage Covered Bonds issued with a specific use of proceeds, such as a Green Bond or Social Bond, there can be no assurance that such use of proceeds will be suitable for the investment criteria of an investor and any failure to apply such use of proceeds as originally envisaged does not constitute an event of default or give rise to any claim against the Issuer "*

- 10) On page 44 of the Original Base Prospectus, in the risk factor "**In respect of Mortgage Covered Bonds issued with a specific use of proceeds, such as a Green Bond or Social Bond, there can be no assurance that such use of proceeds will be suitable for the investment criteria of an investor**", the existing text of the fifth and sixth paragraph shall be modified as follows, whereby added text is printed in blue and underlined and deleted text is printed in ~~red and strikethrough~~:



As regards “green” or “environmentally sustainable economic activities”, a basis for the determination of such a definition has been established in the EU with the publication in the Official Journal of the EU on 22 June 2020 of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 (the "**Sustainable Finance Taxonomy Regulation**") on the establishment of a framework to facilitate sustainable investment (the "**EU Sustainable Finance Taxonomy**"). The EU Sustainable Finance Taxonomy is subject to further development by way of the implementation by the European Commission through delegated regulations of technical screening criteria for the environmental objectives set out in the Sustainable Finance Taxonomy Regulation. [On 21 April 2021, the European Commission approved in principle the first delegated act \(the "EU Sustainable Finance Taxonomy Delegated Act"\) aimed to support sustainable investment by making it clearer which economic activities most contribute to meeting the EU's environmental objectives. The EU Sustainable Finance Taxonomy Delegated Act sets out criteria for economic activities in the sectors that are most relevant for achieving climate neutrality and delivering on climate change adaptation. This includes sectors such as energy, forestry, manufacturing, transport and buildings. Criteria for other environmental objectives will follow in a later delegated act, in line with the mandates in the Sustainable Finance Taxonomy Regulation.](#)

While it is the objective of the Issuer to have its Green Bond Framework or Social Bond Framework in line with the relevant objectives for the EU Sustainable Finance Taxonomy, it is not known until ~~the technical screening~~ all criteria for such objectives have been developed whether these will satisfy those criteria. Accordingly, alignment with the EU Sustainable Finance Taxonomy, once ~~the technical screening~~ all criteria is established, is not certain."

## Part B – Amendments to the section DOCUMENTS INCORPORATED BY REFERENCE

11) On page 48 of the Original Base Prospectus, the following clause "(e)" and "(f)" shall be added:

"(e) the auditor's report and audited consolidated annual financial statements for the financial year ended 31 December 2020 of the Issuer including the information set out at the following pages of the annual report for 2020:

Auditor's Report.....	Pages 44 to 50
Consolidated Statement of Comprehensive Income ...	Page 54
Consolidated Statement of Financial Position .....	Pages 55 to 56
Consolidated Statement of Changes in Equity.....	Page 57
Consolidated Cash Flow Statement .....	Pages 58 to 59
Financial Section (Accounting Principles and Notes)	Pages 60 to 175

(available at: [https://www.rb.cz/attachments/vyrocni-zpravy/Raiffeisenbank a s Annual Report 2020 EN.pdf](https://www.rb.cz/attachments/vyrocni-zpravy/Raiffeisenbank_a_s_Annual_Report_2020_EN.pdf) )

(f) the auditor's report and audited individual annual financial statements for the financial year ended 31 December 2020 of the Issuer including the information set out at the following pages<sup>4</sup> of the annual report for 2020:

Auditor's Report.....	Pages 177 to 182
Separate Statement of Comprehensive Income .....	Page 184

<sup>4</sup> Please note that not all pages of the audited consolidated annual financial statements for the financial year ended 31 December 2020 of the Issuer are paginated and as such the relevant pages refer to the pages of the relevant PDF file thereof

Separate Statement of Financial Position .....	Pages 185 to 186
Separate Statement of Changes in Equity .....	Page 187
Separate Cash Flow Statement.....	Pages 188 to 189
Financial Section (Accounting Principles and Notes)	Pages 190 to 290

(available at: [https://www.rb.cz/attachments/vyrocnizpravy/Raiffeisenbank a s Annual Report 2020 EN.pdf](https://www.rb.cz/attachments/vyrocnizpravy/Raiffeisenbank_a_s_Annual_Report_2020_EN.pdf))"

## Part C – Amendments to the section USE OF PROCEEDS

- 12) On page 272 of the Original Base Prospectus, in the chapter "Use of proceeds", the existing text shall be modified as follows, whereby added text is printed in blue and underlined and deleted text is printed in ~~red and strikethrough~~:

"The net proceeds from each issue of Mortgage Covered Bonds will be applied by the Issuer for its general business purposes, which include making a profit. If, in respect of an issue, there is a particular identified use of proceeds, this will be stated in the relevant Final Terms.

Furthermore, where "Green Mortgage Covered Bonds" ~~or "Social Mortgage Covered Bonds"~~ is specified in the relevant Final Terms, the net proceeds or an amount equivalent to the net proceeds will be used to finance eligible assets as further specified in the relevant Final Terms. The Issuer ~~will provide~~ will provide more details with regard to its prospective Green Mortgage Covered Bonds ~~or Social Mortgage Covered Bonds~~ issues (i) in its Green Bond Framework disclosed on the Issuer's website www.rb.cz (under the following link: <https://www.rb.cz/en/obligatory-published-information/raiffeisen-as-bond-programme>) ~~or Social Bond Framework which will be disclosed on the Issuer's website (www.rb.cz) once the frameworks are finalised~~ and (ii) in the relevant Final Terms under the section "Use of proceeds". Such Green Bond Framework ~~or Social Bond Framework~~ may be updated from time to time. Prior to issuances of Green Mortgage Covered Bonds ~~or Social Mortgage Covered Bonds~~, the Issuer ~~intends to~~ intends to mandate a recognised second party opinion provider, which is ISS Corporate Solutions, Inc. (the "ISS") such as Sustainalytics GmbH, a provider of environmental, social and governance (ESG) research and analysis. The ~~second party opinion provider will~~ ISS evaluated the robustness and credibility of ~~Raiffeisenbank a.s. the Issuer's~~ the Issuer's Green Bond Framework ~~or Social Bond Framework~~ and the intended use of proceeds in terms of its alignment with the relevant industry standards, including the Green Bond Principles 2018 (as amended from time to time) ~~and the Social Bond Principles 2020 (as amended from time to time)~~. On such basis, the ~~second party~~ ISS ~~opinion provider typically~~ reviews the Issuer's Green Bond Framework ~~or Social Bond Framework~~ and provides its opinion thereon, which is also disclosed on the Issuer's website www.rb.cz (under the following link: <https://www.rb.cz/en/obligatory-published-information/raiffeisen-as-bond-programme>).

Where "Social Mortgage Covered Bonds" is specified in the relevant Final Terms, the net proceeds or an amount equivalent to the net proceeds will be used to finance eligible assets as further specified in the relevant Final Terms. The Issuer will provide more details with regard to its prospective Social Mortgage Covered Bonds issues in (i) its Social Bond Framework which will be disclosed on the Issuer's website (www.rb.cz) once the framework is finalised and (ii) in the relevant Final Terms under the section "Use of proceeds". Such Social Bond Framework may be updated from time to time. Prior to issuances of Social Mortgage Covered Bonds the Issuer intends mandate a recognised second party opinion provider, such as ISS or Sustainalytics GmbH, a provider of environmental, social and governance (ESG) research and analysis. The second party opinion provider will evaluate the robustness and credibility of the Issuer's Social Bond Framework and the intended use of proceeds in terms of its alignment with the relevant industry standards, including the Social Bond Principles 2020 (as amended from time to time). On such

[basis, the second party provider typically reviews the Issuer's Social Bond Framework and provides its opinion thereon.](#)"

#### Part D – Amendments to the section SELECTED FINANCIAL INFORMATION

- 13) On page 273 of the Original Base Prospectus, in the chapter "**Selected financial information**", the first paragraph of the existing text shall be modified as follows, whereby added text is printed in [blue and underlined](#):

*"The following tables present selected historical ~~audited~~ consolidated financial information of the Issuer as of and for the years ended 31 December [2020](#), 2019 and 2018 and selected ~~unaudited~~ consolidated financial information of the Issuer as of and for the half years ended 30 June 2020 and 2019 which has been derived from the financial statements of the Issuer incorporated by reference into this Base Prospectus. The information below should be read in conjunction with the information contained in "Presentation of Information" and the financial statements of the Issuer incorporated by reference into this Base Prospectus. The financial statements have been prepared in accordance with IFRS as adopted by the EU."*

- 14) On pages 273 to 274 of the Original Base Prospectus, the item "**Selected consolidated data of comprehensive income statement**" shall be modified as follows, whereby added text is printed in [blue and underlined](#) and deleted text is printed in ~~red and strikethrough~~:

#### "Selected consolidated data of comprehensive income statement"<sup>5</sup>

	Half year ended 30 June <sup>6</sup>		Year ended 31 December		
	2020 <sup>7</sup> (in CZK million <del>s</del> )	2019 (in CZK million <del>s</del> )	<a href="#">2020</a> (in CZK million)	2019 (in CZK thousands <del>millio</del> n)	2018 (in CZK thousands <del>milli</del> on)
Interest income and similar income calculated using the effective interest rate method	6 560	6 597	<a href="#">11 216</a>	13 370 <del>603</del> <del>229</del>	10 627 <del>347</del> 1 49 <del>43</del>
Other interest income	1 401	1 365	<a href="#">2 544</a>	2 713 <del>479</del> <del>417</del>	<del>741</del>
Interest expense and similar expense	(3 652)	(3 475)	<a href="#">(5 911)</a>	(7 036) <del>126</del>	(4 45 <del>65</del> <del>562</del> )
<b>Net interest income</b>	<b>4 309</b>	<b>4 487</b>	<b><a href="#">7 849</a></b>	<b><a href="#">9 047</a></b> <del>9 046</del> <del>520</del>	<b>7 665</b> <b>496</b>
Fee and commission income	1 999	2 062	<a href="#">4 042</a>	<del>4 313</del> <sup>10</sup> <del>2 906</del> 347	2 871 <del>9</del> 669
Fee and commission expenses	(432)	(456)	<a href="#">(928)</a>	(992) <del>991</del> <del>686</del>	(89) <del>0</del> <del>603</del> )
<b>Net fee and commission income</b>	<b>1 567</b>	<b>1 606</b>	<b><a href="#">3 114</a></b>	<b><a href="#">3 321</a></b> <del>1 914</del> <del>664</del>	<b>1 980</b> <b>066</b>
Net gain on financial operations	(212)	(83)	<a href="#">(199)</a>	(190) <sup>11</sup> <del>1 216</del> 445	1 41 <del>65</del> <del>693</del>

<sup>5</sup> Figures in FY2019 financial report, FY 2018 financial report and 1H 2019 financial report are stated in thousands of CZK and were converted to CZK million in order for the figures presented to be consistent.

<sup>6</sup> Figures for the end of years are in thousands of CZK while half year figures are in millions of CZK. In 1H2020 financial report, new format of values is in place. As the 2019 half year figures refer to 1H2020 financial report, they inherit the format.

<sup>7</sup> As of 30 June 2020 there was a change in definitions of Fee and commission income, Net fee and commission income, Net gain on financial operations. Since this date, the margins from FX derivatives are part of fee and commission income. Before this date FX margins were part of net gain of financial operations. As the 2019 half year figures refer to 1H2020 financial report, they inherit the definition of each measure.

<sup>8</sup> In FY2020 financial report, item Interest income and similar income calculated using the effective interest rate method was reclassified. Figures for FY2019 were recalculated accordingly.

<sup>9</sup> In FY2020 financial report, item Other interest income was reclassified. Figures for FY2019 were recalculated accordingly.

<sup>10</sup> In FY2020 financial report, item Fee and commission income was reclassified. Figures for FY2019 were recalculated accordingly.

<sup>11</sup> In FY2020 financial report, item Net gain on financial operations was reclassified. Figures for FY2019 were recalculated accordingly.

<u>Net gain from financial assets other than trading ones stated in real value in profit/loss</u>					
	=	=	<u>38</u>	=	=
Net gain from hedge accounting	(17)	1	<u>3</u>	<del>65-989</del>	<del>732-759</del>
Dividend income	-	31	<u>1</u>	<del>4241-510</del>	<del>310-812</del>
Impairment losses on financial instruments	(550)	453	<u>(1 724)</u>	<del>(349348-823)</del>	<del>(880-372)</del>
Gain/(loss) from derecognition of financial assets measured at amortised cost	6	-	<u>8</u>	<del>(32-687)</del>	<del>41-156</del>
Personnel expenses	(1 717)	(1 723)	<u>(3 399)</u>	<del>(3 569 497)</del>	<del>(3 252 073)</del>
General operating expenses	(1 197)	(1 182)	<u>(2 059)</u>	<del>(2 1342-133)</del>	<del>(2 2276)</del>
Depreciation/amortisation of property and equipment and intangible assets	(668)	(587)	<u>(1 423)</u>	<del>(1 5051-504)</del>	<del>(8421-794)</del>
Other operating income	538	885	<u>989</u>	<del>1 0331-032</del>	<del>875-122</del>
Other operating expenses	(329)	(213)	<u>(532)</u>	<del>745</del>	<del>(222)</del>
Gains/(losses) from disposal of subsidiaries and joint ventures	-	-	<u>30</u>	<del>(336335-643)</del>	<del>275)</del>
Gains/(losses) from non-current assets and disposal groups	-	-	<u>53</u>	<del>222-137</del>	<del>132-770</del>
				<del>11-386</del>	<del>-</del>
				<del>5 596</del>	<del>4 670</del>
<b>Operating profit</b>	<b>1 730</b>	<b>3 675</b>	<b><u>2 749</u></b>	<b><del>188</del></b>	<b><del>365</del></b>
Share in profit from joint ventures	-	4		-	<del>143-589</del>
<b>Profit before income tax</b>	<b>1 730</b>	<b>3 679</b>	<b><u>2 749</u></b>	<b><del>5 596 188</del></b>	<b><del>4 6843-954</del></b>
Income tax	(231)	(489)	<u>(525)</u>	<del>(865,037)</del>	<del>(869,8,9)</del>
Net profit for the year attributable to:	1 499	3 190	<u>2 224</u>	<del>4 7314,731,151</del>	<del>3,815,018</del>
- shareholders of the parent company	1 499	3 190	<u>2 224</u>	<del>4 7314,731,151</del>	<del>8153,815,018</del>
- non-controlling interests	-	-	-	-	<del>3</del>
					<del>-</del>
<b>Other comprehensive income</b>					
<b>Items that will not be reclassified to profit or loss in future:</b>					
Gains/(losses) from remeasurement of equity securities at FVOCI	(47)	55	<u>(333)</u>	<del>106-111</del>	<del>25-226</del>
Deferred tax relating to items that will not be reclassified to profit or loss in following periods	-	(10)	<u>27</u>	<del>(1615-800)</del>	<del>(5-059)</del>
<b>Items that will be reclassified to profit or loss in future:</b>					
Cash flow hedge	11	117	<u>(26)</u>	<del>22-224</del>	<del>177-406</del>
Deferred tax relating to items that will be reclassified to profit or loss in following periods	(2)	(22)	<u>5</u>	<del>(4-222)</del>	<del>(40-129)</del>
<b>Total other comprehensive income attributable to:</b>	<b>(38)</b>	<b>140</b>	<b><u>(327)</u></b>	<b><del>108-313</del></b>	<b><del>157-444</del></b>
- shareholders of the parent company	(38)	140	<u>(327)</u>	<del>108-313</del>	<del>157-444</del>
- non-controlling interests	-	-	-	-	<del>-</del>
<b>Total comprehensive income for the year</b>	<b>1 461</b>	<b>3 330</b>	<b><u>1 897</u></b>	<b><del>4 839-464</del></b>	<b><del>3 972-462</del></b>

15) On pages 275 to 276 of the Original Base Prospectus, the item "Selected consolidated data of consolidated statement of financial position" shall be modified as follows, whereby added text is printed in blue and underlined and deleted text is printed in ~~red and strikethrough~~:

**Selected data of consolidated statement of financial position<sup>12</sup>**

**Half year ended 30  
June**

**Year ended  
31 December**

<sup>12</sup> Figures in FY2019 financial report, FY 2018 financial report and 1H 2019 financial report are stated in thousands of CZK and were converted to CZK million in order for the figures presented to be consistent.

	2020 <sup>13</sup> (in CZK million <sup>s</sup> )	2019 (in CZK thousands mill ion)	2020 (in CZK million)	2019 (in CZK thousands mil lion)	2018 (in CZK thousands mil lion)
<b>Assets</b>					
Cash in hand balances with central banks and other demand deposits	16 189	12 509 <del>193</del> 1 846	5 852	<del>14 131</del> 209 <sup>14</sup> 4 629	12 106 <del>5 947</del>
Financial assets held for trading	4 797	847 <del>987</del>	3 746	1 769 <del>8 571</del>	1 955 <del>465</del>
Derivatives held for trading	3 072	1 746 <del>069</del>	2 063	1 675 <del>4 759</del>	1 687 <del>444</del>
Securities held for trading	1 725	100 <del>918</del> 1	1 683	94 <del>3 812</del>	268 <del>021</del>
<u>Financial assets other than for trading mandatorily at fair value through profit or loss</u>	127	-	532	-	-
Financial assets measured at FVOCI	687	683 <del>968</del> 4	1	735 <del>4 991</del> 345 <del>278</del>	629 <del>8 880</del>
Financial assets at amortised cost	377 710	344 <del>886</del> 5	445 336	736 <del>336 652</del> <sup>15</sup>	342 997 <del>467</del>
Loans and advances to banks	95 537	90 296 <del>370</del>	107 619	87 242 <del>433</del> 247 <del>15 38</del>	99 528 <del>498</del>
Loans and advances to customers	252 515	243 640 <del>131</del>	298 759	531 <sup>16</sup> <del>6 855</del>	236 604 <del>410</del>
of which: change in fair value of hedged items	(1)	(938) 10 949	-	(1762)	(1245)
Debt securities	29 658	987 <del>50</del>	38 958	10 879 <del>448</del>	6 865 <del>4 559</del>
<u>Financial leasing<sup>17</sup></u>			8 091	8 626	
Change in fair value of portfolio-remeasured items (loans and advances to customers and debt securities)	3 003	(596 <del>384</del> )	1 253	(115) 1 153 <sup>2</sup> 503)	(1 145) 4 945)
Hedging derivatives with positive fair value	2 616	2 454 <del>442</del>	2 030	2 546 <del>5 904</del>	2 481 <del>030</del>
Tax receivables	284	42 <del>308</del>	598	28 017	29 <del>8 649</del>
Deferred tax asset	9	8 <del>631</del> 9	6	10 895 <sup>11</sup> 1524 452 <sup>18</sup> 5	9300
Other assets	2 769	1 975 <del>282</del>	6 887	512	1 661 <del>271</del>
Equity investments in joint ventures	-	13 <del>938</del> 4	-	-	46 <del>5 997</del>
Intangible assets	2 905	2 816 <del>854</del> 7	3 247	2 773 <del>040</del>	2 723 <del>2 610</del>
Property and equipment	4 019	4 141 <del>990</del> 2	4 098	4 164 <del>066</del>	2 067 <del>421</del>
Investment property	466	415 <del>495</del>	323	414 <del>3 762</del>	599 <del>307</del>
<u>Other assets</u>	-	-	-	-	-
<b>Total assets</b>	<b>415 581</b>	<b>371 199</b> <del>192</del>	<b>482 000</b>	<b>372 226</b> <del>5 620</del>	<b>366 158</b> <del>399</del>
<b>Liabilities and equity</b>					
Financial liabilities held for trading	2 995	1 915 <del>378</del>	2 616	1 799 <del>8 795</del>	1 675 <del>219</del>
Derivatives held for trading	2 995	1 915 <del>378</del>	2 616	1 799 <del>8 795</del>	1 675 <del>219</del>
Financial liabilities at amortised cost	368 373	331 709 <del>372</del>	436 469	332 171 <del>148</del>	330 670 <del>003</del>
Deposits from banks	27 724	27 314 <del>795</del> 5 271 155	12 201	21 961 <del>318</del>	34 402 <del>1 546</del>
Deposits from customers	319 417	820 <del>6</del>	402 776	290 188 <del>7 547</del>	270 921 <del>0 560</del>
of which: change in fair value of hedged items	18	66 <del>142</del>	-	42 <del>1 995</del>	90 <del>89 896</del>
Debt securities issued	13 265	25 176 <del>761</del> 7	13 053	12 692 <del>483</del>	19 600 <del>599</del> 578

<sup>13</sup>— Figures for the end of years and for 1H2019 are in thousands of CZK while half year figures for 1H2020 are in millions of CZK. In 1H2020 financial report, new format of values is in place.

<sup>14</sup> In FY2020 financial report, items Cash in hand balances with central banks and other demand deposits was reclassified. Figures for FY2019 were recalculated accordingly

<sup>15</sup> In FY2020 financial report, item Financial assets at amortised cost was reclassified. Figures for FY2019 were recalculated accordingly

<sup>16</sup> In FY2020 financial report, item Loans and advances to customers was reclassified. Figures for FY2019 were recalculated accordingly

<sup>17</sup> In FY 2020 financial report, financial leasing is reported in a separate item. Figure for FY 2019 was recalculated accordingly.

<sup>18</sup> In FY2020 financial report, item Other assets, was reclassified. Figures for FY2019 were recalculated accordingly

of which: change in fair value of hedged items	-	<del>1 788</del> <u>2</u>	-	-	<del>28 307</del>
Subordinated liabilities and bonds	3 482	<del>3 312 610</del> <u>3</u>	<u>4 651</u>	<del>3 309 873</del> <u>2</u>	<del>2 577 259</del>
Other financial liabilities	4 485	<del>4 749 386</del>	<u>3 878</u>	<del>4 021 069</del>	<del>3 171 060</del>
Fair value remeasurement of portfolio-remeasured items (deposits from customers)	1 756	<del>(929 819)</del> <u>30</u>	<u>262</u>	<del>(1 270 121)</del>	<del>(1 758 794)</del>
Hedging derivatives with negative fair value	4 065	<del>3 047 646</del> <u>8</u>	<u>3 209</u>	<del>2 668 768</del> <u>2</u>	<del>3 204 463</del>
Provisions	918	<del>869 384</del>	<u>1 172</u>	<del>1 122 161</del> <u>4</u>	<del>1 357 077</del>
Current tax liability	4	<del>59 481</del>	<u>26</u>	<del>178 181</del>	<del>49 014</del>
Deferred tax liability	232	<del>226 032</del>	<u>337</u>	<del>173 254</del> <u>1</u>	<del>131 128</del>
Other liabilities	1 633	<del>2 150 370</del>	<u>1 095</u>	<del>1 030 107</del> <u>3</u>	<del>929 519</del> <u>30</u>
<b>Total liabilities</b>	<b>379 976</b>	<del><b>844</b></del> <u><b>8</b></u>	<u><b>445 186</b></u>	<del><b>337 870 914</b></del> <u><b>1</b></u>	<del><b>336 258 483</b></del>
<b>Equity</b>					
Attributable to shareholders of the Group	35 605	<del>32 151 348</del>	<u>36 814</u>	<del>34 355 470</del> <u>6</u>	<del>29 899</del> <u>900</u>
Share capital	11 061	<del>11 060 800</del> <u>1</u>	<u>11 061</u>	<del>11 061 080</del>	<del>11 061 080</del>
Reserve fund	694	<del>693 861</del> <u>4</u>	<u>825</u>	<del>694 386</del> <u>1</u>	<del>694 391</del> <u>8</u>
Fair value reserve	334	<del>402 840</del> <u>3</u>	<u>44</u>	<del>371 371 753</del>	<del>263 240</del>
Retained earnings	18 634	<del>14 187 698</del> <u>8</u>	<u>18 491</u>	<del>14 115 453</del> <u>7</u>	<del>11 452 158</del> <u>6</u>
Other equity instruments	3 383	<del>2 615 354</del>	<u>4 169</u>	<del>3 383 260</del> <u>4</u>	<del>2 615 354</del>
Profit for the year	1 499	<del>3 190 795</del> <u>1</u>	<u>2 224</u>	<del>4 731 151</del>	<del>3 815 018</del>
<b>Total equity</b>	<b>35 605</b>	<del><b>32 151 348</b></del>	<u><b>36 814</b></u>	<del><b>34 355 470</b></del> <u><b>6</b></u>	<del><b>29 899</b></del> <u><b>900</b></u>
<b>Total liabilities and equity</b>	<b>415 581</b>	<del><b>371 199 192</b></del>	<u><b>482 000</b></u>	<del><b>372 226 562</b></del> <u><b>0</b></u>	<del><b>366 158 399</b></del>

16) On pages 277 to 278 of the Original Base Prospectus, the item "Selected data of consolidated statement of cash flows" shall be modified as follows, whereby added text is printed in blue and underlined and deleted text is printed in ~~red and strikethrough~~:

**Selected data of consolidated statement of cash flows<sup>19</sup>**

	Half year ended 30 June <sup>20</sup>		Year ended 31 December		
	2020 (in CZK million*)	2019 (in CZK million*)	<u>2020</u> (in CZK million)	2019 (in CZK thousands million)	2018 (in CZK thousands million)
<b>Profit before tax</b>	<u>1 730</u>	<u>3 679</u>	<u>2 749</u>	<u>5 596</u>	<u>4 684</u>
<b>Adjustments for non-cash transactions</b>					
Creation of loss allowances and provisions for credit risks	550	(453)	<u>1 724</u>	<del>349 823</del>	<del>880 372</del>
Depreciation/amortisation of property and equipment and intangible assets	668	587	<u>1 423</u>	<del>1 504 584</del>	<del>842 179</del> <u>4</u>
Loss on the impairment of tangible and intangible assets	1	-	<u>6</u>	<del>2 370</del>	<u>0 336</u>
Creation of other provisions	(225)	(325)	<u>(51)</u>	<del>(94 284)</del>	<del>(83 255)</del>
Change in fair value of derivatives	1 151	169	<u>(1 472)</u>	<del>(454 898)</del>	<del>123 263</del>
Unrealised losses/(gains) on remeasurement of securities	-	1	<u>(40)</u>	<u>673</u> <u>1</u>	<u>2 244</u>

<sup>19</sup> Figures in FY2019 financial report and FY 2018 financial report are stated in thousands of CZK and were converted to CZK million in order for the figures presented to be consistent

<sup>20</sup> Figures for the end of years are in thousands of CZK while half year figures are in millions of CZK. In 1H2020 financial report, new format of values is in place. As the 2019 half year figures refer to 1H2020 financial report, they inherit the format.



Loss/(gain) on the sale of property and equipment and intangible assets	-	(2)	(2)	6 8897	2 126
Gain on the sale of subsidiaries and joint ventures	-	(116)	(30)	137(222)	(132 770)
Change in the remeasurement of hedged items upon fair value hedge	(1 154)	239	(915)	4198-686	(898-201)
Share in profit from joint ventures	-	(4)	-	-	(143-589)
Remeasurement of foreign currency positions	1 749	(393)	(185)	(1476-769)	9210-511
Other non-monetary changes	(984)	(122)	(613)	(3298-430)	498-955
<b>Operating profit before changes in operating assets and liabilities</b>	<b>3 486</b>	<b>3 260</b>	<b>2 594</b>	<b>6 6321-695</b>	<b>7 3065-740</b>
<b>Operating cash flow</b>					
(Increase)/decrease in operating assets				(1 1110	
Mandatory minimum provisions with CNB	349	(4 947)	(1 382)	882)	3 151-068
Loans and advances to banks	(8 317)	9 234	(14 215)	12 2921-892	4 0828-969
Loans and advances to customers	(2 616)	(7 217)	(1 034)	(11 075	(19 486
Debt securities at amortised cost	(18 530)	(4 003)	(19 106)	180)	203)
Securities held for trading	(1 604)	157	(1 570)	(4 010-024)	(4 766-359)
Other assets	(1 244)	(314)	(685)	1621-626	(1110-687)
Other assets				1365-759	(193-177)
Increase/(decrease) in operating liabilities				(12 1843	
Deposits from banks	5 049	(6 860)	(9 945)	587)	3 029-392
Deposits from customers	26 372	668	46 894	19 6898-505	17 582-082
Other financial liabilities	483	(437)	(469)	(1 0787	(1 0921
Other liabilities	602	1 221	52	626)	986)
Other liabilities				101-554	(12-346)
<b>Net operating cash flow before tax</b>	<b>3 906</b>	<b>(9 238)</b>	<b>1 134</b>	<b>9 5543-732</b>	<b>9 496-493</b>
Income tax paid	(575)	(417)	(1 055)	(1 1432	(1 1432
<b>Net operating cash flow</b>	<b>3 331</b>	<b>(9 655)</b>	<b>79</b>	<b>861-110</b>	<b>983)</b>
<b>Net operating cash flow</b>	<b>3 331</b>	<b>(9 655)</b>	<b>79</b>	<b>8 6932-622</b>	<b>8 3543-510</b>
<b>Cash flows from investing activities</b>					
Sale/(acquisition) of equity investments	-	144	(5 137)	3776-537	19-469
<u>Sale of financial assets in FVOCI</u>			9	-	
Acquisition of property and equipment and intangible assets	(633)	(555)	(1 345)	(1 5164	(1 63029
Proceeds from sale of non-current assets	-	2	2	545)	777)
Dividends received	-	31	1	2-6493	4-8095
Dividends received				41-51042	30-8121
<b>Net cash flow from investing activity</b>	<b>(633)</b>	<b>(378)</b>	<b>(6 470)</b>	<b>(1 0943</b>	<b>(1 5754</b>
<b>Net cash flow from investing activity</b>	<b>(633)</b>	<b>(378)</b>	<b>(6 470)</b>	<b>849)</b>	<b>687)</b>
<b>Cash flows from financing activities</b>					
Dividends paid and paid coupons on other equity instruments	(211)	(1 152)	(211)	(1 152-067)	(1 6987
Increase in other equity instruments			786	767-250	-
Debt securities issued	-	5 829	-	5 8298-930	-
Repayment of debt securities issued	(37)	-	(54)	(12 581	-
Repayment of subordinated debt	-	772	-	387)	-
Withdrawal of subordinated debt			813	-	(2 554-000)
Repayment of subordinated bonds			-	7721-750	2 5732-500
Lease liabilities	(182)	41	(322)	-	(125-000)
Lease liabilities				(3598-167)	n/a
<b>Net cash flow from financing activities</b>	<b>(430)</b>	<b>5 490</b>	<b>1 012</b>	<b>(6 7243</b>	<b>(1 804-407)</b>
<b>Net cash flow from financing activities</b>	<b>(430)</b>	<b>5 490</b>	<b>1 012</b>	<b>691)</b>	<b>(1 804-407)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>2 268</b>	<b>(4 543)</b>	<b>(5 379)</b>	<b>875-082</b>	<b>4 974-416</b>
Cash and cash equivalents at the beginning of the year	11 209	10 290	11 209	10 2910-852	5 397-165

Foreign exchange gains/losses on cash and cash equivalents at the beginning of the year	135	-	<u>22</u>	<del>42 719 43</del>	(810 729)
<b>Cash and cash equivalents at the end of the year</b>	<b>13 612</b>	<b>5 747</b>	<b>5 852</b>	<b>11 209 8 653</b>	<b>10 291 0 852</b>
Interest received	7 965	8 410	<u>13 524</u>	16 620 49 <del>517</del>	11 833 384
Interest paid	(3 622)	(3 375)	<u>(5 895)</u>	(7 154 3 <del>551</del> )	(4 513 096)

## Part E – Amendments to the section DESCRIPTION OF THE ISSUER

- 17) On page 279 of the Original Base Prospectus, the item "**Introduction**" shall be modified as follows, whereby added text is printed in blue and underlined and deleted text is printed in ~~red and strikethrough~~:

"The Issuer was incorporated on 25 June 1993 as a joint stock company. The Issuer was registered with the Commercial Register maintained by the Municipal Court in Prague File No. B 2051 on 25 June 1993. As stated in Article 2 of the most recent version of the Articles of Association of the Issuer dated ~~11 December 2018~~ 27 April 2021 (filed in the Issuer's collection of deeds in the Czech Commercial Register which is publicly accessible at [www.justice.cz](http://www.justice.cz)), the Issuer's scope of business is banking and financial transactions and other operations listed in the banking licence, granted in accordance with the Czech Act No. 21/1992 Coll., on Banks, as amended (the "**Czech Banking Act**"). 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. The Issuer's identification number is 492 40 901, its LEI is 31570010000000004460.

The Issuer is a major bank and financial services provider in the Czech Republic, offering a wide range of banking and financial services to private and corporate clients. The Issuer is the parent company of the Raiffeisen Group which offers products and services in the Czech Republic in the area of banking and financial services, building savings and loans, insurance and leasing. The Issuer's registered office is at Hvězdova 1716/2b, Prague 4, Postal Code 140 78, Czech Republic, its telephone number is + 420 412 446 400 and its internet address is [www.rb.cz](http://www.rb.cz).

As of 31 December ~~2019~~2020, the Issuer served clients at ~~128-119~~ branch offices and client centres throughout the Czech Republic and employed ~~2,972~~2,770 full-time equivalent employees. As of 31 December ~~2019~~2020, the total assets of the Issuer amounted to CZK ~~370.7~~411 billion<sup>21</sup> and the share capital of the Issuer amounted to CZK 11.06 billion.

As of 31 December ~~2019~~2020 the share capital of the Issuer ~~amounts~~amounted to CZK ~~11,060,800,000 billion~~ and has been fully paid. The share capital of the Issuer composeds of 1,106,080 ordinary shares with the nominal value CZK 10,000 each which do not have any special rights associated with them. Ordinary shares include the entitlement to participate in the Issuer's governance and the entitlement to a share on profit.

As of 27 April 2021 the share capital of the Issuer amounts to CZK 15,460,800,000 and has been fully paid. The share capital composes of 1,546,080 ordinary shares with nominal value CZK 10,000 each which do not have any special rights associated with them. Ordinary shares include the entitlement to participate in the Issuer's governance and the entitlement to a share on profit.

As of 31 December ~~2019~~2020, the Issuer had CZK ~~290.7~~335 billion<sup>22</sup> of customer deposits and CZK ~~246.6~~249 billion<sup>23</sup> of customer loans.

<sup>21</sup> This figure derives from Individual financial statement of the Issuer for the year 2020

<sup>22</sup> This figure derives from Individual financial statement of the Issuer for the year 2020

<sup>23</sup> This figure derives from Individual financial statement of the Issuer for the year 2020

~~As of 30 June 2020, the Issuer served clients at 119 branch offices and client centres throughout the Czech Republic and employed 3,124 full-time equivalent employees. As of 30 June 2020, the total assets of the Issuer amounted to CZK 415.6 billion and the share capital of the Issuer amounted to CZK 11.06 billion.~~

~~As of 30 June 2020, the Issuer had CZK 319.4 billion of customer deposits and CZK 252.2 billion of customer loans.~~

The Issuer and its direct and indirect subsidiaries (the "**Raiffeisen Group**") are part of the RBI Group, which has provided financial services for over 140 years and is one of the strongest financial institutions operating in the field of commercial and investment banking in CEE. As of 31 December ~~2019~~2020, the RBI Group operated in many countries in the CEE, had ~~over 46,800~~almost 45,000 full-time equivalent employees and served approximately ~~16~~17.7 million clients at ~~1,982~~approximately 2,040 business premises (~~according to RBI's Annual Report 2019~~).

~~As of 30 June 2020, the RBI Group operated in many countries in the CEE, had 46,386 full-time equivalent employees and served approximately 16.7 million clients at 1,982 business premises (according to RBI's Semi-Annual Financial Report as at 30 June 2020).~~

As of 12 December 2020, the capital adequacy ratio of Raiffeisen Group reached 19.14% (17.78% as of 31 December 2019), Core Tier 1 ratio stood at 14.33% (13.85% as of 31 December 2019) and Tier 1 capital adequacy ratio stood at 16.43% (15.74% as of 31 December 2019). Total adequacy ratio of Raiffeisengroup reached 19.14% as of 31 December 2020 (15.74% as of 31 December 2019).

In the conduct of its activities, the Issuer is primarily governed by Czech law, in particular the Czech Banking Act, the Czech Act Czech Corporations Act, the Czech Act No. 256/2004 Coll., on Conducting Business in the Capital Market, as amended (the "Czech Capital Markets Act"), and other Czech laws and regulations governing operations in the banking and capital markets."

- 18) On page 280 of the Original Base Prospectus, new item "**Resolution Strategy**" shall be added right after the item "**Introduction**" with the following wording:

RBI Group adopted a multiple point of entry resolution strategy with 7 independent and ring-fenced resolution groups, whereas the Issuer is one of them. The indicative MREL targets based on risk weighted assets prescribed by the CNB applicable to the Issuer are 18.4% as at 1 January 2022 (total MREL target and subordinated MREL target), 21.2% as at 1 January 2023 (total MREL target and subordinated MREL target) and 23.6% as at 1 January 2024 (total MREL target and subordinated MREL target).

- 19) On page 280 of the Original Base Prospectus, the item "**Raiffeisen Group**" shall be modified as follows, whereby added text is printed in blue and underlined and deleted text is printed in ~~red and strikethrough~~:

"Raiffeisen Group offers products and services in the Czech Republic in the area of banking and financial services, building savings and loans, and leasing. Raiffeisen Group consists primarily of the Issuer, Raiffeisen-Leasing, s.r.o. ("**Raiffeisen-Leasing**"), Raiffeisen Direct Investments CZ, s.r.o. ("**RDI**"), and Raiffeisen investiční společnost a.s. ("**RIS**"). Raiffeisen-Leasing is a universal leasing company offering a comprehensive range of financial products, including supplementary services for corporate entities and private individuals. See "*Description of the Issuer - Corporate Structure*" below for further details.

As of ~~30 June~~31 December 2020, the Raiffeisen Group comprised the Issuer and ~~18-19~~ direct and indirect subsidiaries. The following table provides an overview of Raiffeisen Group companies that are consolidated in the financial statements as of ~~30 June 2020~~31 December 2020:

<u>Group Entity</u>	<u>Parent Company</u>	<u>Issuer's effective holding</u> (per cent.)	<u>Consolidation method</u>
RIS .....	Issuer	100.0	Full method
<u>Raiffeisen stavební spořitelna a.s.</u> .....	<u>Issuer</u>	<u>100.0</u>	<u>Full method</u>
<u>KONEVOVA s.r.o.</u>	<u>Raiffeisen stavební spořitelna a.s.</u>	<u>100.0</u>	<u>Full method</u>
Raiffeisen – Leasing .....	Issuer	100.0	Full method
Raiffeisen FinCorp, s.r.o. ....	Raiffeisen – Leasing	100.0	Full method
Appolon Property, s.r.o. ....	Raiffeisen – Leasing	100.0	Full method
Luna Property, s.r.o. ....	Raiffeisen – Leasing	100.0	Full method
<del>Gaia Property, s.r.o. ....</del>	<del>Raiffeisen – Leasing</del>	<del>100.0</del>	<del>Full method</del>
RLRE Carina Property, s.r.o. ....	Raiffeisen – Leasing	100.0	Full method
Orchideus Property, s. r. o. ....	Raiffeisen – Leasing	100.0	Full method
Viktor Property, s.r.o. ....	Raiffeisen – Leasing	100.0	Full method
Hestia Property, s.r.o. ....	Raiffeisen – Leasing	100.0	Full method
Janus Property, s.r.o. ....	Raiffeisen – Leasing	100.0	Full method
RDI .....	Raiffeisen – Leasing	100.0	Full method
RDI Management s.r.o. ....	RDI	100.0	Full method
RDI Czech 1 s.r.o. ....	RDI	100.0	Full method
RDI Czech 3 s.r.o. ....	RDI	100.0	Full method
RDI Czech 4 s.r.o. ....	RDI	100.0	Full method
RDI Czech 5 s.r.o. ....	RDI	100.0	Full method
RDI Czech 6 s.r.o. ....	RDI	100.0	Full method

~~The Issuer also directly holds a 100 per cent. share in Raiffeisen stavební spořitelna, a.s. ("RSTS") which is a major financial institution in the Czech Republic providing financial consultancy services to its clients primarily in the area of cost effective savings and housing finance. Its main products include building savings, building savings loans, bridge loans and mortgage type loans."~~

- 20) On page 281 of the Original Base Prospectus, the item "UNIQA" shall be modified as follows, whereby added text is printed in blue and underlined and deleted text is printed in ~~red and strikethrough~~:

"UNIQA commenced its operations in the Czech insurance market in 1993, originally under the name Česko-rakouská pojišťovna, a.s. The company changed its name to UNIQA pojišťovna, a.s. in 2001 as a part of the international strategy of the RBI Group to integrate its insurance business under the brand name UNIQA. UNIQA holds a universal insurance licence allowing it to carry out business in the area of both life and non-life insurance. As of the date of this Base Prospectus, UNIQA offers most types of insurance products covering the insurance needs of all private and corporate clients. UNIQA is currently the seventh largest insurance company on the Czech market. As of 31 December ~~2019~~2020, UNIQA provided its services at 130 business locations throughout the Czech Republic, its portfolio includes almost one million insurance policies and the annual prescribed premiums of UNIQA amounted to CZK ~~7.6 billion in 2019~~7.99 billion.

The total prescribed premiums from the portfolio of all valid UNIQA insurance policies arranged by Raiffeisenbank bankers amounted to CZK ~~462.2 million in 2019~~ 527 million in 2020."

- 21) On pages 281 to 285 of the Original Base Prospectus, in the chapter "**Business Overview**", the existing text shall be modified as follows, whereby added text is printed in blue and underlined and deleted text is printed in ~~red and strikethrough~~:

"The Issuer's business activities are divided into three primary operating segments, differentiated by the scope and nature of products and services they offer. These segments are:

1. Corporate Banking;
2. Retail Banking;

3. Treasury; and

4. Other.

The majority of the Issuer's revenue 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 revenue generated outside the Czech Republic is immaterial for the Issuer.

The Issuer's client base is well diversified. It has no client or group of related parties which would account for more than 10 per cent. of the Issuer's total income for the year ~~2019~~2020.

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

The table below provides key financial data for the Issuer's segments for the years 2020, 2019 and 2018:

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	
	Net interest income			Profit before tax			Profit after tax			
	<i>(in CZK million<sup>24</sup> thousands)</i>									
Corporate Banking ....	<u>2 640</u>	<del>2,821,816</del> <u>2 822</u>	<del>2,544,221</del> <u>2 554</u>	<u>1 124</u>	<del>2,557,963</del> <u>2 558</u>	<del>1,817,055</del> <u>1 817</u>	<u>958</u>	<del>2,118,214</del> <u>2 118</u>	<del>1,499,896</del> <u>1 500</u>	
Retail Banking .....	<u>4 829</u>	<del>5,375,769</del> <u>5 376</u>	<del>4,808,141</del> <u>4 808</u>	<u>1 481</u>	<del>2,213,998</del> <u>2 214</u>	<del>2,602,168</del> <u>2 602</u>	<u>1</u>	<del>7631,763,</del> <u>7631,763,</u> <u>080</u>	<del>2,129,565</del> <u>2 130</u>	
Treasury and ALM....	<u>157</u>	<del>318,911</del> <u>2</u>	<del>176,245</del> <u>2</u>	<u>(286)</u>	<del>(107,048)</del> <u>2</u>	<del>43,83344</del> <u>2</u>	<u>(210)</u>	<del>(60,60,34</del> <u>2</u> <u>2)</u>	<del>45,63346</del> <u>2</u>	
Other .....	<u>224</u>	<del>571,5342</del> <u>2</u>	<del>1687,701</del> <u>2</u>	<u>430</u>	<del>931,275</del> <u>2</u>	<del>207,309</del> <u>2</u>	<u>271</u>	<del>910,199</del> <u>2</u>	<del>126,335</del> <u>2</u>	
Reconciliation to the statement of comprehensive income.....	<u>(1)</u>	<del>(421,510)</del> <u>2</u>	<del>(310,812)</del> <u>2</u>	<u>=</u>	<u>=</u>	<del>13,58914</del> <u>2</u>	<u>=</u>	<u>=</u>	<del>143,589</del> <u>2</u>	
<b>Total .....</b>	<b><u>7 849</u></b>	<b><del>9,046,520</del> <u>9 047</u></b>	<b><del>6657,665,</del> <u>496</u></b>	<b><u>2749</u></b>	<b><del>5,596,188</del> <u>5 596</u></b>	<b><del>4,683,954</del> <u>4 684</u></b>	<b><u>224</u></b>	<b><del>7314,731,</del> <u>151</u></b>	<b><del>3,815,018</del> <u>3 815</u></b>	
		<b><u>30.06.2020</u></b>	<b><u>30.06.2019</u></b>		<b><u>30.6.2020</u></b>	<b><u>30.6.2019</u></b>		<b><u>30.6.2020</u></b>	<b><u>30.6.2019</u></b>	
		Net interest income			Profit before tax			Profit after tax		
		<i>(in CZK millions thousands)</i>								
Corporate Banking ....		<del>1,367,745</del> <u>1 368</u>	<del>3641,384,</del> <u>067</u>		<del>7976,920</del> <u>1</u>	<del>3287,894</del> <u>1</u>		<del>709,289</del> <u>1</u>	<del>158,36</del> <u>7</u>	
Retail Banking .....		<del>2,506,508</del> <u>2 507</u>	<del>2,655,725</del> <u>2 656</u>		<del>1,045,139</del> <u>1</u>	<del>1,9854,930</del> <u>1</u>		<del>914,345</del> <u>3</u>	<del>745,40</del> <u>3</u>	
Treasury and ALM....		<del>146,424</del> <u>2</u>	<del>1454,632</del> <u>2</u>		<del>(1954,74</del> <u>9)</u>	<del>(1421,543</del> <u>2)</u>		<del>(1610,955</del> <u>2)</u>	<del>(114,45</del> <u>2)</u>	
Other .....		<del>289,003</del> <u>2</u>	<del>3332,911</del> <u>2</u>		<del>83,262</del> <u>2</u>	<del>5043,620</del> <u>2</u>		<del>36,436</del> <u>2</u>	<del>397,418</del> <u>2</u>	

<sup>24</sup> [Figures in FY2019 financial report and FY 2018 financial report are stated in thousands of CZK and were converted to CZK million in order for the figures presented to be consistent](#)

Reconciliation to the statement of comprehensive income.....	<u>(0,4354)</u>		<u>(310,768)</u>	<u>=</u>	<u>4,059</u>	<u>=</u>	<u>4,059</u>
<b>Total .....</b>	<b><u>4</u></b>	<b><u>4</u></b>	<b><u>1</u></b>	<b><u>3</u></b>	<b><u>1</u></b>	<b><u>3</u></b>	<b><u>3</u></b>
	<b><u>,309,326</u></b>	<b><u>,4876,567</u></b>	<b><u>,730,572</u></b>	<b><u>,6798,960</u></b>	<b><u>,499,115</u></b>	<b><u>,1910,795</u></b>	

The Raiffeisen Group launched its offer of credit facilities for corporates and businesses under the COVID guarantee programmes operated by Českomoravská záruční a rozvojová banka, a.s., with COVID III being the most extensive programme. As of 31 December 2020, Raiffeisen Group approved 182 applications with the total value of more than CZK 2.5 billion. The Raiffeisen Group also continues to provide loans to clients in all segments, whereas clients are able to deal with a vast majority of their banking operations in a remote regime without having to visit a branch office. "

- 22) On page 284 of the Original Base Prospectus, in the item "**Mortgages**" the existing text of first paragraph shall be modified as follows, whereby added text is printed in blue and underlined and deleted text is printed in **red and strikethrough**:

"From 1999 onwards, the Issuer has provided mortgage loans for private individuals. The overall volume of total mortgages provided amounts to CZK 95.2 billion as of 31 December 2019 ~~and~~ CZK 95.9 billion as of 30 June 2020 and CZK 96.1 billion as of 31 December 2020. The Issuer's mortgage portfolio contains residential mortgages, interest only residential mortgages, home equity mortgages, single account mortgages and asset based mortgages. Several of the Issuer's products are unique or rare in the Czech mortgage market (such as its variable mortgages, offset mortgages and mortgages with both fixed and floating interest rates)."

- 23) On page 285 of the Original Base Prospectus, the item "**Branches and Retail Centres**" shall be modified as follows, whereby added text is printed in blue and underlined and deleted text is printed in **red and strikethrough**:

"As of ~~30 June~~ 31 December 2020, the Issuer has a branch network in the Czech Republic consisting of 119 business sites in 149 regions of the Czech Republic (source: Issuer's internal analysis of data collected from the publicly available information of other banks). ~~As of 30 June 2020, the Issuer had 119 retail branches and retail centres,~~ including branches focused on the Raiffeisen Premium Banking Concept and 47 branches which cater for the Issuer's FWR concept. These branches provide customers with a wide range of services. All the Issuer's branches are retail-related with 243 corporate centres and 24 mortgage centres operated on branch premises.

The COVID-19 outbreak accelerated the strategic priorities in connection with the optimizing of the Raiffeisen Group's branch network. In line with the IAS 36 and IFRS 16 requirements, the Raiffeisen Group assessed the indicators of possible impairment of these assets. The Raiffeisen Group identified significant impairment in respect of 7 leased branch offices reported as rights of use and these branch offices were closed as of 31 December 2020. As of 31 December 2020, the book value of these rights of use were zero and the impairment of the right of use amounted to CZK 5 million."

- 24) On pages 285 to 286 of the Original Base Prospectus, the item "**Competition**" shall be modified as follows, whereby added text is printed in blue and underlined and deleted text is printed in **red and strikethrough**:

"The Issuer faces increasing competition in the banking and financial services market in the Czech Republic. Such competition has become more intense as a result of the opening of the financial services market following the Czech Republic's accession to the EU on 1 May 2004. The Issuer competes with other banks, financial services firms and a wide range of insurance companies in providing mutual fund, capital markets and advisory services and financial and insurance products. Many foreign-owned banks operating in the Czech market are expanding the range of services they offer.



In ~~2019~~2020, the Issuer continued to focus on client satisfaction while reinforcing its position as the fifth strongest player in the market with a ~~5.13~~4.86 per cent. share in total assets. ~~Increasing~~Increase in the total volume of deposits by ~~more than 15.17~~ per cent. brought the Issuer's market share to a final ~~6.46~~6.11 per cent. The ~~market share in loan segment was~~ growth rate of loans provided by the Issuer also outperformed the market, increasing its market share to ~~7.04~~7.24 per cent. With respect to the structure of deposits, total volume of time deposits decreased significantly, mainly because of reduction of interest rates by central bank and hence the growth was attributable to non-fixed term deposits whose volume rose by more than 28 per cent thanks to which the market share was 7.65 per cent. ~~With respect to the structure of deposits, the trend of faster growth in time deposits set in the previous year continued in 2019. The total volume of time deposits managed by the Issuer increased by 25.4 per cent., which is more than double the market level, and hence also increased the Issuer's market share to 3.2 per cent. In the corporate sector, the growth rate of the Issuer's deposits did not differ significantly from that of the market, and therefore, its market shares also recorded only slight changes. The biggest year to year increase could be seen i~~n the segment of non-financial corporations, which ~~accounts increased by more than 28 per cent and for more than three quarters of corporate deposits,~~ the Issuer's market share reached ~~8.98~~9.75 per cent. at the end of the year. ~~The volume of h~~Household deposits gradually became the dominant component of total deposits with their current share of 53.1 per cent. Their volume increased by ~~15.48~~7 per cent. in ~~2020~~2019, and the Issuer managed ~~s 6.28~~6.11 per cent. of all citizens' deposits in the banking sector. The volume of deposits of business owners ~~fell slightly~~increased by 13.5 per cent, and the Issuer's market share ~~is now~~was lower than at the end of 2018, i.e. ~~5.73~~5.7 per cent. ~~With respect to lending, the Issuer performed better in the corporate segment, which accounts for 52.6 per cent. of the Issuer's total loans. The volume of loans in this the corporate segment rose by more than~~ decreased by 1.76 per cent., which significantly exceeded the growth rate of the market, thus increasing the ~~and the~~ bank's market share in non-financial corporations ~~to was 7.77~~7.49 per cent. ~~The growth rate of loans provided by the Issuer only to non-financial corporations remained slightly below the market level, and the Issuer now manages 7.85 per cent. of these loans. As in the market, t~~The Issuer's loan portfolio on one hand experienced a ~~decline~~ increase in demand for mortgages by 3.6 per cent. and on the other hand decline in demand for consumer loans of almost 5 per cent. As a result, ~~total lending to households slowed the growth rate to 4 per cent., and~~ the Issuer achieved a market share of ~~6.68~~7.05 per cent. ~~The volume of mortgages increased by 7.2 per cent. during 2019, which means a market share of 7.40 per cent. In the area of consumer loans, the Issuer provided 10 per cent. more new loans than in 2018. Nevertheless, due to a methodological change in the definition of consumer and mortgage loans, the total volume of consumer loans decreased by more than 6 per cent. and thus the Issuer also has a lower market share of 8.21 per cent.~~ The volume of loans provided to business owners ~~increased~~ decreased by ~~4~~3.6 per cent., and the Issuer's market share now stands at ~~0.84~~4.59 per cent.

Currently, the Czech banking market is highly concentrated. Although there are only a few competitors comparable in size and scope of business to the Issuer, the Issuer may also face increased competition from less established banks and financial institutions or new entrants seeking to offer more attractive interest or deposit rates or other aggressively-priced products to penetrate the market. Recently, the Czech banking market has seen the emergence of several low-cost banks primarily focused on providing internet-based banking services. In addition, the year of 2021 marks a consolidation trend in the Czech banking sector, including (i) the acquisition of Equa Bank a.s. by RBI (through the Issuer), which is expected to close around the end of the second quarter of 2021, (ii) the re-contracting of retail customers of ING Bank N.V. by the Issuer, (iii) the aquisition of Wüstenrot – stavební spořitelna a.s. and Wüstenrot hypoteční banka a.s. by MONETA Money Bank, a.s. and (iv) the proposed and publicly disclosed merger of MONETA Money Bank, a.s. and Air Bank a.s Issuer's principal competitors in the retail banking and SME segments are Československá obchodní banka, a. s., Komerční banka, a.s. and Česká spořitelna, a.s., which are the top three market participants according to the CNB data, and UniCredit Bank. In the corporate banking segment, the Issuer's main competitors include Československá obchodní banka, Česka spořitelna, Komerční banka and UniCredit Bank. For a list of the Issuer's competitors on the mortgage market, see "*Mortgage Loans and Their Regulatory Framework—General Conditions of the Market—Main Competitors*". For risks related to competition, see "*Risk Factors—The Issuer competes against*

*several large international financial institutions and may face increased competition from less established banks or new entrants".*"

- 25) On page 286 of the Original Base Prospectus, the item "**Recent Events Particular to the Issuer**" shall be modified as follows, whereby added text is printed in blue and underlined and deleted text is printed in ~~red and strikethrough~~:

"The Issuer fulfils all its debts duly and on time. The Issuer is ~~not~~ aware of ~~any~~ the following recent events specific to it that ~~would~~ could be of significant importance in assessing the Issuer's solvency.

#### Acquisition of Equa Bank a.s.

On 6 February 2021, RBI has signed an agreement on the acquisition of 100 per cent of the shares of (i) Equa bank a.s. ("**Equa bank**") and (ii) Equa Sales and Distribution s.r.o. from Equa Group Limited, through the Issuer. The transaction has been cleared by the Czech competition authority and is subject to a successful closing.

Equa bank focuses on consumer lending and serves just under 480,000 customers. The proposed acquisition is part of RBI Group's strategy to expand its presence in selected focus markets. The business models of Equa bank and of the Issuer are very complementary, which is why the transaction would ultimately lead to strategic synergies as well as enhanced digital capabilities. As of 31 December 2020, Equa bank had total assets of more than EUR 2.8 billion.

Closing of the transaction is expected around the end of the second quarter of 2021. On the basis that deal completion is successful, there is a plan to merge Equa bank with the Issuer and thereby allowing realization of the identified synergies.

#### Acquisition of Akcenta CZ a.s.

On February 15 2021, RBI has concluded an agreement to purchase Akcenta CZ a.s., a payment institution that executes payment and currency trade operations for exporters and importers. According to the proposed ownership structure, RBI will gain a 70 percent stake in Akcenta and the remaining 30 percent will be owned by the Issuer. The transaction is subject to approval by regulatory authorities and is expected to be completed by the end of 2021. The acquisition fits with RBI Group's strategic aim of becoming market leader for FX trading in Central and Eastern Europe.

#### Referral Agreement with ING Bank N.V.

On 16 February 2021, the Issuer has signed a referral agreement with ING Bank N.V. ("**ING**") on the re-contracting of ING's Czech retail customers which give the current ING retail clients the opportunity to become the Issuer's customers and transfer their savings and investment assets to the Issuer.

The transaction has been subject to approval of the Czech competition authority which was granted on 5 March 2021.

Following the recently announced acquisition of 100 per cent of the shares of Equa bank in the Czech Republic, the referral agreement with ING will further support RBI Group's strategy to expand its presence in the Czech Republic.

#### Share capital increase

On 27 April 2021 the Issuer's share capital increased from CZK 11,060,800,000 composed of 1,106,080 ordinary shares to CZK 15,460,800,000 composed of 1,546,080 ordinary shares. The purpose of share capital increase is capital strengthening of the Issuer allowing its further development."

26) On page 287 of the Original Base Prospectus, the item "**Credit Rating**" shall be modified as follows, whereby added text is printed in blue and underlined and deleted text is printed in ~~red and strikethrough~~:

"Moody's Deutschland GmbH has granted the Issuer following credit ratings (valid as of ~~30 June~~31 December 2020):

- Long-term Counterparty Risk Ratings - A2
- Short-term Counterparty Risk Ratings - P-1
- Long-term Bank Deposits - A3
- Short-term Bank Deposits - P-2
- Long-term Counterparty Risk Assessment - A2(cr)
- Short-term Counterparty Risk Assessment - P-1(cr)
- Baseline Credit Assessment - baa2
- Adjusted Baseline Credit Assessment - baa2

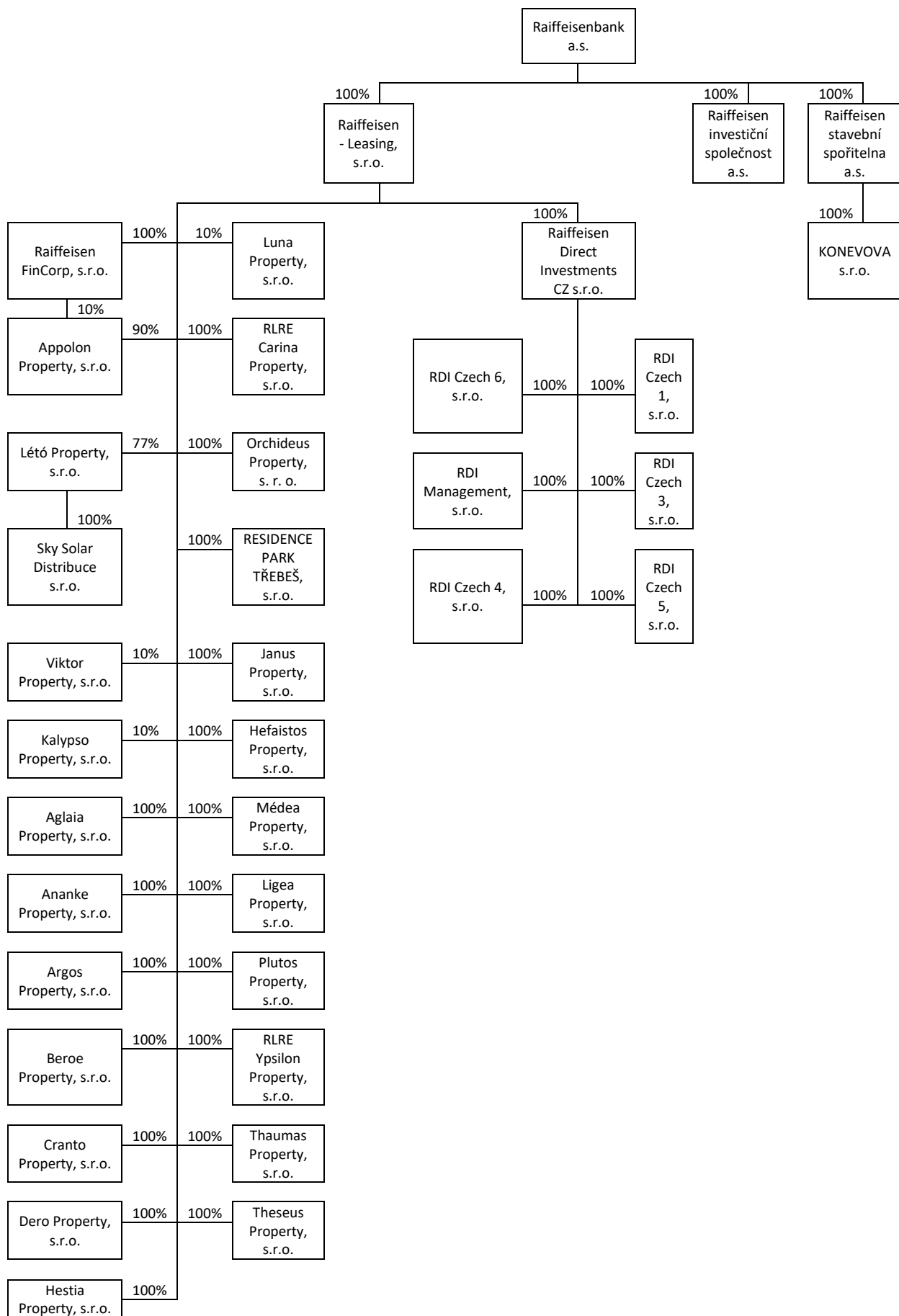
Moody's appends long-term obligation ratings at the following levels: Aaa, Aa, A, Baa, Ba, B, Caa, Ca and C. To each generic rating category from Aa to Caa Moody's assigns the numerical modifiers "1", "2" and "3". The modifier "1" indicates that the bank is in the higher end of its letter-rating category, the modifier "2" indicates a mid-range ranking and the modifier "3" indicates that the bank is in the lower end of its letter-rating category. Moody's also has the option of adding further guidance (referred to as "under review") as to whether a rating is likely to be upgraded (possible upgrade), downgraded (possible downgrade) or uncertain (direction uncertain). Outlooks are assigned indicating the direction of any pressure. Characteristics are positive, negative, stable and developing. Moody's short-term ratings are opinions of the ability of issuers to honour short-term financial obligations and range from P-1, P-2, P-3 down to NP (Not Prime)."

27) On page 287 of the Original Base Prospectus, the item "**Material Changes in the Issuer's Financing Structure**" shall be modified as follows, whereby added text is printed in blue and underlined and deleted text is printed in ~~red and strikethrough~~:

"Since the last financial year, there has been no material changes in the Issuer's financing structure. ~~Emitent~~The -Issuer has an international covered bond programmes from year 2014 and 2020. However, this source is used only as a potential source of foreign exchange. Issuer is not dependent on the external financing as the customer's deposits and its equity exceed client's loans. ~~As of 2020, equity of the Issuer has increased due to acquisition of 90 % share in Raiffeisen stavební spořitelna a.s.~~"

28) On pages 287 to 288 of the Original Base Prospectus, the item "**Corporate Structure**" shall be modified as follows, whereby added text is printed in blue and underlined and deleted text is printed in ~~red and strikethrough~~:

"The Raiffeisen Group conducts its operations in the Czech Republic through various principal subsidiaries. The Issuer's relationship to and shareholdings in its subsidiaries as of ~~30 June~~31 December 2020 are shown in the following diagram:



\* Due to the percentage of ownership, the ownership interest is included in the Financial Assets portfolio at fair value reported in Other Comprehensive Income according to IFRS. ~~The diagram does not reflect completion of the acquisition by the Issuer of 90 per cent. stake in Raiffeisen stavební spořitelna a.s. (which occurred in December 2020).~~

Some of the subsidiaries shown in the diagram above are not consolidated in the Issuer's financial statements due to their immateriality. For an overview of companies that are consolidated in the Issuer's financial statements as of 31 December ~~2019~~2020, see "Description of the Issuer – Raiffeisen Group" above."

- 29) On page 288 of the Original Base Prospectus, the item "**Raiffeisen investiční společnost a.s.**" shall be modified as follows, whereby added text is printed in blue and underlined and deleted text is printed in ~~red and strikethrough~~:

"RIS commenced its operations in mid-2013 upon listing its first two funds on the capital market. During 2019, it issued mutual funds for CZK 7.5 billion and by 31 December 2019, it managed funds with a total value of CZK 22.8 billion, and the average appreciation of unit holders' assets of around 8 per cent. During 2020, it issued mutual funds for CZK 7.2 billion and by 31 December 2020, it managed funds with a total value of CZK 26.1 billion.

RIS funds include a full range of investment opportunities for all types of investors depending on their risk profile. The most popular funds of ~~2019~~2020 were three funds – strategies for the three most common types of clients, two new secured funds, and a real estate fund, and unit holders invested more than half of the total volume in these funds."

- 30) On page 289 of the Original Base Prospectus, the item "**Raiffeisen-Leasing s.r.o.**" shall be modified as follows, whereby added text is printed in blue and underlined and deleted text is printed in ~~red and strikethrough~~:

"Raiffeisen-Leasing was founded in 1994 and as part of the Raiffeisen Group, it specialises in providing leasing services to both corporate entities and private individuals.

Raiffeisen-Leasing has been operating on the Czech market for 25 years, and from the very beginning, it has maintained a stable role as a reliable and responsible financial partner.

In ~~2019~~2020, Raiffeisen-Leasing financed in new commercial transactions commodities and real estate for a total volume of CZK ~~10.1787~~ billion, which is a year-on-year ~~increase~~ decrease of ~~5-23~~ per cent. Net profit in ~~2019~~2020 was a total of CZK 399.~~3-541~~ million, which is a year-on-year increase of ~~63-14.7~~ per cent. As at 31 December ~~2019~~2020, the total value of Raiffeisen-Leasing's consolidated assets was CZK ~~23.555-397~~ billion.

Raiffeisen-Leasing offers companies and individuals a unique range of financing for their investment needs. Raiffeisen-Leasing finances automobiles, heavier transport vehicles, machinery, equipment, and technology. It also often provides financing to corporate clientele for specific assets, such as aircraft and locomotives. Raiffeisen-Leasing has unique knowledge relating to the non-bank financing of real estate, thanks to which it has contributed to the construction and renovation of hotels, business centres, residential quarters, and similar projects. In 2019, Raiffeisen-Leasing added consultation relating to subsidies to its portfolio of services, which is popular and highly valued by its clients.

In 2020, Raiffeisen-Leasing ~~will~~ continued to reinforce its position in the financing of private and commercial vehicles, real estate, machinery and equipment, and handling and transport technology despite COVID-19 outbreak."

- 31) On page 290 of the Original Base Prospectus, the item "**Properties**" shall be modified as follows, whereby added text is printed in blue and underlined and deleted text is printed in ~~red and strikethrough~~:

"As of ~~30 June~~ 31 December 2020, the Raiffeisen Group holds properties (land plots and buildings) with a net book value of CZK ~~8.08~~ 323 million. ~~Of these, the properties owned for investment purposes had a book value of CZK 0 as of 30 June 2020.~~"

## Part F – Amendments to the section RISK MANAGEMENT

32) On page 291 of the Original Base Prospectus, in the item "**Market Risk**" the text of second paragraph and the consequent table shall be modified as follows, whereby added text is printed in blue and underlined and deleted text is printed in ~~red and strikethrough~~:

"The below table shows the total market risk ascertained through the VaR method as of and average for the year ended 31 December 2020, 2019 and 2018 and as of 30 June 2020:

	<u>As of 31 December 2020</u>	<u>Average in 2020</u>	<del>As of 30 June 2020</del>	<u>As of 31 December 2019</u>	<del>Average in 2019</del>	<u>As of 31 December 2018</u>	<u>Average in 2018</u>
	<i>(in CZK <del>thousands</del> <u>million</u><sup>25</sup>)</i>						
Total market risk VaR .....	<u>192</u>	<u>214</u>	<del>189188,978</del>	<u>7373,381</u>	<del>90,76891</del>	<u>116,619117</u>	<u>5150,798</u>

Source: Company information; Issuer's 2020 Annual Report, Issuer's 2019 Annual Report"

33) On pages 292 to 293 of the Original Base Prospectus, the item "**Liquidity Risk**" shall be modified as follows, whereby added text is printed in blue and underlined and deleted text is printed in ~~red and strikethrough~~:

"Liquidity risk includes both the risk of the Issuer's inability to raise funds to cover the Issuer's assets using instruments with appropriate maturity and the risk of the Issuer's inability to sell assets at a reasonable price within a reasonable time frame.

The following table shows the remaining maturity of contractual cash flows arising from financial liabilities in ~~thousands~~ millions of Czech Koruna as of 31 December ~~2019~~ 2020:

	<u>As of 31 December 2020</u>					
	<u>Carrying amount</u>	<u>Total Contractual Liability</u>	<u>0 – 3 months</u>	<u>3 – 12 months</u>	<u>1 – 5 years</u>	<u>Over 5 years</u>
	<i>(in CZK million)</i>					
<u>Deposits from banks .....</u>	<u>12 201</u>	<u>12 204</u>	<u>6 255</u>	<u>3 841</u>	<u>2 108</u>	-
<u>Deposits from customers....</u>	<u>402 776</u>	<u>402 779</u>	<u>371 129</u>	<u>6 098</u>	<u>23 194</u>	<u>2 358</u>
<u>Debt securities issued.....</u>	<u>13 053</u>	<u>13 357</u>	<u>5 698</u>	-	<u>7 659</u>	-
<u>Subordinated liabilities and bonds.....</u>	<u>4 561</u>	<u>6 044</u>	<u>7</u>	<u>135</u>	<u>571</u>	<u>5 331</u>
<u>Other financial liabilities....</u>	<u>3 878</u>	<u>3 950</u>	<u>1 941</u>	<u>538</u>	<u>1 071</u>	<u>400</u>
<u>Other liabilities .....</u>	<u>1 094</u>	<u>1 094</u>	<u>1 094</u>	-	-	-
<u>Off-balance sheet items<sup>(1)</sup>...</u>	<u>48 383</u>	<u>48 383</u>	<u>48 383</u>	-	-	-

Note:

<sup>25</sup> Figures for HY 2020, FY 2019 and FY 2018 were converted to CZK millions.



- (1) [Off-balance sheet items include all irrevocable credit commitments provided to the Issuer's customers, guarantee commitments, and guarantees and letters of credit provided to customers.](#)

Source: [Company information; Issuer's 2020 Annual Report](#)

[The following table shows the remaining maturity of contractual cash flows arising from financial liabilities in thousands of Czech Koruna as of 31 December 2019:](#)

	As of 31 December 2019					
	Carrying amount	Total Contractual Liability	0 – 3 months	3 – 12 months	1 – 5 years	Over 5 years
	<i>(in CZK <del>thousands</del> million)</i>					
Deposits from banks .....	21,900,262 <del>6</del> <u>1</u>	21,922,045 <del>7</del> <u>5</u>	13,270,335 <del>6</del> <u>7</u>	3,566,034 <del>61</del> <u>1</u>	5,085,676 <del>97</del>	-
Deposits from customers....	290,690,817 <del>188</del> <u>188</u>	290,818,368 <del>314</del> <u>314</u>	285,077,414 <del>4,558</del> <u>4,558</u>	5,576,478 <del>80</del>	125,195 <del>37</del> <u>37</u>	39,281
Debt securities issued.....	12,692,483	13,087,655	201 <del>2</del> <u>2</u>	-	12,885,499 <del>7</del>	-
Subordinated liabilities and bonds.....	3,309,732	4,429,101 <del>30</del> <u>30</u>	-	65,954	609,551	3,815,459 <del>6</del> <u>6</u>
Other financial liabilities....	4,063,692 <del>21</del> <u>21</u>	4,167,639 <del>16</del> <u>16</u>	2,120,145 <del>83</del> <u>83</u>	255,031 <del>38</del> <u>38</u>	1,473,785 <del>11</del> <u>11</u>	618,678 <del>581</del> <u>581</u>
Other liabilities .....	937,062 <del>1,03</del> <u>1,03</u>	937,062 <del>1,03</del> <u>1,03</u>	937,062 <del>1,03</del> <u>1,03</u>	-	-	-
Off-balance sheet items <sup>(1)</sup> ..	46,418,697 <del>264</del> <u>264</u>	46,418,697 <del>264</del> <u>264</u>	5,499,742 <del>47,264</del> <u>47,264</u>	9,645,371 <del>18,392,537</del> <u>18,392,537</u>	12,881,047 <del>12,881,047</del> <u>12,881,047</u>	-

Note:

- (1) [Off-balance sheet items include all irrevocable credit commitments provided to the Issuer's customers, guarantee commitments, and guarantees and letters of credit provided to customers.](#)

Source: [Company information; Issuer's 2019 Annual Report](#)

The following table shows the remaining maturity of contractual cash flows arising from financial liabilities in thousands of Czech Koruna as of 31 December 2018:

	As of 31 December 2018 <sup>26</sup>					
	Carrying amount	Total Contractual Liability	0 – 3 months	3 – 12 months	1 – 5 years	Over 5 years
	<i>(in CZK <del>thousands</del> million)</i>					
Deposits from banks .....	32,135,721 <del>4,4</del> <u>02</u>	32,183,896 <del>4,521</del> <u>521</u>	25,431,324 <del>99</del> <u>8</u>	6,752,572 <del>7,2</del> <u>75</u>	-1,248	-
Deposits from customers....	271,118,509 <del>0,921</del> <u>921</u>	271,232,927 <del>0,35</del> <u>35</u>	266,617,024 <del>3</del> <u>73</u>	1,885,948 <del>91</del> <u>4</u>	2,691,214 <del>70</del> <u>9</u>	398,741
Debt securities issued.....	19,599,578 <del>600</del>	19,877,658 <del>5</del>	110,241	12,714 <del>3,544</del>	5,772,145	1,281,065 <del>5</del>
Subordinated liabilities and bonds.....	2,577,259	3,535,496 <del>7</del>	-	109,799	483,278 <del>7</del>	2,943,381
Other financial liabilities....	2,943,975 <del>3,17</del> <u>1</u>	2,943,975 <del>3,1</del> <u>71</u>	2,943,975 <del>3,1</del> <u>71</u>	-	-	-
Other liabilities .....	829,834 <del>930</del> <u>930</u>	829,834 <del>930</del> <u>930</u>	829,834 <del>930</del> <u>930</u>	-	-	-

<sup>26</sup> [Figures in FY2019 financial report are stated in thousands of CZK and were converted to CZK million in order for the figures presented to be consistent.](#)

Off-balance sheet items <sup>(1)</sup> ...	<u>44,958,761</u> <u>5.6</u> <u>91</u>	<u>44,958,761</u> <u>5.6</u> <u>91</u>	<u>4,866,099</u> <u>3.5</u> <u>12</u>	<u>8,799,895</u> <u>69</u> <u>5</u>	<u>16,080,891</u> <u>7.9</u> <u>95</u>	<u>15,231,876</u> <u>4</u> <u>89</u>
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Note:

- (1) Off-balance sheet items include all irrevocable credit commitments provided to the Issuer's customers, guarantee commitments, and guarantees and letters of credit provided to customers.

Source: Company information; Issuer's 2019 Annual Report"

- 34) On page 293 of the Original Base Prospectus, the item "**Foreign Exchange Risk**" shall be modified as follows, whereby added text is printed in blue and underlined and deleted text is printed in ~~red and strikethrough~~:

"The foreign currency risk is the risk arising from currency markets. The source of this risk is the Issuer's foreign currency position which arises from the mismatch of the Issuer'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 Issuer denominated in EUR and USD.

Foreign exchange risk is managed by setting trading limits. The Issuer uses a set of limits established by reference to the standards of the RBI 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 VaR.

The below table shows the foreign exchange risk ascertained through the VaR method as of and average for the year ended 31 December 2020, 2019, 2018 and as of 30 June 2020:

	<u>As of 31</u> <u>December</u> <u>2020</u>	<u>Average in</u> <u>2020</u>	As of 30 June 2020	<u>As of 31</u> <u>December</u> <u>2019</u>	<u>Average in</u> <u>2019</u>	<u>As of 31</u> <u>December</u> <u>2018</u>	<u>Average in</u> <u>2018</u>
(in CZK <del>thousands</del> <u>million</u> <sup>27</sup> )							
Foreign exchange risk VaR	<u>1</u>	<u>2</u>	<del>2,649</del> <u>3</u>	<del>285</del> <u>0.3</u>	<del>1,000</del>	<del>1,214</del>	<del>2,663</del> <u>3</u>

Source: Company information; Issuer's 2020 Annual Report, Issuer's 2019 Annual Report"

- 35) On pages 293 to 294 of the Original Base Prospectus, in the item "**Interest Rate Risk**" the text after the paragraph ending with „... monitoring interest rate risks using the VaR method“ shall be modified as follows, whereby added text is printed in blue and underlined and deleted text is printed in ~~red and strikethrough~~:

"The below table shows the interest rate risk ascertained through the VaR method as of and average for the year ended 31 December 2020, 2019, 2018 and as of 30 June 2020:

	<u>As of 31</u> <u>December</u> <u>2020</u>	<u>Average in</u> <u>2020</u>	As of 30 June 2020	<u>As of 31</u> <u>December</u> <u>2019</u>	<u>Average in</u> <u>2019</u>	<u>As of 31</u> <u>December</u> <u>2018</u>	<u>Average in</u> <u>2018</u>
(in CZK <del>thousands</del> <u>millions</u> <sup>28</sup> )							

<sup>27</sup> Figures for HY 2020, FY 2019 and FY 2018 were converted to CZK millions.

<sup>28</sup> Figures for HY 2020, FY 2019 and FY 2018 were converted to CZK millions.

	<u>As of 31 December 2020</u>	<u>Average in 2020</u>	<u>As of 30 June 2020</u>	<u>As of 31 December 2019</u>	<u>Average in 2019</u>	<u>As of 31 December 2018</u>	<u>Average in 2018</u>
Total interest rate risk VaR							
.....	<u>14</u>	<u>12</u>	<del>12,220</del>	<del>6,9887</del>	<del>8,057</del>	<del>23,274</del>	<del>9,435</del>

Source: Company information; [Issuer's 2020 Annual Report](#); Issuer's 2019 Annual Report"

- 36) On page 294 of the Original Base Prospectus, the item "**Market Spread Risk**" shall be modified as follows, whereby added text is printed in blue and underlined and deleted text is printed in ~~red and strikethrough~~:

"To determine the risk of change in market spreads for forward exchange contracts (in the trading portfolio) and for its own positions in debt instruments (state and corporate), the Issuer also uses the VaR method.

The below table shows the market spread risk ascertained through the VaR method as of and average for the year ended 31 December 2019, 2018 and as of 30 June 2020:

	<u>As of 31 December 2020</u>	<u>Average in 2020</u>	<u>As of 30 June 2020</u>	<u>As of 31 December 2019</u>	<u>Average in 2019</u>	<u>As of 31 December 2018</u>	<u>Average in 2018</u>
Total market risk VaR							
.....	<u>204</u>	<u>214</u>	<del>195194,65</del> 8	<del>76,463</del>	<del>9392,749</del>	<del>98,003</del>	<del>4948,748</del>

(in CZK ~~thousands~~<sup>29</sup>millions)

Source: Company information; [Issuer's 2020 Annual Report](#), Issuer's 2019 Annual Report"

## Part G – Amendments to the section MANAGEMENT AND EMPLOYEES

- 37) On page 297 of the original Base Prospectus, in the section "**Management and Employees**" the first three paragraphs of the existing text shall be modified as follows, whereby added text is printed in blue and underlined and deleted text is printed in ~~red and strikethrough~~:

"The Issuer is a Czech joint-stock company established and operating under Czech law. The Issuer, its management and the Issuer's corporate setup are governed in accordance with the Articles of Association of the Issuer which can only be amended by a two thirds majority vote of all shareholders present at the General Meeting of the Issuer. As of the date of this Base Prospectus, the conclusive version of the Articles of Association of the Issuer is the wording as of ~~11 December 2018~~27 April 2021, as filed in the Issuer's collection of deeds in the Czech Commercial Register which is publicly accessible at [www.justice.cz](http://www.justice.cz). The business address of each of the directors (as well as the members of the Supervisory Board, ~~the Executive and the~~ Audit Committees) is the Issuer's registered office at Hvězdova 1716/2b, 140 78 Prague 4, Czech Republic.

### Management Structure and Committees

The Issuer has a two-tier board system consisting of a Board of Directors and a Supervisory Board. The General Meeting of shareholders is the supreme body of the Issuer, which takes the most significant decisions regarding the Issuer, such as increases and decreases of share capital, appointments to the Issuer's Supervisory Board or approval of its financial statements. The Board of Directors represents the

<sup>29</sup> [Figures for HY 2020, FY 2019 and FY 2018 were converted to CZK millions.](#)

Issuer in all matters and is charged with its management, while the Supervisory Board is an independent body responsible for the supervision of the Issuer's activities and of the Board of Directors in its management of the Issuer. Under the Czech Corporations Act, the Supervisory Board may not make management decisions. However, its prior approval is required by law or the Articles of Association for certain matters.

~~The Issuer has also established the Executive Committee, which, pursuant to the Articles of Association, is a supervisory body representing the Issuer's shareholders elected by, and reporting to, the General Meeting of shareholders, but whose scope of competence is currently limited to credit decisions.~~ The Issuer also established the Audit Committee, which is an independent governing body of the Issuer elected by and reporting to the General Meeting of shareholders."

- 38) On page 298 of the Original Base Prospectus, the item "**Vladimír Kreidl**" shall be modified as follows, whereby added text is printed in blue and underlined and deleted text is printed in ~~red and strikethrough~~:

*"Vladimír Kreidl*

Mr. Kreidl has been a member of the Board of Directors and Executive Director of the Issuer responsible for Retail Banking since October 2013. Mr. Kreidl graduated from the Institute of Economics Studies of the Charles University in Prague. Prior to joining the Issuer, he worked at McKinsey & Company starting from 2001 and became a partner in 2008. From 1995 to 2000, he worked at Patria Finance, a.s., eventually as a partner, where he, among other, co-founded and managed Patria Online. ~~He is also the Chairman of the Pricing and Interest Committee, the Chairman Marketing Committee and a member of Projects Committee.~~"

- 39) On page 298 of the Original Base Prospectus, the item "**Miloš Matula**" shall be modified as follows, whereby added text is printed in blue and underlined and deleted text is printed in ~~red and strikethrough~~:

*"Miloš Matula*

Mr. Matula has been a member of the Board of Directors and Executive Director of the Issuer responsible for the area of Operations since January 2014. Prior to joining the Issuer, he worked as consultant at Accenture from 2000 to 2007. From 2007 to 2009, he worked at Raiffeisen Bank International AG as Vice President, Head of Service Excellence. From November 2009 to December 2013, he worked at ZUNO BANK AG as Chief IT Officer ("**CIO**"), Chief Operations Officer ("**COO**") and a Member of the Board of Directors and ~~member~~ vice-chairman of Project Steering Committee."

- 40) On page 301 of the Original Base Prospectus, the item "**Johann Strobl**" shall be modified as follows, whereby added text is printed in blue and underlined and deleted text is printed in ~~red and strikethrough~~:

*"Johann Strobl*

Dr. Strobl has been the member of the Supervisory Board of the Issuer since April 2014 and he is also a member of ~~the Executive Committee and member of~~ the Audit Committee of the Issuer. Dr. Strobl graduated from Vienna University of Economics and Business. Prior to his engagement with the Issuer, he worked at the Vienna University of Economics and Business and in numerous positions (including as the CRO/CFO and as board member) of Bank Austria Creditanstalt. In March 2017, he became Chairman of the Board of Directors and CEO of RBI."

- 41) On page 301 of the Original Base Prospectus, in the item "**Executive Committee**" the existing text shall be deleted.

- 42) On page 305 of the Original Base Prospectus, in the item "**Conflicts of Interest at the Level of Administrative, Management and Supervisory Bodies**" the first paragraph of the existing text shall be

modified as follows, whereby added text is printed in blue and underlined and deleted text is printed in ~~red and strikethrough~~:

The Issuer is not aware of any possible conflicts of interest between the duties of the members of its Board of Directors, ~~the Executive Committee~~, the Audit Committee or the Supervisory Board owed to the Issuer and their private interests or other duties.

- 43) On page 303 of the Original Base Prospectus, in the item "**Principal Activities Outside of the Issuer**" the following part of the existing table shall be modified as follows, whereby added text is printed in blue and underlined and deleted text is printed in ~~red and strikethrough~~:

~~Executive Committee members~~

<del>Peter Lennkh</del>	<del>See above</del>
<del>Reinhard Schwendtbauer</del>	<del>See above</del>
<del>Hannes Mösenbacher</del>	<del>See above</del>

**Part H – Amendments to the section RELATED PARTY TRANSACTION**

- 44) On pages 306 to 308 of the Original Base Prospectus, the item "**Transaction between Related Parties**" shall be modified as follows, whereby added text is printed in blue and underlined and deleted text is printed in ~~red and strikethrough~~:

"The ~~Issuer~~ Raiffeisen Group's receivables towards related parties as of 31 December 2020 are primarily composed of:

- (a) Credit balances on the current account maintained at RBI of CZK 1 895 million ~~986,213,000~~;  
~~(a) Provided loan to Raiffeisen Leasing of CZK 20,433,034,000; and~~
- (b) Nominal values of financial derivatives – off-balance sheet receivables:
- (i) RBI of CZK ~~380,166,801,000~~ 372 495 million;
  - (ii) Raiffeisen-Leasing of CZK 227 million ~~511,170,000~~;
  - (iii) Raiffeisenbank AO (Russia) of CZK 115 million ~~134,395,000~~; and
  - ~~(iv) Tatra Banka, a.s. of CZK 1,273,875,000; and~~
  - (iv) Raiffeisen Bank Zrt. of CZK 25 million ~~134,540,000~~.

The ~~Issuer~~ Raiffeisen Group's liabilities towards related parties as of 31 December 2020 are primarily composed of:

- (a) Credit balances on the current account of the ~~Issuer~~ Raiffeisen Group from:
- (i) RBI of CZK 339 million ~~259,989,000~~
  - ~~(ii) Raiffeisen Leasing of CZK 316,164,000; and~~
  - ~~(iii) RIS of CZK 21,131,000;~~
- (b) Term deposits:
- ~~(i) UNIQA Österreich Versicherungen AG of CZK 2,087,125,000;~~
  - ~~(ii) UNIQA of CZK 763,913,000;~~
  - (i) Raiffeisenbank (Bulgaria) EAD of CZK ~~2,231,459,000~~ 2 053 million; and
  - ~~(iii) Raiffeisen Bank Zrt. of CZK 2,546,880,000;~~

(c) Repo transactions:

(i) Tatra Banka, a.s. of CZK ~~2 599 million~~ **4,400,189,000**;

(d) Debt securities of the Issuer issued:

(i) Raiffeisenbank Hungary of CZK ~~2,525,189,000~~ **2 607 million**;

(ii) Raiffeisenbank (Bulgaria) EAD of CZK ~~377 million~~ **364,423,000**;

(iii) RBI of CZK ~~3 490 million~~ **3,383,087,000**; and

(iv) Raiffeisen Bank Albania of CZK ~~941 million~~ **909,783,000**;

(e) Nominal values of financial derivatives - off-balance sheet liabilities:

(i) RBI of CZK ~~372 871 million~~ **380,103,860,000**; and

(ii) Raiffeisen-Leasing of CZK ~~227 million~~ **514,100,000**;

(f) Subordinated debt from:

(i) RBI of CZK ~~2,481,549,000~~ **3 194 million**; and

(ii) Raiffeisenlandesbank Oberösterreich AG of CZK ~~1 065 million~~ **827,183,000**; and

(iii) Raiffeisen Bausparkassen Holding GmbH of CZK 302 million;

(g) Other equity instruments - subordinated unsecured AT1 capital investment certificates purchased:

(i) RBI of CZK ~~4 169 million~~ **3,382,604,000**.

The following tables sets forth the outstanding balances of the ~~Issuer~~ **Raiffeisen Group's** related party transactions as of and for the years ended 31 December ~~2020~~, 2019 ~~and 31 December~~ 2018:

<u>As of and for the year ended 31 December 2020</u>						
	<u>Parent companies</u>	<u>Companies with significant influence over the Group</u>	<u>Joint ventures</u>	<u>Board of Directors, Supervisory Board and other management personnel</u> *	<u>Other related parties</u>	<u>Total</u>
	<i>(in CZK million)</i>					
<u>Receivables</u> .....	1 895	-	-	176	511	<u>2 582</u>
<u>Positive fair value of financial derivatives</u> .....	3 214	-	-	-	-	<u>3 214</u>
<u>Liabilities</u> .....	3 835	11	-	94	14 119	<u>18 059</u>
<u>Negative fair value of financial derivatives</u> .....	4 705	-	-	-	2	<u>4 707</u>
<u>Other equity instruments</u> .....	4 169	-	-	-	-	<u>4 169</u>
<u>Subordinated liabilities and bonds</u> .....	3 194	-	-	-	1 367	<u>4 561</u>
<u>Guarantees issued</u> .....	401	-	-	-	81	<u>482</u>
<u>Guarantees received</u> .....	186	-	-	-	1 878	<u>2 064</u>
<u>Nominal values of financial derivatives - off-balance sheet receivables</u> .....	372 495	-	-	-	139	<u>372 634</u>
<u>Nominal values of financial derivatives - off-balance sheet liabilities</u> .....	372 871	-	-	-	141	<u>372 012</u>
<u>Irrevocable credit commitments provided</u> .....	-	-	-	17	0	<u>17</u>
<u>Interest income</u> .....	3 533	1	-	3	15	<u>3 552</u>
<u>Interest expense</u> .....	(3 763)	-	-	-	(198)	<u>(3 961)</u>
<u>Fee and commission income</u> ....	20	-	-	-	17	<u>37</u>



As of and for the year ended 31 December 2020

	<u>Parent companies</u>	<u>Companies with significant influence over the Group</u>	<u>Joint ventures</u>	<u>Board of Directors, Superviso ry Board and other managem ent personnel *</u>	<u>Other related parties</u>	<u>Total</u>
Fee and commission expense...	(11)	-	-	-	(112)	(123)
Net gain or loss from financial operations.....	(794)	-	-	-	(17)	(811)
Net gain or loss from hedge accounting.....	(509)	-	-	-	0	(509)
General operating expenses.....	(235)	-	-	(224)	(29)	(488)
Other operating income, net.....	11	-	-	-	2	13

\* Other key management personell are the managers of the Bank of level B-1

Source: Issuer's 2020 Annual Report

As of and for the year ended 31 December 2019

	<u>Parent companies</u>	<u>Entities with substantial influence over the IssuerRaiff eisen Group</u>	<u>Subsidiaries Joint ventures</u>	<u>Board of Directors, Superviso ry Board and other managers</u>	<u>Other related parties</u>	<u>Total</u>
			<i>(in CZK thousands million)</i>			
Receivables .....	997					
	9					21,626,7741
	86,213		20,433,034	162,207	45,320	204
Positive fair value of financial derivatives.....	3,129,333		870		3,375	3,132,578
Liabilities .....	3 932					27,294,5946
	3,899,997	21,052	637,484	687,916	22,668,145	689
Negative fair value of financial derivatives.....	3,571,152		2,561		1,306	3,575,0192
Other equity instruments.....	3,383,604					3,383,604
Subordinated liabilities and bonds .....	2,482,549				827,183	3,309,732
Guarantees issued.....	86,363				91,6262	1787,989
Guarantees received .....	243					1,672,91270
	211,225				1,461,6872	5
Nominal values of financial derivatives - off-balance sheet receivables .....	380,167,66,					382,226,237
	801		511,170		1,548,266	1,715
Nominal values of financial derivatives - off-balance sheet liabilities .....	380,104,3,8					382,164,114
	60		514,100		1,546,154	1,650
Irrevocable credit commitments provided.....				121,700		121,700
Interest income .....	4,083,911	1,9982	82,584	32,556	87,898	4,177,94709
						6
						(4,499,5908
Interest expense .....	(4,244,3,09)	(269)	(9,746)	(197)	(246,283)	9)
Fee and commission income ....	210,985	84	12,748		298,837	62,65450
Fee and commission expense ...	(8,116)		(4,776)		(88,329)	(101,22196)

As of and for the year ended 31 December 2019

	Parent companies	Entities with substantial influence over the Issuer Raiffeisen Group	Subsidiaries Joint ventures	Board of Directors, Supervisory Board and other managers	Other related parties	Total
Net gain or loss from financial operations.....	(89,378)	-	200	(89)	53,381	(35,886)
Net gain or loss from hedge accounting.....	5087,635	-	-	-	-	507,635
General operating expenses.....	(207,36010)	-	(31,573)	(94,659215)	(187,976)	(351,568443)
Other operating income, net.....	13	-	22,211	-	21,873	37,51015

Source: Issuer's 2019/20 Annual Report

As of and for the year ended 31 December 2018<sup>30</sup>

	Parent companies	Entities with substantial influence over the Issuer Raiffeisen Group	Subsidiaries Jointly controlled entities	Board of Directors, Supervisory Board and other managers	Other related parties	Total
			(in CZK thousands/million)			
Receivables.....	1,871,86332	-	16,786,8582	1454,879	165,883	18,819,2102258
Positive fair value of financial derivatives.....	2,874,146	-	6,213	-	23	2,880,38274
	16,073,37912		602,87174	743,957	21,594,033	38,355,4997879
Liabilities.....	6	11,259	602,87174	743,957	21,594,033	79
Negative fair value of financial derivatives.....	3,893,333	-	77,581	-	617	3,971,531894
Other equity instruments.....	2,615,354	-	-	-	-	2,615,354
Subordinated liabilities and bonds.....	1,9332,944	-	-	-	644,315	2,577,259
Guarantees issued.....	221,811	-	1,419,800	-	143,496	1,585,107165
Guarantees received.....	-73	-	-	-	69089,924	689,924763
Nominal values of financial derivatives - off-balance sheet receivables.....	392,4698,596	-	6,777,144	-	253,169	399,498,9092722
Nominal values of financial derivatives - off-balance sheet liabilities.....	392,8043,595	-	6,779,243	-	2543,745	399,836,58333057
Irrevocable credit commitments provided.....	-	-	365,383	29,66630	-	395,04930
Interest income.....	2,286,008	1,8122	121,772	2,352	5,188	2,407,132307
Interest expense.....	(2,4121,312)	(221)	(7)	(247)	(277,436)	(2,69089,223)
Fee and commission income....	21,486	97	11,110	-	310,843	63,53652
Fee and commission expense...	(32,8384)	-	(664)	-	(75,029)	(1098,531)
Net gain or loss from financial operations.....	1,0365,760	-	7,031	19	(53,360)	989,4502
Net gain or loss from hedge accounting.....	(45,101)	-	-	-	-	(45,101)

<sup>30</sup> Figures in FY2019 financial report are stated in thousands of CZK and were converted to CZK million in order for the figures presented to be consistent.

As of and for the year ended 31 December 2018<sup>30</sup>

	Parent companies	Entities with substantial influence over the <del>Issuer</del> <u>Raiffeisen Group</u>	<del>Subsidiaries</del> <u>Jointly controlled entities</u>	Board of Directors, Supervisory Board and other managers	Other related parties	Total
General administrative expenses.....	(197,201,200)	-	(17,921)	(89,077)	(16,623)	(306,208,222)
Other operating income, net.....	11,298	-	14,205	-	1,405	26,908

Source: Issuer's 2019 Annual Report

## PART I – Amendments to the section MORTGAGE LOANS AND THEIR REGULATORY FRAMEWORK

45) On page 319 of the Original Base Prospectus, following the last paragraph in the item "**The CNB Recommendation**", a new paragraph shall be added as follows:

On 26 November 2021 the CNB Bank Board decided to to keep the LTV limit unchanged at 90%, with the option of applying a 5% volume exemption. At the moment, it does not deem it necessary to set limits on the other two mortgage ratios, namely DTI and DSTI, or to tighten the other parameters of the current Recommendation on the management of risks associated with the provision of mortgages.

## PART J – Amendments to the section TAXATION

46) On page 325 of the Original Base Prospectus, in the item "**Withholding tax on Interest**" the existing text shall be deleted and replaced by the following paragraph

"For the sake of completeness, please note that the amendment of Czech Income Taxes Act effective as of 1 January 2021 (the 2021 Amendment) has abolished the exemption from Czech withholding tax being currently applicable to the interest from bonds (notes) issued by Czech tax residents outside the Czech Republic. However, under the grandfathering provisions (i) this abolishment is effective as of 1 January 2022 (i.e. compared to the original proposal, the abolishment has been finally postponed by one year) and (ii) the interest income from notes issued outside the Czech Republic before 1 January 2022 will be subject to the current tax treatment (i.e. the exemption from Czech withholding tax should continue to apply to such interest income). Although the 2021 Amendment was promulgated in the Collection of Laws of the Czech Republic on 31 December 2020, there is a risk that it may become effective as of a different day in the future or even be rendered null and void. The reason for this risk is a nonstandard legislative procedure. Because of this, the 2021 Amendment has already been challenged in front of the Czech Constitutional Court and, thus, will be subject to review by this court. Nevertheless, the description below is based on the assumption that the 2021 Amendment is valid and effective as of 1 January 2021."

47) On pages 326 to 327 of the Original Base Prospectus, the item "**Czech Holders: Holding and Sale**" shall be modified as follows, whereby added text is printed in blue and underlined and deleted text is printed in ~~red and strikethrough~~:

"Interest income on the Mortgage Covered Bonds held by Czech Holders is subject to Czech corporate or personal income tax, as applicable, at a flat rate ~~rates~~ of 19 per cent. (there are special rates of 5 per cent. for selected investment funds and 0 per cent. for pension funds and selected entities of pension insurance)

or [a progressive rate of 15 per cent., and 23 per cent. Depending on the individual's applicable tax bracket \(the threshold for higher bracket is 48 times the average wage which amounts to CZK 1,701,168 in 2021\)](#), respectively, and is payable on a self-assessment basis (in the case of Czech Holders who are individuals, the tax reporting obligation, in addition to whether the interest income shall be declared on a cash or an accrual basis, will depend on the individual's circumstances in each case). Czech Holders that are subject to Czech accounting standards for entrepreneurs (i.e. most companies other than financial or insurance institutions and certain individuals engaged in active business) or to Czech accounting standards for financial institutions (including, in particular, banks) will be required to recognise the interest income on an accrual basis for accounting purposes and, accordingly, include it in their general tax base for Czech income tax purposes in the given period.

Czech Holders who are subject to Czech accounting standards for entrepreneurs or to Czech accounting standards for financial institutions and who hold the Mortgage Covered Bonds for the purposes of trading may be, under certain conditions, required to revalue the Mortgage Covered Bonds to fair value for accounting purposes, whereby the unrealised gains or losses would be accounted for as revenues or costs, respectively. Such revenues are generally taxable and the corresponding costs are generally tax-deductible for Czech tax purposes.

Any gains upon the sale of the Mortgage Covered Bonds will generally be taxable, unless exempt from tax, and in the case of Czech Holders who keep accounting books (in principle, all legal entities and certain individuals), any losses will generally be tax-deductible. By contrast, a loss realised by Czech Holders who are individuals other than those mentioned in the preceding sentence is generally non-deductible, except where such loss is compensated by taxable gains on sales of other securities and the income from the sale of the Mortgage Covered Bonds is not exempt from tax.

In the case of Czech Holders who are individuals, any gain derived from the sale of the Mortgage Covered Bonds is exempt from Czech personal income tax if (i) the individual has held the Mortgage Covered Bonds for more than three years prior to their sale and the Mortgage Covered Bonds have not been held in connection with the business activities of the Czech Holder or if so, (ii) the Mortgage Covered Bonds will be sold after three years following the termination of such business activities at the earliest.

Furthermore, income from the sale of the Mortgage Covered Bonds realized by an individual is tax-exempt, if the annual (worldwide) gross income (i.e. not the capital gains) of that individual from the sale of securities (including the Mortgage Covered Bonds) does not exceed the amount of CZK 100,000.

If income realised by a Czech Holder from the sale of the Mortgage Covered Bonds is not tax-exempt (as discussed in the above paragraphs), tax rates on the capital gain, calculated generally as a difference between the sale price and acquisition price, apply as follows:

- individual Czech Holders not having held the Mortgage Covered Bonds in connection with their business activities are subject to tax at [a progressive rate of 15% per cent. and 23 per cent. depending on his/her applicable tax bracket \(the threshold for higher bracket is 48 times the average wage which amounts to CZK 1,701,168 in 2021\)](#), ~~15 per cent.~~
- individual Czech Holders having held and selling the Mortgage Covered Bonds in connection with their business activities are [in addition to the above taxation, also](#) ~~subject to tax at 15 per cent. plus potentially the solidarity surcharge, calculated at 7 per cent. of the excess of the Czech Holder's total employment and self-employment income over 48 times the average wage (CZK 1,672,080 for 2020) as well as~~ subject to social security and health insurance contributions,
- Czech Holders other than individuals are subject to tax at 19 per cent. (there are special rates of 5 per cent. for selected investment funds and 0 per cent. for pension funds and selected entities of pension insurance).

Income realised by a Czech Holder, who is an individual, might be subject to specific withholding tax regardless of the length of the holding period. For further details see *Taxation in the Czech Republic - Withholding tax on Interest* above."

## **PART K – Amendments to the section GENERAL INFORMATION**

- 48) On pages 340 of the Original Base Prospectus, the item "**No Significant or Material Adverse Change**" shall be modified as follows, whereby added text is printed in blue and underlined and deleted text is printed in ~~red and strikethrough~~:

"There has been no significant change in the financial performance since ~~31 June~~31 December 2020 or the financial position of the Issuer or the Raiffeisen Group since ~~30 June~~31 December 2020 and there has been no material adverse change in the prospects of the Issuer since 31 December ~~2019~~2020."

- 49) On pages 340 of the Original Base Prospectus, the item "**Auditors**" shall be modified as follows, whereby added text is printed in blue and underlined and deleted text is printed in ~~red and strikethrough~~:

"The auditors of the Issuer, who have audited the Issuer's accounts, without qualification, in accordance with International Standards on Auditing as of and for each of the two financial years ended on 31 December 2019 and 31 December 2018, are KPMG Česká republika Audit, s.r.o. (the "Auditor"), members of the Chamber of Auditors of the Czech Republic, registration number 71.

The statutory auditor responsible for the audit of the Issuer's accounts is Mr. Jindřich Vašina, registration number 2059.

The Issuer states that neither the Auditor nor any of its members has any significant interest in the Issuer.

In connection with this statement, the Issuer especially took into account the Auditor's potential ownership of securities issued by the Issuer, the Auditor's potential prior participation in any governing bodies of the Issuer, and/or the Auditor's potential affiliation with other entities involved in the Issue. ~~The reports of the auditors of the Issuer are included or incorporated in this Base Prospectus with the consent of the auditors who have authorised the contents of that part of this Base Prospectus.~~"

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