Raiffeisen BANK

Client inspired banking

CONSOLIDATED ANNUAL REPORT 2021

Consolidated Annual Report 2021

This document is a transcription of the official version of the 2021 Consolidated Annual Report of Raiffeisenbank a.s. which was prepared in XHTML format in accordance with the European Single Electronic Format (ESEF) Regulation. Compared to the official version this document does not contain tags in XBRL language. The official version of the 2021 Consolidated Annual report of Raiffeisenbank a.s. prepared in accordance with the ESEF Regulation is available on the website https://www.rb.cz/en/obligatory-published-information/annual-reports.

Raiffeisen BANK

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Contents

Survey of Key Data

Unconsolidated data according to IFRS

in MCZK	2021	2020	2019	2018	2017
Income Statement					
Net interest income	7,648	7,239	8,539	7,290	6,184
Net commission income	3,537	2,920	3,095	3,234	3,290
Net profit on financial operations	21	(190)	(198)	42	893
Operating expenses *	(6,414)	(6,277)	(6,662)	(5,819)	(6,041)
Profit before tax	5,674	2,563	4,915	4,176	3,925
Profit after tax	4,687	2,140	4,188	3,365	2,825
Earnings per share/Diluted earning per share (in CZK)	2,839	1,704	3,595	2,882	2,393
Balance Sheet					
Loans and advances to banks	177,340	99,684	87,043	99,358	103,583
Loans and advances to customers	262,377	249,083	246,644	234,092	214,944
Deposits from banks	13,017	12,194	21,900	32,136	27,380
Deposits from customers	420,163	334,673	290,691	271,119	252,076
Equity	44,423	35,351	32,703	28,782	27,187
Balance-sheet total	511,392	411,056	370,715	362,564	337,874
Regulatory information					
Risk-weighted assets (credit risk)	153,999	141,513	145,796	139,428	111,400
Total own funds requirement	13,975	12,935	13,148	12,727	10,435
Total regulatory capital	45,555	36,800	30,774	26,909	23,074
Tier 1 ratio - Basel III	23.1%	19.6%	16.5%	14.9%	16.1%
Capital adequacy ratio	26.1%	22.8%	18.7%	16.9%	17.7%
Performance					
Return on average equity (ROAE) before tax	15.8%	7.6%	16.1%	15.2%	15.9%
Return on average equity (ROAE) after tax	13.0%	6.3%	13.7%	12.3%	11.4%
Cost/income ratio	52.9%	60.4%	56.0%	53.9%	58.1%
Return on average assets (ROAA) before tax	1.2%	0.6%	1.3%	1.2%	1.1%
Return on average assets (ROAA) after tax	1.0%	0.5%	1.1%	1.0%	0.8%
Net provisioning ratio	0.0%	0.4%	0.1%	0.2%	0.1%
Non-performing loans ratio	1.9%	2.3%	1.7%	1.8%	2.5%
Risk/earnings ratio	0.4%	14.9%	2.8%	7.5%	4.2%
Resources as of reporting date					
Recalculated number of staff	2,787	2,699	2,966	2,972	2,900
Business outlets	106	119	128	128	124

* Includes personnel expenses, general operating expenses and depreciation/amortisation of property and equipment and intangible assets

The scope of the key alternative performance indicators used at the non-consolidated level is provided in the relevant section of this consolidated annual report.

On 25 May 2021, the Bank was awarded the following rating:

Rating agency	Long-term rating	Short-term rating	Outlook
Moody's Investors Service	A3	Prime-2	Stable

Introducing Raiffeisenbank a.s.

Raiffeisenbank has been present on the Czech market for more that twenty-five years, since the year 1993. At the beginning, the bank had two branches and 39 employees and it has gradually evolved **into the fifth largest domestic bank**. Raiffeisenbank is primarily focused on a wealthier and demanding clientele that is interested in high quality service, active management of its finance and professional advisory.

The range of products and **services includes personal and business accounts, credit, savings and investment products, specialised financial services and consultation for business clientele and large corporations**. A detailed overview of all services is available at www.rb.cz.

All clients can reach Raiffeisenbank's professionals via call centre with uniquely quick response time, new fully responsive website, Facebook page or Twitter account.

Besides its business activities, Raiffeisenbank is also involved in a number of community service activities related to **education, charity and culture**. Social responsibility is an integral part of the bank's corporate values, culture and strategy and reflects the longstanding traditions of the Raiffeisen brand.

Nowadays, Raiffeisenbank serves around **890,000 clients in a network of 106 branches and client centres**. The bank provides jobs for more than **2,700 employees**.

According to a definition applied by the Czech National Bank, **Raiffeisenbank is one of the systemically important banks in the Czech Republic**.

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

Statement of the Chairman of the Board of Directors

Dear Ladies and Gentlemen,

2021 was the most successful year in the history of Raiffeisenbank on the Czech market. In addition to the continuing rapid growth in the number of our clients and extraordinary financial results, we have significantly strengthened our position among the strongest and healthiest domestic banks thanks also to several important acquisitions. We have continued to focus on increasing the satisfaction of our clients and digitalizing our services. With the growing importance of Raiffeisenbank on the Czech market, we are also aware of our increasing role to social responsibility.

During 2021, we grew significantly and became one of the most important financial groups on the Czech market with 1.7 million clients. In addition to Raiffeisenbank, the group also includes Equa bank, Raiffeisen stavební spořitelna, Raiffeisen - Leasing, and Raiffeisen investiční společnost. Raiffeisenbank's vision is to be the most recommended financial group by clients, and thus our priority in all of our companies is the satisfaction of our clients and making their lives easier.

The first quarter of 2021 was a period in which we focused on several important acquisitions. At the beginning of February, we announced the signing of an agreement to purchase 100 per cent of the shares of Equa bank, we negotiated exclusive cooperation with ING, and we became a co-owner of the Czech company Akcenta. I am very pleased with all these transactions, and throughout 2021, we worked intensively on their successful completion. In the past, Raiffeisenbank has repeatedly demonstrated its extraordinary ability to manage integration and mergers with other banks on the Czech market. Based on our previous experience, we know that the basis of successful integration is primarily to combine the best of all companies for our clients.

Throughout the year, we continued to develop online services and introduced a number of practical innovations. In our online banking, which received the award for the fastest growing mobile banking in the Czech Republic, clients may now take first advantages of banking identity services or manage their building savings. Raiffeisenbank's online banking for SMEs has been named the best in Central and Eastern Europe. The RB club programme now offers significant discounts on online and in-person purchases for all of our clients using any Raiffeisenbank payment card.

Extraordinary work throughout 2021 was also reflected in extraordinary results, and I would like to briefly acquaint you with these results. We achieved a net profit of CZK 4.69 billion, which is a year-on-year increase of 119%. The bank's total assets increased by 24.4% to CZK 511 billion. The volume of loans provided to clients increased by 5.3% to CZK 262 billion. There was growth both for households in the form of mortgages and consumer loans and companies in the form of investment loans. The volume of deposits received from clients increased by 25.5% year-on-year to CZK 420 billion. Operating costs of CZK 6.4 billion increased by 2.2% year-on-year, mainly due to integration costs for IT and advisory services. All of these figures confirm the high confidence of our clients and also support Raiffeisenbank's strong position with our shareholders, for whom the Czech Republic is a key market.

Along with the significant strengthening of Raiffeisenbank's position, we are also aware of the increase in our social responsibility. This is why we paid careful attention to this area in 2021, and throughout the year, we developed our activities related to Raiffeisenbank's long-term strategy in the area of social responsibility, environmental protection, and promoting diversity.

With the Memorandum for Sustainable Finance, we have committed ourselves this year to strengthening ecological and socially responsible business in the Czech Republic. We want to contribute to creating a business environment that will lead to the sustainable and socially responsible development of our country. We are committed to promoting these principles in all of Raiffeisenbank's activities. We are one of the founders of the new association Climate & Sustainable Leaders Czech Republic, which among other things, launched the Carbon Tracker project. We understand the need to start discussing sustainability not only with the public, but also to be actively involved in helping our clients in their transition to more sustainable business and operations. Our aim is to positively motivate and support our clients and partners of the bank in engaging in projects aimed at reducing the carbon footprint. We provide professional expertise, and together we look for solutions that contribute to sustainability and also make sense from an economic standpoint.

We have been actively supporting for a long time the Debt Advisory Centre, which is the only respected nationwide organisation offering debt counselling to clients free of charge. We have been proud to support for many years the Dobrý Anděl Foundation, which helps thousands of families with children suffering from serious illnesses. We support the financial literacy of children in cooperation with the unique interactive website Zlatka.in, which promotes fun and effective education for children free of charge and without restrictions.

I am pleased that Raiffeisenbank continues to be one of the most sought-after employers among domestic banks. In the long run, our bank offers extraordinary opportunities for the growth and development of people, and we fill 75% of the managerial positions from among our employees. We consider highly important the psychological security of our employees, strengthening their own decision-making, equal opportunities for everyone, promoting diversity, and support for women. We became official signatories of the Charter of Diversity, and we have been dealing with education in the area of diversity not only among employees, for whom we prepared 15 workshops on this topic. We have focused significantly on supporting our colleagues with respect to maternity and parental leave, and we managed to increase the success of their return to the bank by 40% year-on-year. In December, Kamila Makhmudova, the new CFO, became the first woman in history to join our board. We consider the area of work-life balance to be very important, and employees whose work is not directly linked to providing services to clients can take advantage of work from home and flexible working hours according to their own preferences. We are increasing the share of employees who work part-time at Raiffeisenbank, and we have maintained the share of part-time employees well above the Czech market average for many years.

We have had a lot of work and success in 2021. We also have many challenges ahead of us in 2022.

I would like to sincerely thank our employees for their excellent work, our shareholders for their trust and support and, of course, especially you, our clients and business partners. We truly appreciate your support and loyalty, which at the same time are a commitment to constantly improve our services and make your life easier.

Yours faithfully,

Igor Vida
Chairman of the Board of Directors and CEO

Board of Directors' Report on the Business Activities of the Company and the State of its Assets

"From my perspective, one word can describe all of the last year: People! Since early 2021, after announcing the acquisition of Equa bank and Akcenta and provision of services for ING clients within a few weeks, we have fully focused on integrating the clients and members of staff into the family of Raiffeisenbank. Given the relentless Covid-19 pandemic, the task was not easy, be it in terms of ensuring the required capacities or providing management control. However, the results demonstrate clearly that we have met the last year's challenge and we may boldly look forward 2022. I would like to thank all our colleagues for their excellent work."

Igor Vida
Chairman of the Board and CEO

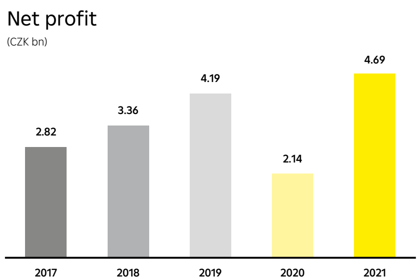
The Bank's economic results for 2021

Raiffeisenbank reported CZK 4.69 billion in profits for 2021

- Volume of loans provided to clients: CZK 262 billion (5.3% up year on year)
- Volume of client deposits: CZK 420 billion (25.5% up year on year)
- Total assets of the bank at CZK 511 billion (24.4% up year on year)
- Net profit of the bank at CZK 4.69 billion (119% up year on year)
- Strong capital standing: capital adequacy ratio at 26.08% as at 31 December 2021

Net profit and revenue

Net profit of the bank for 2021 reached **CZK 4.69 billion**, an amount 119% higher compared against the same figure of the year before.

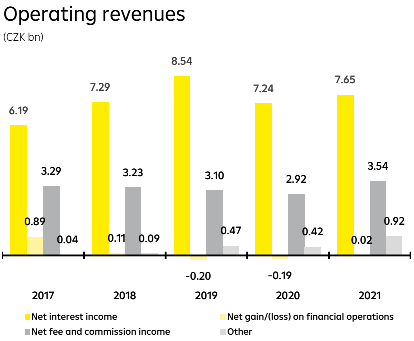


The bank's **total operating revenue** added 16.7%, reaching CZK 12.13 billion.

Net interest revenue of the bank added 5.6%, totalling CZK 7.65 billion. This increase is particularly due to rising market interest rates in response to steps adopted by the central bank.

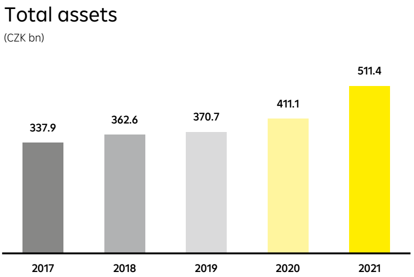
Gain on financial operations increased by CZK 211 million year-on-year, totalling CZK 21 million.

Net revenue from fees and commissions saw an increase by 21.1% to CZK 3.54 billion.

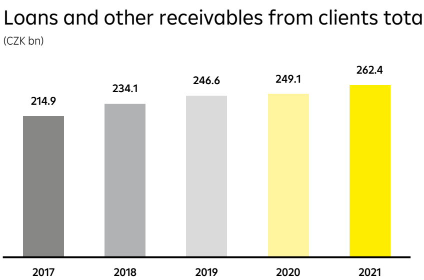


Balance sheet, deposits, and loans

Total assets of the bank amounted to CZK 511 billion, thus adding 24.4% on a year-to-year basis.

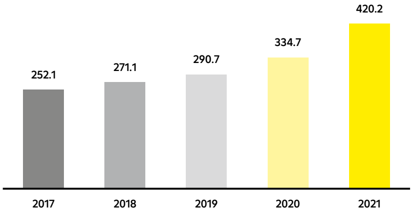


The **volume of loans provided to clients** annually grew by 5.3% to CZK 262 billion. The growth was seen on the part of households in the form of mortgage and consumer loans as well as on the part of corporate investment loans.



The **volume of deposits accepted from clients** rose over the year by 25.5% to a total of CZK 420 billion. The growth is driven by rising balances of current and savings accounts, particularly those of households, largely supported by the acquisition of ING Bank clients. In respect of corporates, term deposits generated most of the increase.

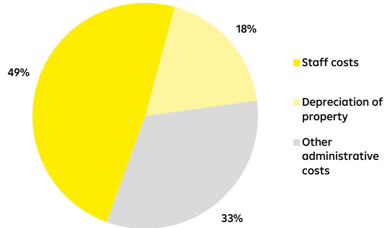
Client deposits
(CZK bn)



Costs

Operating cost amounted to CZK 6.4 billion, adding 2.2% year on year. The increase is particularly caused by integration cost in IT and consulting.

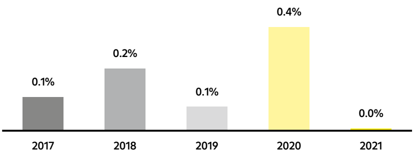
Operating expenses



Risk management

Raiffeisenbank continues to maintain a very sound loan portfolio. **Losses from non-performing loans and other debts** dropped CZK 1.5 billion in absolute numbers year on year, reaching CZK 43 million.

Share of impairment losses on financial instruments to average assets



Capital

The **bank's capital adequacy ratio** as of 31 December 2021 reached 26.08%. Regarding the stabilization measures announced by the Czech National Bank in relation to the Covid-19 pandemic and due to the new acquisitions, the bank's general meeting resolved in late April 2021 to not disburse dividends from the CZK 2.14 billion profit for 2020. CZK 2.14 billion were transferred to retained earnings. In connection with the acquisition of Equa bank and preparations for the closing of the transaction, the bank increased its registered capital by CZK 4.4 billion on 12 May 2021. Also, an AT1 capital increase by CZK 662 million and a CZK 305 million T2 capital increase were approved on 28 May 2021. The increase of retained earnings and capital has a positive impact on the bank's capital adequacy ratio.

Raiffeisenbank's Market Position

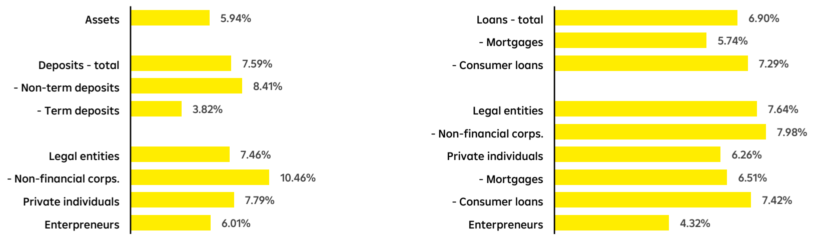
The banking sector had already fully recovered from the initial pandemic shock last year and gradually got back on track. As a consequence of deferred household consumption and higher incomes in connection with the elimination of super-gross wages, the volume of *"over-deposits"* peaked during the middle of the year, i.e. deposits in excess of the normal growth of savings in the pre-pandemic period. In the second half of the year, we could then observe their gradual decline, which accelerated during the last months of the year. Nevertheless, there is still a significant amount of over-deposits in the sector, around CZK 290 billion, that households and companies can use to offset the higher financial burden as a result of rising prices. In the area of loans, we were witness to an unprecedented expansion last year. This was reflected primarily in the mortgage market where an incredible CZK 408 billion of new mortgages were provided and another CZK 88 billion was reported for refinanced mortgage loans. In response to the overheating mortgage market, the CNB announced in November that the limits for mortgage lending would be tightened once again. The LTV limit was reduced from 90% to 80%. The DTI and DSTI limits were restored to the original values, 8.5 (DTI) and 45% (DSTI), all with effect from April 2022. In addition, there was a series of drastic increases in the key interest rate. which will also reduce demand for credit. In terms of the quality of banks' loan portfolios, concerns about a radical deterioration have not been confirmed. After a slight increase in 2021, the share of non-performing loans has safely returned to pre-COVID levels, although differences between the sectors of the economy are still clearly visible. As a result, banks were able to free up their reserves for credit loan losses, which significantly boosted their annual profitability.

Last year, Raiffeisenbank had flexibly adapted to the changes brought about by the pandemic and was able to devote itself fully to both regular banking activities with its clients and new opportunities for development and growth. The bank's balance sheet total rose by more than 24% last year, which increased its market share to 5.94%. The inflow of deposits well above the market growth rate resulted in a market share of 7.59% for the bank, thus the bank achieved a share of 6.90% in total loans.

Although rising interest rates last year slightly supported a resurgence of interest in time deposits, 90% of the bank's total deposits for clients are still demand deposits. Their volume increased by more than 16%, which meant an increase in the market share to 8.41%. In the private-client segment, Raiffeisenbank's clients increased their deposits by almost 33%, which meant that the bank strengthened its market share to 7.79%. The growth rate of deposits for non-financial corporations managed by Raiffeisenbank also exceeded the market growth rate, which led to an increase in the market share to a final 10.5%. Last year, self-employed clients added another 8.7% to their savings, and the bank manages slightly more than 6% of small business deposits.

The main driving force with respect to growth in loans provided by Raiffeisenbank was loans to non-financial corporations. Last year, the bank managed to increase their volume by almost 10%, which exceeded the market growth rate, and the bank's market share thus strengthened to 7.98%. New credit transactions were successful in the private-client segment. The volume of new mortgages increased by more than 53% compared to the previous year, and the bank's consumer loans were up by 26%. The bank thus accounts for 6.51% of the total volume of the mortgage market and 7.42% of consumer loans. For self-employed clients, last year was still significantly affected by various restrictions. Nevertheless, the volume of loans increased by 1.7%, which gave the bank a market share of 4.32%.

Raiffeisenbank's Market Position



Note: All data are processed based on statements processed in accordance with the methodology of the Czech National Bank.

Commercial activities

"In 2021, Raiffeisenbank continued to develop digital communications with the goal of satisfying client demand. We introduced many new products in the area of digital services, including Bank ID, authentication for verifying a person's identity when accessing government digital services."

Igor Vida
Chairman of the Board and CEO

Details on innovations and services offered in 2021

RETAIL BANKING

In 2021, Raiffeisenbank introduced new tariffs for current accounts and business accounts. Current accounts may now be opened without any maintenance fee (and no terms), and withdrawals from ATMs are free of charge world-wide.

Current accounts for private individuals may be opened online at Raiffeisenbank in 10 minutes without having to visit a branch office. Starting in 2021, an account may be opened in online banking, the mobile app, or on the web with the subsequent use of courier services.

Raiffeisenbank introduced Bank ID services, thanks to which private individuals may easily connect, for example, to eGovernance (services of public authorities), file their taxes online, etc. Bank ID has become one of most secure authorization services throughout the CEE region.

Raiffeisenbank introduced a discount programme for all clients who use the bank's debit or credit cards. This programme offers discounts at more than 1,900 banking partners from various areas.

Raiffeisenbank offers unique services connected with current accounts, such as multiple currencies for one account (up to 19 currencies) or an advantageous exchange rate for a monthly fee of CZK 29.

Raiffeisenbank mobile banking was awarded as the fastest developing mobile app in the banking sector in 2021. With the app, you can manage practically all products and services completely online. The app offers one of the most secure payment tools on the market – *"RB Key"*.

In relation to the Covid crisis, we continued to assist people affected by the pandemic and offered all of our clients the option to defer loan payments, if requested.

All retail clients may use virtual payment cards up until they receive their physical cards. Card activation may be handled completely online and physical activation is not necessary.

PRIVATE BANKING

Last year, clients of Raiffeisenbank Private Banking (FWR) increased the volume of investments by more than 30%. The most popular was the FWR Strategy series – qualified investor funds and the new issue of MREL bonds. In addition, FWR offered for the first time FWR Private Equity I – a fund geared to domestic private equity investment in cooperation with a professional private equity investment company.

FWR achieved a record level of revenue thanks to high earnings from fees driven by investment sales and supported by rising deposit margins at the end of 2021.

MICRO/SME/CORPORATE BANKING

In 2021, Raiffeisenbank introduced a virtual POS terminal to be used with a standard mobile phone. Any new or current client may take advantage of this. Raiffeisenbank was one of the first banks on the market to offer this innovation to clients.

For the micro and SME segment, Raiffeisenbank offers three current accounts with a different approach to fees. The bank's Chytrý business account is intended to attract small businesses that are looking for free account maintenance without having to meet any terms. This is highly valued by startups and new entrepreneurs. The fully equipped Aktivní konto with a wide range of products and services is available for CZK 49 and is suitable for entrepreneurs with a running business and in the business development phase. Entrepreneurs who often do business internationally can take advantage of the Světový account for entrepreneurs with an advantageous fee of CZK 499 per month – the account holder receives services for two accounts plus other discounted prices valid for foreign payments and above-standard banking care.

All current accounts are fully managed in online banking (computer or mobile app). Online banking allows authorised users to process ordinary banking transactions and requests for overdrafts, instalment and revolving loans, or requests for issuing or amending bank guarantees, all without having to visit a branch office. Another standard feature is the electronic signing of documents with an advanced electronic signature or communication with the bank via data boxes.

Premium API allows clients to create a direct connection between a client's accounts and the accounting system. Downloading statements and processing collective payments is automatic, faster, and simpler. All approval rights of owners who wish to maintain control and to authorise transactions are preserved.

Via the Cashbot app, Raiffeisenbank gives small and medium-size enterprises the opportunity to finance their operational needs by paying issued or received invoices, advances as a part of approved subsidy schemes, or VAT refunds. Invoices issued in foreign currencies for international customers may also be financed. Clients do not need to apply for a loan from the bank just because they are waiting on their settlement. Invoices are settled for suppliers and deadlines are extended by up to four months. Payment is sent only after the sale of goods. The service is completely online, including the signing of a contract for volumes up to CZK 2 million. One invoice allows clients to obtain one-time financing in the amount of 10% to 80% of the approved limit. The limit is provided and managed free of charge, and registration takes less than fifteen minutes. Invoices may then be uploaded to immediately display the final cost of financing. The financing fee is between 1 and 2 per cent of the financed amount. However, clients pay the fee only if the limit is actually used.

More than half of the companies in the corporate segment handle their financing online! For transaction financing, this figure has increased the most, specifically for bank guarantees.

Thanks to Raiffeisenbank's online solution, clients get a detailed overview of all applications related to drawing down a loan or issuing a bank guarantee, including information on their status. The service does not require any special installation, since it is an automatic part of online banking, and use is therefore free of charge.

Due to intensive contact with clients and the transfer of their needs to the development of a digital channel, transition to the world of digital applications has been very fast. The number of online applications for loans and bank guarantees exceeds 60%.

Our corporate business has taken a big leap forward in terms of digitalization, and at the CEE SME Banking Awards 2021, we were awarded both locally and internationally as the best online banking for small and medium-size enterprises in the CEE region.

Technology

Digitalization continues to accelerate

In 2021, the dynamic growth of the number of digital channel users continued, especially mobile banking users. In November, the number of regularly logged-on clients for mobile banking exceeded 500,000. This growth was due to both the strong acquisition of new clients during 2021 and the natural migration of clients to mobile banking at the expense of online banking.

During the year, we introduced a number of innovations in the area of digital services to our clients. Clients may now arrange building savings fully online from Raiffeisen stavební spořitelna with online and mobile banking. Clients who already own a savings or loan product at RSTS can easily view this product on Raiffeisenbank's digital channels, including contractual documentation.

We have expanded the options for opening a current account online for non-client private individuals via the Raiffeisenbank mobile app. For new account applicants, they just need to download the mobile app and go through a simple process of arranging an account, and in a few minutes, they can start using their new account to the full extent. In addition, as one of the only banks, we enable online opening of current accounts for private entrepreneurs through a web application. Thousands of clients used both options to access the bank during 2021.

Another important milestone in the digitalization of the bank and also the Czech Republic was connecting to banking identity services (BankID). Since November, most of the bank's clients have been able to use this modern verification tool for communication with the government, and in the first half of 2022, we will allow clients to use their banking identity for private entities through Bankovní identita a.s., whose major shareholder is Raiffeisenbank a.s.

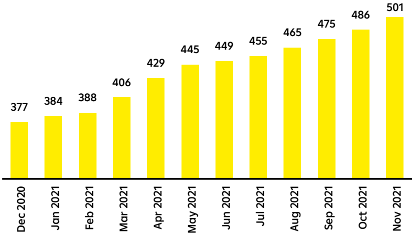
When improving digital services, we did not forget about online banking, which got a completely new look and new control functions in the autumn. The new design aims to consolidate the appearance and controls across digital channels and will be gradually applied to public websites or mobile apps. We have also expanded our transaction enrichment services with counterparty logos and names, even for non-card transactions, and have improved the option for managing and categorising payments.

As the only bank in the Czech Republic, we allow our clients to pay with NFC technology on mobile phones from Huawei using our own RaiPay payment wallet. The RaiPay version is available on the Huawei AppGallery, and thousands of clients have downloaded the app to date.

In the area of financial services, we have expanded the possibilities of arranging a consumer loan online, even for clients without a pre-approved offer. Clients can also use the PSD2 interface to demonstrate income in the application, which allows the downloading of transaction history from six banks in the Czech Republic, thanks to which clients may arrange loans from the comfort of their home.

Number of the RB mobile banking active users

(in thousands)



Non-Commercial activities

People

Raiffeisenbank employees are key to fulfilling our strategy. This is why we make every effort to develop their expertise and personal and career growth. We also devote attention to creating a friendly environment, excellent interpersonal relationships at the workplace, and flexible working conditions. We continuously monitor and verify all of these important areas in various forms, both internally for current employees and externally for job seekers at Raiffeisenbank in the form of questionnaires or more extensive surveys relating to perceptions of the bank on the labour market. For Raiffeisenbank, one of the strategic areas is the customer experience with respect to clients, and from the employer's standpoint, the job-applicant experience, which we measure using NPS methodology.

We create an environment for our employees in which they feel safe, can openly share their opinions, and are not afraid to make mistakes and learn from them. We respect talent, what our employees are like, and what they can achieve.

Being fully aware of the fact that interpersonal relationships are important for job satisfaction for most employees, we organise company-wide meetings, we support joint sporting events, such as the Raiffrun trail race, as well as informal events for individual teams. Our employees also have the opportunity to influence who they work with in the form of recommendations for job vacancies from among their acquaintances and friends.

The satisfaction of our people is important to us. We help employees achieve a work-life balance in the form of flexible working hours when the nature of the work allows for this, or regular home office. Of course, we offer additional days of annual leave, three extra paid days off, and days off for loyalty or important life events.

Professional, personal, and career development is one of our priorities as an employer, which is why we pay attention to the appropriate amount of investment and the quality of development activities and services provided.

Due to the fact that in-person development was not possible during most of 2021, we organised development activities primarily in a digital format (77% of all training took place online). On average, our employees studied 35 hours.

In addition, we support the development of our employees as a part of their leisure time, providing study leave days in addition to regular annual leave so that they can increase their qualifications. The number of days taken for additional study at universities and in postgraduate programmes was 269 days.

In addition to study leave, Raiffeisenbank makes it possible to invest their benefits in education. Inter-company development activities, such as coaching or mentoring, are also available for employees.

We care deeply about our employees' growth and that they do work that makes sense to them. The internal labour market is open to all those interested in career advancement (moving up in the hierarchy) and professional growth (a shift to a more senior position in the same or different area). In addition, internal job candidates always have priority in the selection process.

In 2021, approximately 20% of employees changed their position and nearly 10% advanced their careers, i.e. they moved to a more senior position with a higher degree of responsibility. 75% of the managerial positions have been filled by internal candidates who are prepared for their managerial role in a special programme.

We have organised a two-year programme for university students, in which they have the support of a mentor, learn professional work, and are fully involved in the activities of the respective teams. Thanks to the experience gained, they often move to positions of specialists and managers. There are currently 38 students in the programme, so-called trainees. During 2021, 17 trainees accepted an offer to commence a full-time position.

We have set up an online community for parents on maternity and parental leave, in which we share news from the bank or offer suitable job opportunities. We make sure that parents on maternity or parental leave do not lose contact with the bank or their team and that their return to work is easier for both sides. 8% of our employees take advantage of part-time work, and working from home is possible for anyone, provided the nature of the work allows this. Employees may also take advantage of flexible working hours. We have two company pre-schools available for our employees in Prague, and so far, 418 children have attended them.

The average number of employees in 2021 was 2,887, and the average age is 39. 55% of employees are women, and more than half of the employees have worked at the bank for more than five years. We consistently focus on diversity in all of its aspects, and we reflect this approach in all processes that concern employees.

Non-financial information and reporting duties, pursuant to Article 8 of the Taxonomy Regulation

At the beginning of 2021, the Bank signed the CBA Memorandum for Sustainable Finance. In this manner, the Bank openly committed itself to strengthening ecological and socially responsible business in the Czech Republic.

The Bank would like to participate in creating a business environment that will lead to sustainable and socially responsible development. In addition, the Bank decided to take into account the principles that are necessary to achieve this goal in its activities, processes, and products. The Bank is currently preparing for reporting duties relating to the qualitative and quantitative requirements of Article 8 of the Taxonomy Regulation and the requirements for calculating the GAR (Green Asset Ratio), which will be reported by the Bank's parent company at the group level.

The Bank applies the exception pursuant to Section 32g, clause 7 of the Accounting Act. All activities, financial and non-financial data, projects, and other components of the Raiffeisen group's corporate social responsibility, including for the purposes of non-financial reporting, are provided in the separate RBI Group Sustainability Report 2021, which consolidates all results of the individual companies, including the results of the Czech Republic.
https://www.rbinternational.com/en/sustainability/sustainability-report.html

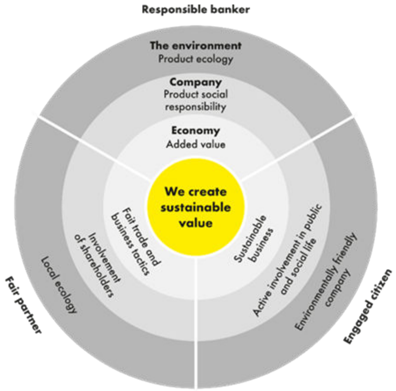
Corporate social responsibility at Raiffeisenbank a.s.

How we define sustainability of resources in the RBI group

The sustainability of resources has always been a basic principle of the entire RBI group and also a key benchmark of our success. For 130 years, the Raiffeisen group has always combined financial success with success in the area of social responsibility.

We will continue to combine financial success with success relating to social responsibility, and we incorporate the sustainability of resources as a fixed component of our business. We rely on three pillars, which are the basis of our Principles of Sustainable Development: *"Responsible Banker"*, *"Fair Partner"*, and *"Engaged Citizen"* so that we can connect our business activity even more to sustainable development both in our society and in the public sphere.

Our Principles of Sustainable Development focus on *"Creating sustainable values"*, which provides direction for all of our business, activities, and services provided by RBI or on behalf of RBI. The objective that we are committed to is to concentrate our efforts in areas where we can achieve the most changes, and this requires continuous improvements in relation to the impact of our sustainable activities as well as defining the method of measuring this impact and its verification. Only then can we achieve a long-term effect and thus contribute to the sustainable development of society as a whole.



Our strategy of sustainability

In 2013, the group strategy for sustainability was published *"We Create Sustainable Value"* with the objective of improving the effectiveness and scope of managing sustainability throughout the entire RBI group. This strategy contains nine key areas that we focus on and that stakeholders focus on as well, including employees, customers, shareholders, and suppliers, but also non-governmental institutions, and other entities.

Nine key areas of our strategy of sustainability, see below.

Nine key areas of our strategy of sustainability

RBI Sustainability Matrix	The Economy	Society	The Environment
Responsible banker	**Added value**	**Socially responsible product**	**Product ecology**
	Successful business thanks to responsible management and business strategy, sustainable economic value and integrating the aspects of sustainability into our business.	Social responsibility of our products and services based on customer requirements; on responsible indebtedness; on the protection of customer data; and on providing precise information.	Ecological responsibility when providing products and services, guaranteeing compliance with national standards, international agreements, and considering the impact on the environment when projecting financial plans and products.
Fair partner	**Fair business and procedural practices**	**Employees and stakeholders**	**In-house ecology**
	Fairness and transparency with respect to employees, clients, and shareholders with model behaviour in all areas of their interest. To be an attractive employer, to report in a transparent manner, and to prevent corruption and fraud.	Continually involve key people in the topic of sustainable development and strengthening cooperation with management with the goal of reducing corporate risk and taking advantage of business opportunities.	Responsible treatment of resources and the environment in an attempt to reduce the impact on the environment through its sustainable use.
Engaged citizen	**Sustainable corporate activities**	**Active civil society**	**Environmentally friendly company**
	Commitment to sustainable business and the generation of wealth thanks to creating a business framework for sustainable financing and direct or indirect support of relevant organisations and institutions.	Commitment to create an active civil society, responsible political cooperation, promoting the public interest and literacy support and volunteering.	To protect the environment and the climate by promoting diversity and protecting various ecosystems and services.

Selected projects and activities relating to corporate social responsibility in the Czech Republic

Economic area

At Raiffeisenbank, we prioritise an ethical and transparent approach based on the group's Code of Conduct, which is published on the web pages rb.cz. The Code of Conduct is binding for every employee and is an integral part of every activity that each of our employees performs, as well as every interaction with clients, suppliers, and partners. Thus, we are also building a corporate culture and promoting fair relationships across the market.

In 2021, as a part of the cooperation with the Czech Banking Association, Raiffeisenbank openly committed itself to promoting ecological and socially responsible business in the Czech Republic through the Memorandum for Sustainable Finance. In this context, the bank would like to contribute to creating a business environment that leads to the sustainable and socially responsible development of the country. In addition, the bank undertook to take the principles necessary to achieve this goal into account in its activities.

Part of the commitment described in the Memorandum is the readiness of banks to cooperate with public administration in resolving the specific situation of the Czech Republic with respect to co-financing projects implemented with the help of EU funds. Banks are also ready to help co-finance strategic projects in cooperation with the government in the most efficient way so that their implementation contributes as much as possible to the sustainable development of our country.

In 2021, Raiffeisenbank continued its cooperation with the National Development Bank and the European Investment Fund. Thanks to this cooperation, entrepreneurs and companies could obtain financing on favourable terms. In addition, Raiffeisenbank was the first bank in the Czech Republic to issue a green bond in order to support the financing of environmentally oriented projects. The bond issue by Raiffeisenbank sends a clear message of its commitment to support the environmentally sustainable development of the Czech economy.

Social area/Community

In the social area, we rely on corporate social responsibility with respect to products and public life as well.

In the area of product responsibility, we emphasise the economy of products for our clients. Already in 2020, we introduced CHYTRÝ účet and CHYTRÝ účet for entrepreneurs. Account maintenance is free of charge and without terms.

In 2021, we also continued our cooperation with the Czech-Moravian Guarantee and Development Bank (ČMZRB), which was renamed the National Development Bank (NRB) during the year. Together, we continued to offer entrepreneurs and companies the opportunity to obtain operational financing in the COVID III guarantee programme.

In addition, we make every effort to ensure responsibility in the area of lending over the long term. Both our processes and the risk assessment of clients support to the maximum extent healthy lending and are aimed at eliminating any future repayment hardships. However, if such a situation does occur, we offer clients the assistance of the *"Debt Advisory Centre"*. We work closely with the centre, which advises clients on how best to resolve their particular situation.

Among the key projects we have supported over the long term are those aimed at increasing financial and IT literacy. We have been a partner of the international non-profit educational organisation Junior Achievement (JA) since 1998, which was named the seventh most influential charity in the world in 2020. The aim and mission of JA is to provide young people with a practical economic education and to allow them to test the information thus obtained in practice. Students acquire specific practical experience, for example, by participating in the Student Company of the Year competition, where they try out business first-hand and in the real world of the student *"business"* environment. Raiffeisenbank is a partner for two categories in this competition – Student Leader of the Year and Business Teacher.

Another important project of ours aimed at increasing financial literacy is the interactive educational platform Zlatka.in intended for pupils of the 1st and 2nd grades of primary schools and secondary schools. Through online tasks and games, children learn the basics of sound money management, learn how banking products work, etc. Especially during the period of remote learning, this online learning platform became even more important. The number of classes registered on the website exceeded 12,000, and the number of solved tasks reached 4 million.

Zlatka.In has also been included in the National Register of Financial Education Projects established by the Ministry of Finance of the Czech Republic since 2020.

Raiffeisenbank and the Dobrý anděl Foundation have cooperated since the foundation was established ten years ago. Even in the challenging year of 2021, we donated to the foundation an amount exceeding CZK 1 million. The foundation is assisted annually on two levels. Last year, 221 employees of the bank were good angels, who contributed CZK 501,336 from their salaries to the foundation's beneficial activities. The bank's contribution for 2021 was CZK 600,000.

We started cooperating with the organisation SOS Children's Villages in 2020. Our assistance is specifically aimed at supporting their SOS Kompas prevention programme. Its long-term goal is to help families in difficulty, stabilise their situation, and enable them to provide a quality home and conditions for children who would otherwise be at risk of being removed from their original families. In addition, during the pandemic, this programme also focused on helping with remote learning for children from disadvantaged families. In 2021, our colleagues from the Kaizen programme, which is dedicated to finding and implementing cost-effective and efficient solutions, also focused on supporting the Kompas programme. We decided to donate part of the money that our colleagues managed to save in 2021 to the SOS Children's Villages account and handed over a check amounting to CZK 380,000 to their representatives. The funds will go to help the Olomouc region.

The environment

At Raiffeisenbank, we are constantly striving to increase the demands on the positive environmental impact of our business. We do so not only while implementing business activities (e.g. by financing projects with a positive impact on the environment), but the employees themselves also contribute to the positive impact on the environment, in particular recycling, optimising the use of transportation for business trips, and in general, replacing them with teleconferencing. We reduce electricity consumption in a long-term and systematic manner (e.g. by replacing light sources and marketing elements with modern technologies), and part of our responsible approach is the use of environmentally friendly cleaning products in our offices.

We are now becoming part of the recirculation economy – we cooperate, for example, with a furniture bank, the Circular Economy Institute, and the Cyrkl platform. In 2021, we moved the headquarters of Raiffeisen Stavební spořitelna to a modern building with a significantly higher energy rating (instead of an energy rating of D, the building of the headquarters now boasts a rating of A), which reduces negative environmental impacts. This involves reducing the energy consumption of the building, but also better accessibility to public transportation (the building is in close proximity to a metro station, city bus, and tram stops), as well as promoting the use of bicycles for employees.

Sponsoring activities

The areas of sponsorship are based on the bank's overall strategy, building on the brand's promise. When selecting sponsored activities, it is crucial not to split the partnership into many smaller activities, but to focus on key entities and events in the area of culture and sports.

Since 1 September 2017, Raiffeisenbank has been the proud general partner of the National Theatre, which is considered the main theatre in the Czech Republic and is a symbol of Czech identity and cultural heritage. Every evening, 3,000 spectators experience top artistic performances at four venues (the National Theatre, the Estates Theatre, the State Opera, and the New Stage). Up to 1,100 performances take place each year with more than 650,000 spectators. Each season, the National Theatre introduces approximately 20 premiere performances.

Raiffeisenbank has been recognised as the Bank of Czech Golf for many years. The bank is a long-term partner of the Czech Golf Federation (the governing body of golf in the Czech Republic). There are a number of areas of cooperation, including the status of Partner of the Czech golf team, joint organisation of a tournament series for the best amateur golfer Raiffeisenbank Czech Golf Amateur Tour, the International Championship of the Czech Republic presented by Raiffeisenbank, or a partnership as a part of the *"Bav se golfem"* platform, which presents golf to the general public in all of its beauty and dispels myths about golf as a sport for the higher-income group, and the popularity of this sport is growing with the general public. Thanks to the *"Se školou na golf"* project, golf began to be part of the curriculum in schools.

Raiffeisenbank is also a long-term general partner of the D + D Real Czech Masters Tournament and other Challenge Tour tournaments.

Since April 2021, Raiffeisenbank has been sponsoring a total of 600 bicycles from the Next Bike company in the cities of Prague, Brno, Olomouc, and Ostrava.

General Information about the Issuer

Company name:
Raiffeisenbank a.s.

Registered office:
Hvězdova 1716/2b, 140 78 Prague 4

Company registration number: 49240901

LEI: 31570010000000004460

Date of Incorporation:
25 June 1993

Court of registration and number under which the issuer is registered at this court:
Commercial Register at the Municipal Court in Prague, Section B, Insert 2051

The issuer was established in accordance with the laws of the Czech Republic, pursuant to Act no 513/1991 Coll. , the Commercial Code (or Act no. 90/2012 Coll., the Companies Act), and Act no. 21/1992 Coll., the Act on Banks. The issuer is a joint-stock company.

The issuer's scope of business under Article 2 of the issuer's Articles of Association is banking and financial transactions and other operations listed in the banking license, granted in accordance with Act no. 21/1992 Coll. The issuer is also entitled to set up branch offices or other company units in the Czech Republic and abroad, and to establish subsidiaries and hold capital interests provided that generally binding legal regulations are respected.

The Issuer does not have an organizational unit abroad.

As of 31 December 2021, Raiffeisenbank a.s. owns the following real estate:
In the real estate registration area of Hradec Králové, parcel number: construction parcel no. 103, additional land area no. 76, title deed no. 20767, identification code: 646873,
address: V Kopečku 75, 500 02 Hradec Králové.

The issuer does not depend on patents or licenses, industrial, commercial, or financial agreements, or new production processes which could be of fundamental significance for the issuer's business activities or profitability.

Return for shareholders

The objective of Raiffeisenbank's dividend policy is to ensure that shareholders are adequately remunerated for their investments while maintaining stable and sufficient capital adequacy at the level of both the Bank and the Group, taking into account current and anticipated regulatory requirements and potential growth opportunities.

This approach was not upheld in 2021 due to the acquisition of Equa bank a.s. In this context, the Bank's management decided not to pay a dividend in 2021 based on the Bank's financial results for 2020.

Information to Shareholders in accordance with Section 118(4) of Act no. 256/2004 Coll., the Capital Market Act

Section 118(4) letter a in connection with point 12.2 of Annex 1 to Commission Delegated Regulation (EU) 2019/980 of 14 March 2019 supplementing Regulation (EU) 2017/1129 of the European Parliament and of the Council as regards the format, content, scrutiny and approval of the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Commission Regulation (EC) No 809/2004

The bank hereby declares that it is not aware of any potential conflict of interests at the level of administrative, management, and supervisory bodies and the top management.

Section 118(4) letter a in connection with point 16.1 of Annex 1 to Commission Delegated Regulation (EU) 2019/980 of 14 March 2019 supplementing Regulation (EU) 2017/1129 of the European Parliament and of the Council as regards the format, content, scrutiny and approval of the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Commission Regulation (EC) No 809/2004

In Raiffeisen CEE Region Holding GmbH is the owner of 75% of the shares of the bank (and the corresponding share in the registered capital and voting rights). Raiffeisen CEE Region Holding GmbH is a subsidiary of Raiffeisen Bank International AG (indirectly). Regional Raiffeisen banks (Landesbanks) own approximately 59% of Raiffeisen Bank International AG, while the remaining shares are held by diverse investors (the shares are listed on the Vienna stock exchange). Representatives of the majority shareholder are in the bank's Supervisory Board, the Executive Committee and the Audit Committee. The Supervisory Board also includes a representative of the second shareholder, RLB OÖ Sektorholding GmbH, which holds 25% of the bank's shares (and the corresponding share in the registered capital and voting rights) and is a member of the group of Raiffeisenlandesbank Oberosterreich Aktiengesellschaft.

The specified main shareholders of the bank do not have different voting rights. The bank is not aware of any arrangements that could subsequently lead to a change of control over the bank.

Section 118(4) letter b:

Internal control is defined as a process carried out/influenced by the bank's Board of Directors, the executive body, and other employees, devised in such a way as to provide adequate assurance in reaching objectives in three areas:

- Effectiveness, efficiency, and economy
- Reliability of internal management and controls, including the protection of assets
- Harmonization with the rules and regulations

Key concepts of internal control:

- Internal control is a process (a means of reaching objectives, not an objective in and of itself),
- Internal control is carried out by people (it does not involve only forms and manuals, but people at each level of organization),
- Internal control can only achieve a proportional level of certainty (not absolute certainty, with respect to the management of the organization).

Control activities are an integral part of the everyday activities of the bank. The objective is to ensure that the risk undertaken was kept within the tolerance level set out by the management risk process.

Control activities include, in particular:

- Inspecting the management structure,
- Adequate control of mechanisms for the individual processes at the bank,
- Physical control.

The control system consists of, in particular:

- Control implemented by each employee when carrying out their work activities,
- Control implemented by the head employee when carrying out management activities,
- Compliance activities,
- Internal audit activities,
- Management of operational and other risks,
- Management of the continuity of the bank's activities.

The procedures for control activities are contained in the internal regulations of the bank and consist of approval procedures, authorization, verification, approval, reconciliation, control of performance, securing assets, separation of obligations, or establishing rights and obligations. Compliance with the established procedures and their adequacy is regularly verified. As a part of internal control, the bank has introduced and maintained internal mechanisms for preventative and subsequent evaluation of the functioning and effectiveness of the steering and control system as a whole and its integral parts.

Section 118(4) letter c:

The executive body of the bank is the Board of Directors. The bank's Board of Directors has eight members. The members of the Board of Directors are elected and recalled by the Supervisory Board. One of the members of the Board of Directors is elected as the chairman of the Board of Directors and one as the vice-chairman. The first term of office is three years, and if re-elected, the term of office is five years. Each member of the Board of Directors is also the executive director for a certain area of management. The Board of Directors constitutes a quorum if at least more than half of its members are present at a meeting. The Board of Directors makes decisions through voting, and the votes of a majority of all board members are required to adopt a resolution. In the event of a tied vote, the vote of the chairman of the Board is decisive. In addition to meetings, the Board of Directors may also make decisions through per-rollam voting.

The Supervisory Board is the supervisory body of the company. The Supervisory Board has twelve members, of which eight are elected and recalled by the Company's General Meeting and four are elected and recalled by the Company's employees. Members serve a term of five years. One of the members of the Supervisory Board is also elected chairman of the Supervisory Board and one of the vice-chairmen. The Supervisory Board constitutes a quorum if the majority of its members are present. A simple majority of votes of all Supervisory Board members is required to adopt resolutions. In addition to meetings, the Supervisory Board may also make decisions through per-rollam voting.

Additional executive and supervisory bodies of the issuer include the Executive Committee and the Audit Committee.

The Executive Committee of Raiffeisenbank a.s. was abolished by the decision of the General Meeting of the Company of 27 April 2021. Until that date, the members of the Executive Committee were Peter Lennkh, Hannes Mösenbacher and Reinhard Schwendtbauer.

The Audit Committee has three members who are appointed or removed by the General Meeting of the company among members of the Supervisory Board or third parties. The term of office of the members of the Audit Committee is five years. One of the members of the Audit Committee is also elected chair of the Audit Committee. The Audit Committee constitutes a quorum if at least two of its members are present at its meeting. The consent of a majority of all members of the Audit Committee is required for adopting a resolution. The Audit Committee may also make decisions outside a meeting on a per-rollam basis.

Members of the Audit Committee as at 31 December 2021 were Pavel Zavitkovsky (Chairman), Stanislav Staněk, and Andrea Vlasek.

Raiffeisenbank has 14 committees established by the Board of Directors:

Assets and Liabilities Committee

Quorum	Decision-making	
More than 50% of members present	Approval of all present members	
STOTTER MARTIN	Member of the Board for Risk	Chairman
KAMILA MAKHMUDOVA	Member of the Board & Chief Financial Officer	Vice-Chairman
JELÍNEK TOMÁŠ	Member of the Board for Markets & Investment Banking	Member
JEŽEK FRANTIŠEK	Member of the Board for Corporate	Member
KREIDL VLADIMÍR	Member of the Board for Retail	Member
BALGAVÝ ŠTEFAN	Head of Trading	Member
HANUŠ MARTIN	Head of Risk Controlling	Member
HOUFEK JAN	Head of Market Risk	Member
HRNČIAR MAROŠ	Head of Asset & Liability Management	Member

Credit Committee

Quorum	Decision-making	
At least three members of the committee and at least one must be from credit risk	Approval of all present members	
STOTTER MARTIN	Member of the Board for Risk	Chairman
PŘÍHODA HYNEK	Head of Corporate & SE Risk	Vice-Chairman
JEŽEK FRANTIŠEK	Member of the Board for Corporate	Member
VIDA IGOR	Chief Executive Officer	Member
ŠTĚPÁNÍK ZBYŠEK	Head of Corporate Credit Risk	Member
GÜRTLER TOMÁŠ	Executive Director Real Estate & Structured Finance	Member
TUTASS BARBARA	Head of Large Corporates	Member
ŠTĚTINA VÁCLAV	Head of Corporate Sales	Member
JELÍNEK TOMÁŠ	Member of the Board for Markets & Investment Banking	Member
POŘÍZ JAROSLAV	Head of Workout	Member
NOVOTNÝ MAREK	Head of Legal - Corporate & Treasury	Member

Problem Loans Committee

Quorum	Decision-making	
At least three members of the committee and at least one must be from Workout	Not specified	
STOTTER MARTIN	Member of the Board for Risk	Chairman
POŘÍZ JAROSLAV	Head of Workout	Vice-Chairman
VIDA IGOR	Chief Executive Officer	Member
PŘÍHODA HYNEK	Head of Corporate & SE Risk	Member
LÁTAL MAREK	Head of Legal & Management Support	Member
ŠUBERT LUBOMÍR	Head of Special Assets	Member
LANGMAYER JOSEF	RLCZ Representative	Member

Pricing and Interest Committee

Quorum	Decision-making	
More than 50% of members present	Consent of all present members needed for adopting a specific proposal	
KREIDL VLADIMÍR	Member of the Board for Retail	Chairman
VIDA IGOR	Chief Executive Officer	Vice-Chairman
ŠANDA FILIP	Head of Brand Strategy & Communication	Member
ŠTĚTKA PETR	Head of PI Segment & Product Management	Member
POLEDŇÁK MICHAL	Head of Corporate Development	Member
SMRČEK MARTIN	Head of Retail Risk & Collections	Member
HANUŠ MARTIN	Head of Risk Controlling	Member
POCHOPIN MARTIN	Head of Controlling & Cost Management	Member

Investment Committee for Asset Management

Quorum	Decision-making	
If at least four members of the committee are present at the meeting, and at least one must be the chairman or vice-chairman	Consent of all present members needed for adopting a specific proposal	
SLADKOVSKÝ JAROMÍR	Head of Investment Management	Chairman
ONDRUŠKA MICHAL	Head of Asset Management	Vice-Chairman
VIDA IGOR	Chief Executive Officer	Member
ZELINKA JIŘÍ	Head of Private Banking	Member
HANUŠ MARTIN	Head of Risk Controlling	Member
PADĚRA MIROSLAV	Portfolio Manager	Member

Retail Risk Management Committee

Quorum	Decision-making	
More than 50% of members present and at least one from Risk	Consent of all present members needed for adopting a specific proposal	
STOTTER MARTIN	Member of the Board for Risk	Chairman
SMRČEK MARTIN	Head of Retail Risk & Collections	Vice-Chairman
KREIDL VLADIMÍR	Member of the Board for Retail	Member
TICHÝ JOSEF	Head of Retail Underwriting	Member
ŠTĚTKA PETR	Head of PI Segment & Product Management	Member
HÁK ONDŘEJ	Head of Strategic Sales & Mortgage Business	Member

Operational Risk Management & Controls Committee

Quorum	Decision-making	
More than 50% of members present	Consent of more than 50% of all members needed to adopt a specific proposal	
STOTTER MARTIN	Member of the Board for Risk	Chairman
HANUŠ MARTIN	Head of Risk Controlling	Vice-Chairman
KREIDL VLADIMÍR	Member of the Board for Retail	Member
JEŽEK FRANTIŠEK	Member of the Board for Corporate	Member
JELÍNEK TOMÁŠ	Member of the Board for Markets & Investment Banking	Member
VIDA IGOR	Chief Executive Officer	Member
ONDRŮŠEK ČESTMÍR	Head of Compliance & Financial Crime Management	Member
MATULA MILOŠ	Member of the Board for Operations	Member
ŠTENGL PETR	Head of IT Operations	Member
LÁTAL MAREK	Head of Legal & Management Support	Member

Projects Committee

Quorum	Decision-making	
More than 50% of members present	Consent of a two-thirds majority of present members is needed to adopt a proposal	
VIDA IGOR	Chief Executive Officer	Chairman
MATULA MILOŠ	Member of the Board for Operations	Vice-Chairman
MATOUŠ VLADIMÍR	Member of the Board for IT	Member
KREIDL VLADIMÍR	Member of the Board for Retail	Member
JELÍNEK TOMÁŠ	Member of the Board for Markets & Investment Banking	Member
STOTTER MARTIN	Member of the Board for Risk	Member
JEŽEK FRANTIŠEK	Member of the Board for Corporate	Member

Real Estate Investment Committee

Quorum	Decision-making	
More than 50% of members present and at least one from Risk	Consent of all present members needed for adopting a specific proposal	
GÜRTLER TOMÁŠ	Executive Director Real Estate and Structured Finance	Chairman
LANEGGER ALOIS	RLCZ representative	Vice-Chairman
JEŽEK FRANTIŠEK	Member of the Board for Corporate	Vice-Chairman
STOTTER MARTIN	Member of the Board for Risk	Member
PŘÍHODA HYNEK	Head of Corporate & SE Risk	Member
ONDROUŠKOVÁ TEREZA	Head of Accounting & Taxes	Member

IT Change Control Committee

Quorum	Decision-making	
More than 50% of members present	Consent of a two-thirds majority of present members is needed to adopt a proposal	
MATOUŠ VLADIMÍR	Member of the Board for IT	Chairman
VIDA IGOR	Chief Executive Officer	Vice-Chairman
KREIDL VLADIMÍR	Member of the Board for Retail	Member
JEŽEK FRANTIŠEK	Member of the Board for Corporate	Member
STOTTER MARTIN	Member of the Board for Risk	Member
MATULA MILOŠ	Member of the Board for Operations	Member
JELÍNEK TOMÁŠ	Member of the Board for Markets & Investment Banking	Member
SLADKOVSKÝ JAROMÍR	Head of Investment Management	Member

Investment Products Committee

Quorum	Decision-making	
More than 50% of members present	Consent of most of all members of the committee is needed to adopt a proposal	
JELÍNEK TOMÁŠ	Member of the Board for Markets & Investment Banking	Chairman
SLADKOVSKÝ JAROMÍR	Head of Investment Management	Vice-Chairman
KREIDL VLADIMÍR	Member of the Board for Retail	Member
POCHOPIN MARTIN	Head of Controlling & Cost Management	Member
STOTTER MARTIN	Member of the Board for Risk	Member
ZELINKA JIŘÍ	Head of Private Banking	Member
POLEDŇÁK MICHAL	Head of Corporate Development	Member
FIGLOVSKÝ JAN	Head of Segment Management & Investment	Member
VIDA IGOR	Chief Executive Officer	Member

Corporate Products Committee

Quorum	Decision-making	
At least two members of the committee are present	Consent of at least two members of the committee	
JEŽEK FRANTIŠEK	Member of the Board for Corporate	Chairman
STOTTER MARTIN	Member of the Board for Risk	Vice-Chairman
MATULA MILOŠ	Member of the Board for Operations	Member

Retail Strategies Committee

Quorum	Decision-making	
More than 50% of members present	Consent of all present members needed for adopting a specific proposal	
KREIDL VLADIMÍR	Member of the Board for Retail	Chairman
VIDA IGOR	Chief Executive Officer	Vice-Chairman
ŠTĚTKA PETR	Head of PI Segment & Product Management	Member
ŠANDA FILIP	Head of Brand Strategy & Communication	Member
REMR JAN	Head of Branch Network	Member
HÁK ONDŘEJ	Head of Strategic Sales & Mortgage Business	Member
HEJNÝ ALEŠ	Head of Direct & Remote Sales	Member
ZELINKA JIŘÍ	Head of Private Banking	Member
PLZÁK MICHAL	Head of Digital Banking	Member

Local Security Committee

Quorum	Decision-making	
All members must be present	Consent of all present members needed for adopting a specific proposal	
KVÍČALA MIROSLAV	Head of Information Security	Chairman
OBEŠLOVÁ GABRIELA	Head of Security	Vice-Chairman
MATULA MILOŠ	Member of the Board for Operations	Member
STOTTER MARTIN	Member of the Board for Risk	Member
MATOUŠ VLADIMÍR	Member of the Board for Information Technology	Member
HÁMKOVÁ ANNA	Business Continuity Manager	Member
VANDŽURA MILAN	Physical Security Expert	Member

Each member of the Board of Directors is entitled to attend any meeting of any committee. Each member of the Board of Directors has veto power over any decision made by any committee. In such case, the specific matter is to be discussed at the following meeting of the Board of Directors.

Valid as at 31 December 2021

Section 118(4) letter d:

The registered capital of the issuer is allocated to the relevant number of common bearer shares with a nominal value of CZK 10,000 each. The company's shares are dematerialised and are not quoted. The same rights and obligations are associated with all the company's shares. These rights and obligations are set out in the relevant provisions of the company's Articles of Association and the Companies Act. The rights associated with the company's shares include the right to participate in the company's general meeting and to vote on matters within the competency of the general meeting, and the right to a share in the profit – dividends. Voting rights belonging to stock are based on the nominal value, with a single vote given for each CZK 10,000. None of the shares of the company have restrictions on voting rights. Each shareholder has the same rights to a share in the profit of the company – dividends – in the scope approved by the general meeting on the basis of the financial results of the company in a ratio equivalent to its share in the registered capital. Each shareholder has the same rights to participate in increasing the company's registered capital in proportion to its share in the registered capital and voting rights and also the obligation to pay up the subscribed shares by the deadline during an increase in the registered capital. There are no special rights or obligations associated with the company's shares, except for those set out in the Articles of Association of the company and in the Companies Act.

Section 118(4) letter e:

The competence of the General Meeting of the company is defined in the Companies Act and the Articles of Association of the companies.

The General Meeting constitutes a quorum if shareholders are present who have stock with a nominal value of more than half of the registered capital. Voting rights belonging to stock are based on the nominal value, with a single vote given for each CZK 10,000 (per share). The company has two shareholders whose shares in the registered capital and voting rights are 75% and 25%. Decisions of the General Meeting require a two-thirds majority of the duly submitted votes of present shareholders, unless specified otherwise by law or these Articles of Association. Voting at the General Meeting is performed by a show of hands (acclamation). Voting at the General Meeting or decision-making outside the General Meeting (per rollam) may be carried out by technical means relating to all matters in the competence of the General Meeting.

The following fall under the competence of the General Meeting:

a) Decisions about a change in the Articles of Association, unless this is a change resulting from an increase in the registered capital or a change which occurred based on other legal circumstances,
b) Decisions to increase or reduce the registered capital or to authorise the Board of Directors to increase the registered capital,
c) Decisions to issue bonds in accordance with Section 286 of the Companies Act,
d) Election and recall of members of the Supervisory Board and other bodies specified in the Articles of Association,
e) Approval of regular or extraordinary financial statements and consolidated financial statements, including, in legally mandated cases, interim financial statements, decisions on the distribution of profit, covering losses, and determining bonuses,
f) Decisions on registration of the company's participating securities in accordance with special legal regulations, and for cancelling their registration,
g) Decisions on liquidating the company,
h) Decisions on mergers, transfer of equity to a single shareholder, or demergers, or change of legal form,
i) Decisions on the conclusion of contracts for transfer of the enterprise or its significant portion or such amount of equity that would mean a substantial change to the actual scope of business or activities of the company, and/or its lease holding, or decisions on the conclusion of such contracts by controlled entities,
j) Approval of controlling contracts, contracts for transfer of profit, and contracts for silent partnerships, and other contracts establishing a right to a share in the profit or other own resources of the company, and their modification,
k) Decisions on other matters which the law or the Articles of Association place under the competence of the General Meeting.

Section 118(4) letter f:

Monetary and natural income received by top management from the issuer and from entities controlled by the issuer during the accounting period:

Remuneration table CZK thousands			**Monetary income**		**Natural income**
Board of Directors	Total	Remuneration Board member	68,912	77%	
		Other*	20,693	23%	3,590
		Total	89,605	-	3,590
	From entities controlled by the issuer		-		
Supervisory Board	Total	Remuneration Supvs. Board member	6,712	100%	
		Other	-		
		Total	6,712		
	From entities controlled by the issuer		-		
Other management	Total	Via employment	-		
		Other	-		
		Total	-		
	From entities controlled by the issuer		-		

*Including the flexible component and specific allowances arising from contracts (e.g. studies, housing)

Section 118(4) letter g:

The top managers of the issuer or closely related individuals do not own stock or similar securities representing a share in the issuer, do not hold any options or similar investment instruments related to the stock or similar security representing a share in the issuer, and are not the contracting parties of such contracts or have such contracts concluded in their favour.

Section 118(4) letter h:

Principles of remuneration for the top managers of the issuer

Remuneration for the members of the Board of Directors

The members of the Board of Directors perform their offices under a mandate agreement, and in accordance with Act no. 90/2012 Coll., the Companies Act, hold no executive positions.

The principles contained in the agreement on performance of the office of board member are:

- Fixed wage for performance as a board member (paid by the issuer and approved by the majority shareholder) – monetary remuneration,
- Flexible wage for performance as a board member upon fulfilment of the financial and non-financial criteria (paid by the issuer, approved by the Supervisory Board),
- Financial criteria: reaching the set amount of profit after tax, the ratio of costs to operating revenue, return on risk-weighted capital, complying with the operating costs and meeting the limit for weighted assets, and
- Non-financial criteria: meeting the goals relating to the strategic projects of the issuer, attaining quality with respect to providing products and services and relating to the activities of units under the direct management of the board member.

Payment of the flexible component of wages is duly regulated by the provisions of Annex 1 to Decree no. 163/2014 Coll., on performance of the undertakings of banks, savings banks, and credit institutions and securities traders, as amended, the application of which is contained in the Basic Regulations for Remuneration approved by the Supervisory Board. The flexible component of the wages for performance of the office of member of the Board of Directors is 50% paid based on a calculation according to the Value In Use methodology (ViU). This is based on the Dividend Discount Model (DDM) and is the sum of the Net Present Value (NPV) of dividends for the following five years from the year of valuation and the continuing value. This part of the remuneration is acknowledged in the following scheme: 60% deferred part by 18 months from the end of the business year for which the bonus is acknowledged. The remaining 40% is paid during the following five years, one -fifth paid each year. The second half of the flexible component of remuneration is acknowledged in the following scheme: 60% non-deferred part. The remaining 40% is paid during the following five years, one-fifth paid each year.

If the term of office is terminated and not extended, the deferred parts of the flexible wage component for the relevant years of the term of office pursuant to the paragraph above continue to be paid to the members of the Board of Directors according to the same principles.

The majority shareholder monitors and assesses fulfilment of the financial and non-financial criteria for the flexible wage and also proposes the amount of the flexible wage and submits a proposal for payment to the Supervisory Board.

The board members have company cars at their disposal for a total purchase price of CZK 10,489,178.

The above principles of remuneration for the members of the Board of Directors who are also in top management positions are valid as at June 2014.

Remuneration of the Supervisory Board members

- The Supervisory Board members are appointed by the General Meeting or are elected by the employees of the issuer

Under the agreement on the performance of the office, all members of the Supervisory Board (appointed by the General Meeting and elected from among the employees) are paid monetary remuneration. This remuneration is fixed in nature and is not dependent on the company's results. Shares in the profit or any other variable remuneration are not paid to members of the Supervisory Board.

The principles of remuneration for members of the Supervisory Board are contained in the Basic Principles of Remuneration approved by the Supervisory Board of the issuer.

Identification of top managers of the issuer, their job positions, and executive authority:

Board

Igor Vida, Chairman of the Board of Directors, responsible for Compliance & Financial Crime Management, Brand Strategy & Communication, People & Culture, Legal & Management Support, Internal Audit, Strategy, Change Management and R&D, Agile transformation, Reporting & BIA, Controlling & Cost Management, Accounting & Taxes

František Ježek, Member of the Board of Directors, responsible for Corporate banking
Miloš Matula, Member of the Board of Directors, responsible for Operations
Vladimír Kreidl, Member of the Board of Directors, responsible for Retail Banking
Tomáš Jelínek, Member of the Board of Directors, responsible for Markets & Investment Banking
Vladimír Matouš, Member of the Board of Directors, responsible for IT
Martin Stotter, Member of the Board of Directors, responsible for Risk management
Kamila Makhmudova, Member of the Board of Directors, responsible for Finance, since 1 December 2021

The Board of Directors is the executive body that manages the company's activities, that acts on behalf of the company, and that decides in all matters of the company that do not fall within the competence of the General Meeting or the Supervisory Board.

The Board of Directors secures the business management of the company, including the proper keeping of the company's accounts.

In particular, the Board of Directors is responsible for the following:

a) Handling the company's business management and securing the company's operations;
b) Setting, approving, and assessing the bank's strategy;
c) Exercising the employer's rights, setting and approving the concept of employment policies and the collective interests of employees;
d) Convening the General Meeting;
e) Arranging for and submitting to the General Meeting:
    i) A proposal for amending the articles of association,
    ii) A proposal for increasing or reducing the registered capital,
    iii) Approval for the ordinary, extraordinary, consolidated, or interim financial statements and a proposal for the distribution of profit, including setting the amount and manner of paying out dividends and bonuses,
    iv) A report on the business activities of the company and on the state of its assets within six months of the end of the calendar year,
    v) A proposal for the manner of covering the company's losses incurred during the business year as well as a proposal for additional approval of the use of a reserve fund,
    vi) A proposal for establishing and terminating other bodies not set out in the articles of association as well as for defining their function and powers;
f) Performing the resolutions of the General Meeting;
g) Deciding when to use resources from the reserve fund;
h) Keeping a list of shareholders;
i) Ensuring the proper management of mandatory records, accounting, business ledgers, and other company documents;
j) Electing and recalling head employees appointed to their positions under law, establishing their wages and remuneration;
k) Granting and recalling powers of attorney, after prior consultation with the Supervisory Board;
l) Determining the methods and means for the development and profitability of company operations and measures for using instruments of economic management, in particular relating to financing, the creation of prices, wages, salaries, and funds, and assessing the economic results;
m) Approving the internal regulations of the company and ensuring compliance with the internal regulations and the generally binding legal regulations by the Company's employees and the rules establishing the ethical principles of conduct of the company's employees;
n) Creating, maintaining, and assessing the effective steering and control system of the company and ensuring that all of the Company's employees have understood their role in the internal control system and are actively engaged in this system;
o) Approving and assessing the functional organizational structure of the company;
p) Negotiating with the top management on matters that relate to the effectiveness of the steering and control system and assessing the reports that are submitted to the Board of Directors and adopting adequate measures;
q) All other matters that are entrusted to the powers of the Board of Directors based on the valid generally binding legal regulations.

Additional regulation of the Board of Directors, its powers, and the rules of conduct are contained in the Rules of Procedure of the Board of Directors.

Supervisory Board:

Lukasz Januszewski, Chairman of the Supervisory Board
Peter Lennkh, Vice-Chairman of the Supervisory Board
Reinhard Schwendtbauer, Member of the Supervisory Board
Johann Strobl, Member of the Supervisory Board
Andreas Gschwenter, Member of the Supervisory Board
Hannes Mösenbacher, Member of the Supervisory Board
Andrii Stepanenko, Member of the Supervisory Board
Helena Horská, Member of the Supervisory Board
Kamila Štastná, Member of the Supervisory Board
Michal Prádka, Member of the Supervisory Board
Pavel Hruška, Member of the Supervisory Board
Taťána le Moigne, Member of the Supervisory Board

The Supervisory Board oversees performance of the powers of the Board of Directors and carrying out the business activities of the Company. The Supervisory Board reviews the ordinary, extraordinary, and consolidated or interim financial statements and the proposal for distribution of profit or covering losses and submits its statement to the General Meeting. Other matters that require the prior consent of the Supervisory Board are stipulated in the Rules of Procedure of the Supervisory Board. Consent of the Supervisory Board as well as the General Meeting is required for entering into an agreement based on which the company should acquire or divest assets, provided that the value of the acquired or divested assets during one accounting period exceeds one third of the equity capital recorded in the last ordinary financial statements or the consolidated financial statements. For the purpose of performing their positions, the members of the Supervisory Board are entitled to request the assistance of experts for the specific area under the management of the Supervisory Board, as set out above. The Supervisory Board reviews the effectiveness of the steering and control system of the company as a whole, and assesses it at least once a year. The Supervisory Board participates in the direction, planning, and assessment of the activities of internal audit and compliance. The Supervisory Board establishes principles and decides on the remuneration of members of the Board of Directors and the head of internal audit and compliance.

Additional regulation of the Supervisory Board, its powers, and the rules of conduct are contained in the Rules of Procedure of the Supervisory Board.

With effect from May 8, 2018, the Bank established the Remuneration Committee (RemCo) with the power to discuss matters and remuneration materials and makes recommendations to the Supervisory Board before final approval. Its members are:

Lukasz Januszewski – RemCo chairman
Johann Strobl – RemCo member
Peter Lennkh – RemCo member
Head of Group HR (expert)

Section 118(4) letter l:

Diversity Policy

Raiffeisenbank supports diversity because it values and respects diversity of opinion and believes that this diversity contributes to fairness, creativity and innovation. We support equal employment opportunities and enable employees to grow regardless of age, gender, opinion and life situation.

The policy of diversity, in our eyes, is a fundamental aspect of fair approach to our employees, clients and partners.

We enable diversity in all its forms and proactively pursue its development and support among our staff, including top levels of the bank's management. One of the key standards of Raiffeisenbank's recruitment is unconditional respect to the basic principles of diversity, respect to every candidate regardless of gender, sexual orientation, age, belief, special needs or other characteristics.

On the group level, our parent Raiffeisenbank International Group applies its Group Diversity Policy of 2018, primarily derived from Directive 2013/36/EU, Directive 2014/65/ EU and the specific principles of EBA/GL/2017/12 on the suitability of members of the management body and key function holders. Also, the group norm considers Directive 2014/95/EU and Regulation 575/2013/EU.

When selecting members of our statutory bodies, we always strive to ensure that every such member possesses balanced knowledge, skills and experience to perform the office, regardless of individual characteristics. All new members of Raiffeisenbank's Management and Supervisory Boards are appointed in line with these principles. Also, in this regard, Raiffeisenbank ensures proper and effective exercise of every employee's right to vote and to stand as a candidate for a member of the Supervisory Board representing the employees.

Section 118(4) letter j:

The bank has not officially adopted any corporate governance code. The bank observes the standards of the Raiffesen Bank International AG financial group.

Section 118(4) letter k:

Information on the fees charged by auditors for the accounting period, broken down by type of service, separately for the issuer and the consolidated group:

	2021
Consolidated group	**CZK mil.**
Statutory audit of financial statements	22
Other assurance engagements	6
Individually for RB	**CZK mil.**
Statutory audit of financial statements	9
Other assurance engagements	1

Other assurance engagements constitute the following services:

- Review of financial information for consolidation purposes prepared in accordance with the accounting instructions of the Raiffeisen Bank International Group for the period from 1 January 2021 to 30 June 2021;
- Verification (audit) of financial information for consolidation purposes prepared in accordance with the accounting instructions of the Raiffeisen Bank International Group for the year ending 31 December 2021;
- Test of impairment of financial assets at amortised cost and net profit attributable to shareholders of the bank and the Raiffeisenbank, a.s. group for the period from 1 January 2021 to 30 June 2021 for the purposes of applying the interim economic outturn in the statement of Capital and Risk Exposures;
- Test of impairment of financial assets at amortised cost and net profit attributable to shareholders of the bank and the Raiffeisenbank, a.s. group for the year ending 31 December 2021 for the purposes of applying the interim economic outturn in the statement of Capital and Risk Exposures;
- Preparation of a report on the adequacy of measures taken to protect client assets (MiFID II), pursuant to Section 12e(3) of Act no. 256/2004, the Capital Markets Act, as amended, and pursuant to Section 116a of Decree no. 163/2014 Coll., on performance of the activities of banks, savings and credit unions, and securities dealers for the needs of the Czech National Bank;
- Other assurance services relating to the covered bond prospectus containing the data necessary to identify the covered block monitor (*"Asset Monitor Programme"*);
- Services relating to the provision of professional services in the area of the banking benchmark for the financial statements of the bank and selected competing banks;
- Services relating to preparation and submission of tax form 1042-S for the United States Treasury Department.

In addition to the statutory audit, the auditor provided in 2021 the following to the companies controlled by the Bank:

- Tax advice in connection with control of the setting of rules in the area of transfer prices and corporate income tax returns for the year 2021.

Section 129 Information on the Guarantee Fund contribution

As a securities trader, Raiffeisenbank contributes to the Guarantee Fund which safeguards the guarantee system from which compensation is paid to clients of securities traders unable to meet their client obligations. The basis for calculating Raiffeisenbank's contribution to the Guarantee Fund for 2021 was CZK 482 million and the amount of the contribution was CZK 10 million. In 2020, the basis for calculating the contribution was CZK 348 million and the contribution was CZK 7 million.

Expenses relating to research and development

In 2021, the Bank spent CZK 227 million on research and development. Most of the expenditure was associated with development studies and the implementation of individual projects, especially in the field of information technology and systems.

Information about securities

International bond programme for Raiffeisenbank mortgage bonds

Maximum volume of unpaid bonds:
EUR 5,000,000,000

The bond programme consists of a maximum unpaid bond volume of EUR 5,000,000,000. The prospectus for the bond programme containing the general issue terms was approved by the Commission de Surveillance du Secteur Financier in Luxembourg and was announced to the Czech National Bank.

The following is a list of bonds issued as a part of the programme that have not yet reached maturity.

HZL RBCZ 4Y

ISIN:	XS1574150261
Issue date:	8 March 2017
Class:	mortgage bond
Form:	bearer
Type:	dematerialised
Total issue volume:	EUR 300,000,000
Par value per security:	EUR 100,000
Quantity:	3,000

Interest on bonds and maturity dates for interest or other yield: the yield on the Bonds is composed of the fix interest rate of 0.50% p.a., paid annually always by 8 March retrospectively each year.
Method of transferring the securities: transferability is not restricted; mortgage bonds are transferred on registration of the transfers at Clearstream Banking société anonyme Luxembourg and/or Euroclear Bank SA/NV in accordance with the valid regulations.
Issue administrator: Citibank N.A.
Designated premises of the administrator: Citibank N.A., Citi Centre, Canada Square, Canary Wharf, London E14 5LB, United Kingdom,
Names of the regulated markets on which the securities are accepted for trading: Bourse de Luxembourg (from the date of issue);
Bond currency: EUR
Maturity of bonds: the mortgage bonds are payable in their par value on 8 March 2021.

HZL RBCZ 6Y

ISIN:	XS1574150857
Issue date:	8 March 2017
Class:	mortgage bond
Form:	bearer
Type:	dematerialised
Total issue volume:	EUR 300,000,000
Par value per security:	EUR 100,000
Quantity:	3,000

Interest on bonds and maturity dates for interest or other yield: the yield on the Bonds is composed of the fix interest rate of 0.875% p.a., paid annually always by 8 March retrospectively each year.
Method of transferring the securities: transferability is not restricted; mortgage bonds are transferred on registration of the transfers at Clearstream Banking société anonyme Luxembourg and/or Euroclear Bank SA/NV in accordance with the valid regulations.
Issue administrator: Citibank N.A.
Designated premises of the administrator: Citibank N.A., Citi Centre, Canada Square, Canary Wharf, London E14 5LB, United Kingdom
Names of the regulated markets on which the securities are accepted for trading: Bourse de Luxembourg (from the date of issue);
Bond currency: EUR
Maturity of bonds: the mortgage bonds are payable in their par value on 8 March 2023.

HZL RBCZ 7Y

ISIN:	XS1574151236
Issue date:	8 March 2017
Class:	mortgage bond
Form:	bearer
Type:	dematerialised
Total issue volume:	EUR 300,000,000
Par value per security:	EUR 100,000
Quantity:	3,000

Interest on bonds and maturity dates for interest or other yield: the yield on the Bonds is composed of the fix interest rate of 1.125% p.a., paid annually always by 8 March retrospectively each year.
Method of transferring the securities: transferability is not restricted; mortgage bonds are transferred on registration of the transfers at Clearstream Banking société anonyme Luxembourg and/or Euroclear Bank SA/NV in accordance with the valid regulations.
Issue administrator: Citibank N.A.
Designated premises of the administrator: Citibank N.A., Citi Centre, Canada Square, Canary Wharf, London E14 5LB, United Kingdom
Names of the regulated markets on which the securities are accepted for trading: Bourse de Luxembourg (from the date of issue);
Bond currency: EUR
Maturity of bonds: the mortgage bonds are payable in their par value on 8 March 2024.

RBCZ EUR HZL 7

ISIN:	XS2406886973
Issue date:	15 November 2021
Class:	Mortgage bond
Form:	Bearer
Type:	Dematerialised
Total issue volume:	EUR 500,000,000
Par value per security:	EUR 100,000
Quantity:	3,000

Interest on bonds and maturity dates for interest or other yield: fixed interest rate of 0.70% p.a., payable once a year retrospectively to 15 November.
Method of transferring the bonds: transferability is not restricted; bonds are transferred on registration of the transfers at Clearstream Banking societe anonyme Luxembourg; and/or Euroclear Bank SA/NV in accordance with their valid regulations.
Issue administrator: Citibank N.A.
Designated premises of the administrator: Citibank N.A., Citi Centre, Canada Square, Canary Wharf, London E14 5LB, United Kingdom
Names of the public markets on which the securities are accepted for trading: Bourse de Luxembourg (from the date of issue);
Bond currency: EUR
Maturity of bonds: the mortgage bonds are payable in their par value on 15 November 2031.

Rights associated with the bonds: All rights and obligations associated with the Bonds are governed by and construed in accordance with the laws of Germany. The rights and obligations of the block of bonds is governed and construed in accordance with the laws of the Czech Republic.

Raiffeisenbank a.s. bond programme

Maximum volume of unpaid bonds: EUR 5,000,000,000

The bond programme has a maximum unpaid bond volume of EUR 5,000,000,000. The prospectus for the bond programme containing the joint general issue terms is registered at the Commission de Surveillance du Secteur Financier in Luxembourg and was reported to the Czech National Bank. The following is an overview of the thus far unpaid bonds issued as a part of this Raiffeisenbank a.s. bond programme.

RBCZ Float 03/22/26

ISIN:	XS2321749355
Issue date:	18 March 2021
Class:	Corporate bond
Form:	Bearer
Type:	Dematerialised
Total issue volume:	CZK 4,000,000,000
Par value per security:	CZK 50,000
Quantity:	80,000

Interest on bonds and maturity dates for interest or other yield: the interest rate is calculated based on the 6M PRIBOR + 0.6% p.a., paid biannually.
Method of transferring the bonds: transferability is not restricted; the bonds are transferred on registration of the transfers at Clearstream Banking societe anonyme Luxembourg and/or Euroclear Bank SA/NV in accordance with their valid regulations; however, a secondary market has not been created for this product.
Issue administrator: Citibank N.A., London Branch
Designated premises of the administrator: Citibank N.A., Citi Centre, Canada Square, Canary Wharf, London E14 5LB, United Kingdom
Names of the public markets on which the securities are accepted for trading: Bourse de Luxembourg (from the date of issue);
Bond currency: CZK
Maturity of bonds: the bonds are payable in their par value on 22 March 2026
Embedded option: call option on the side of the Issuer (i.e. option of early repayment of the bond) as at 22 March 2025 (subject to approval of the resolution authority)
Rights associated with the bonds: All rights and obligations associated with the Bonds are governed by and construed in accordance with the laws of Germany, subject to the provisions of the Czech insolvency act, the Czech Act on Recovery and Resolution in the Financial Market, and any other relevant provisions of Czech law.

EUR FIX TO VAR

ISIN:	XS2348241048
Issue date:	9 June 2021
Class:	Corporate bond
Form:	Bearer
Type:	Dematerialised
Total issue volume:	EUR 350,000,000
Par value per security:	EUR 100,000
Quantity:	3,500

Interest on bonds and maturity dates for interest or other yield: fixed interest rate of 1% p.a. with a transition to a variable interest rate 3M EURIBOR + 1.3% p.a., paid annually (fixed rate) or quarterly (variable rate)
Method of transferring the bonds: transferability is not restricted; the bonds are transferred on registration of the transfers at Clearstream Banking societe anonyme Luxembourg and/or Euroclear Bank SA/NV in accordance with their valid regulations; this bond is not intended for retail investors.
Issue administrator: Citibank N.A., London Branch
Designated premises of the administrator: Citibank N.A., Citi Centre, Canada Square, Canary Wharf, London E14 5LB, United Kingdom
Names of the public markets on which the securities are accepted for trading: Bourse de Luxembourg (from the date of issue);
Bond currency: EUR
Maturity of bonds: the bonds are payable in their par value on 9 June 2028

Embedded option: call option on the side of the Issuer (i.e. option of early repayment of the bond) as at 9 June 2027 (subject to approval of the resolution authority)

All rights and obligations associated with the Bonds are governed by and construed in accordance with the laws of Germany, subject to the provisions of the Czech insolvency act, the Czech Act on Recovery and Resolution in the Financial Market, and any other relevant provisions of Czech law.

Other

HZL RBCZ CRR 1.00/30

ISIN:	CZ0002007057
Issue date:	15 July 2020
Class:	Bond
Form:	Bearer
Type:	Dematerialised
Total issue volume:	CZK 1,000,000,000
Par value per security:	CZK 10,000,000
Quantity:	100

Interest on bonds and maturity dates for interest or other yield: fixed interest rate of 1% p.a., payable once a year retrospectively, always by 15 July of each year;
Method of transferring the bonds: transferability is not restricted;
the Covered Bonds are transferred on registration of the transfer on the owner's account at the Central Depository, in accordance with the valid regulations and the regulations of the Central Depository;
Issue administrator: Raiffeisenbank a.s.;
Designated premises of the administrator: Hvězdova 1716/2b, 140 78 Prague 4, Czech Republic;
Names of the public markets on which the securities are accepted for trading: MTF;
Bond currency: CZK;
Maturity of bonds: the bonds are payable in their par value on 15 July 2030.

Rights associated with the bond: The rights and obligations associated to this bond and the rights and obligations of the cover block are governed by and construed in accordance with the law of the Czech Republic.

Year 2022

The year 2022 will be significant for Raiffeisenbank on several levels. We are anticipating the continuation of commenced projects relating to the digitalization of services and expansion of the range of products in the area of ESG.

A key project is fully integrating EQUA Bank clients into Raiffeisenbank's systems. This step will be preceded by a gradual operational merger of the two companies. Our priority is to create a unified new corporate culture that will reflect two strategic priorities – focus on clients and employee empowerment.

We will concentrate our energy on, among other things, maintaining a leading position in the area of client satisfaction, which is one of our key priorities in the long term. Here, Raiffeisenbank excels in terms of friendliness and communication when compared to the competition.

We will also work to improve online and mobile banking and will focus on further interconnecting the services within the Raiffeisen Group in the Czech Republic.

The uncertainty caused by the situation in Ukraine will be a major challenge for all in Europe. However, the exposure of the domestic Raiffeisenbank in the affected regions is marginal. Our business takes place primarily in the Czech Republic and the countries of the European Union, and therefore, this situation will not change our extraordinary financial stability. However, as a moral obligation for all of us, I am aware of the need to support people coming from areas affected by the war to the Czech Republic. On behalf of Raiffeisenbank, I can promise that our support will be one of the strongest of any company in the Czech Republic and will be long-term.

Igor Vida
Chairman of the Board
and CEO Raiffeisenbank

Report of the Chairman of the Supervisory Board

Dear Ladies and Gentlemen,

During the 2021 financial year, the members of the Supervisory Board held 4 ordinary meetings. In addition, if necessary, the Supervisory Board took decisions outside the meeting in the form of per-rollam. The overall attendance rate for Supervisory Board meetings was around 90 per cent.

The Supervisory Board regularly and comprehensively monitored the business performance and risk developments at Raiffeisenbank a.s. Discussions were regularly held with the Management Board on the adequacy of capital and liquidity, as well as on the direction of the bank's business and risk strategies. The Supervisory Board also dealt at length with further developments within corporate governance and monitored the implementation of corresponding policies. In course of its monitoring and advisory activities, the Supervisory Board maintained direct contact with the responsible Management Board members, the auditor and heads of the internal control functions. It also maintained a continuous exchange of information and views with representatives from supervisory authorities on topical issues.

Moreover, the Management Board provided the Supervisory Board with regular and detailed reports on relevant matters concerning performance in the respective business areas. Between meetings, the Supervisory Board maintained close contact with the Chairman and members of the Management Board. The Management Board was available when required for bilateral or multilateral discussions with members of the Supervisory Board, where applicable with the involvement of experts on matters being addressed.

The work undertaken together with the Management Board was based on a relationship of mutual trust and conducted in a spirit of efficient and constructive collaboration. Discussions were open and critical, and the Supervisory Board passed resolutions after fully considering all aspects. If additional information was required in order to consider individual issues in more depth, this was provided to members of the Supervisory Board without delay and to their satisfaction.

In addition to the standard agenda items, such as monitoring the company's ongoing business results, the Supervisory Board concentrated on so-called Focus Topics at each meeting, and proper attention was given to these topics.

In 2021, these topics related in particular to acquisition of the portfolio of Equa bank, a. s., retail clients from ING Czech Republic, and also the integration of Raiffeisen stavební spořitelna, a. s. (100% subsidiary of Raiffeisenbank a. s.). In addition, the Supervisory Board performed its statutory functions provided for in the Articles of Association of the companies and the generally binding legal regulations of the Czech Republic. The Supervisory Board reviewed the separate financial statements and consolidated financial statements and the proposal for the distribution of profit for 2020 and recommended that the General Meeting approve them. The internal audit and compliance departments also submitted their regular reports to the Supervisory Board at each meeting. The Head of the Internal Audit Department and the Head of the Compliance Department regularly attended the meetings of the Supervisory Board.

Considering what can honestly be described as an unprecedented year due to the challenges resulting from the COVID-19 pandemic, I would like to take this opportunity to sincerely thank the Management Board and all employees of Raiffeisenbank for their unwavering efforts, and also our customers for their continued trust during these exceptional times.

On behalf of the Supervisory Board

Lukasz Januszewski
Chairman of the Supervisory Board

Note: Photo RBI / David Sailer.

Report of the Supervisory Board of Raiffeisenbank a.s.

1) The Supervisory Board carried out its tasks in accordance with Section 446 to 447 of the Companies Act, the Articles of Association of Raiffeisenbank a.s., and the company's rules of procedure. The Board of Directors presented reports on the bank's operations and its financial situation to the Supervisory Board at regular intervals.
2) The financial statements were prepared in accordance with the International Accounting Standards.
3) The financial statements were audited by *"Deloitte Audit s.r.o."* In the opinion of the auditor, the financial statements give a true and fair view of the financial position of Raiffeisenbank a.s. as of 31 December 2021, and of its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standards as adopted by the EU.
4) The Supervisory Board examined the annual financial statements and the Report on Related Parties for the year 2021, including the proposed distribution of earnings, accepted the results of the audit of the financial statements for 2021, and recommended that the General Meeting approve them without comments.

Executive and Supervisory Bodies

Board of Directors

Chairman of the Board of Directors

Ing. Igor Vida

Born: 1 April 1967

Residing at: Gorazdova 1, 811 04 Bratislava, Slovakia

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

Member of the Assets and Liabilities Committee
Member of the Credit Committee
Member of the Problem Loan Committee
Chairman of the Projects Committee
Member of the Price and Interest Committee
Member of the Asset Management Investment Committee
Member of the Committee on Operational Risk and Control
Member of the IT Change Control Committee
Member of the Investment Products Committee
Member of the Retail Strategies Committee

Board Members

Ing. František Ježek

Born: 5 April 1972

Residing at: Česká 1135/5, 158 00 Prague 5 - Košíře, Czech Republic

Member of the Board of Directors since 1 October 2012, responsible for Risk Management and since 15 April 2018 responsible for Corporate banking. Prior to joining Raiffeisenbank, he worked at the Vienna headquarters of Raiffeisen Bank International AG as the head of retail risk for all of the 15 markets in Central and Eastern Europe. Prior to working at RBI, he worked at Multiservis and in the GE Money group.

Member of the Assets and Liabilities Committee
Member of the Credit Committee
Member of the Projects Committee
Vice-Chairman of the Commission for Real Estate Investment
Member of the IT Change Control Committee
Chairman of the Corporate Products Committee
Member of the Committee on Operational Risk and Control

Tomáš Jelínek

Born: 2 February 1976

Residing at: V Pohodě 757, 252 41 Dolní Břežany, Czech Republic

Tomáš Jelínek has been a member of the Board of Directors responsible for Markets & Investment Banking since 1 January 2020. He began his professional career in banking in 2000 at Citibank and has been a member of the Raiffeisenbank team since 2005. He started as Head of Retail Risk Department, then worked in the positions of Head of Retail Risk and Credit Portfolio Management and Chief Financial Officer. He also worked for the parent RBI for two years as Head of Collection Program.

Member of the Assets and Liabilities Committee
Member of the Projects Committee
Member of the IT Change Control Committee
Member of the Investment Products Committee
Member of the Operational Risk and Control Management Committee
Member of Interest Committee

PhDr. Vladimír Kreidl, MSc.

Born: 23 April 1974

Residing at: U Starého židovského hřbitova 17, 150 00 Prague 5, Czech Republic

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

Member of the Assets and Liabilities Committee
Chairman of the Pricing and Interest Committee
Vice-Chairman of the Retail Risk Management Committee
Member of the Projects Committee
Member of the IT Change Control Committee
Member of the Investment Products Committee
Chairman of the Retail Strategies Committee
Member of the Operational Risk and Control Management Committee

Ing. Miloš Matula

Born: 1 October 1976

Residing at: Ječmínkova 3085/10, Líšeň, 628 00 Brno, Czech Republic

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

Member of the Operational Risk and Control Management Committee
Vice-Chairman of the Projects Committee
Member of the IT Change Control Committee
Member of the Corporate Products Committee
Member of the Local Security Committee

Mag. Dr. Martin Stotter

Born: 7 April 1976

Residence: 1020 Wien, Heinestrasse 12/12, Republic of Austria

Head of the Board of Directors responsible for Risk management since 15 April, 2018. Prior to joining Raiffeisenbank a.s. since March 2016, he has worked in the sister Raiffeisen Bank a.d. (Serbia) as a member of the Board of Directors responsible for Risk management. In 2014-2016 he was a member of the Board of Directors responsible for Risk management at Raiffeisen Bank d.d. (Slovenia). In 2012-2014, he worked at Raiffeisen Landesbank Steiermark AG, Graz as Deputy Chief Risk Officer (COO) and Chief Operating. He also served as a member of the Supervisory Board of Raiffeisenbank in Hungary and has been with the Raiffeisen Group since 2002.

Member of the Assets and Liabilities Committee
Chairman of the Credit Committee
Chairman of the Operational Risk and Control Management Committee
Chairman of the Problem Loans Committee
Chairman of the Retail Risk Management Committee
Member of the Project Committee
Member of the Commission for Real Estate Investment
Member of the IT Change Control Committee
Member of the Investment Products Committee
Vice Chairman of the Corporate Products Committee
Member of the Local Security Committee

Ing. Vladimír Matouš

Born: 25 April 1961

Residing at: Semická 2026/14, 143 00 Prague 4 - Modřany, Czech Republic

Member of the Board of Directors responsible for Information Technology since 1 July, 2018. Prior to joining Raiffeisenbank a.s. has been operating in Tatra Bank since 2010, a.s. (Slovakia) as a member of the board of Directors responsible for IT. In 2008-2010, he worked for T-Systems Czech Republic as Senior Vice President of ICT Operations. From 2004 to 2008 he worked for T-Mobile Czech Republic as Vice President of Technology Operations.

Member of the Project Committee
Chairman of the IT Change Control Committee
Member of the Local Security Committee

Kamila Makhmudova

Date of birth: 4 June 1976

Residing at: 1020 Vienna, Wittelsbachstrasse 4/16, Austria

Member of the Board of Directors responsible for Finance since 1 December 2021. She has more than twenty years of experience in international banking and extensive expertise in mergers and acquisitions from organisations inside and outside Europe. Since 2007, she has held various positions at Raiffeisen Bank International AG, most recently Director of Corporate Development and Strategy Management.

Member of the Operational Risk and Control Committee*
Member of the IT Change Control Committee*
Member of the Project Committee*
Member of the Assets and Liabilities Management Committee*

* Since January 2022

Supervisory Board

Chairman of the Supervisory Board

Mag. Lukasz Janusz Januszewski

Born: 1 October 1978

Residing at: 05-520 Konstancin Jeziorna, Vincent van Gogha 5, Republic of Poland

Member of the Supervisory Board of Raiffeisenbank a.s. from 24 April 2018. On 8 May 2018 he was elected Chairman of the Supervisory Board of Raiffeisenbank a.s. From March 2018, he is a member of the Board of Directors of Raiffeisen Bank International AG responsible for Markets & Investment Banking. Since 1998 he has worked in Raiffeisen Bank Polska in various positions connected with Treasury, Capital Markets and Investment Banking. In 2007-2018 he was a Member of the Board of Directors responsible for Markets & Investment Banking.

Vice-Chairman of the Supervisory Board

Mag. Peter Lennkh

Born: 10 June 1963

Residing at: Pierronngasse 5, 1140 Vienna, Austria

Member of the Supervisory Board since October 2013. From December 2013, he was elected Vice-Chairman of the Supervisory Board. Prior to this, he was a member of the Supervisory Board of Raiffeisenbank a.s. from 2005 to 2007. In 1988, he joined Raiffeisen Zentralbank AG, and since that time, he has worked in various positions in the group. Since 2004, he is a member of the Board of Directors of Raiffeisen Bank International AG, now responsible for Corporate Banking.

Members of the Supervisory Board

Mag. Reinhard Schwendtbauer

Born: 11 September 1972

Residing at: Lukasweg 23, 4060 Leonding, Austria

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

Dr. Johann Strobl

Born: 18 September 1959

Residing at: Hauptstrasse 37, Walbersdorf, Austria

Member of the Supervisory Board since April 2014. From 1989, Johann worked at Bank Austria Creditanstalt, and from 2004, in the position of member of the Board of the Directors responsible for risk management and finance. In 2007, he became a member of the Board of Directors of Raiffeisen Zentralbank AG responsible for risk management. Starting in 2010, he is a member of the Board of Directors of Raiffeisen Bank International AG responsible for risk management, and from June 2013, also the deputy CEO. In March 2017 he became Chairman of the Board of Directors and CEO of Raiffeisen Bank International AG.

Mag. Andreas Gschwenter

Born: 16 January 1969

Residing at: Wolkersbergenstrasse 14, 1130 Vienna, Austria

Member of the Supervisory Board of Raiffeisenbank a.s. since19 August 2015. From 2010, he was a member of the Board of Directors of the Ukrainian Raiffeisen Bank Aval responsible for IT and Operations. In July 2015, he became a member of the Board of Directors of Raiffeisen Bank International AG responsible for IT and Operations.

Mag. Dr. Hannes Mösenbacher

Born: 11 March 1972

Residing at: Wisentgasse 39, 3400 Klosterneuburg, Austria

Member of the Supervisory Board of Raiffeisenbank a.s. since April 27 2017. Since March 2017, he has been a member of the Board of Directors of Raiffeisen Bank International AG, responsible for the area of risk management (CRO). Prior to 2009 he worked for Raiffeisen Bank International AG (Raiffeisen Zentralbank Österreich AG) as Head of Risk Controlling. From 2000 to 2008, he was employed at Bank Austria Creditanstalt, Vienna in various positions associated with risk management.

Andrii Stepanenko

Born: 28 April 1972

Residing at: Vorlaufstrasse 3/503, 1010 Vienna, Austria

Member of the Raiffeisenbank from 24 April 2018. At the same time he became a Member of the Board of Directors of Raiffeisen Bank International AG responsible for Retail Banking. Under the Raiffeisen brand he has been working since 1998, first at AKB Raiffeisenbank Ukraine, subsequently in Raiffeisen Zentralbank AG. From 2003 to 2007 he worked at ZAO Raiffeisenbank Austria, where he was responsible for Risk management. Since 2012 he has been in various positions in the Russian AO Raiffeisenbank, most recently as Vice-Chairman of the Board of Directors responsible for Retail Banking and SME.

Ing. Helena Horská, PhD.

Date of birth: 27 November 1974

Residing at: K Habru 174, 251 65 Zvánovice, Czech Republic

Member of the Supervisory Board of Raiffeisenbank a.s. elected by the company's employees since 11 January 2019. In Raiffeisenbank a.s. has been working since 2004, currently in the position of Head of Economic Research.

Ing. Kamila Šťastná, MBA

Date of birth: 26 January 1973

Residing at: Sokolovská 371/1, Karlín, 186 00 Prague 8, Czech Republic

Member of the Supervisory Board of Raiffeisenbank a.s. elected by the company's employees since 11 January 2019. In Raiffeisenbank a.s. has been working since 1999, currently in the position of Head of Large Corporates Team.

Ing. Michal Přádka, MBA

Date of birth: 26 January 1977

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

Member of the Supervisory Board of Raiffeisenbank a.s. elected by the company's employees since 11 January 2019. In Raiffeisenbank a.s. has been working since 1999 (originally at Expandia Bank), currently in the position of Head of Region - North Moravia.

Mgr. Pavel Hruška

Date of birth: 17 November 1973

Residing at: Nehvizdská 954/7, Hloubětín, 198 00 Praha 9, Czech Republic

Member of the Supervisory Board of Raiffeisenbank a.s. elected by the company's employees since 11 January 2019. Raiffeisenbank a.s. has been working since 2005, currently in the position of Head of Operational Risk.

Taťána le Moigne

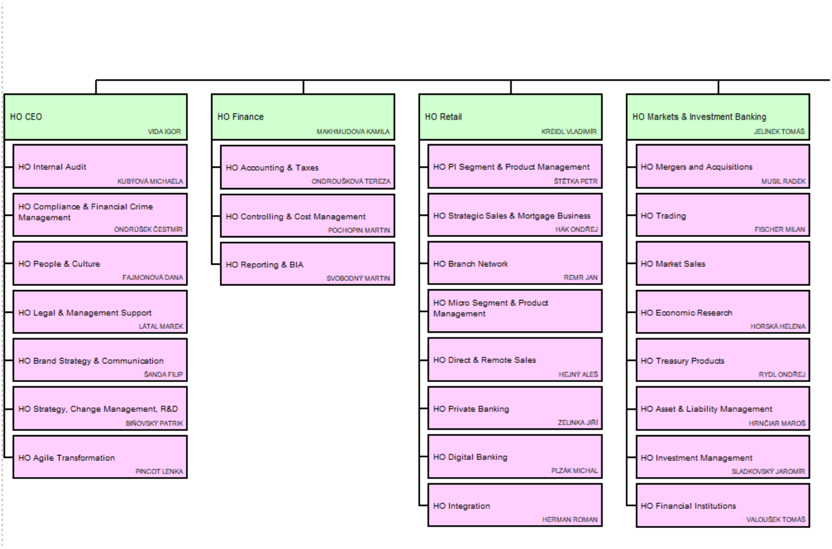
Date of birth: 4 April 1967

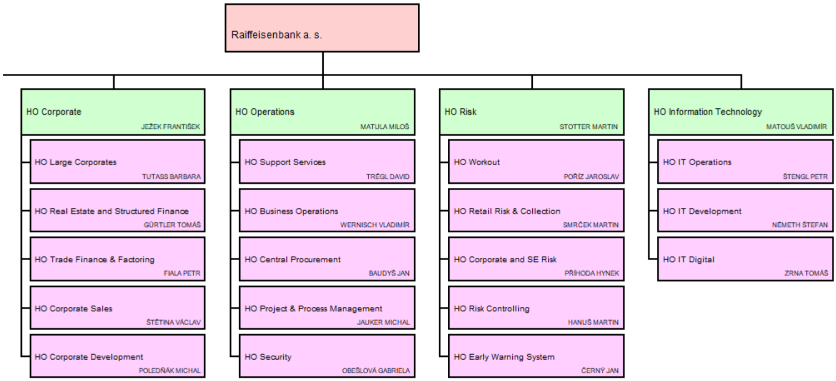
Residing at: Janáčkovo nábřeží 471/49, Smíchov, 150 00 Prague 5, Czech Republic

Independent member of the Supervisory Board of Raiffeisenbank a.s. from 27 August 2019. She graduated from the University of Economics in Prague. Since 2006, she has been the CEO of Google Czech Republic. She also holds the position of Country Director at the Slovak Republic, Hungary and Romania at Google.

Valid as at 31 December 2021.

Organisational chart





Valid as at 31 December 2021.

Economic Development

World economy copes with pandemic in various ways

The US economy has recovered faster than the Eurozone following the economic slump caused by the pandemic. According to data from Bloomberg, the US economy had already reached the pre-pandemic level in Q2 2021 and was 3.1% higher in the final quarter of the year. Despite persistent supply chain problems, recurring coronavirus waves, extreme rises in energy prices, and many other complications, the United States' GDP increased by 57% last year (Bloomberg data). The main driving force was household consumption, supported by massive budget stimuli, while foreign trade hampered economic recovery. According to preliminary Eurostat data, the Eurozone, our main trading partner, grew by 5.5% last year. Pre-pandemic levels were not reached until the last quarter of the year. The main stimuli for economic recovery were household consumption, government spending, and foreign trade. On the contrary, private investment hampered growth. During the year, rising inflation was added to complications relating to the pandemic, first with producer prices and later consumer prices. The belief that the pressure on inflation was temporary had weakened, and even the world's central banks had begun to admit that this in part could be a longer-term phenomenon. While the eurozone experienced supply-driven inflation in 2021, demand-side inflationary pressures began to manifest themselves in the United States by the end of the year. Unlike the central banks of the central European region, the Fed and the ECB had not yet tightened monetary conditions last year.

Czech economy catches up with COVID losses

According to the preliminary estimate of the Czech Statistical Office (CSO), the Czech economy recorded growth of 3.3% in 2021, which can be assessed as a positive result, taking into account the omicron wave and restrictions on industrial activity due to a lack of production components. The automotive sector has traditionally been most affected by this. Economic recovery has been uneven across sectors. In terms of the main components of GDP, household consumption is already slightly above the pre-crisis level, while investments are still lagging behind according to CSO data. Thus, we can also observe the unequal development in the individual components. For example, expenditures in the goods sector exceed those in services, which is a consequence of lockdowns observed in other economies as well. There is no exception even for the retail segments, where the hotel industry, restaurants and catering, and everything connected with foreign tourism are still impaired. As a whole, however, the economy performed relatively well, and was even pleasantly surprised during the last quarter of 2021 with quarterly growth of 0.9% (CSO preliminary estimate). According to the CSO, foreign demand and the ongoing recovery in the services sector had a favourable effect. Developments relating to the pandemic and GDP show that the economy has become more resilient with each new coronavirus wave. However, the tempo of recovery is slower than in the Eurozone. In Q4 2021, GDP was 2.1% below the pre-pandemic level, while in Q3 2021, the gap was 3%.

Czech labour market continues to overheat and inflation rises sharply

Domestic unemployment remains among the lowest in the EU. The share of unemployed persons (Ministry of Labour and Social Affairs) reached 3.8% last year. A strained labour market, together with high consumer inflation and rising inflation expectations among businesses and consumers, are pushing wage growth up. The increase in the minimum and guaranteed wage by 6.6% has a similar effect.

The tempo of inflation increased during the final months of last year and ended 2021 at 6.6% (CSO). The average for the whole year was 3.8%. Core inflation ended the year at 8.6%, averaging 4.8%. The prices of most items in the consumer basket increased at an above-average tempo. This is the highest inflation since the late 1990s. Inflation is also reaching historically high levels in other parts of the world, indicating that global influences are playing out. However, in some countries, including the Czech Republic, domestic price pressures are adding to this. External influences are caused by rising demand for the opening of economies that exceeds production capacity. This creates pro-inflationary pressures on the supply side. Domestic price pressures are then driven by the tight labour market, thus far expansively set government expenditures, and further growth in real estate prices.

CNB quickly unleashes a new cycle of interest rate hikes, and the Czech koruna profited from this

The Czech National Bank has launched one of the most intense campaigns against high inflation. After the initial two hikes in interest rates of 25 basis points, the bank increases rates by 75 bp in September, 125 bp in November, and 100 bp in December to 3.75%.

The yield curve for Czech bonds reacted to the sharp rise in the CNB's key interest rates with an inverse yield curve, which reflects a sharp, assumedly short, rise in domestic rates. Inflation expectations also play a role, rising above the one-year horizon and therefore affecting the shorter end of the yield curve. We can add to this a risk premium associated with uncertainty relating to the omicron variant.

During the year, the Czech koruna was plagued by waves of perceived global risk, which mostly copied the pandemic waves. During the spring, and especially at the end of the year, the koruna showed visible gains against the euro thanks to a sharp rise in key interest rates. According to Bloomberg, the koruna gained 5.2% against the euro for the whole of last year.

Fiscal policy significantly stimulates demand

Last year's state budget ended with a deficit of CZK 419.7 billion, i.e. 4.2% of GDP (according to Raiffeisenbank estimates). This is the worst result for the state's economy in Czech history. The gap between revenues and expenditures reached record figures: revenues were 24.2% of GDP, while expenditures were 31% of GDP. The results for the entire public sector are not yet known. According to our estimates, thanks to declining but still surplus budgets for municipalities and social security funds, public budgets will end last year with a deficit just below CZK 400 billion (-6.8% of GDP) compared to CZK 367 billion in 2020 (-6.5% of GDP).

Source of data: World Bank, Eurostat, Czech Statistical Office, Bloomberg, Ministry of Labour and Social Affairs
Data valid as at 11 February 2022
Prepared by Helena Horská, Chief Economist

Comments on the IFRS consolidated financial results

The Raiffeisenbank Group recorded in 2021 a consolidated net profit attributable to the parent company's shareholders of CZK 4.77 billion under International Financial Reporting Standards (IFRS). This is a year-on-year increase of 114.5%.

Consolidated Statement of Comprehensive Income

Income

The Group's total operating income increased by 30.5% to CZK 14.82 billion. Higher interest income contributed most to this increase, as well as growth in income from fees and commission. The acquisition of Equa bank a.s., which brought in an additional CZK 1.10 billion last year, also had a positive impact on operating income.

The Group's net interest income increased by 29.4% to CZK 10.16 billion. This increase is mainly due to movements in market rates, which are rising in response to the central bank's actions. During the second half of the year, the Czech National Bank sharply increased the base two-week repo rate. Another factor leading to higher interest income is the significant year-on-year increase in volumes, mainly due to the Group's acquisitions last year.

Net income from fees and commissions increased year-on-year by 27.2% to CZK 3.96 billion. The positive trend is mainly due to an increase in investment-related fees and more activity from clients in the area of card transactions. This category was also significantly affected by the increase in client margins from foreign currency transactions, significantly increasing in quantity and volume, which was related to the loosening of anti-COVID measures during the year

Other income, which includes mainly net profit or loss on financial markets, increased year-on-year by CZK 233 million to CZK 75 million.

Expenses

Operating expenses increased by 24.1% to CZK 8.54 billion. The largest component was staff costs amounting to CZK 4.13 billion, which is an increase of 21.5%. General operating expenses increased even by 30.6% to CZK 2.69 billion, of which the costs of contributions to the Deposit Insurance Fund and the Crisis Resolution Fund amounted in total to CZK 411 million, i.e. 22.6% more than in the previous year. Depreciation of tangible and intangible assets increased by 20.8% to CZK 1.72 billion. Overall, the increase in operating expenses was significantly affected by the acquisition of Equa bank a.s. and the associated integration costs relating to IT and consulting.

Risk management

The Group continues to maintain a very sound loan portfolio. Losses from non-performing loans and other debts reached CZK 330 million. Compared to the previous year, this is a decrease of CZK 1.39 billion. The quality of the credit portfolio remains at a high level with a low volume of loans in default or doubtful loans.

Consolidated Statement of Financial Position

Assets

The Group's total assets reached CZK 651.01 billion, thus increasing by 35.1% year-on-year. The increase in assets was affected significantly by the acquisition of Equa bank a.s., which brought in an additional CZK 74.88 billion.

Cash in hand and other cash equivalents increased to CZK 9.45 billion, which is an increase of 61.7%, mainly affected by a rise in other demand deposits.

Securities held for trading reached CZK 165 million and decreased by CZK 1.58 billion year-on-year. Government bonds saw the largest decrease.

Loans and advances to banks increased by 83.9% to CZK 197.96 billion. Loans and advances to customers rose by 24.4% year-on-year to CZK 371.75 billion. This increase is attributable to mortgages and consumer loans in the household segment and investment financing in the corporate segment. Other assets increased by 65.1% to CZK 11.37 billion.

Property and equipment increased by 2.5% to CZK 4.20 billion. Intangible fixed assets increased by 90.3% to CZK 6.18 billion.

Liabilities

The Group's total liabilities reached CZK 605.08 billion, which is an increase of 35.9%. The rise in liabilities was significantly affected by the acquisition of Equa bank a.s., which contributed an additional CZK 67.69 billion.

Amounts owed to financial institutions showed an increase of 7.4% to CZK 13.10 billion.

Amounts owed to customers rose by 37.3% year-on-year to CZK 553.09 billion. The growth is driven by rising balances on current accounts and savings accounts, especially in the household segment, which was largely due to the re-contracting of clients from ING Bank and the acquisition of Equa bank a.s. In the corporate segment, the largest growth was in time deposits.

Issued debt securities increased by 53.1% to CZK 19.98 billion.

Subordinated liabilities and bonds rose by 21.2% to CZK 5.53 billion.

Other liabilities increased by 32.0% to CZK 1.45 billion.

Equity

In 2021, the Group's capital adequacy reached 18.47% against 19.14% last year. With regard to the stabilisation measures announced by the Czech National Bank in relation to the COVID pandemic and due to new acquisitions, the Bank's General Meeting decided at the end of April 2021 not to pay out dividends to shareholders from the Bank's profits for 2020. CZK 2.22 billion was transferred to consolidated retained earnings.

During 2021, the Group paid out from retained earnings a coupon amounting to CZK 255 million to the holders of AT1 capital investment certificates, which are a part of the Group's equity in the amount of CZK 4.83 billion.

The increase in retained earnings had a positive impact on the Group's capital adequacy.

Deloitte Audit s.r.o.
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Registered by the Municipal
Court in Prague, Section C,
File 24349
ID. No.:49620592
Tax ID. No.: CZ49620592

"THE REPORT BELOW REPRESENTS THE AUDITOR'S REPORT THAT RELATES SOLELY AND EXCLUSIVELY TO THE OFFICIAL ANNUAL REPORT PREPARED IN THE XHTML FORMAT."

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Raiffeisenbank a.s.

Having its registered office at: Hvězdova 1716/2b, 140 78 Praha 4

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Raiffeisenbank a.s. and its subsidiaries (hereinafter also the "Group") and separate financial statements of Raiffeisenbank a.s. (hereinafter also the "Company") prepared on the basis of International Financial Reporting Standards as adopted by the EU.

The consolidated financial statements comprise the consolidated statement of financial position as at 31 December 2021, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information ("consolidated financial statements").

The separate financial statements comprise the separate statement of financial position as at 31 December 2021, and the separate statement of comprehensive income, separate statement of changes in equity and separate statement of cash flows for the year then ended, and notes to the separate financial statements, including a summary of significant accounting policies and other explanatory information ("separate financial statements").

In our opinion:

- The accompanying consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2021, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.
- The accompanying separate financial statements give a true and fair view of the financial position of the Company as at 31 December 2021, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

Basis for Opinion

We conducted our audit in accordance with the Act on Auditors, Regulation (EU) No 537/2014 of the European Parliament and of the Council and Auditing Standards of the Chamber of Auditors of the Czech Republic, which are International Standards on Auditing (ISAs), as amended by the related application guidelines. Our responsibilities under this law and regulation are further described in the Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of our report. We are independent of the Group and Company in accordance with the Act on Auditors and the Code of Ethics adopted by the Chamber of Auditors of the Czech Republic and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	Related audit procedures
Loss allowances for the loans and advances	
(see Note 26 to the consolidated financial statements and Note 24 to the separate financial statements) At 31 December 2021, gross loans and advances to customers (hereinafter "loans") amounted to CZK 377,239 million and CZK 266,342 million for the Group and the Company, respectively, against which loss allowances for loans to customers (hereinafter "allowances") of CZK 5,488 million and CZK 3,965 million were recorded for the Group and the Company, respectively. For the purpose of estimating expected losses, individual loans are classified into one of three stages or a Purchased or Originated Credit-Impaired ("POCI") category in accordance with IFRS 9 Financial Instruments. Stage 1 and Stage 2 include performing loans. Stage 2 loans are loans for which a significant increase in credit risk has been established since origination. Stage 3 includes non-performing loans, i.e. impaired loans. The allowance for expected credit losses in Stage 1 and Stage 2 amounts to CZK 2,539 million (Group) and CZK 1,609 million (Company). The loss allowance for impaired loans in Stage 3 amounts to CZK 3,090 million (Group) and CZK 2,444 million (Company) of the total reported amount of CZK 5,488 million (Group) and CZK 3,965 million (Company) as at 31 December 2021. Loss allowances are determined using statistical models for performing exposures (stages 1 and 2). Loss allowances for impaired loans (stage 3) are calculated differently for portfolio and individually managed exposures: • Loss allowances for portfolio-assessed exposures are based on statistical models primarily taking into account the Group's historical data. • Loss allowances for individually assessed exposures are determined by estimating the probability-weighted discounted future cash flows for each exposure for different scenarios relating to future loan repayments. Management uses professional judgement in determining when to recognise impairment and in what amount. The most significant judgements in the measurement of loss allowances relate to: • Early identification of exposures with a significant increase in credit risk (Stage 2) and non-performing exposures (Stage 3) in the context of the COVID-19 pandemic and macroeconomic developments; • Assumptions used in statistical models of expected credit losses, such as default probabilities, recovery rates and macroeconomic factors considered in the information on future developments;	Based on our risk assessment and industry knowledge, we examined the allowances, evaluated the methodology applied and the assumptions used. We tested the design and operating effectiveness of selected key internal controls the management of the Bank has established for the impairment assessment and loss allowance recognition. With the assistance of our IT specialists, we tested IT controls relating to access rights and change management of relevant IT applications. Identification of exposures with significant increase in credit risk and impaired loans We tested system-based and manual controls of the timely classification of loans to the relevant stage. In cooperation with our specialists, we evaluated assumptions used for staging models and we recalculated the inclusion into individual stages. On a sample of exposures, we assessed the correctness of the categorisation of exposures into different impairment stages. Assumptions used in the portfolio assessment of exposures In cooperation with our specialists, we assessed the model methodology and internal validation report. We assessed whether the modelling assumptions considered relevant risks, were relevant in the light of historical experience and future outlook, economic climate and the circumstances of customers. We assessed the adequacy of the risk parameters used in the calculation of loss allowances. In light of the high volatility in economic scenarios caused by the COVID-19 pandemic and government responses, we assessed whether the macroeconomic and other parameters used in the ECL statistical models fairly reflect the expected degree of defaults and recoverability of loans in the future. We also recalculated the key input parameters of the models using historical data on loan migration, defaulted loans and their recoverability. Assumptions used in the individual exposure assessment On a sample of individually significant exposures: • We assessed the appropriateness of the allowance creation methodology and its application.

Key audit matter	Related audit procedures
• Probabilities assigned to each future loan repayment scenario for significant exposures; • Collateral valuation, • Method of incorporating specific risk factors, such as the impact of the COVID-19 pandemic and its economic consequences. The determination of the loan loss allowance amount is considered to be a key audit matter due to the high level of judgement that management had to make, particularly in relation to the identification of impairment of receivables and the calculation of loan impairment. In addition, due to the COVID-19 pandemic, the level of uncertainty and the degree of subjectivity of management's judgements in relation to the 2021 financial reporting has significantly increased. Management has provided further information regarding loan impairment in Note 46 to the consolidated financial statements and Note 42 to the separate financial statements. Management has provided additional information regarding the impact of COVID-19 on the loan portfolio and impairment in Note 7 to the consolidated financial statements and Note 5 to the separate financial statements.	• Based on available external and internal information, we formed an independent opinion on the required amount of loss allowances. • We verified the accuracy of the input data used when taking into account specific risk factors. <u>Inclusion of information on future developments in the calculation of expected credit losses</u> In cooperation with our specialists, we assessed the macroeconomic scenarios used by management to derive adjustments to the probability of default and loss given default (model inputs) in light of expected future economic developments and assessed the appropriateness of the applied approach. The final conclusion was supported by an analysis conducted at the overall portfolio level to identify anomalies in the categorisation of loans into different impairment stages and anomalies in the loss allowance amounts.
Interest and fee income recognition *(see Notes 8 and 9 to the consolidated financial statements and Notes 6 and 7 to the separate financial statements)* For the year ended 31 December 2021, the interest income amounted to CZK 13,853 million (Group) and CZK 10,348 million (Company). Fee and commission income amounted to CZK 5,145 million (Group) and CZK 4,426 million (Company). These items represent the main source of the Group's and Company's operating income. While interest income is recognised on an accruals basis over the expected life of a financial instrument, the recognition of fee income depends on the nature of the fees as follows: • Fees that are directly attributable to the acquisition of financial instruments are recognised on an accruals basis over the expected life of the instrument and presented as interest income. • Fees for services provided are recognised over the period of the provision of the service and are presented as fee and commission income. • Fees for transaction services are recognised when the service is provided and are presented as fee and commission income. The specifics of revenue recognition and a large volume of individually small transactions, which depends on the quality of input data relating to interest and fees and on IT	Based on our risk assessment and industry knowledge, we evaluated the methodology applied on revenue recognition and the assumptions used by the management. We tested the design and operating effectiveness of the key internal controls and focused on: • Entering input data concerning interest/fees of loans and client deposits, including the authorisation of changes to the interest and fee schedule. • Recognition of interest income and fees and the management oversight. • IT controls relating to access rights and change management of relevant IT applications with the assistance of our IT specialists. We also performed the following procedures with regard to interest and fee income recognition: • We evaluated the accounting treatment applied by the Company to determine whether the methodology complies with the requirements of the relevant accounting standard, • We recalculated the unamortised balance of fees and commissions using the analytical substantive testing,

Key audit matter	**Related audit procedures**
solutions for their recognition, resulted in this matter being identified as a key audit matter. The management provided further information about interest income in Note 5 (a) and fees and commissions in Note 5 (b) to the consolidated financial statements and Notes 3 (a) and 3 (b) to the separate financial statements.	• We recalculated the amount of interest income and fee and commission income using the analytical substantive testing. We focused our testing on verification of the correct classification of: • Fees and commissions that are identified as directly attributable to the financial instrument. • Fees and commissions that are not identified as directly attributable to the financial instrument. We assessed the Company's accounting treatment for the accrual of the related revenue over the expected life of the financial instrument to determine whether the methodology used meets the requirements of the relevant accounting standard. We analysed the accuracy of the reported amount of interest income and fee and commission income using the analytical substantive testing.
Accounting for the acquisition of the Equa Bank Group *(see Note 32 to the consolidated financial statements)* Raiffeisenbank a.s. acquired a 100% share in Equa bank a.s. and Equa Sales and Distribution s.r.o. (hereinafter jointly "Equa Bank") as of 1 July 2021. The assets acquired and liabilities assumed, including assets that did not meet the criteria to be accounted for by Equa Bank itself (hereinafter "new assets"), have been accounted for by the Group at fair values determined at the acquisition date based on an external expert opinion or using internal valuation models. The most significant assets recognised by the Group as at the acquisition date include the so-called Core Deposit Intangible in the amount of CZK 1,574 million and Goodwill in the amount of CZK 447 million, both reported in the line "Intangible assets" in the consolidated statement of financial position. Management exercised a significant degree of judgement in allocating the purchase price, recognition and measurement of the identifiable assets acquired and liabilities assumed. Key assumptions and estimates used in the fair value measurement include: • Expected future development of the number of Equa Bank's customers and the volume of business with those customers, • Expected maturity of existing loans and deposits, • Level of generated margins, and • Determination of the appropriate components used in the construction of discount rates. As a result of the complexity of the fair value calculations at the acquisition date, the level of management judgement, particularly with respect to the assumptions used in the fair value calculations and in the recognition of new assets, and	We assessed management's analysis of the transaction in relation to, for example, the calculation of the purchase price, the identification of new intangible assets and the approach to determining the fair values of recognised assets and liabilities. Based on our risk assessment and industry knowledge, we reviewed the purchase price allocation accounting and assessed the methodology and judgements used in calculating the fair values. We assessed the report and deliverables prepared by an external advisor in respect of intangible assets and also the valuation prepared by management in respect of financial instruments. For the selected samples, we assessed with internal experts the valuation methods used, the structure of the valuation models and the appropriateness of the input parameters used. We also independently recalculated the fair values of the selected assets. We assessed the correctness of recognition of the valuation results and the disclosure of relevant values and information in the Group's consolidated financial statements.

Key audit matter	Related audit procedures
the fact that this is not an ordinary transaction, this matter is considered a key audit matter. Management has provided additional information regarding the acquisition of Equa bank a.s. and Equa Sales and Distribution s.r.o. in Notes 3(c), 49 and 51 to the consolidated financial statements and Notes 28 and 46 to the separate financial statements.	

Other Matter

The separate financial statements and the consolidated financial statements of Raiffeisenbank a.s. for the year ended 31 December 2020 were audited by another auditor who expressed an unmodified opinion on the separate financial statements on 2 March 2021 and an unmodified opinion on the consolidated financial statements on 22 April 2021.

Other Information in the Annual Report

In compliance with Section 2(b) of the Act on Auditors, the other information comprises the information included in the Annual Report other than the consolidated and separate financial statements and auditor's report thereon. The Board of Directors is responsible for the other information.

Our opinion on the consolidated and separate financial statements does not cover the other information. In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. In addition, we assess whether the other information has been prepared, in all material respects, in accordance with applicable law or regulation, in particular, whether the other information complies with law or regulation in terms of formal requirements and procedure for preparing the other information in the context of materiality, i.e. whether any non-compliance with these requirements could influence judgements made on the basis of the other information.

Based on the procedures performed, to the extent we are able to assess it, we report that:

- The other information describing the facts that are also presented in the consolidated and separate financial statements is, in all material respects, consistent with the consolidated and separate financial statements; and
- The other information is prepared in compliance with applicable law or regulation.

In addition, our responsibility is to report, based on the knowledge and understanding of the Group and the Company obtained in the audit, on whether the other information contains any material misstatement of fact. Based on the procedures we have performed on the other information obtained, we have not identified any material misstatement of fact.

Responsibilities of the Board of Directors and Supervisory Board for the Consolidated and Separate Financial Statements

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

In preparing the consolidated and separate financial statements, the Board of Directors is responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or the Company or to cease operations, or has no realistic alternative but to do so.

The Supervisory Board is responsible for overseeing the Group's and the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with the above law or regulation, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the Group's and the Company's internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group and the financial information and business activities of the Company to express an opinion on the consolidated and separate financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors, the Supervisory Board and the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, the Supervisory Board and the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Audit Report on the Report on the Related Party Transactions between Controlling and Controlled Entities ("Related Party Transactions Report")

We have reviewed the factual accuracy of the information included in the accompanying related party transactions report of Raiffeisenbank a.s. for the year ended 31 December 2021 which is included in this annual report on pages 304 to 361. This related party transactions report is the responsibility of the Company's Statutory Body. Our responsibility is to express our view on the related party transactions report based on our review.

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

Nothing has come to our attention based on our review that indicates that the information contained in the related party transactions report of Raiffeisenbank a.s. for the year ended 31 December 2021 contains material factual misstatements.

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

Report on Other Legal and Regulatory Requirements

In compliance with Article 10 (2) of Regulation (EU) No. 537/2014 of the European Parliament and the Council, we provide the following information in our independent auditor's report, which is required in addition to the requirements of International Standards on Auditing:

Appointment of the Auditor and the Period of Engagement

We were appointed as the auditors of the Company by the Sole Shareholder on 18 August 2020 and our uninterrupted engagement has lasted for 1 year, including previous renewals.

Consistence with the Additional Report to the Audit Committee

We confirm that our audit opinion on the financial statements expressed herein is consistent with the additional report to the Audit Committee of the Company, which we issued on 19 April 2022 in accordance with Article 11 of Regulation (EU) No. 537/2014 of the European Parliament and the Council.

Provision of Non-audit Services

We declare that no prohibited non-audit services referred to in Article 5 of Regulation (EU) No. 537/2014 of the European Parliament and the Council were provided. In addition, there are no other non-audit services which were provided by us to the Company and its controlled undertakings and which have not been disclosed in the annual report.

Report on Compliance with the ESEF Regulation

We have conducted a reasonable assurance engagement on the verification of compliance of the financial statements included in the annual report with the provisions of Commission Delegated Regulation (EU) 2019/815 of 17 December 2018 supplementing Directive 2004/109/EC of the European Parliament and of the Council with regard to regulatory technical standards on the specification of a single electronic reporting format (the "ESEF Regulation") that apply to the financial statements.

Responsibilities of the Board of Directors

The Board of Directors is responsible for the preparation of the financial statements in compliance with the ESEF Regulation. Inter alia, the Board of Directors is responsible for:

- The design, implementation and maintenance of the internal control relevant for the application of the requirements of the ESEF Regulation;
- The preparation of all financial statements included in the annual report in the valid XHTML format; and
- The selection and use of XBRL mark-ups in line with the requirements of the ESEF Regulation.

Auditor's Responsibilities

Our task is to express a conclusion whether the financial statements included in the annual report are, in all material respects, in compliance with the requirements of the ESEF Regulation, based on the audit evidence obtained. Our reasonable assurance engagement was conducted in accordance with the International Standard on Assurance Engagements 3000 (Revised) Assurance Engagements Other Than Audits or Reviews of Historical Financial Information (hereinafter "ISAE 3000").

The nature, timing and scope of the selected procedures depend on the auditor's judgement. A reasonable assurance is a high level of assurance; however, it is not a guarantee that the examination conducted in accordance with the above standard will always detect a potentially existing material non-compliance with the requirements of the ESEF Regulation.

As part of our work, we performed the following procedures:

- We obtained an understanding of the requirements of the ESEF Regulation;
- We obtained an understanding of the Company's internal control relevant for the application of the requirements of the ESEF Regulation;
- We identified and evaluated risks of material non-compliance with the ESEF Regulation, whether due to fraud or error; and
- Based on this, we designed and performed procedures responsive to those risks and aimed at obtaining a reasonable assurance for the purposes of expressing our conclusion.

The aim of our procedures was to assess whether

- The financial statements included in the annual report were prepared in the valid XHTML format;
- The disclosures in the consolidated financial statements were marked up where required by the ESEF Regulation and all mark-ups meet the following requirements:
  - XBRL mark-up language was used;
  - The elements of the core taxonomy specified in the ESEF Regulation with the closest accounting meaning were used, unless an extension taxonomy element was created in compliance with Annex IV of the ESEF Regulation; and
  - The mark-ups comply with the common rules for mark-ups pursuant to the ESEF Regulation.

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

Conclusion

In our opinion, the Company's financial statements for the year ended 31 December 2021 included in the annual report are, in all material respects, in compliance with the requirements of the ESEF Regulation.

In Prague on 21 April 2022

Audit firm:	Statutory auditor:
Deloitte Audit s.r.o. registration no. 079	David Batal registration no. 2147

Raiffeisenbank a.s.

Consolidated financial statements
Prepared in accordance with International Financial Reporting Standards as Adopted by the European Union
For the Year Ended 31 December 2021

<u>**Components of the Consolidated Financial Statements**</u>

Consolidated Statement of Comprehensive Income

Consolidated Statement of Financial Position

Consolidated Statement of Changes in Equity

Consolidated Cash Flow Statement

Notes to the Consolidated Financial Statements

These consolidated financial statements have been prepared by the Bank and approved by the Board of Directors of the Bank on 5 April 2022.

Statutory body of the entity	Signature
Igor Vida Chairman of the Board of Directors	
Kamila Makhmudova Member of the Board of Directors	

Consolidated Statement of Comprehensive Income

For the Year Ended 31 December 2021

MCZK	Note	2021	2020 (restated)*
Interest income and similar income calculated using the effective interest rate method	8	13,017	9,386
Other interest income	8	836	1,010
Interest expense and similar expense	8	(3,697)	(2,547)
Net interest income		**10,156**	**7,849**
Fee and commission income	9	5,145	4,042
Fee and commission expense	9	(1,184)	(928)
Net fee and commission income		**3,961**	**3,114**
Net gain/(loss) on financial operations	10	99	(199)
Net gain/(loss) on financial assets other than held for trading mandatorily measured at fair value through profit or loss	11	(36)	38
Net gain from hedge accounting	12	12	3
Dividend income	13	9	1
Impairment losses on financial assets	14	(330)	(1,724)
Gain/(loss) from derecognition of financial assets measured at amortised cost	15	13	8
Personnel expenses	16	(4,131)	(3,399)
General operating expenses	17	(2,690)	(2,059)
Depreciation and amortisation	18	(1,719)	(1,423)
Other operating income	19	932	989
Other operating expenses	20	(371)	(532)
Gains/(losses) on the sale of subsidiaries and joint ventures	49	40	30
Gains/(losses) on non-current assets and disposal groups		1	53
Operating profit		**5,946**	**2,749**
Share of the income from joint ventures	31	19	-
Profit before tax		**5,965**	**2,749**
Income tax	21	(1,195)	(525)
Net profit for the year attributable to:		**4,770**	**2,224**
a) shareholders of the parent company		4,770	2,224
a) non-controlling interests		-	-

Other comprehensive income			
Items that will not be reclassified to profit or loss in future:			
Net gain/(loss) from remeasurement of equity securities at FVOCI	40	1	(333)
Deferred tax relating to items that will not be reclassified to profit or loss in following periods	40	-	27
Items that will be reclassified to profit or loss in future:			
Revaluation of cash flow hedges	40	(522)	(26)
Deferred tax relating to items that will be reclassified to profit or loss in following periods	40	99	5
Total other comprehensive income attributable to:		**(422)**	**(327)**
- shareholders of the parent company		(422)	(327)
- non-controlling interests		**-**	**-**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**4,348**	**1,897**

The accompanying notes on pages 68-189 are an integral part of these consolidated financial statements.

*Detailed information on the changes in reporting of individual items is stated in note 5(y).

Consolidated Statement of Financial Position

As of 31 December 2021

MCZK	Note	31 Dec 2021	31 Dec 2020
ASSETS			
Cash and cash equivalents	22	9,461	5,852
Financial assets held for trading	23	4,082	3,746
Trading derivatives	23,42	3,917	2,063
Securities held for trading	23	165	1,683
Financial assets other than held for trading mandatorily measured at fair value through profit or loss	24	498	532
Financial assets at FVOCI	25	20	1
Financial assets at amortised cost	26	606,264	445,336
Loans and advances to banks	26	197,963	107,619
Loans and advances to customers	26	371,751	298,759
Debt securities	26	36,550	38,958
Finance leases	27	8,019	8,091
Fair value remeasurement of portfolio-remeasured items (loans and advances to customers and debt securities)	42	(4,453)	1,253
Hedging derivatives with positive fair value	28	5,062	2,030
Income tax asset	21	1	598
Deferred tax asset	29	18	6
Equity investments in associated companies	31	102	-
Intangible assets	32	6,180	3,247
Property, plant and equipment	33	4,199	4,098
Investment property	34	183	323
Other assets	30	11,372	6,887
TOTAL ASSETS		**651,008**	**482,000**

MCZK	Note	31 Dec 2021	31 Dec 2020
LIABILITIES AND EQUITY			
Financial liabilities held for trading	35	4,604	2,616
Trading derivatives	35	4,604	2,616
Financial liabilities at amortised cost	36	595,899	436,469
Deposits from banks	36	13,107	12,201
Deposits from customers	36	553,090	402,776
Debt securities issued	36	19,984	13,053
Subordinated liabilities and bonds	36	5,526	4,561
Other financial liabilities	36	4,192	3,878
Fair value remeasurement of portfolio-remeasured items (deposits from customers)	42	(9,285)	262
Hedging derivatives with negative fair value	37	10,160	3,209
Provisions	38	1,473	1,172
Current tax liability	21	339	26
Deferred tax liability	29	448	337
Other liabilities	39	1,445	1,095
TOTAL LIABILITIES		**605,083**	**445,186**
EQUITY			
Share capital	40	15,461	11,061
Other capital funds		113	-
Reserve fund		825	825
Fair value reserve	40	(378)	44
Retained earnings		20,303	18,491
Other equity instruments	40	4,831	4,169
Profit for the year		4,770	2,224
Total equity attributable to the parent company's shareholders		**45,925**	**36,814**
TOTAL LIABILITIES AND EQUITY		**651,008**	**482,000**

The accompanying notes on pages 68-189 are an integral part of these consolidated financial statements.

Consolidated Statement of Changes in Equity
For the Year Ended 31 December 2021

	Equity attributable to the Group's shareholders							
(MCZK)	Share capital	Other capital funds	Reserve fund	Fair value reserve	Retained earnings	Other equity instruments	Net profit for the year	Total equity
At 31 December 2019	**11,061**	**-**	**694**	**371**	**14,115**	**3,383**	**4,731**	**34,355**
Increase in other equity instruments	-	-	-	-	-	786	-	**786**
Payment of coupon on other equity instruments	-	-	-	-	(211)	-	-	**(211)**
Allocation to retained earnings	-	-	-	-	4,731	-	(4,731)	**-**
Allocation from fair value reserve	-	-	-	-	259	-	-	**259**
Changes to the consolidation group	-	-	131	-	(403)	-	-	**(272)**
Net profit for the year	-	-	-	-	-	-	2,224	**2,224**
Other comprehensive income, net	-	-	-	(327)	-	-	-	**(327)**
Total comprehensive income for the year	-	-	-	**(327)**	-	-	**2,224**	**1,897**
At 31 December 2020	**11,061**	**-**	**825**	**44**	**18,491**	**4,169**	**2,224**	**36,814**
Increase in share capital	4,400	-	-	-	-	-	-	4,400
Allocation to other capital funds	-	113	-	-	(113)	-	-	-
Increase in other equity instruments	-	-	-	-		662	-	662
Payment of coupon on other equity instruments	-	-	-	-	(255)	-		(255)
Allocation to retained earnings	-	-	-	-	2,224	-	(2,224)	-
Changes to the consolidation group	-	-	-	-	(44)	-		(44)
Net profit for the year	-	-	-	-	-	-	4,770	4,770
Other comprehensive income, net	-	-	-	(422)	-	-		(422)
Total comprehensive income for the year	-	-	-	**(422)**	-	-	**4,770**	**4,348**
At 31 December 2021	**15,461**	**113**	**825**	**(378)**	**20,303**	**4,831**	**4,770**	**45,925**

The accompanying notes on pages 68-189 are an integral part of these consolidated financial statements.

Consolidated Cash Flow Statement

For the Year Ended 31 December 2021

(MCZK)	Note	2021	2020
Profit before tax		**5,965**	**2,749**
Adjustments for non-cash transactions			
Creation of loss allowances and provisions for credit risks	14	330	1,724
Depreciation/amortisation expense	18	1,719	1,423
Loss on impairment of tangible and intangible assets	17	-	6
Creation of other provisions	38	251	(51)
Change in fair value of derivatives	23,28,35,37	3,506	(1,472)
Unrealised losses/(gains) on remeasurement of securities	23	41	(40)
Gain/(loss) on sale of property and equipment and intangible assets	19	(23)	(2)
Gain on the sale of subsidiaries and joint ventures		(40)	(30)
Change in the remeasurement of hedged items upon fair value hedge	12	(3,841)	(915)
Share of profit from associated companies	31	(19)	-
Remeasurement of foreign currency positions	10	(1,607)	(185)
Other non-cash changes*		(400)	(613)
Operating profit before changes in operating assets and liabilities		**5,882**	**2,594**
Operating cash flow			
(Increase)/decrease in operating assets			
Mandatory minimum reserves with the Czech National Bank (CNB)	30	(1,745)	(1,382)
Loans and advances to banks	26	(70,661)	(14,215)
Loans and advances to customers	26	(24,723)	(1,034)
Debt securities held at amortised cost	26	4,994	(19,106)
Securities held for trading	23	1,513	(1,570)
Other assets	29	(757)	(685)
(Increase)/decrease in operating assets			
Deposits from banks	36	1,110	(9,945)
Deposits from customers	36	85,047	46,894
Other financial liabilities	36	506	(469)
Other liabilities	39	335	52
Net operating cash flow before tax		**1,501**	**1,134**
Income tax paid	21	(684)	(1,055)
Net operating cash flow		**817**	**79**
Cash flows from investing activities			
Sale of equity investments	49	205	27
Increase in equity investments	49	(6,644)	(5,164)
Sale of financial assets at FVOCI		-	9
Acquisition of property and equipment and intangible assets	32,66	(1,658)	(1,345)
Proceeds from sale of non-current assets	19	12	2
Dividends received	13	9	1
Net cash flow from investing activity		**(8,076)**	**(6,470)**
Cash flows from financing activities			
Dividends paid and paid coupons on other equity instruments	40	(255)	(211)
Increase in share capital	40	4,400	-
Increase in other equity instruments	40	662	786
Debt securities issued	36	11,787	-
Repayment of debt securities issued	36	(5,551)	(54)
Proceeds from issue of subordinated debt	36	315	813
Lease liabilities	36	(343)	(322)
Net cash flow from financing activities		**11,015**	**1,012**
Net (decrease)/increase in cash and cash equivalents		**3,756**	**(5,379)**
Cash and cash equivalents at the beginning of the year (note 22)		**5,852**	**11,209**
Foreign exchange gains/losses on cash and cash equivalents at the beginning of the year		**(147)**	**22**
Cash and cash equivalents at the end of the year (note 22)		**9,461**	**5,852**
Interest received		13,619	10,160
Interest paid		(3,188)	(2,404)

*Other non-cash changes represent mainly changes in accrued interest and commissions.

The accompanying notes on pages 68-189 are an integral part of these consolidated financial statements.

Raiffeisenbank a.s.
Consolidated financial statements prepared in accordance with International Financial Reporting Standards as adopted by the European Union for the year ended 31 December 2021

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1. INFORMATION ABOUT THE PARENT COMPANY

Raiffeisenbank a.s. ("the Bank"), with its registered office at Hvězdova 1716/2b, Praha 4, post code 140 78, identification number 49240901, was founded as a joint stock company in the Czech Republic. The Bank was recorded in the Commercial Register maintained by the Municipal Court in Prague on 25 June 1993, Section B, File 2051.

The Bank, together with its subsidiaries and joint ventures listed in note 3, forms the Raiffeisenbank a.s. Financial Group ("the Group"). The Bank is the parent company of the Group

Principal activities of the Group:

- acceptance of deposits from the public;
- provision of loans;
- investing in securities on its own account;
- finance leases - at present, the Bank does not carry out this activity directly;
- payments and clearing;
- issuance and maintenance of payment facilities;
- provision of guarantees;
- opening of letters of credit;
- direct debit services;
- provision of investment services;
    - principal investment services under Section 4 (2) (a), (b), (c), (d), (e), (g), and (h) of Act No. 256/2004 Coll., as amended;
    - additional investment services under Section 4 (3) (a) – (f) of Act No. 256/2004 Coll., as amended;
- administration of investment and participation funds;
- issuance of mortgage bonds;
- financial brokerage;
- depositary activities;
- foreign exchange services (foreign currency purchases);
- provision of banking information;
- proprietary or client-oriented trading with foreign currency assets;
- rental of safe-deposit boxes;
- activities directly relating to the activities listed in the banking licence; and
- mediation of supplementary pension schemes;
- lease of movable and immovable assets;
- building society savings operation;
- provision of loans to participants in building society savings; and
- provision of guarantees for building society savings loans.

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

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

During the year ended 31 December 2021, the performance or provision of the Group's activities and services were not restricted or suspended by the Czech National Bank.

2. SHAREHOLDERS OF THE PARENT COMPANY

Shareholders of the Bank as of 31 December 2021 and 2020:

Name, address	**Voting power**	
	2021	**2020**
Raiffeisen CEE Region Holding GmbH Am Stadtpark 9, Vienna, Austria	75%	75%
RLB OÖ Sektorholding GmbH Europaplatz 1a, 4020 Linz, Austria	25%	25%

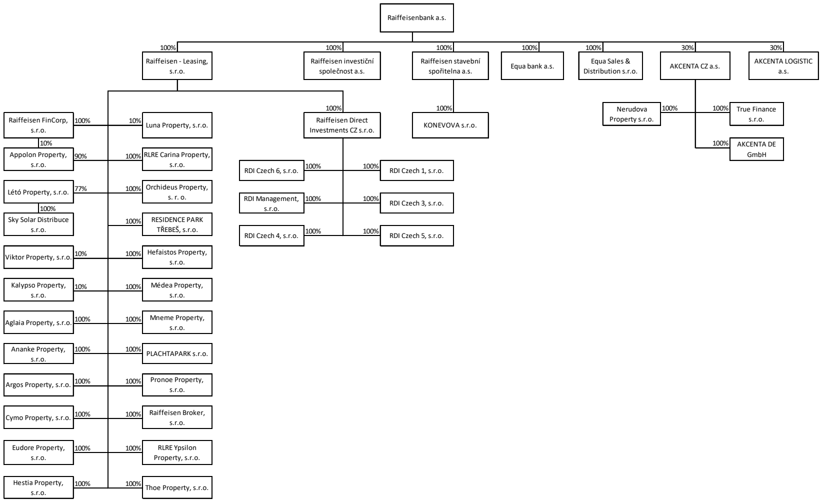
The equity investments of the shareholders equal their share in the voting power. All shareholders have a special relation to the Bank in terms of Section 19 of Banking Act No. 21/1992 Coll., as amended.

Information on the parent company's share capital is disclosed in note 40.

The ultimate parent company of the Bank is Raiffeisen Bank International AG, Austria.

3. DEFINITION OF THE CONSOLIDATED GROUP

a) Group chart as of 31 December 2021



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

b) Group companies included in consolidation

Group companies included in consolidation as of 31 December 2021 were as follows:

Company	The Bank's effective holding in % in 2021	Indirect holding through	Consolidation method in 2021	Registered office
Equa bank a.s.	100%	-	Full method	Prague
Equa Sales & Distribution s.r.o.	100%	-	Full method	Prague
Raiffeisen investiční společnost a.s.	100%	-	Full method	Prague
Raiffeisen stavební spořitelna a.s.	100%	-	Full method	Prague
KONEVOVA s.r.o.	100%	Raiffeisen stavební spořitelna a.s.	Full method	Prague
Raiffeisen - Leasing, s.r.o.	100%	-	Full method	Prague
Raiffeisen FinCorp, s.r.o.	100%	Raiffeisen - Leasing, s.r.o.	Full method	Prague
Appolon Property, s.r.o.	100%	Raiffeisen - Leasing, s.r.o.	Full method	Prague
Luna Property, s.r.o.	100%	Raiffeisen - Leasing, s.r.o.	Full method	Prague
RLRE Carina Property, s.r.o.	100%	Raiffeisen - Leasing, s.r.o.	Full method	Prague
Orchideus Property, s. r. o.	100%	Raiffeisen - Leasing, s.r.o.	Full method	Prague
Viktor Property, s.r.o.	100%	Raiffeisen - Leasing, s.r.o.	Full method	Prague
Hestia Property, s.r.o.	100%	Raiffeisen - Leasing, s.r.o.	Full method	Prague
Raiffeisen Direct Investments CZ s.r.o.	100%	Raiffeisen - Leasing, s.r.o.	Full method	Prague
RDI Management s.r.o.	100%	Raiffeisen Direct Investments CZ s.r.o.	Full method	Prague
RDI Czech 1 s.r.o.	100%	Raiffeisen Direct Investments CZ s.r.o.	Full method	Prague
RDI Czech 3 s.r.o.	100%	Raiffeisen Direct Investments CZ s.r.o.	Full method	Prague
RDI Czech 4 s.r.o.	100%	Raiffeisen Direct Investments CZ s.r.o.	Full method	Prague
RDI Czech 5 s.r.o.	100%	Raiffeisen Direct Investments CZ s.r.o.	Full method	Prague
RDI Czech 6 s.r.o.	100%	Raiffeisen Direct Investments CZ s.r.o.	Full method	Prague
AKCENTA CZ a.s.	30%	-	Equity method	Prague

Group companies included in consolidation as of 31 December 2020 were as follows:

Company	The Bank's effective holding in % in 2020	Indirect holding through	Consolidation method in 2020	Registered office
Raiffeisen investiční společnost a.s.	100%	-	Full method	Prague
Raiffeisen stavební spořitelna a.s.	100%	-	Full method	Prague
KONEVOVA s.r.o.	100%	Raiffeisen stavební spořitelna a.s.	Full method	Prague
Raiffeisen - Leasing, s.r.o.	100%	-	Full method	Prague
Raiffeisen FinCorp, s.r.o.	100%	Raiffeisen - Leasing, s.r.o.	Full method	Prague
Appolon Property, s.r.o.	100%	Raiffeisen - Leasing, s.r.o.	Full method	Prague
Luna Property, s.r.o.	100%	Raiffeisen - Leasing, s.r.o.	Full method	Prague
RLRE Carina Property, s.r.o.	100%	Raiffeisen - Leasing, s.r.o.	Full method	Prague
Orchideus Property, s. r. o.	100%	Raiffeisen - Leasing, s.r.o.	Full method	Prague
Viktor Property, s.r.o.	100%	Raiffeisen - Leasing, s.r.o.	Full method	Prague
Hestia Property, s.r.o.	100%	Raiffeisen - Leasing, s.r.o.	Full method	Prague
Janus Property, s.r.o.	100%	Raiffeisen - Leasing, s.r.o.	Full method	Prague
Raiffeisen Direct Investments CZ s.r.o.	100%	Raiffeisen - Leasing, s.r.o.	Full method	Prague
RDI Management s.r.o.	100%	Raiffeisen Direct Investments CZ s.r.o.	Full method	Prague
RDI Czech 1 s.r.o.	100%	Raiffeisen Direct Investments CZ s.r.o.	Full method	Prague
RDI Czech 3 s.r.o.	100%	Raiffeisen Direct Investments CZ s.r.o.	Full method	Prague
RDI Czech 4 s.r.o.	100%	Raiffeisen Direct Investments CZ s.r.o.	Full method	Prague
RDI Czech 5 s.r.o.	100%	Raiffeisen Direct Investments CZ s.r.o.	Full method	Prague
RDI Czech 6 s.r.o.	100%	Raiffeisen Direct Investments CZ s.r.o.	Full method	Prague

c) Companies newly included in consolidation in 2021

On 1 July 2021, the Raiffeisen Bank International Group ("RBI Group") announced a successful settlement of the transaction concerning the acquisition of 100% of Equa bank's shares (Equa bank a.s. and Equa Sales & Distribution s.r.o.) from AnaCap Financial Partners (AnaCap) through Raiffeisenbank a.s. The acquisition of Equa bank with its 499,000 customers is part of RBI's strategy to expand its presence in selected key markets. The business models of Equa bank and Raiffeisenbank are inherently of a mutually supportive nature; therefore, the acquisition is expected to lead to significant strategic synergies in terms of revenues and expenses and further development not only in the area of digital client services. Although Equa bank is significantly smaller than Raiffeisenbank in terms of volume of assets, its high level of customer satisfaction and impressive growth in relation to loans make it an attractive acquisition target for Raiffeisenbank. As of 31 December 2021, Equa bank's total assets amounted to almost CZK 74 billion.

On 1 July 2021, the Group took control over Equa bank a.s. and Equa Sales & Distribution s.r.o. The financial settlement of the transaction and the actual transfer of Equa bank s.r.o.'s shares took place on the same date. In 2021, preparations for a legal merger of the Bank and Equa bank a.s. were underway. Until the legal merger of the banks, both companies acted as separate brands with their own systems and service channels; nothing changed for employees or clients. The purchase price was determined on the basis of an agreed equity multiplier. Payment of the purchase price was made based on the amount of equity resulting from the data available as of 30 June 2021.

Additional information concerning this acquisition is disclosed in note 49.

In 2021, the Group did not include any other new companies in consolidation using the full method.

On 15 February 2021, the Group's management and the RBI Group signed an agreement on the acquisition of Akcenta CZ a.s. and Akcenta Logistic a.s. from AKCENTA GROUP SE. According to the agreement's wording, a 70% equity investment in Akcenta will be assigned to the RBI Group and a 30% equity investment to Raiffeisenbank a.s. The transaction became effective on 1 June 2021.

d) Companies excluded from consolidation in 2021

In 2021, the subsidiary Janus Property, s.r.o. was sold outside the Group.

e) Unconsolidated entities

Raiffeisen - Leasing, s.r.o. legally owns ALT POHLEDY s.r.o., Amathia Property, s.r.o., Antonínská 2 s.r.o., Apaté Property, s.r.o., Ares Property, s.r.o., Astra Property, s.r.o., Áté Property, s.r.o., Beroe Property, s.r.o., Bratislavská 59 s.r.o., Cranto Property, s.r.o., Credibilis a.s., Dafné Property, s.r.o., Demeter Property, s.r.o., Dero Property, s.r.o., Dike Property, s.r.o., Dolní náměstí 34 s.r.o., Éós Property, s.r.o., Eunomia Property, s.r.o., Evarne Property, s.r.o., Exit 90 SPV s.r.o., Fidurock Residential a.s., FMZ Invest, s.r.o., Fobos Property, s.r.o., Folos Property, s.r.o., FVE Cihelna s.r.o., Gaia Property, s.r.o., GEONE Holesovice Two s.r.o., Grainulos s.r.o., GRENA REAL s.r.o., GS55 Sazovice s.r.o., Halie Property, s.r.o., Harmonia Property, s.r.o., Hébé Property, s.r.o., Holečkova Property, s.r.o., Hypnos Property, s.r.o., Chodská 12 s.r.o., Chronos Property, s.r.o., Ianira Property, s.r.o., JFD Real s.r.o., Kaliopé Property, s.r.o., Kappa Estates, s.r.o., Kétó Property, s.r.o., Kleió Property, s.r.o., Křížkovského 3 s.r.o., Ligea Property, s.r.o., Melpomene Property, s.r.o., Merea Property, s.r.o., Morfeus Property, s.r.o., Nereus Property, s.r.o., Ofion Property, s.r.o., Onyx Energy projekt II. s.r.o., Onyx Energy s.r.o., Palace Holding, s.r.o., Photon Energie s.r.o., Photon SPV 10 s.r.o., Photon SPV 3 s.r.o., Photon SPV 4 s.r.o., Photon SPV 6 s.r.o., Photon SPV 8 s.r.o., Pontos Property, s.r.o., Provazníkova 40 s.r.o., RLRE Eta Property, s.r.o., Sázavská 826 s.r.o., SeEnergy PT, s.r.o., Selene Property, s.r.o., Sirius Property, s.r.o., SPILBERK SPV delta s.r.o., Spio Property, s.r.o., Stará 19 s.r.o., Strasnicka realitni a.s., Thaumas Property, s.r.o., Theia Property, s.r.o., UPC Real, s.r.o., Veletržní 42 s.r.o., Vlhká 26 s.r.o., Zefyros Property, s.r.o.

Although these entities are legally owned by Raiffeisen – Leasing, s.r.o., they do not meet the criteria of International Financial Reporting Standards for being included in the consolidated group since, based on concluded contracts, Raiffeisen – Leasing, s.r.o. does not have the power to control and manage relevant activities of these entities; these entities are not the controlled entities, joint ventures, or associates.

In addition, the following subsidiaries were not consolidated in 2021 due to their immateriality: Aglaia Property, s.r.o., Ananke Property, s.r.o, Argos Property, s.r.o., Cymo Property, s.r.o., Eudore Property, s.r.o., Hefaistos Property, s.r.o., Kalypso Property, s.r.o., Létó Property, s.r.o., Médea Property, s.r.o., Mneme Property, s.r.o., PLACHTAPARK s.r.o., Pronoe Property, s.r.o., Raiffeisen Broker, s.r.o., RESIDENCE PARK TŘEBEŠ, s.r.o., RLRE Ypsilon Property, s.r.o., Sky Solar Distribuce s.r.o., Thoe Property, s.r.o.. In addition, the following associated companies were not consolidated in 2021 due to their immateriality: AKCENTA Logistic a.s., Nerudova Property s.r.o., True Finance s.r.o., AKCENTA DE GmbH.

4. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

(a) Accounting policies

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

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

The consolidated financial statements are prepared on the accrual basis of accounting whereby the effects of transactions and other events are recognised when they occur and reported in the consolidated financial statements for the periods to which they relate in terms of substance and time.

These consolidated financial statements have been prepared under the historical cost convention (including any impairment), except for financial assets and financial liabilities measured at fair value through profit or loss (FVTPL) (including all non-hedging derivatives and hedging derivatives in a fair value hedge), financial assets measured at fair value through other comprehensive income (FVOCI), and hedging derivatives upon a cash flow hedge remeasured at fair value through other comprehensive income. Recognised financial assets and financial liabilities designated as hedged items in qualifying fair value hedging relationships, which if not included in the hedging relationship, would be measured at amortized cost, are adjusted for changes in fair value that arise from the hedged risk under hedging relationship.

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

These consolidated financial statements are prepared on a going concern basis as the Group’s management believes that the Group has sufficient resources to maintain its business operations in the foreseeable future. This belief is based on a wide range of information and analyses regarding the current and future economic environment, including possible scenarios and their impact on the Group’s profitability, liquidity and capital adequacy; there is no material uncertainty related to events or circumstances that would cast significant doubt on the Group's ability to continue as a going concern.

Unless otherwise indicated, all amounts are shown in millions of Czech crowns (MCZK). Numbers in brackets represent negative amounts.

Use of estimates

The presentation of consolidated financial statements in compliance with IFRS EU requires the Group's management to make estimates and assumptions that affect the amounts of assets and liabilities reported as of the reporting date, disclosure of contingent assets and liabilities and the amounts of revenues and expenses for the accounting period. These estimates, which primarily relate to the determination of fair values of financial instruments (derivatives and securities, where no active market exists), measurement of intangible assets, impairment of financial assets and provisions, deferred tax assets and liabilities, are based on the information available at the date of issue of the consolidated financial statements. The actual future results may differ from these estimates.

As disclosed in note 46 to the consolidated financial statements, in calculating the expected credit losses the Group uses estimates concerning the financial condition of the borrowers and their ability to repay the credit, the value and recoverability of the security, and future macroeconomic information.

The value of recognised provisions is based on the management's judgement and represents the best estimate of expenses required to settle liabilities of uncertain timing or amount. For additional information on provisions refer to note 38.

As disclosed in note 5 (f), classification of financial assets requires assessment of business model within which the assets are held and assessment of whether the financial meets the criteria of cash flows (so called "SPPI test").

(b) Principles of consolidation

Subsidiaries are entities controlled by the Group. The Group controls an entity if it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated using the full consolidation method. Subsidiaries are included in the consolidation from the date as of which the control over the companies is transferred to the Bank until the date when the Bank ceases to exercise this control. All significant intercompany transactions are eliminated on consolidation. All significant mutual receivables, payables, expenses and revenues, including profit, within the Group were excluded from consolidation. If the Group does not wholly own the subsidiary, it reports a non-controlling interest.

Associated companies and joint ventures are included in consolidation using the equity method. An associated company is an entity over which the Group exercises significant influence but which it does not control; in respect of the joint ventures, it exercises a joint control. A joint venture is an entity in which two or more participants share control of economic activities of the relevant entity. Profit or loss and assets and liabilities of associates or joint ventures are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*. Under the equity method, an investment in an associate or a joint venture is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share in the profit or loss and other comprehensive income of the associate or joint venture. The recognised net investment is regularly tested for impairment. If impairment is identified, the Group recognises an impairment loss on equity investments in associates.

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

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

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

Business combinations among entities or businesses under joint control are business combinations in which all combining entities or businesses are ultimately controlled by the same party or parties as prior to the business combination and subsequent to the business combination, with the control not being temporary. Business combinations under joint control are accounted for using the book values of the acquired business. The Group reports these transactions prospectively, i.e. without restating comparative periods.

5. SIGNIFICANT ACCOUNTING POLICIES AND PROCEDURES

(a) Interest income and expense

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

(b) Fees and commissions

Fee and commission income arising from customer contracts is measured based on the consideration specified in the contract. Income is recorded when the Group provides the service to customers.

The following is a description of the principles for reporting fee and commission income. The Group provides retail and corporate customers with banking and credit services such as account management, overdraft facilities, foreign currency transactions, credit cards, loans, and operational financing. Fees and commissions paid or received that are directly attributable to the issuance or acquisition of a financial asset or financial liability are an integral part of the effective interest rate of the financial asset or financial liability and are included in the calculation of the effective interest rate. These include, for example, fees for the origination of loans, loan application processing, paid commissions, etc. Fee income/expense that is part of the effective interest rate is recognised under "*Interest income and similar income calculated using the effective interest rate method"* or "*Interest expense and similar expense"*, respectively.

Fees for services provided over a certain period of time are accrued over such a period of time and are recognised under "*Total fee and commission income*" and "*Total fee and commission expense*". These fees include, for example, fees for guarantees and letters of credit, internal and external commissions and fees for transactions with securities. Income from fees and commissions received for concluding a transaction for a third party or for participating in such a transaction, such as payment transactions through bank accounts or ATMs, and fees relating to clients' foreign currency translations are recognised at the moment the transaction is completed.

Commission income arising from mediating third-party insurance and investment products is recognised when the contract is executed. The Group concluded that it acts as an agent as it has no control over the services provided to clients. The Group does not associate these commissions with ancillary services nor does it have the ability to set the price. Therefore, the Group accounts for income only at the net amount of the expected consideration. Commissions are generally based on the volume of negotiated contracts and their performance. The Group accounts for performance-based fees when a third party confirms them. Service fees and fees for the ongoing administration of deposit and credit accounts are periodically deducted from customers' accounts and are recognised when they use respective benefits. The Group determines fees for different customer segments and service levels individually. Service fee income is recognised evenly over time. Contracts, with the exception of contracts concerning term deposits, do not have a minimum commitment period.

When providing services, the Group does not apply incentives (such as temporary discounts) that would result in the recognition of a contractual asset. The Group does not accept any non-refundable prepayments from customers that would lead to the recognition of a contractual liability or customer option or that would contain a material financing component.

Transaction fee income arises mainly from payment card settlement fees, currency conversion fees, and other payment transactions. Income is recognised when the transaction takes place. Fee income arising from impaired financial assets is recognised when the payment is received or the service is provided, whichever occurs later.

The Group decided to apply a practical expedient under IFRS 15.121 and does not disclose information on the total amount of the residual transaction price for services and commission income because the period of enforceability of the respective contract is less than one year and the right to receive performance under service and commission contracts is directly related to the value provided to the customer.

(c) Dividends

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

Dividends paid reduce retained earnings in the period in which their payment is approved by the Annual General Meeting.

(d) Other income and expenses reported in the consolidated statement of comprehensive income

Other income and expenses presented in the consolidated statement of comprehensive income are recognised under the accrual basis of accounting, i.e. in the period to which they relate in terms of substance and time irrespective of the moment of their payment or receipt.

Other operating expenses and income that do not directly relate to banking activities are presented in "*Other operating expenses"* or *"Other operating income*".

(e) Taxation

The final amount of tax presented in the consolidated statement of comprehensive income comprises the current tax for the accounting period adjusted for changes in prior years' tax liabilities, if any, and deferred tax. Current tax for the year is calculated based on the taxable income, using the tax rate enacted and the tax legislation in force as of the reporting date.

Deferred tax is provided using the balance sheet liability method on all temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for tax purposes. The principal temporary differences arise from certain non-tax deductible provisions and loss allowances, differences between depreciation/amortisation expense for accounting and tax purposes, and remeasurement of financial assets at FVOCI.

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

Deferred tax is calculated using the tax rate expected to apply in the period in which the tax asset is utilised or the tax liability is settled. The effect of changes in tax rates on deferred tax is recognised directly in the consolidated statement of comprehensive income except where such changes relate to items charged directly to equity.

(f) Financial assets and liabilities

Date of recognition and derecognition of financial instruments in/from the consolidated statement of financial position of the Group

Financial assets with regular delivery terms, except for financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income, are recognised using settlement date accounting.

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

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

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

The substance of trade date accounting is as follows:

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

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

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

The Group derecognises a financial liability when its contractual obligations are discharged, or cancelled, or expire.

Day one gain/loss

In the event that the transaction price differs from the fair value of a financial asset or financial liability measured at fair value, the difference between these values (gain or loss) is reported in the consolidated statement of comprehensive income, either as a one-off amount or accrued over the duration of the contract based on an individual assessment of the financial instrument. The Group typically does not conduct this type of transaction.

Fair value measurement principles

The fair value of financial assets and financial liabilities is based on their listed market price as of the reporting date without any deduction for transaction costs. If a listed market price is not available, the fair value of the instrument is determined using the appropriate measurement models or discounted cash flow method.

Where the discounted cash flow method is used, estimated future cash flows are based on the management's best estimates and the discount rate is derived from the market rate as of the reporting date for instruments with similar terms and conditions. Where measurement models are used, inputs are based on market values as of the reporting date.

The fair value of derivatives that are not exchange-traded is determined as the amount that the Group would receive upon the sale of the asset or would have to pay transfer the liability, taking into account current market conditions and the current creditworthiness of the counterparties.

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

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

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

- market quotations are again available;
- the credit spread of a particular debt security is adjusted based on a comparison of credit spreads of similar debt securities;
- the Group obtains another signal to change the credit spread applied;
- the issuer's credit rating changes (change in internal and/or external rating, signals from the market that creditworthiness is worsening); and
- the liquidity of the specific security has deteriorated significantly.

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

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

Classification and measurement

The classification of financial assets under IFRS 9 reflects the cash flow characteristics ("SPPI test") and business model in which assets are managed. Based on these criteria, the Group classifies financial instruments into the following categories:

- financial assets measured at amortised cost ("AC");
- financial assets measured at fair value through other comprehensive income ("FVOCI");
- financial assets measured at fair value through profit or loss ("FVTPL").

Financial assets measured at amortised cost (AC)

A financial asset is measured at amortised cost if it is held in a business model whose objective is to hold financial assets to collect contractual cash flows, and cash flows meet the conditions of the SPPI test.

In the consolidated statement of financial position, financial assets at amortised cost are recognised in "*Financial assets at amortised cost*" and include loans and advances to banks and customers and debt securities not held for trading.

The amortised cost is the cost minus repayments of principal, plus accrued interest, increased or decreased by amortisation of discount or premium, if any, and decreased by expected credit losses using a loss allowance. The amortised cost is calculated using the effective interest rate method. An integral part of the effective interest rate are fees and the related transaction costs. All loans and advances are recognised when cash is advanced to borrowers (or banks). Interest income from financial assets at amortised cost is reported in the consolidated statement of comprehensive income in *"Interest income and similar income* *calculated using the effective interest rate method"*. Impairment losses are reported in the consolidated statement of comprehensive income in *"Impairment losses on financial instruments"*.

Financial assets measured at fair value through other comprehensive income ("FVOCI")

Debt instruments can be measured at fair value through other comprehensive income if they are held in a business model whose objective is achieved by collecting contractual cash flows and selling financial assets; simultaneously, the contractual terms of financial assets meet the SPPI criteria. Unrealised gains and losses from changes in fair values are recognised in other comprehensive income until they are derecognised or reclassified (until their sale). Upon sale, cumulated gains and losses are reclassified from other comprehensive income to profit or loss. Interest income is recognised in "*Interest income and similar income calculated using the effective interest rate method*". Currently, the Group does not measure any debt instrument at fair value through other comprehensive income.

On initial recognition of an equity security not held for trading, the Group can elect to present subsequent changes in fair value in equity. This classification is irrevocable. The Group uses this option in respect of equity investments if the Group's holding does not exceed 20% share in the share capital. In the consolidated statement of financial position, these equity securities are recognised in *"Financial assets measured at FVOCI"*. Gains or losses from a change in their fair value are reported in the consolidated statement of comprehensive income in "*Gains/(losses) from remeasurement of equity securities at FVOCI"*. Gain or loss accumulated in equity cannot be reclassified to profit or loss when the security is sold. Dividends received from these equity instruments are reported in the consolidated statement of comprehensive income in *"Dividend income"*.

Financial assets measured at fair value through profit or loss ("FVTPL")

Financial assets are measured at fair value through profit or loss if the cash flows do not meet the conditions of the contractual cash flow characteristics test or present a part of the business model whose objective is to hold financial assets to realise their value through sale.

In addition, the Group may, on initial recognition, irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise. The Group currently does not use this option.

Debt financial instruments measured at fair value through profit or loss are reported in the consolidated statement of financial position in *"Securities held for trading"* which is a part of "*Financial assets held for trading"*.

Equity instruments which are classified by the Group as held for trading or for which it does not apply the option to recognise fair value movements in other comprehensive income are measured at fair value through profit or loss.

Changes in net fair value of financial assets at FVTPL are reported in the consolidated statement of comprehensive income in *"Net gain on financial operations"*. The interest income and interest expense is reported in the consolidated statement of comprehensive income in "*Other interest income" or "Interest expense and similar expense"*.

Financial assets where the cash flows do not meet the conditions of the contractual cash flow characteristics test or present a part of the business model are reported in the consolidated statement of financial position in *"Financial assets other than held for trading mandatorily reported at fair value through profit or loss"*.

Changes in net fair value of financial assets other than held for trading measured mandatorily at FVTPL are reported in the consolidated statement of comprehensive income in *"Net gain on financial assets other than held for trading mandatorily reported at fair value through profit or loss"*. The interest income and interest expense are reported in the consolidated statement of comprehensive income in *"Interest income* *and similar income calculated using the effective interest rate method" or "Interest expense and similar expense".*

Analysis of contractual cash flow characteristics

As part of the analysis of contractual cash flow characteristics, the Group assesses whether the contractual cash flows from loans and debt securities represent solely payments of principal and interest (SPPI) on the principal amount outstanding. Principal is defined as the fair value of the financial asset on initial recognition. Interest is defined as consideration for the time value of money, for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic and lending risks and costs, as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group will consider the contractual terms of the instrument. This will include assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Group will consider:

- contingent events that would change the amount and timing of contractual cash flows;
- leverage features;
- prepayment and extension terms;
- terms that limit the entity's claim to cash flows from specified assets; and
- features that modify consideration for the time value of money.

Business model

The definition of the Group's business models reflects how groups of financial assets are managed together to achieve a particular business objective. In assessing the objective of a business model, the Group primarily considers the following information:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, the Group considers whether the management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realising cash flows through the sale of the assets;
- how the performance of the business model is evaluated and reported to the Group's key management personnel;
- the risks that affect the performance of the business model and financial assets held within this business model, and how those risks are managed;
- how managers of the entity are compensated - e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the entity's stated objective for managing the financial assets is achieved and how cash flows are realised.

The Group classifies financial assets into the following business model categories:

(i) "Held for trading",

(ii) "Hold, collect contractual cash flows and sell";

(iii) "Hold and collect contractual cash flows";

(iv) "Held for strategic reasons"; or

(v) "Derivatives held for risk management purposes"

(i) "Held for trading"

Debt securities and loans classified by the Group as "held for trading" are held to generate cash flows through their sale. The Group makes decisions based on the assets' fair values and manages their trading based on revenues from the realisation of these fair values. The "held for trading" business model category includes all debt securities and loans that are not included in the "hold and collect contractual cash flows" and "hold, collect contractual cash flows and sell" categories. The Group classifies as "held for trading" all derivative transactions that do not fall into the "derivatives held for risk management purposes" category.

(ii) "Hold, collect contractual cash flows and sell"
Loans and debt securities in the "hold, collect contractual cash flows and sell" category are held for the purpose of acquiring contractual cash flows and selling financial assets. To acquire contractual cash flows and sell financial assets form an essential part of the model's business objective, which is to manage the Group's liquidity needs. The Group expects that, upon the structural deficit of assets, it will sell these loans and securities to cover the deficit of liquid assets.

Within the "hold, collect contractual cash flows and sell" business model, the Group categorises:

(i) all denominated government bonds that are part of a liquidity provision; and

(ii) potentially all other debt securities that are held and could be sold before their maturity if market conditions are favourable.

(iii) "Hold and collect contractual cash flows"
In the "hold and collect contractual cash flows" category the Group holds all loans and debt securities for the purpose of acquiring contractual cash flows over the entire useful lives of instruments. The Group expects and has intention and ability to hold these loans and debt securities to maturity. When determining whether cash flows will be generated by collecting financial assets' contractual cash flows, the Group assesses the frequency, value and timeline of sales in previous periods as well as reasons why these sales were carried out and expectations regarding the future selling activities within the given portfolio.

The Group considers the following sales to be consistent with the "hold and collect contractual cash flows" business model:

- a sale as a result of an increase in the credit risk associated with a financial instrument, irrespective of the frequency and value;
- a sale carried out to manage credit risk concentration if this sale is unique (even if material in terms of its value) or immaterial in terms of value but frequent.

(iv) "Held for strategic reasons"
Equity securities falling into the "held for strategic reasons" category are held to acquire cash flows – dividends on a long-term basis. The Group classifies its ownership interests in non-consolidated companies as "held for strategic reasons".

(v) "Derivatives held for risk management purposes"
Derivative transactions categorised as falling in the "derivatives held for risk management purposes" category represent hedging derivatives intended to manage the Group's interest rate and currency risks. Hedging derivatives are used according to the type of hedging relationship, i.e. fair value hedges or cash flow hedges.

Impairment of financial assets

The Group determines impairment of financial assets using the ECL model in respect of the following financial assets:

- Financial assets at amortised cost;
- Debt financial instruments measured at FVOCI;

For the purpose of calculating loss allowances, IFRS 9 requires using a three-stage model that evaluates changes in portfolio quality since initial recognition as of the reporting date.

Stage 1 includes financial assets the credit risk of which has not increased significantly since initial recognition and assets with low credit risk as of the reporting date. The 12-month expected credit losses are recognised for all assets in this category. Interest income is calculated on the basis of the gross carrying amount of financial assets.

Stage 2 includes financial assets the credit risk of which has increased significantly since initial recognition but for which there is no objective evidence of impairment. Expected credit losses are recognised for these assets over their lifetime. Interest income is calculated on the basis of the gross carrying amount of financial assets.

Stage 3 includes financial assets for which there is objective evidence of impairment. Expected credit losses are recognised for these assets over their entire lifetime. Interest income is calculated on the basis of the net carrying amount of the assets.

Purchased or originated credit-impaired financial assets (“POCI”)

These assets include expected cash flows used in calculating the credit-adjusted effective interest rate upon the initial recognition of the expected credit loss over the entire lifetime of the asset. Changes in expected credit losses are recognised as loss allowances along with the related gain or loss through the Group’s profit or loss.

The calculation of expected credit losses and the methodology for classifying financial assets into individual stages of the ECL model is described in detail in note 46 (e).

Modification of financial assets

Financial assets are modified when there are new or else modified contractual terms related to cash flows from financial asset agreed between the date of origination and the maturity date.

To determine whether there is a significant or insignificant modification to the contractual terms, the Bank assesses changes in contractual cash flows from financial assets based on qualitative measures such as change in currency or type of the instrument, and quantitative criteria such as change in net present value. In case of significant modification, the original financial asset is derecognised and a new financial asset is recognised (including new classification and new impairment stage determination) in fair value as of the date of modification. Insignificant modifications of contractual terms do not result in derecognition, but to change in gross carrying amount of the financial asset calculated using original effective interest rate. Thej modification gain or loss is reported in “*Other operating income*” or “*Other operating expenses*”, respectively.

In assessing the significance of a change in quantitative criteria, the Bank calculates the change in the net present value (NPV) of past and present cash flows. If the change in NPV is significant (greater than 10 %), a so-called substantial modification occurs. The existing financial asset is derecognised and new financial assets is recognized. The difference in carrying amount between newly recognised and derecognised financial asset is recognized as a gain or loss on derecognition. The new financial asset (including the new classification and stage of impairment) is carried at fair value at the date of modification and with new effective interest rate. The date of modification is treated as the origination date of this financial asset, in particular to determine whether there has been a significant increase in credit risk. Insignificant modifications to the terms of contract (change in NPV less than 10 %) do not lead to derecognition of financial asset, but to adjustment of the gross carrying amount calculated on the basis of the original effective interest rate and the new discounted cash flows. The assessment of the significance of the modification does not depend on the portfolio to which financial assets belongs, it is only affected by the change in financial flows.

In the case of each modification of contractual terms there is an assessment whether forbearance criteria are met for classification of financial assets as forborne. Financial asset is considered to be forborne if the customer was in financial difficulties as of the moment of decision about change of contractual terms. The Bank considers financial difficulties as the situation, when customer or any of his exposures is in default, when in last three months the customer was 30 days past due, when at least 20% of customer’s exposure has rating 4.0 or worse, or when financial difficulties of the customer are implied from collection discussions or request to change contractual terms. After classification of financial assets with forbearance there is assessment, whether criteria for change indication as forced restructuring are met, following rules of definition of default. Defaulted financial assets are classified as Stage 3 based on IFRS 9 approach, financial assets with forbearance preferably to Stage 2 based on IFRS 9 approach.

Restructuring of loans and advances to customers

Restructuring of loans and advances means providing the customer with a relief because the Group concluded that it would likely incur a loss if it did not do so. For economic or legal reasons associated with the borrower's financial position the Group therefore provided the borrower with a relief which would not have been available otherwise. For example, the relief may include rescheduling repayments, reducing the interest rate or waiving default interest. A restructured loan or advance (receivable) is not a loan or advance which originated as a result of the renewal of a short-term loan for current assets if the borrower fulfilled all of his payment and non-payment obligations arising from the loan agreement. If the restructuring does not result in the derecognition of the original asset, the existing financial asset is modified. If the restructuring results in the derecognition of the original asset, a new financial asset is created, the fair value of which is considered to be the finite value of cash flows from the existing financial asset at the moment of its derecognition.

Furthermore, a change in the repayment schedule or in the form of the loan is not considered to be restructuring if these changes have been made for commercial reasons or on the grounds of changed financial needs of the borrower, and the anticipated development in the borrower's financial and economic situation does not give rise to doubt as to the full repayment of the receivable even without the change.

Financial liabilities

The Group classifies financial liabilities into two categories:
(a) financial liabilities at amortised cost;
(b) financial liabilities held for trading.

The Group classifies financial liabilities whose performance management is based on trading as measured subsequently at FVTPL upon initial recognition. Such financial liabilities are liabilities arising from securities sold and derivatives held for trading with a negative value. They are recognised in the consolidated statement of financial position under *"Financial liabilities held for trading."*

After initial recognition, all other financial liabilities are measured subsequently at amortised cost using the effective interest rate method.

The Group derecognises a financial liability where related contractual obligations are fulfilled or cancelled or they cease to exist.

Repurchase transactions

Where debt or equity securities are sold under a concurrent commitment to repurchase them at a predetermined price, they remain at fair value or amortised cost within the relevant portfolio in the consolidated statement of financial position and the consideration received is recorded in *"Financial liabilities at amortised cost"* - *"Deposits from banks"* or *"Financial liabilities at amortised cost"* - *"Deposits from customers"*. Conversely, debt or equity securities purchased under a concurrent commitment to resell are recorded off balance sheet where they are remeasured at fair value. The corresponding receivable from the provided loan is recorded in *"Financial assets at amortised cost – Loans and advances to banks"* or in *"Financial assets at amortised cost – Loans and advances to customers"*.

Securities borrowed are not reported in the consolidated financial statements unless they are assigned to third parties, in which case ("short sales") the purchase and sale are recognised as a liability with the gain or loss included in *"Net gain on financial operations"*.

The obligation to return them is recorded at fair value as a trading liability and presented in the consolidated statement of financial position line *"Other liabilities"*.

Interest on debt securities transferred under repo transactions (repurchase transactions) is accrued while interest on debt securities received under reverse repurchase transactions is not accrued. Income or expenses arising from repo transactions or reverse repo transactions (reverse repurchase transactions) as the difference between the selling and purchase price are accrued over the term of the transaction and presented in the consolidated statement of comprehensive income as *"Interest income and similar income calculated using the effective interest rate method"* or *"Interest expense and similar expense"*.

Issued bonds

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

The Group's own debt securities repurchased by the Group are presented as a reduction of liabilities arising from securities issued. Upon initial recognition, the Group's own debt securities are stated at fair value. The difference between the cost of repurchased own debt securities and the amortised cost of issued securities is included in the consolidated statement of comprehensive income line *"Net gain on financial operations"* in the period of acquisition. Interest expense on issued debt securities are reduced to reflect the gradual increase in the value of the Group's own debt securities.

Subordinated loan

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

The principal of the subordinated loan and relevant interest are recognised from the draw-down date to the maturity date of the subordinated loan. The subordinated loan including the accrued and not yet paid portion of the interest is reported in "*Financial liabilities at amortised cost" - "Subordinated liabilities and bonds"* in the consolidated statement of financial position. Interest expense on subordinated loan is reported in the consolidated statement of comprehensive income in *"Interest expense and similar expense"*.

Subordinated debt securities issued

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

Subordinated debt securities issued are reported by the Group at amortised cost using the effective interest rate and are included in *"Financial liabilities at amortised cost – Subordinated liabilities and bonds"* in the consolidated statement of financial position. Interest expense arising on the issue of the Group's own debt securities is reported in the consolidated statement of comprehensive income line *"Interest expense and similar expense"*.

Financial derivative instruments

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

All financial derivative instruments are initially recognised at fair value in the consolidated statement of financial position and are subsequently remeasured and stated at fair value. The fair values of financial derivatives held for trading are reported in "*Financial assets held for trading – derivatives held for trading*" and "*Financial liabilities held for trading – derivatives held for trading*" in the consolidated statement of financial position. The fair values of hedging financial derivatives are reported in "*Hedging derivatives with positive fair value*" and "*Hedging derivatives with negative fair value*" in the consolidated statement of financial position. Interest income and expense associated with financial derivatives used as hedging instruments when hedging fair values or cash flows is reported in "*Interest income and similar income calculated using the effective interest rate method*" or "*Interest expense and similar expense*" in the consolidated statement of comprehensive income. Interest income and expense relating to financial derivatives in the trading portfolio is reported in "*Other interest income*" or "*Interest expense and similar expense*".

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

Embedded derivatives

In some instances, a derivative may be part of a compound financial instrument, which includes both the host instrument and the derivative (embedded derivative) that influences the cash flow or otherwise modifies the characteristics of the host instrument.

Derivatives embedded in other financial instruments are treated as separate derivatives when:

- the host instrument is not a financial asset in compliance with IFRS 9;
- a separate host instrument is not remeasured at fair value through profit or loss (FVTPL);
- the terms of the embedded derivative would meet the definition of a derivative if these were part of a separate contract;
- the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host instrument.

Separate embedded derivatives are stated at fair value and changes in fair values are recognised in consolidated profit or loss if they are not part of hedging relationships within cash flow hedging or hedging of a net investment in a foreign operation.

Hedge accounting

The Group applies hedge accounting in accordance with IAS 39, and not in compliance with the current amendment to IFRS 9. Hedging derivatives are derivatives that the Bank can use to hedge against its interest rate and currency risks. A hedging relationship qualifies for hedge accounting if, and only if, all of the following conditions are met:

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

e) The hedge is assessed on an ongoing basis and determined actually to have been highly effective throughout the financial reporting periods for which the hedge was designated;
f) Current changes in hedged and hedging instruments' fair values or cash flows are almost equal (between 80% and 125%).

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

(a) Fair value hedge: a hedge of the exposure to changes in fair value of a recognised asset or liability or an unrecognised firm commitment, or an identified portion of such an asset, liability or firm commitment, that is attributable to a particular risk and could affect profit or loss;

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

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

The cash flow hedging is aimed at the elimination of uncertainty in future cash flows and the stabilisation of the net interest income. The effective part of the change in the fair value of hedging derivatives treated as cash flow hedges is reported in *“Revaluation of cash flow hedges”* in the consolidated statement of comprehensive income and cumulatively in *“Fair value reserve”* in the consolidated statement of financial position. The ineffective part of the change in the fair value of hedging derivatives treated as cash flow hedges is immediately presented in *“Net gain from hedge accounting”* in the consolidated statement of comprehensive income. The values that were reported in other comprehensive income are reallocated in gain or loss in the period in which the hedged item affects gains or losses in “*Net gain from hedge accounting”* in the consolidated statement of comprehensive income.

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

(g) Offsetting

Financial assets and liabilities may be offset if the Bank has a legally enforceable right to do so and plans to offset them on a net basis or apply the assets and liabilities simultaneously. The transactions are intended to be reported in the consolidated statement of financial position on a net basis. The Bank does not offset any financial assets and financial liabilities.

(h) Other equity instruments

Other equity instruments principally include AT1 capital investment certificates that combine the elements of equity and debt securities and meet the criteria for inclusion in the Group's auxiliary Tier 1 capital. These instruments are reported at their nominal value in the consolidated statement of financial position line *"Other equity instruments"*. The payment of interest income attributable to the certificate holders is governed by the relevant terms and conditions set out in the prospectus for the certificates and is made from the Bank's retained earnings following the approval of the profit distribution by the Bank's General Meeting of shareholders. AT1 certificates includes no contractual obligation to deliver cash or another financial asset and obligation to exchange financial liabilities with another entity under conditions that are potentially unfavourable to the issuer. Certificates are not redeemable at the option of the holders and they will not otherwise be called or repurchased except at the option of the issuer. Issuer at its sole and full discretion, can at any time elect to cancel, in whole or in part, any payment of distributions. Based on these reasons are AT1 certificates classified as equity instruments.

(i) Property and equipment and intangible assets

Property and equipment comprise assets with a physical substance and with an estimated useful life exceeding one year and acquisition cost of more than CZK 40,000.

Intangible assets include assets without physical substance with an estimated useful life exceeding one year and acquisition cost of more than CZK 60,000.

Property and equipment and intangible assets are stated at acquisition cost less accumulated depreciation, amortisation and loss allowances and are depreciated or amortised when ready for use through the consolidated statement of comprehensive income line *"Depreciation and amortisation of property and equipment and intangible assets"* on a straight-line basis over their estimated useful lives.

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

	Depreciation period	Depreciation rate
Software	4 years	25%
Other intangible assets	3 - 8 years	12.5 - 33.3%
Buildings	30 years	3.33%
Fixtures and fittings	5 – 10 years	10 – 20 %
Machinery and equipment	5 – 10 years	10 – 20%

Leasehold improvements are depreciated on a straight-line basis over the lease term, or if appropriate the depreciation period is extended by the term arising from an option arrangement if the Group assumes that the option will be exercised. Leasehold improvements under lease arrangements with no fixed expiry date are depreciated over 15 years, which is an average term for lease arrangement with no fixed expiry date.

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

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

Core deposits intangibles

Core deposits intangibles (CDI) arising in connection with the acquisition of Equa bank a.s. represent the present value of the expected cost savings resulting from the difference between the costs of alternative sources of financing and the costs of CDI. The value of an intangible asset stems from the more favourable costs of CDI compared to alternative sources of financing. Upon initial recognition, CDI was measured at fair value using the discounted cash flow method, whereby the expected cost savings were discounted by capital costs. The Group amortises CDI on a straight-line basis over 10 years.

Customer tribe

The Group recognises a purchased customer tribe under intangible assets provided that the Group exercises control over the asset and is able to control the future expected cash flows arising from customer relations. Upon initial recognition, the Group measured the customer tribe at fair value using the multi-period excess earnings method. The Group amortises the ING customer tribe on a straight-line basis over 3 years and the Equa bank customer tribe over 8 years.

Brand

The Group recognises the Equa bank brand as an intangible asset in order to strengthen its position in the Czech banking and financial market. Upon initial recognition, the Group measures the intangible asset at fair value using the royalty savings method. The Group amortises this intangible asset over a period of 4.5 years

The Group reviews the utilisation of its assets once a year and adjusts the policy on their depreciation/amortisation as and when needed. A change in the depreciation period is not considered a change in accounting policies but a change in accounting estimates.

The Group's acquired assets are tested for impairment once a year. Classified assets are tested if there is an indication of impairment. Impairment of assets, if any, is reported in the consolidated statement of comprehensive income in *"General operating expenses"*. The Group regularly reviews the anticipated future benefit from intangible assets; if no benefit can be expected, the relevant intangible assets are derecognised from the statement on financial position. The loss resulting from the derecognition is included in the consolidated statement of comprehensive income line *"Other operating expenses"*.

Repairs and maintenance are charged directly to the consolidated statement of comprehensive income line *"General operating expenses"* in the year in which the expenses were incurred.

(j) Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of assets assumed by the Group, liabilities of the Group incurred by the former owners of the acquiree and the equity interest issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair values at the acquisition date, except that: deferred tax assets or liabilities and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with IAS 12 Income Taxes and IAS 19 Employee Benefits, respectively.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain. Goodwill is tested for impairment on an annual basis. When the consideration transferred by the Group in a business combination includes contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date. If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

If a business combination occurs during the current reporting period, the values reported for the prior period are not adjusted for the pre-acquisition values of the acquired entity.

(k) Goodwill

At initial recognition, goodwill is measured as stated above. Goodwill is accounted for in the consolidated statement of financial position as part of assets in *"Intangible fixed assets"*. Goodwill is not amortised and is tested for impairment on an annual basis.

Goodwill is impaired if its carrying amount is greater than its estimated recoverable amount. The recoverable amount is defined as the estimated future economic benefits arising from cash-generating units to which goodwill has been allocated. When impairment of goodwill is identified, the Group recognises the impairment through the consolidated statement of comprehensive income line *"General operating expenses"*.

Negative goodwill represents a negative difference between the cost and fair value of the Group's interest in net assets of the acquiree at the acquisition date. Negative goodwill is recognised immediately as income.

(l) Leases

Under IFRS 16, in assessing whether the contract contains a lease. The contract is, or contains a lease if, the contract conveys the right to control and to use an identified asset for a period of time in exchange for consideration.

<u>The Group as a lessee</u>

A lessee recognises a right-of-use asset and a lease liability. A right-of-use asset is initially measured at cost and is subsequently depreciated until the end of its useful life or until the end of the lease contract term. Right-of-use assets are reported by the Group in the consolidated statement of financial position line *"Property and equipment"*.

The lease liability is initially measured at the present value of the lease payments which have not been paid as of the commencement date of the lease contract, discounted at the rate implicit in the lease if that can be readily determined. If that rate cannot be readily determined, the lessee shall use their incremental borrowing rate. Lease payments entering into the calculation of the lease liability measurement include fixed lease payments, variable lease payments that depend on an index or a rate, amounts expected to be payable by the lessee under residual value guarantees, the exercise price of a purchase option that the lessee is reasonably certain to exercise and payments for terminating the lease if the lease term reflects early termination.

Subsequently, the lease liability is measured at carrying amount plus the relevant interest and less lease payments made, and remeasured to take into account a modification or reassessment of the lease.

Lease liabilities are reported in the consolidated statement of financial position line *"Other financial liabilities"*, which is included in the line *"Financial liabilities at amortised cost"*. Interest is reported in the consolidated statement of comprehensive income in *"Interest expense and similar expense"*.

In applying IFRS 16, the Group applies exemptions for lease terms of 12 months or less and not containing a purchase option (short-term leases) and exemptions for leases when the underlying asset has a low value when new. The Group set the low-value limit to EUR 5 thousand. In such cases, the right-of-use asset or the relating liability is not reported and the relevant payments are reported in the consolidated statement of comprehensive income in *"General operating expenses*".

The Group as a lessor

When the Group acts as a lessor, it determines at lease inception whether the lease is a finance lease or an operating lease. To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

In respect of assets leased under finance leases, the present value of lease payments is recognised as a receivable in the statement of financial position in *"Loans and advances to customers"*, which is part of *"Financial assets at amortised cost"*. The difference between the gross value of a receivable and its present value is reported as accrued interest income. The financial income from the lease is recognised in the statement of comprehensive income in *"Interest income and similar income calculated using the effective interest rate method"* over the lease term in order to produce a constant interest rate.

The Group presents assets that are the subject of an operating lease in the appropriate lines of the statement of financial position according to the nature of the leased assets and uses for them accounting policies applied to the relevant asset class. Lease payments received from operating leases are recognised as the Group's income on a straight-line basis over the term of the relevant lease and presented in the statement of comprehensive income in *"Other operating income"*.

(m) Investment property

Investment property, that is, property held to earn rentals or for capital appreciation, is stated at cost and subsequently depreciated based on the determined useful life or agreed lease term to the expenses of the Group. Deprecation is presented in *"Depreciation/amortisation of property and equipment and intangible assets"*.

Investment property is regularly tested for impairment. When impairment of investment property is identified, the Group recognises the impairment through *"General operating expenses"*.

(n) Assets and disposal groups held for sale

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

(o) Provisions

A provision represents a probable cash outflow of uncertain timing or amount. The Group recognises a provision when, and only when:

(c) it has a present obligation (legal or constructive) as a result of a past event;
(d) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
(e) the amount of the obligation can be estimated reliably.

Provisions for guarantees and other off balance sheet items

The Group recognises potential commitments arising from issued guarantees, irrevocable credit commitments (undrawn portion), confirmed open letters of credit, etc. as part of off-balance sheet assets. Provisions for estimated losses on these commitments are made under the same principles as the loss allowances to financial assets. Changes in these provisions are recognised in "*Impairment losses on financial instruments*".

Provisions for payroll bonuses

The Group accounts for provisions for payroll bonuses (quarterly and annual bonuses). Creation, utilisation and release of the provisions for payroll bonuses are reported in the consolidated statement of comprehensive income in *"Personnel expenses"*.

Provision for restructuring

The Group accounts for a provision for restructuring when a formal and detailed restructuring plan has been approved and the restructuring commenced before the end of the reporting period. The provision for restructuring includes only direct costs incurred as a result of the restructuring which are not associated with the Group's ordinary activities.

Other provisions

Creation, utilisation and release of the other provisions relating to banking activities (outstanding vacation days, legal disputes, etc.) are reported in *"General operating expenses"*. If a provision does not relate to banking activities, the creation, utilisation and release of the other provisions are reported in *"Other operating income/Other operating expenses"*. Other provisions also include the provision for fines and penalties.

(p) Current tax liability

Current tax liability represents the tax liabilities for the current period less current income tax prepayments, adjusted for changes in prior year's tax liability, if any. Tax liabilities are stated at the amount that is expected to be paid to the tax authority. In calculating the tax liabilities for the current period, the tax rates and tax legislation in force as of the reporting date will apply.

(q) Non-controlling interests

Non-controlling interests include the share in profits and losses and net assets that are not attributable to the owners of the parent company. These interests are reported in the consolidated statement of comprehensive income and in *"Equity"* in the consolidated statement of financial position separately from the equity attributable to the owners of the Bank. Non-controlling interests are reported using the method of a proportionate interest in net identifiable assets of an acquired entity not attributable to the owners of the parent company and are adjusted by the share in profits and losses of the acquired entity and share in dividends paid from the acquired entity not attributable to the owners of the parent company. As of 31 December 2021 or 2020, the Group held no non-controlling interests.

(r) Transactions with securities undertaken on behalf of customers

Securities taken by the Group into custody, administration or to be managed are kept off balance sheet at their market or nominal values if the market value is not available. *"Other liabilities"* in the consolidated statement of financial position comprise the Group's payables to customers (Deposits from customers) arising from cash received to purchase securities or advance payments to be refunded to customers.

(s) Contingent assets, contingent liabilities and off-balance sheet items

A contingent asset/liability is a potential asset/liability that arises from past events and whose existence will be only confirmed by the occurrence or non-occurrence of one or more uncertain future events not fully under the entity's control. Contingent assets/liabilities are recorded off balance sheet, with the Group regularly reviewing their development to specify whether an inflow/outflow of resources embodying economic benefits has become probable. Where the likelihood of an outflow of economic benefits is higher than 50%, the Group will recognise a provision. Where the likelihood of an inflow of economic benefits is virtually certain, the Group will recognise an asset and income.

Contingent liabilities also include existing liabilities if their settlement is unlikely to require an outflow of resources embodying economic benefits or if the amount of the liability cannot be reliably quantified. Contingent liabilities include for example: irrevocable credit commitments and commitments arising from bank guarantees and letters of credit.

Besides contingent assets and contingent liabilities, assets arising from activities consisting in management, administration and custody of valuables and securities are also recorded off balance sheet, including the related liabilities to return the relevant assets to customers.

Off-balance sheet items also include the nominal values of interest rate and foreign currency instruments, including forwards, swaps and options.

(t) Segment reporting

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

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

Information on reportable operating segments of the Group is disclosed in note 43.

(u) Foreign currency translation

Transactions denominated in foreign currencies are initially measured at the official exchange rate announced by CNB on the transaction date. Monetary assets and liabilities denominated in foreign currencies are translated into the local currency at CNB's exchange rate prevailing as of the reporting date. Realised and unrealised gains and losses on foreign currency translation are recognised in the consolidated statement of comprehensive income in *"Net gain on financial operations"*. Non-cash items measured at fair value denominated in a foreign currency are translated using the exchange rate at the date the fair value is determined. Non-cash items measured at historical cost denominated in a foreign currency are not translated.

(v) Cash and cash equivalents

The Group considers cash in hand, deposits with central banks, and deposits with other banks with one-day maturity to be cash equivalents.

(w) Mandatory minimum reserves

Mandatory minimum reserves include mandatory deposits with the Czech National Bank, the drawing of which is limited for the Group. The Group may draw an amount from mandatory minimum reserves which exceeds the actual average amount of the mandatory minimum reserves for the given period calculated according to the Czech National Bank's regulation. The deposit is mandatory for all commercial banks in the Czech Republic. Mandatory minimum reserves are not included in "Cash and cash equivalents" due to their limited applicability for the Group's liquidity management and possible sanctions by the Czech National Bank in the event of non-compliance with their required average amount for the given period.

(x) Employee benefits

Every employee of the Group has access to a 'benefit purse' in which they obtain an annual one-off contribution depending on the number of years worked and their position. In drawing it, the employees have several options to choose from, including leisure, supplementary pension insurance and life assurance contributions, and meal contributions. The costs incurred in connection with the benefit purse contributions are reported on an accruals basis in *"Personnel expenses"* in the consolidated statement of comprehensive income. Employees receive bonuses on significant personal and work anniversaries. The costs incurred in connection with these benefits are reported in *"Personnel expenses"* in the consolidated statement of comprehensive income.

The amount of the bonuses depends on the fulfilment of the performance criteria. The bankers from the branch network, or mortgage network, receive monthly and quarterly bonuses; branch managers and mortgage office managers receive quarterly bonuses. Call centre employees receive monthly bonuses. Employees from the Operations division with short-term goals receive monthly bonuses. Employees from Risk department with short-term goals receive monthly or quarterly bonuses. Other employees receive annual bonuses. Bonuses are reported on an accruals basis. At year-end, the liability is reported in *"Provisions for payroll bonuses"*. Creation, utilisation and release of the provisions for payroll bonuses are reported in the consolidated statement of comprehensive income in *"Personnel expenses"*.

Members of the board of directors receive bonuses tied to their performance, depending on the fulfilment of financial and non-financial criteria approved by the supervisory board. 50% of the variable wage component of a member of the Board of Directors is calculated and paid out on the methodology Value in Use ("ViU"). This method is based on Dividend Discount Model (DDM) and is the sum of Net Present Value (NPV) of dividends in the following five years since the evaluation year and the ongoing value. This wage component is awarded based on this scheme: 60% is deferred by 18 months from the end of the financial year for which it is awarded; the remaining 40% is paid out over next five years, with one fifth being paid each year. The other half of the variable wage component is awarded under the following scheme: 60% non-delayed; the remaining 40% is paid out over next five years, with one fifth being paid each year. Deferred bonuses paid in cash, i.e. bonuses paid to members of the Board of Directors more than 12 months subsequent to the end of the reporting period during which they provided services to the Group, are considered to be long-term employee benefits reported in "*Provision for payroll bonuses*" in the consolidated statement of financial position. Creation, utilisation and release of the provisions for payroll expenses are reported in the consolidated statement of comprehensive income in "*Personnel expenses*".

(y) Reclassification of 2020 data

Effective from January 2021, the Group changed the presentation of interest income and expense arising from derivatives from the original presentation of interest rate and cross-currency swaps in "*Interest income or expense*" to "*Net interest income or expense*". In accordance with IAS 8, the Group reclassified this item in the consolidated statement of comprehensive income in the comparative period.

The table below shows changes in the individual lines of the consolidated statement of comprehensive income where the reclassification was carried out (only the affected lines).

MCZK	2020 Before adjustment	Reclassification	2020 After adjustment
Interest income and similar income calculated using the effective interest rate method	11,216	(1,830)	9,386
Other interest income	2,544	(1,534)	1,010
Interest expense and similar expense	(5,911)	3,364	(2,547)

The table below shows changes in the individual lines of Note 6 *"Net interest income"* where the reclassification was carried out.

MCZK	2020 Before adjustment	Reclassification	2020 After adjustment
Interest income and similar income calculated using the effective interest rate method			
Financial assets at amortised cost	**8,700**	-	**8,700**
from debt securities	400	-	400
from loans and advances to banks	870	-	870
from loans and advances to customers	7,430	-	7,430
Financial assets other than held for trading mandatorily reported at fair value through profit or loss	**6**	-	**6**
debt securities	6	-	6
Negative interest from financial liabilities measured at amortised cost	**29**	-	**29**
Hedging interest rate derivatives	**2,481**	**(1,830)**	**651**
Interest income calculated using the effective interest rate	**11,216**	**(1,830)**	**9,386**
Other interest income		-	
Finance leases	**229**	-	**229**
Financial assets held for trading	**2,315**	**(1,534)**	**781**
trading derivatives	2,314	**(1,534)**	780
of which derivatives in the Bank's portfolio	9	-	*9*
debt securities	1	-	2
Other interest income	**2,544**	**(1,534)**	**1,010**
Interest expense		-	
Financial liabilities held for trading	**(2,172)**	**1,534**	**(638)**
trading derivatives	(2,172)	1,534	(638)
of which derivatives in the Bank's portfolio	*(13)*	-	*(13)*
Financial liabilities at amortised cost	**(1,141)**	-	**(1,141)**
from deposits from banks	(126)	-	(126)
from deposits from customers	(814)	-	(814)
from debt securities issued	(68)	-	(68)
subordinated liabilities	(133)	-	(133)
From lease liabilities	**(27)**	-	**(27)**
Hedging interest rate derivatives	**(2,564)**	**1,830**	**(734)**
Negative interest from financial assets measured at amortised cost	**(7)**	-	**(7)**
Total interest expense and similar expense	**(5,911)**	**3,364**	**(2,547)**
Net interest income	**7,849**	**-**	**7,849**

6. CHANGES IN ACCOUNTING POLICIES IN 2021

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

In 2021, the Group did not start using any standards and interpretations which would have a significant impact on the consolidated financial statements.

b) Newly applied standards and interpretations the application of which had no significant impact on the consolidated financial statements

The following amendments to the existing standards issued by the International Accounting Standards Board (IASB) and adopted by the EU are effective for the current reporting period:

- **Amendments to IFRS 4 *Insurance Contracts*** – Extension of the Temporary Exemption from Applying IFRS 9 (effective for annual periods beginning on or after 1 January 2021),

- **Amendments to IFRS 9 *Financial Instruments*, IAS 39 *Financial Instruments: Recognition and Measurement*, IFRS 7 *Financial Instruments: Disclosures*, IFRS 4 *Insurance Contracts* and IFRS 16 *Leases*** – Interest Rate Benchmark Reform — Phase 2 (effective for annual periods beginning on or after 1 January 2021),

- **Amendments to IFRS 16 *Leases*** – Covid-19-Related Rent Concessions beyond 30 June 2021 (effective from 1 April 2021 for financial years starting, at the latest, on or after 1 January 2021).

Impact of IBOR reform on hedge accounting

The reform of interest rate benchmarks (IBOR) means that for main benchmark rates such as LIBOR or EURIBOR, the methodology of setting is changed, and some of them can cease to exist entirely. At the same time, new emerging rates arise, e.g. €STR in EUR, SOFR in USD, SONIA in GBP, etc.

Among the main impacts of the change in benchmark rates on the Group is the effect on the valuation of financial instruments, the necessity of identification of and subsequent changes in contractual documentation, which is based on ending rates and technical solutions for the implementation and necessary adjustments in the Group’s individual transaction systems.

In the Group, a working group is responsible for the implementation of this reform, including its effects on products, processes, changes in contractual documentation, and overall system implementation of this change. This working group reports the status of overall preparedness on a regular basis to the Group’s management.

In 2021, the Group proceeded to terminate the provision of new loans bearing interest at the rates that expired on 31 December 2021 (EONIA, GBP and CHF LIBOR; 1W and 2M USD LIBOR); it also renegotiated contracts with clients holding active products so that the expired interest rates are substituted with successor or alternative interest rates (€STR, SONIA, SARON, USD LIBOR with different maturity). As part of the analysis of risks arising from unexpected termination and/or failure of a benchmark interest rate, the Group analysed the application of possible alternative interest rates.

Given the expected significant decline in liquidity and willingness to trade new interest rate derivatives bearing interest at USD LIBOR on the interbank market after 31 December 2021, the Group prepared a new technical solution for closing recent interest rate derivative transactions bearing interest at USD SOFR under an overnight index swap (OIS).

The Group’s working group continues to make necessary adjustments to the Group’s primary systems to reflect the new logic of determining successor interest rates for longer maturities, where the resulting interest rate is available no sooner than shortly before the end of the interest period.

The nominal value of hedging derivatives bearing interest at USD LIBOR as of 31 December 2021 is MCZK 10,625. The net carrying amount of receivables bearing interest at USD LIBOR as of 31 December 2021 is MCZK 820.

Benchmark rates PRIBOR and EURIBOR have already been reformed; they meet the requirements of the regulation and are approved as authorised benchmark rates; their termination or impact on financial instruments or hedge accounting are not expected.

The decision to comply with the amendments to the existing standards did not result in any further changes to the Group's accounting policies.

c) Standards and interpretations issued by IASB and adopted by the EU that are not effective yet

IFRS 17 ***Insurance Contracts*** including amendments to IFRS 17 (effective for annual periods beginning on or after 1 January 2023),

Amendments to IFRS 3 ***Business Combinations*** – Reference to the Conceptual Framework (effective for annual periods beginning on or after 1 January 2022),

Amendments to IAS 1 ***Presentation of Financial Statements*** – Disclosure of Accounting Policies (effective for annual periods beginning on or after 1 January 2023),

Amendments to IAS 8 ***Accounting Policies, Changes in Accounting Estimates and Errors*** – Definition of Accounting Estimates (effective for annual periods beginning on or after 1 January 2023),

Amendments to IAS 16 ***Property, Plant and Equipment*** – Proceeds before Intended Use (effective for annual periods beginning on or after 1 January 2022),

Amendments to IAS 37 ***Provisions, Contingent Liabilities and Contingent Assets*** – Onerous Contracts — Cost of Fulfilling a Contract (effective for annual periods beginning on or after 1 January 2022),

Amendments to various standards due to "Improvements to IFRSs (cycle 2018-2020)" resulting from the annual improvement project of IFRS (IFRS 1, IFRS 9, IFRS 16 and IAS 41) primarily with a view to removing inconsistencies and clarifying wording – adopted by the EU on 28 June 2021. (The amendments to IFRS 1, IFRS 9 and IAS 41 are effective for annual periods beginning on or after 1 January 2022. The amendment to IFRS 16 only regards an illustrative example, so no effective date is stated.)

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

At present, IFRS as adopted by the EU do not significantly differ from regulations adopted by the International Accounting Standards Board (IASB) except for the following amendments to the existing standards, which were not endorsed for use in the EU as at the date of publication of consolidated financial statements (the effective dates stated below is for IFRS as issued by IASB):

Amendments to IFRS 10 ***Consolidated Financial Statements*** **and IAS 28** ***Investments in Associates and Joint Ventures*** – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture and further amendments (effective date deferred indefinitely until the research project on the equity method has been concluded),

Amendments to IFRS 17 ***Insurance contracts*** – Initial Application of IFRS 17 and IFRS 9 – Comparative Information (effective for annual periods beginning on or after 1 January 2023),

Amendments to IAS 1 ***Presentation of Financial Statements*** – Classification of Liabilities as Current or Non-Current and Classification of Liabilities as Current or Non-current – Deferral of Effective Date (effective for annual periods beginning on or after 1 January 2023),

Amendments to IAS 12 ***Income Taxes*** – Deferred Tax related to Assets and Liabilities arising from a Single Transaction (effective for annual periods beginning on or after 1 January 2023).

The Group anticipates that the adoption of these standards, amendments to the existing standards, and interpretations will have no material impact on the consolidated financial statements of the Group in the period of initial application.

7. IMPACT OF THE COVID-19 PANDEMIC ON THE CONSOLIDATED FINANCIAL STATEMENTS

The outbreak of the COVID-19 pandemic in Europe in February 2020 had an impact on the operational and strategic objectives of the Group.

In 2020, the COVID-19 pandemic accelerated the Group's strategic priorities in connection with the optimisation of its branch network. In line with IAS 36 and IFRS 16 requirements, the Group assessed the indicators of any possible impairment of these assets. The Group identified significant impairments in respect of seven leased branch offices reported as rights of use. These branch offices were closed as of 31 December 2020. As of the date of the consolidated financial statements, the net book value of these rights of use was zero and the impairment of the right of use amounting to MCZK (5) was recognised in the statement of comprehensive income under "*Other operating cost*". Lease liabilities arising from the lease agreements are still recognised by the Group in the statement of financial position under "*Other financial liabilities*". In 2021, the Group identified further impairment of assets reported as right of use assets in the amount of MCZK (4). CZK.

During 2021, in the context of the ongoing COVID-19 pandemic, the Group continued with several measures to protect the health of the Group's employees and customers.

The Group allowed almost all of its employees to work from home on a long-term basis in 2021. As early as 2020, the Group optimised the layout and number of workplaces in the Group's premises in combination with the support for long-term work from home for most employees. The Group was also fully operational throughout 2021.

As early as March 2020, the Group started to offer to its clients the suspension of credit repayments for up to one year, applicable to private individuals, entrepreneurs, as well as businesses. On 1 April 2020, the Czech government passed a bill on selected measures pertaining to the repayment of loans in relation to the COVID-19 pandemic, which allowed the introduction of a loan moratorium. Clients of the Group who applied for the government moratorium were granted deferrals of instalments according to the law, i.e. until 31 July or 31 October 2020. Part of this statutory credit moratorium on deferral of loan repayments was the setting of a maximum interest rate on consumer loans at 8% above the two-week repo rate announced by the CNB (0.25%). During this moratorium, banks were not allowed to charge clients any penalty fees or interest on past due instalments. The Group allowed its clients who requested a statutory moratorium to defer payments for a period of three or six months. As of 31 October 2020, when the moratorium ended, the resulting impact of both moratoriums was more than 28 thousand approved applications with a total amount of loans of more than CZK 54 billion, of which households account for CZK 23.5 billion, companies for CZK 30.5 billion. Almost 3 thousand approved applications in the total amount of CZK 17.4 billion relate to voluntary moratoriums and about 25.5 thousand applications in the total amount of CZK 36.6 billion were approved under the statutory moratorium.

In the period from October to December 2020, subsequent forbearance of CZK 2.7 billion was approved for loans for which the Bank granted a suspension of loan repayment due to a voluntary moratorium and subsequent forbearance of CZK 1.8 billion for loans with granted a statutory moratorium which was valid until the end of October 2020.

In the period from January to December 2021, subsequent forbearance of MCZK 686 was approved for loans for which the Group granted a suspension of loan repayment due to a voluntary moratorium and subsequent forbearance of CZK 1.2 billion for loans with a granted statutory moratorium which was valid until the end of October 2020.

In 2021, the Group continued to provide loans to clients in all segments. Clients were able to deal with the vast majority of their banking operations in a remote regime without having to visit a branch office. The Group offered its credit facilities to corporate entities and businesses under the COVID guarantee programmes operated by Českomoravská záruční a rozvojová banka (ČMZRB), COVID III and European investment fund (EIF), being the most extensive programmes. As of 31 December 2021, the Group approved 316 applications in the total amount of more than CZK 3.6 billion.

Pursuant to IFRS 9, a loan moratorium results in the modification of the contractual cash flow of a financial asset. The Group evaluated this modification as an immaterial modification of the financial asset not resulting in the derecognition of the original financial asset. The modification gain or loss equals the difference between the gross book value of the loan before modification and the net present value of the cash flows of the modified financial asset discounted at the original effective interest rate. The Group recognises the modification loss in the separate consolidated statement of comprehensive income under *"Other operating cost"*. As of 31 December 2021, the modification loss caused by COVID-19 effects amounted to CZK 0 (31 December 2020: MCZK 98).

In accordance with EBA guidance, granting a private or public moratorium to a client is not automatically considered an indicator of a significant increase of credit risk leading to a worse staging of exposure. On the other hand, it may result in a worse staging of the client based on an individual assessment as part of extraordinary or regular monitoring or annual assessment renewal. In 2020, the Group's exposures under public or private moratoria were reported as forborne exposures, but without automatically worsening the risk category. When evaluating significant increases in credit risk, the Group continues to apply a set of qualitative, quantitative and additional criteria.

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

The Group constantly monitors the sectors that are most affected by the COVID-19 pandemic (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 the corporate segment, individual assessment was used. The Group deems that the expected credit risk in these industries is included in the forward-looking components and in the staging algorithm used in IFRS 9 models; thus, the Group does not apply any additional portfolio adjustments to selected industries beyond the framework of the applicable IFRS 9 methodology.

8. NET INTEREST INCOME

MCZK	2021	2020
Interest income and similar income calculated using the effective interest rate method		
Financial assets at amortised cost	**12,263**	**8,700**
from debt securities	600	400
from loans and advances to banks	1,886	870
from loans and advances to customers	9,777	7,430
Financial assets other than held for trading mandatorily reported at fair value through profit or loss	**7**	**6**
debt securities	7	6
Other assets	**18**	-
Negative interest from financial liabilities measured at amortised cost	**50**	**29**
Hedging interest rate derivatives	**679**	**651**
Interest income and similar income calculated using the effective interest rate	**13,017**	**9,386**
Other interest income		
Finance leases	**201**	**229**
Financial assets held for trading	**635**	**781**
trading derivatives	634	780
of which derivatives in the Bank's portfolio	*10*	*9*
debt securities	1	2
Other interest income	**836**	**1,010**
Interest expense		
Financial liabilities held for trading	**(626)**	**(638)**
trading derivatives	(626)	(638)
of which derivatives in the Bank's portfolio	*(2)*	*(13)*
Financial liabilities at amortised cost	**(2,264)**	**(1,141)**
from deposits from banks	(145)	(126)
from deposits from customers	(1,795)	(814)
from debt securities issued	(127)	(68)
subordinated liabilities	(197)	(133)
From lease liabilities	**(22)**	**(27)**
Hedging interest rate derivatives	**(777)**	**(734)**
Negative interest from financial assets measured at amortised cost	**(8)**	**(7)**
Total interest expense and similar expense	**(3,697)**	**(2,547)**
Net interest income	**10,156**	**7,849**

The Group changed the presentation of derivatives from the original presentation of interest rate and cross-currency swaps in "*Interest income or expense"* to *"Net interest income or expense"* – see Note 5 (y).

The items *"Interest income and similar income calculated using the effective interest rate method"* – *"Hedging interest rate derivatives"* and *"Interest expense"* – *"Hedging interest rate derivatives"* comprise net interest income from hedging financial derivatives upon a cash flow hedge of MCZK 28 (2020: net interest income of MCZK 74), net interest expense from hedging financial derivatives upon a fair value hedge of mortgage loans of MCZK (460) (2020: net interest expense of MCZK (78)), net interest expense from hedging financial derivatives upon a fair value hedge of the debt securities portfolio measured at amortised cost of MCZK (77) (2020: net interest expense of MCZK (47), net interest income from hedging financial derivatives upon a fair value hedge of term deposits and the portfolio of current and savings accounts of MCZK 376 (2020: MCZK (31)), and net interest expense from hedging financial derivatives upon a fair value hedge of the portfolio of securities issued measured at amortised cost in the total amount of MCZK 35 (2020: MCZK 0).

Interest income additionally includes interest on impaired assets (primarily loans and advances to customers) of MCZK 367 (2020: MCZK 135).

Interest income from financial assets at amortised cost includes in 2021 interest from loans and advances to customers which were subject to loan moratorium introduced due to the COVID-19 outbreak of MCZK 1,131 (2020: MCZK 265).

9. NET FEE AND COMMISSION INCOME

MCZK	2021				
	Corporate companies	Retail clients	Treasury	Other	Total
Fee and commission income					
Securities transactions	21	119	-	-	**140**
Clearing and settlement	10	1	-	-	**11**
Asset management	2	69	-	-	**71**
Administration, custody and safekeeping of values	9	31	1	1	**42**
Payments	266	1,553	-	-	**1,819**
Product distribution for customers	3	341	-	-	**344**
Loan administration	79	159	-	-	**238**
Fund management and distribution of investment certificates	-	461	-	-	**461**
Customer foreign currency operations	746	941	-	-	**1,687**
Other	91	71	6	13	**181**
Total fee from customers' accounts	**1,227**	**3,746**	**7**	**14**	**4,994**
Provided guarantees	151	-	-	-	**151**
Total fee and commission income	**1,378**	**3,746**	**7**	**14**	**5,145**
Fee and commission expense					
Clearing and settlement	(8)	(62)	(3)	-	**(73)**
Administration, custody and safekeeping of values	-	(0)	(4)	-	**(4)**
Payments	(13)	(748)	-	-	**(761)**
Guarantees received	(14)	(0)	-	-	**(14)**
Distribution of customer products	-	(128)	-	-	**(128)**
Other	(13)	(172)	(18)	-	**(203)**
Total fee and commission expense	**(49)**	**(1,110)**	**(25)**	**-**	**(1,184)**
Net fee and commission income	**1,329**	**2 636**	**(18)**	**14**	**3 961**

MCZK	2020				
	Corporate companies	Retail clients	Treasury	Other	Total
Fee and commission income					
Securities transactions	22	84	1	-	**107**
Clearing and settlement	12	1	-	-	**13**
Asset management	1	45	-	-	**46**
Administration, custody and safekeeping of values	10	32	1	7	**50**
Payments	246	1,235	-	6	**1,487**
Product distribution for customers	3	186	-	-	**189**
Loan administration	87	108	-	-	**195**
Fund management and distribution of investment certificates	-	334	-	-	**334**
Customer foreign currency operations	616	761	-	-	**1,377**
Other	63	34	-	-	**97**
Total fee from customers' accounts	**1,060**	**2,820**	**2**	**13**	**3,895**
Provided guarantees	147	-	-	-	**147**
Total fee and commission income	**1,207**	**2,820**	**2**	**13**	**4,042**
Fee and commission expense					**0**
Clearing and settlement	(9)	(46)	(5)	-	**(60)**
Administration, custody and safekeeping of values	-	-	(3)	-	**(3)**
Payments	(16)	(632)	-	(1)	**(649)**
Guarantees received	(15)	-	-	-	**(15)**
Distribution of customer products	-	(13)	-	-	**(13)**
Other	(5)	(136)	(21)	(26)	**(188)**
Total fee and commission expense	**(45)**	**(827)**	**(29)**	**(27)**	**(928)**
Net fee and commission income	**1,162**	**1,993**	**(27)**	**(14)**	**3,114**

10. NET GAIN/LOSS ON FINANCIAL OPERATIONS

MCZK	2021	2020
Interest rate and currency derivatives and FX spots	(717)	(426)
Profit/(loss) from revaluation of foreign currency position	796	219
Gain/(loss) from transactions with securities held for trading	-	1
Liabilities from short sales transactions	8	1
Equity instruments held for trading	12	6
Total	**99**	**(199)**

11. NET GAIN/LOSS ON FINANCIAL ASSETS OTHER THAN HELD FOR TRADING MANDATORILY REPORTED AT FAIR VALUE THROUGH PROFIT OR LOSS

MCZK	2021	2020
Debt securities	2	38
Loans and advances to customers	(38)	-
Total	**(36)**	**38**

12. NET PROFIT FROM HEDGE ACCOUNTING

MCZK	2021	2020
Change in the fair value of hedging derivatives upon fair value hedge	(3,808)	(873)
Change in the fair value of hedged items upon fair value hedge	3,841	872
Gains/ (losses) from cash flow hedges – ineffective part	(21)	4
Total	**12**	**3**

13. DIVIDEND INCOME

MCZK	2021	2020
Visa Inc.	1	1
Janus Property s.r.o.	8	-
Total	**9**	**1**

14. IMPAIRMENT LOSSES ON FINANCIAL INSTRUMENTS

MCZK	2021	2020
Changes in loss allowances		
Additions to loss allowances	(3,676)	(2,759)
Release of loss allowances	3,315	1 080
Use of loss allowances	1,028	506
Gross carrying value of assigned and written-off receivables	(1,028)	(506)
Income from written-off/sold receivables	74	40
Total changes in loss allowances	**(287)**	**(1,639)**
Provisions for off-balance sheet credit risks		
Establishment of provisions	(345)	(293)
Release	302	208
Total changes in provisions for off-balance sheet credit risks	**(43)**	**(85)**
Total impairment losses on financial instruments	**(330)**	**(1 724)**

15. GAIN OR LOSS (-) ARISING FROM DERECOGNITION OF FINANCIAL ASSETS MEASURED AT AMORTISED COST

MCZK	Net carrying amount		Gain arising from derecognition	
	2021	2020	2021	2020
Loans and receivables	524	409	12	5
Debt securities	192	81	1	3
Total	**716**	**490**	**13**	**8**

In 2021 and 2020, loans and receivables from clients and debt securities were sold due to the deterioration in credit risk.

16. PERSONNEL EXPENSES

MCZK	2021	2020
Wages and salaries	(3,102)	(2,483)
Social and health insurance	(902)	(764)
Other personnel expenses	(127)	(152)
Total	**(4,131)**	**(3,399)**
of which wages, salaries and remuneration paid to:		
Members of the board of directors	(93)	(91)
Members of the supervisory board	(7)	(7)
Total	**(100)**	**(98)**

As of 31 December 2021, *"Wages and salaries"* include a provision for restructuring in connection with the legal merger by amalgamation of Raiffeisenbank a.s. and Equa Bank a.s. in the amount of MCZK 134 (as of 31 December 2020: MCZK 0).

As of 31 December 2021 and 2020, the recalculated average number of the Group's employees was as follows:

	2021	2020
Employees	3,781	3,292
Members of the board of directors	8	7
Members of the supervisory board	12	12

Members of the board of directors and supervisory board above represent members of the Bank's board of directors and supervisory board.

The financial arrangements between the Group and members of the board of directors and supervisory board are disclosed in note 50.

17. GENERAL OPERATING EXPENSES

MCZK	2021	2020
Rent, repairs and other office management services	(204)	(234)
Marketing expenses	(519)	(365)
Costs of legal and advisory services	(610)	(444)
of which: *statutory audit of financial statements*	*(22)*	*(9)*
other assurance services provided by the auditor	*(6)*	*(4)*
IT support costs	(635)	(438)
Deposit and transaction insurance	(104)	(62)
Telecommunication, postal and other services	(73)	(85)
Security costs	(54)	(50)
Cost of training	(25)	(25)
Office equipment	(27)	(20)
Travel expenses	(12)	(9)
Fuel	(13)	(10)
Contribution to the crisis resolution fund	(308)	(273)
Other administrative expenses	(106)	(38)
Loss on the impairment of investment property (note 34)	-	(6)
Total	**(2,690)**	**(2,059)**

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

Besides the statutory audit, the auditor provided the Group with the following services in 2021:
- Review of the Financial Information for consolidation purposes prepared in conformity with the accounting instructions issued by group management of Raiffeisen Bank International for the period from 1 January 2021 to 30 June 2021;

- Audit of the Financial Information for consolidation purposes prepared in conformity with the accounting instructions issued by group management of Raiffeisen Bank International for the year ended 31 December 2021;
- Review of the impairment of financial assets at amortised cost and net income attributable to the shareholders of the Bank and Raiffeisenbank, a.s. for the period from 1 January 2021 to 30 June 2021 for the purpose of using the interim profit or loss in the statement of equity and risk exposures;
- Review of the impairment of financial assets at amortised cost and net income attributable to the shareholders of the Bank and Raiffeisenbank Group, a.s. for the year ended 31 December 2021 to 30 June 2020 for the purpose of using the interim profit or loss in the statement of equity and risk exposures;
- Preparation of report on the adequacy of measures adopted for the purposes of protection of customer assets (MiFID II) based on Section 12(e)(3) of Act no. 256/2004, on Capital Market Business, as amended, and pursuant to the provisions of Section 116(a) of Decree No. 163/2014 Coll., on the Performance of the Activities of Banks, Credit Unions and Investment Firms, for the purposes of the Czech National Bank;
- Other assurance services related to the prospectus of covered bonds containing data necessary to identify the monitor of the covered block ("asset monitor programme");
- Services related to the provision of professional services in the area of bank benchmark of financial statements of the Bank and selected competitor banks;
- Services associated with the preparation and submission of the 1042-S tax form to the U.S. Department of the Treasury.
- Tax advisory in connection with a review of transfer pricing rules and the corporate income tax return for 2021.

18. DEPRECIATION AND AMORTISATION OF PROPERTY AND EQUIPMENT AND INTANGIBLE ASSETS

MCZK	2021	2020
Amortisation expense	(881)	(643)
Depreciation expense	(480)	(440)
Amortisation of right-of-use assets	(354)	(333)
Depreciation of investment property	(4)	(7)
Total	**(1,719)**	**(1,423)**

19. OTHER OPERATING INCOME

MCZK	2021	2020
Change in operating provisions	8	13
Change in loss allowances to operating receivables	-	15
Gain on the sale of intangible and tangible assets	23	2
Income from reinvoicing of services to the parent company	57	23
Income related to banking products	36	39
Gain on operating leases	549	515
Modification gain	1	-
Other	258	382
Total	**932**	**989**

20. OTHER OPERATING EXPENSES

MCZK	2021	2020
Change in loss allowances to operating receivables	(8)	-
Operating lease expenses	(314)	(283)
Impairment of right-of-use assets	(4)	(5)
Modification loss	-	(101)
Other	(45)	(143)
Total	**(371)**	**(532)**

As of 31 December 2021, the modification loss caused by COVID-19 effects amounted to MCZK 0 (2020: MCZK (98)).

21. INCOME TAX

Income tax expense

MCZK	2021	2020
Current income tax	(1,290)	(418)
Income tax of prior years	(34)	94
(Expense)/income in respect of deferred tax	129	(201)
Total income tax	**(1,195)**	**(525)**

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

MCZK	2021	2020
Profit before tax (general tax base)	**5,965**	**2,749**
Total profit before tax	**5,965**	**2,749**
Tax calculated at the tax rate for the general tax base – 19% (2020: 19%)	**(1,133)**	**(522)**
Non-taxable income (tax effect)	583	490
Non-tax deductible expenses (tax effect)	(615)	(587)
Tax relief and offsets	4	-
Tax liability for the year	**(1,161)**	**(619)**
Income tax of prior years	(34)	94
Total income tax	**(1,195)**	**(525)**
Effective tax rate	**20.03%**	**19.10%**

For additional details on the deferred tax, refer to note 29.

22. CASH AND CASH EQUIVALENTS

MCZK	2021	2020
Cash and cash equivalents	2,866	2,313
Balances with central banks (including one-day deposits)	545	497
Other demand deposits	6,050	3,042
Total	**9,461**	**5,852**

23. FINANCIAL ASSETS HELD FOR TRADING

MCZK	2021	2020
Derivatives	**3,917**	**2,063**
Interest rate derivatives	3,336	1,754
Currency derivatives	581	309
Debt securities	**165**	**1,683**
Government institutions	165	1,683
Total	**4,082**	**3,746**

Securities pledged as collateral

As of 31December 2021 and 2020, the Group provided no pledge of securities as collateral as part of repurchase and similar transactions with other banks and customers.

24. FINANCIAL ASSETS OTHER THAN HELD FOR TRADING MANDATORILY REPORTED AT FAIR VALUE THROUGH PROFIT OR LOSS

MCZK	2021	2020
Debt securities	**256**	**252**
Other financial institutions	130	123
Non-financial enterprises	126	129
Loans and receivables	**242**	**280**
Other financial institutions	242	280
Total	**498**	**532**

25. FINANCIAL ASSETS MEASURED AT FVOCI

MCZK	2021	2020
Equity instruments	**20**	**1**
Shares	20	1
Total	**20**	**1**

"Financial assets measured at FVOCI" include the Group's equity investment in SWIFT of MCZK 1 (2020: MCZK 1) and Bankovní identita a.s. of MCZK 19 (2020: MCZK 0).

26. FINANCIAL ASSETS AT AMORTISED COST

a) Financial assets at amortised cost by segment

MCZK	2021		
	Gross carrying amount	Loss allowances	Net carrying amount
Debt securities	**36,553**	**(3)**	**36,550**
Credit institutions	205	-	**205**
Government institutions	32,888	(1)	**32,887**
Other financial institutions	926	-	**926**
Non-financial enterprises	2 534	(2)	**2,532**
Loans and advances to banks	**197,963**	**-**	**197,963**
Central banks	197,020	-	**197,020**
Credit institutions	943	-	**943**
Loans and advances to customers	**377,239**	**(5,488)**	**371,751**
Government institutions	573	-	**573**
Other financial institutions	13,858	(23)	**13,835**
Non-financial enterprises	134,223	(2,142)	**132,081**
Households	228,585	(3,323)	**225,262**
Total	**611,755**	**(5,491)**	**606,264**

MCZK	2020		
	Gross carrying amount	Loss allowances	Net carrying amount
Debt securities	**38,967**	**(9)**	**38,958**
Credit institutions	205	-	**205**
Government institutions	36,788	(6)	**36,782**
Other financial institutions	167	-	**167**
Non-financial enterprises	1 807	(3)	**1,804**
Loans and advances to banks	**107,619**	**-**	**107,619**
Central banks	106,637	-	**106,637**
Credit institutions	982	-	**982**
Loans and advances to customers	**304,681**	**(5,922)**	**298,759**
Government institutions	1,006	-	**1,006**
Other financial institutions	13,398	(24)	**13,374**
Non-financial enterprises	114,982	(2,205)	**112,777**
Households	175,295	(3,693)	**171,602**
Total	**451,267**	**(5,931)**	**445,336**

b) Financial assets at amortised cost by category

MCZK	2021	2020
Debt securities		
Debt securities	36,553	38,967
Debt securities - gross	**36,553**	**38,967**
Loss allowances	(3)	(9)
Debt securities - net	**36,550**	**38,958**
Loans and advances to banks		
Term deposits	926	966
Factoring	17	16
Reverse repurchase transactions with Czech National Bank	197,020	106,637
Loans and advances to banks - gross	**197,963**	**107,619**
Loss allowances	-	-
Loans and advances to banks - net	**197,963**	**107,619**
Loans and advances to customers		
Current account overdrafts	1,027	2,770
Term loans	203,135	163,363
Mortgage loans	162,884	129,487
Reverse repurchase	1 418	260
Credit card receivables	3 111	3,077
Other	5 664	5,724
Loans and advances to customers - gross	**377,239**	**304,681**
Loss allowances	(5,488)	(5,922)
Loans and advances to customers - net	**371,751**	**298,759**
Total financial assets at amortised cost	**606,264**	**445,336**

The Group has applied hedge accounting upon the fair value hedge of the portfolio of receivables from mortgage loans. As of 31 December 2021, the remeasurement of the hedged items amounted to MCZK (4,453) (2020: MCZK 1,253).

c) Reverse repurchase transactions

The Group advanced loans to the Czech National Bank in the aggregate amount of MCZK 197,020 (2020: MCZK 106,637) under reverse repo transactions. Reverse repo transactions with the Czech National Bank are collateralised by securities with the fair value of MCZK 193,664 (2020: MCZK 104,893).

Aggregate amount of loans advanced to customers under reverse repo transaction was MCZK 1,418 (2020: MCZK 260). Reverse repo transactions with customers are collateralised by securities with the fair value of MCZK 1,918 (2020: MCZK 350).

d) Syndicated loans

Pursuant to concluded syndicated loan agreements as of 31 December 2021, the Group acted as the arranger of syndicated loans in the original amount of aggregate credit limits of MCZK 6,527 (2020: MCZK 7,347), of which the proportion of the Group amounted to MCZK 1,984 (2020: MCZK 2,355), and the proportion of other syndicate members amounted to MCZK 4,543 (2020: MCZK 4,992).

As of 31 December 2021, the aggregate amount of outstanding receivables under the syndicated loan facilities was MCZK 4,707 (2020: MCZK 5,403), of which the proportion of the Group was MCZK 1,293 (2020: MCZK 1,520), and the proportion of other syndicate members was MCZK 3,414 (2020: MCZK 3,883).

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

27. FINANCE LEASES

Aging of receivables from finance leases is as follows:

MCZK	2021	2020
Gross investments in finance leases	**8,615**	**8,700**
- up to 3 months	778	859
- 3 months to 1 year	2,070	2,124
- 1 year to 2 years	2,032	2,243
- 2 years to 3 years	1,459	1,573
- 3 years to 4 years	911	971
- 4 years to 5 years	647	445
- more than 5 years	719	485
Unrealised financial income	**(469)**	**(447)**
Net investments in finance leases – gross	**8,146**	**8,253**
Loss allowances	(127)	(162)
Net investments in finance leases – net	**8,019**	**8,091**

The assets that the Group leases under finance lease have the following structure:

MCZK	2021	2020
Lease of motor vehicles	6,290	6,120
Lease of real estate	26	130
Lease of equipment	1,830	2,003
Total	**8,146**	**8,253**

28. HEDGING DERIVATIVES WITH POSITIVE FAIR VALUE

MCZK	2021	2020
Portfolio hedge derivatives	**5,062**	**2,030**
Cash flow hedge	-	147
Fair value hedge	5,062	1,883
Total	**5,062**	**2,030**

29. DEFERRED TAX ASSET/LIABILITY

Deferred tax is calculated on all temporary differences under the liability method using the basic income tax rate of 19% (the tax rate for 2021).

Deferred tax asset comprises the following items:

MCZK	Balance as of 1 Jan 2021		Movement for the year - (expense)/ income	Movement for the year against equity	Balance at 31 Dec 2021		
	Net deferred tax asset / (liability)	Changes to the consolidation group			Deferred tax liability	Deferred tax asset	Net deferred tax asset / (liability)
Outstanding social and health insurance, bonuses	**98**	-	22	-	-	120	**120**
Other provisions	**119**	21	11	-	-	151	**151**
Outstanding vacation days	**6**	-	-	-	-	6	**6**
Fair value reserve - cash flow hedge	**(10)**	-	-	99	-	89	**89**
Differences between accounting and tax carrying amounts of property and equipment and intangible assets	**(302)**	(378)	(26)	-	(706)	-	**(706)**
Movement in fair value reserve in equity from remeasurement of financial assets at FVOCI	-	-	-	-	-	-	-
Differences between accounting and tax values - leases	**(326)**		138	-	(188)	-	**(188)**
Tax loss of prior years	**84**		(84)	-	-	-	-
Fair value remeasurement arising from the acquisition of a subsidiary	-	30	68	-	-	98	**98**
Deferred tax asset/(liability)	**(331)**	**(327)**	**129**	**99**	**(894)**	**464**	**(430)**

MCZK	Balance as of 1 Jan 2020	Movement for the year - (expense)/income	Movement for the year against equity	Balance at 31 Dec 2020		
	Net deferred tax asset / (liability)			Deferred tax liability	Deferred tax asset	Net deferred tax asset / (liability)
Outstanding social and health insurance, bonuses	**112**	(14)	-	-	98	**98**
Other provisions	**94**	25	-	-	119	**119**
Outstanding vacation days	**5**	1	-	-	6	**6**
Fair value reserve - cash flow hedge	**(15)**	-	5	(10)	-	**(10)**
Differences between accounting and tax carrying amounts of property and equipment and intangible assets	**(154)**	(148)	-	(302)	-	**(302)**
Movement in fair value reserve in equity from remeasurement of financial assets at FVOCI	**(27)**	-	27	-	-	-
Differences between accounting and tax values - leases	**(177)**	(149)	-	(326)		**(326)**
Tax loss of prior years	-	84	-		84	**84**
Deferred tax asset/(liability)	**(162)**	**(201)**	**32**	**(638)**	**307**	**(331)**

MCZK	2021	2020
Deferred tax asset recorded in the balances sheet	18	6
Deferred tax liability recorded in the balance sheet	(448)	(337)
Net deferred tax (liability)/asset	**(430)**	**(331)**

30. OTHER ASSETS

MCZK	2021	2020
Indirect tax receivables	18	14
Receivables arising from non-banking activities	1,409	366
Deferred expenses and accrued income	1,220	1,066
Receivables from securities trading	121	191
Settlement of cash transactions with other banks	520	372
Mandatory minimum reserves	7,503	4,668
Other	581	210
Total	**11,372**	**6,887**

"Other" includes contributions to the share capital of non-consolidated uncontrolled entities of Raiffeisen Leasing, s.r.o. (see note 3(e)) of MCZK 27 (2020: MCZK 55).

31. EQUITY INVESTMENTS IN ASSOCIATED COMPANIES

MCZK	2021	2020
Opening balance	-	-
Additions	**83**	-
Increase/(decrease) in net assets	**19**	-
Disposals	-	-
Total	**102**	-

MCZK	Country	Assets	Liabilities	Gain/loss	Effective share in share capital	Share in equity
Akcenta CZ a.s.	CR	2,871	2,531	63	30%	**102**
At 31 December 2021						**102**

32. INTANGIBLE ASSETS

MCZK	Software	Other intangible assets	Goodwill	Core deposit intangibles	Intangible assets under construction	Total
Acquisition cost						
At 1 January 2020	**6,471**	**380**	-	-	**659**	**7,510**
Changes to the consolidation group	807	28	-	-	17	**852**
Additions	398	-	-	-	557	**955**
Disposals	(458)	-	-	-	-	**(458)**
Other changes (transfers)	621	-	-	-	(621)	**-**
At 31 December 2020	**7,839**	**408**	**-**	**-**	**612**	**8,859**
Changes to the consolidation group	491	277	447	1,574	-	**2,789**
Additions	422	130	-	-	473	**1,025**
Disposals	(14)	-	-	-	-	**(14)**
Other changes (transfers)	583	-	-	-	(583)	**-**
At 31 December 2021	**9,321**	**815**	**447**	**1,574**	**502**	**12,659**
Accumulated amortisation						
At 1 January 2020	**(4,365)**	**(372)**	-	-	-	**(4,737)**
Changes to the consolidation group	(616)	(21)	-	-	-	**(637)**
Additions – annual amortisation charges	(690)	(6)	-	-	-	**(696)**
Disposals	458	-	-	-	-	**458**
At 31 December 2020	**(5,213)**	**(399)**	**-**	**-**	**-**	**(5,612)**
Additions – annual amortisation charges	(753)	(49)	-	(79)	-	**(881)**
Disposals	14		-		-	**14**
At 31 December 2021	**(5,953)**	**(448)**	**-**	**(79)**	**-**	**(6,479)**
Net book value						
At 31 December 2020	**2,626**	**9**	**-**	**-**	**612**	**3,247**
At 31 December 2021	**3,369**	**367**	**447**	**1,495**	**502**	**6,180**

"Changes to the consolidation group" in 2021 represent the classification of intangible assets of Equa bank a.s. and Equa Sales & Distribution s.r.o. Further details are stated in note 49.

In connection with the acquisition of customer deposits and investment products of ING Bank N.V., the Group recognised an intangible asset of MCZK 129, which represents a purchased customer tribe of ING Bank N.V. comprising client investment products. In relation to the acquisition of clients of Equa bank a.s., the Group recognised an intangible asset of MCZK 175, which represents a purchased customer tribe of Equa bank clients, and an intangible asset of MCZK 49, which represents the Equa Bank brand. Customer tribes and the brand are recognised under *"Other intangible assets"*.

Additions to software predominantly represent the putting into use of technical improvements on data warehouses and other software used by the Group. Internal costs (primarily personnel expenses and rental costs) which are required to generate these assets are capitalised. In 2021, internal costs totalling MCZK 177 (2020: MCZK 200) were capitalised.

Other additions to intangible assets under construction include purchases from external entities. In this category, the Group does not report or record additions acquired through business combinations.

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

33. PROPERTY AND EQUIPMENT

MCZK	Land, buildings and technical improvements on buildings	Fixtures and fittings	Machinery and equipment	Property and equipment under construction	Total
Acquisition cost					
At 1 January 2020	**4,027**	**203**	**2,173**	**358**	**6,761**
Changes to the consolidation group	506	-	190	10	**706**
Additions	306	5	471	72	**854**
Disposals	(235)	(9)	(298)	(120)	**(662)**
Other changes (transfers)	26	6	64	(96)	**-**
At 31 December 2020	**4,630**	**205**	**2,600**	**223**	**7,658**
Changes to the consolidation group	241	11	118	-	**370**
Additions	110	18	478	294	**900**
Disposals	(336)	(23)	(495)	(2)	**(856)**
Other changes (transfers)	13	6	20	(39)	**-**
At 31 December 2021	**4,658**	**217**	**2,721**	**476**	**8,072**
Accumulated depreciation					
At 1 January 2020	**(1,476)**	**(154)**	**(867)**	**(97)**	**(2,594)**
Changes to the consolidation group	(230)	-	(169)	-	**(399)**
Additions	(444)	(13)	(340)	-	**(797)**
Disposals	57	9	167	-	**233**
At 31 December 2020	**(2,093)**	**(158)**	**(1,209)**	**(97)**	**(3,557)**
Additions	(463)	(10)	(361)	-	**(834)**
Disposals	180	22	319	-	**521**
At 31 December 2021	**(2,376)**	**(146)**	**(1,251)**	**(97)**	**(3,870)**
Loss allowances					
At 1 January 2020	-	-	**(3)**	-	**(3)**
Additions	-	-	-	-	**-**
At 31 December 2020	-	-	(3)	-	(3)
Additions	-	-	-	-	-
At 31 December 2021	-	-	(3)	-	(3)
Net book value					
At 31 December 2020	**2,537**	**47**	**1,388**	**126**	**4,098**
At 31 December 2021	**2,282**	**71**	**1,467**	**379**	**4,199**

"Changes to the consolidation group" in 2021 represent the classification of intangible assets of Equa bank a.s. and Equa Sales & Distribution s.r.o. Further details are stated in note 49.

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

As of 31 December 2021, the carrying amount of right-of-use assets was MCZK 1,473 (at 31 December 2020: MCZK 1,709) – see note 48.

34. INVESTMENT PROPERTY

MCZK	2021	2020
Acquisition cost		
At 1 January	**439**	**556**
Additions	7	62
Disposals	-	-
Effect of the change in the consolidation scope	(204)	(179)
Acquisition cost at 31 December	**242**	**439**
Accumulated depreciation and loss allowances		
At 1 January	(116)	(142)
Annual depreciation	(4)	(7)
Disposals	-	-
Loss allowance	-	(6)
Effect of the change in the consolidation scope	61	39
Accumulated depreciation and loss allowances at 31 December	**(59)**	**(116)**
Net book value at 31 December	**183**	**323**

The rental income from investment property as of 31 December 2021 amounted to MCZK 13 (31 December 2020: MCZK 24). Expenses related to the rental of the investment property as of 31 December 2021 amounted to MCZK 2 (31 December 2020: MCZK 2).

The fair value of investment property as of 31 December 2021 amounted to MCZK 360 (31 December 2020: MCZK 378). The fair value is measured based on the appraisals of internal experts with appropriate professional qualification, using one of the following valuation methods or the combination of the valuation methods: valuation based on the acquisition costs, yield methods and residual value of the land plots. The Group makes the assessment of the fair value of the investment property at least on a yearly basis.

35. FINANCIAL LIABILITIES HELD FOR TRADING

MCZK	2021	2020
Derivatives	**4,604**	**2,616**
Interest rate derivatives	3,257	1,762
Currency derivatives	1,347	854
Total	**4,604**	**2,616**

36. FINANCIAL LIABILITIES AT AMORTISED COST

a) Deposits from banks

MCZK	2021	2020
Current accounts/One-day deposits	1,106	1,148
Term deposits of banks	10,197	8,454
Deposits with notice	104	-
Repurchase transactions	1,700	2,599
Total	**13,107**	**12,201**

b) Deposits from customers

Analysis of deposits from customers by type

MCZK	2021	2020
Current accounts/One-day deposits	448,505	336,583
Term deposits	73,831	36,278
Term deposits with maturity	30,754	29,915
Total	**553,090**	**402,776**

The Group has applied hedge accounting upon the fair value hedge of the portfolio of current and savings accounts. As of 31 December 2021, the remeasurement of the hedged items amounted to MCZK (9,285) (2020: MCZK 262).

In February 2021, the Group's management signed an exclusive cooperation agreement with ING, under which the Group was granted the priority right to approach ING clients with its offer. The agreement was approved by the Office for the Protection of Competition in March 2021. In connection with this transaction, which mainly relates to the transfer of client deposits and investment products, there was an increase in deposits from customers of MCZK 50,843 and investments accepted for management of MCZK 4,869.

Analysis of deposits from customers by sector

MCZK	2021	2020
Government institutions	9,128	8,398
Other financial institutions	12,739	7,768
Non-financial enterprises	154,803	125,617
Households	376,420	260,993
Total	**553,090**	**402,776**

Repo transactions

As of 31 December 2021 and 2020, the Group received no loans from customers as part of repo transactions.

c) Debt securities issued

Analysis of issued debt securities by type

MCZK	2021	2020
Mortgage bonds	8,614	13,053
Senior non-preferred bonds	11,370	-
Total	**19,984**	**13,053**

Analysis of mortgage bonds

MCZK							
Issue date	**Maturity date**	**ISIN**	**Currency**	**Nominal value**		**Net carrying amount**	
				2021	**2020**	**2021**	**2020**
08/03/2017	08/03/2021	XS1574150261	EUR	-	5,511	-	5,532
08/03/2017	08/03/2023	XS1574150857	EUR	2,983	3,149	3,027	3,216
08/03/2017	08/03/2024	XS1574151236	EUR	3,978	4,199	4,058	4,305
15/7/2020	15/7/2030	CZ0002007057	CZK	1,000	1,000	-	-
8/3/2017	8/4/2022	XS1574149842	EUR	7,458	8,109	-	-
15/11/2021	15/11/2031	XS2406886973	EUR	12,430	-	-	-
19/3/2020	19/3/2025	CZ0002006893	CZK	1,500	-	1,529	
TOTAL				**29,349**	**21,968**	**8,614**	**13,053**

ISIN	Interest rate
XS1574150261	0.50%
XS1574150857	0.88%
XS1574151236	1.13%
XS1574149842	0.63%
CZ0002007057	1.00%
CZ0002006893	1.65%
XS2406886973	0.70%

In 2021, mortgage bond XS1574150261 issued by the Group reached its maturity. Mortgage bonds XS1574149842, XS2406886973 and CZ0002007057 remain completely in the Group's own books.

As of 31 December 2021, the Group held issued EUR-denominated mortgage bonds totalling MEUR 1,040 (as of 31 December 2020: MEUR 510), which can be used as collateral in repurchase transactions with the European Central Bank, and issued CZK-denominated mortgage bonds totalling MCZK 1,000, which can be used as collateral in repo transactions with the Czech National Bank.

Apart from this, the Group used issued EUR-denominated mortgage bonds of MEUR 80 (as of 31 December 2020: MEUR 200) as collateral in repurchase transactions on the inter-banking market.

Analysis of senior non-preferred bonds

MCZK							
Issue date	**Maturity date**	**ISIN**	**Currency**	**Nominal value**		**Net carrying amount**	
				2021	**2020**	**2021**	**2020**
18/03/2021	22/03/2026	XS2321749355	CZK	2,689	-	2,694	-
09/06/2021	09/06/2028	XS2348241048	EUR	8,701	-	8,676	-
TOTAL				**11,390**	**-**	**11,370**	**-**

ISIN	Interest rate
XS2321749355	6M PRIBOR + 0.6 pp p.a.
XS2348241048	Fixed rate of 1% p.a.

During the first half of 2021, the Group issued two issues of senior non-preferred bonds that are subordinated to other preferred bonds and MREL eligible.

International bond XS2348241048, admitted to trading on the Luxembourg Stock Exchange and denominated in EUR, was issued as a green bond in cooperation with Barclays Bank Ireland PLC, Crédit Agricole Corporate and Investment Bank, and Raiffeisen Bank International AG. It has a maturity of seven years and an embedded call option for the Group for early repayment in nominal value after six years from the issue date. The bond has been assigned a *Baa3* rating by Moody's.

Bond XS2321749355, admitted to trading on the Luxembourg Stock Exchange and denominated in CZK, can be sold to non-professional customers and was offered mainly to investors on the domestic market. It has a maturity of five years and an embedded call option for the Group for early repayment in nominal value after four years from the issue date. This bond has not been assigned any rating.

d) Subordinated liabilities and bonds

Subordinated loan

MCZK	2021	2020
Raiffeisen Bank International AG (parent company)	3,250	3,194
Raiffeisenlandesbank Oberösterreich AG	1,083	1,065
Raiffeisen Bausparkasse Holding GmbH	302	302
Total	**4,635**	**4,561**

In May 2021, the Group obtained another subordinated loan of MEUR 12, out of which MEUR 9 was from Raiffeisen Bank International AG and MEUR 3 from Raiffeisenlandesbank Oberösterreich AG. The subordinated loan bears the interest of a 12-month EURIBOR and a margin of 1.8% p.a., with a 10-year maturity via balloon payment with an option for the Group of early repayment after 5 years.

In November 2020, the Group obtained a subordinated loan of MEUR 32, out of which MEUR 24 was from Raiffeisen Bank International AG and MEUR 8 from Raiffeisenlandesbank Oberösterreich AG. The subordinated loan bears interest of a 12-month EURIBOR and a margin of 3.8% p.a., with a 10-year maturity via balloon payment with an option for the Group of early repayment after 5 years. In November 2020, the Group obtained another subordinated loan of MCZK 300 from Raiffeisen Bausparkassen Holding GmbH. The subordinated loan bears interest of 5.0 per cent p.a., with annual interest payment and with maturity on 8 November 2029.

Subordinated deposits

MCZK	2021	2020
Other financial institutions	26	-
Non-financial enterprises	175	-
Households	82	-
Total	**283**	**-**

The average interest rate of the entire portfolio is 4.77 % p.a. Part of the subordinated deposits is due in 2022 and part in 2023.

Subordinated bonds

MCZK							
Issue date	**Maturity date**	**ISIN**	**Currency**	**Nominal value**		**Net carrying amount**	
				2021	**2020**	**2021**	**2020**
26/9/2017	26/9/2027	CZ0003704595	CZK	300	-	306	-
16/9/2019	18/9/2029	CZ0003704900	CZK	300	-	302	-
CELKEM				**600**	**-**	**608**	**-**

ISIN	Interest rate
CZ0003704595	4.4%
CZ0003704900	4.06%

e) Other financial liabilities

MCZK	2021	2020
Liabilities from trading with securities	73	67
Liabilities from non-banking activities	472	344
Settlement and suspense clearing accounts	2,173	1,723
Lease liabilities	1,475	1,744
Total	**4,192**	**3,878**

37. HEDGING DERIVATIVES WITH NEGATIVE FAIR VALUE

MCZK	2021	2020
Positive fair value of portfolio hedge derivatives	**10,160**	**3,209**
Cash flow hedge	436	110
Fair value hedge	9,724	3,099
Total	**10,160**	**3,209**

38. PROVISIONS

MCZK	2021	2020
Provisions for commitments and financial guarantees provided	**555**	**505**
Other provisions	**918**	**667**
Provisions for legal disputes	14	39
Provision for untaken holidays	33	31
Provisions for payroll bonuses	632	514
Provision for restructuring	153	12
Other	86	71
Total	**1,473**	**1,172**

The Group recognises provisions for credit risks arising from off-balance sheet items in respect of irrevocable credit commitments, guarantees and letters of credit provided to customers. The purpose of this provision is to cover credit risks associated with off-balance sheet receivables. Provisions are made for estimated credit losses on these potential receivables on the basis of the same principles as loss allowances for financial assets. The movement in provisions for commitments and financial guarantees provided is part of Section 45 *"Financial instruments – credit risk"*.

Overview of other provisions

MCZK	Provisions for legal disputes	Provision for outstanding vacation days	Provisions for salary bonuses	Provision for restructuring	Other provisions	Total
1 January 2020	**10**	**24**	**589**	**10**	**85**	**718**
Additions	25	25	514	5	33	**602**
Utilisation	(6)	(2)	(568)	(3)	(2)	**(581)**
Release of redundant provisions	(1)	(16)	(26)	-	(44)	**(87)**
Changes to the consolidation group	11	-	5	-	-	**16**
31 December 2020	**39**	**31**	**514**	**12**	**72**	**668**
Short-term	**-**	**31**	**433**	**-**	**-**	**464**
Long-term	**39**	**-**	**81**	**12**	**72**	**204**
Additions	7	33	632	159	30	**861**
Utilisation	(29)	(6)	(510)	(12)	(3)	**(560)**
Release of redundant provisions	(3)	(25)	(67)	(6)	(17)	**(118)**
Changes to the consolidation group	-	-	64	-	3	**67**
31 December 2021	**14**	**33**	**632**	**153**	**86**	**918**
Short-term	**-**	**33**	**508**	**147**	**-**	**688**
Long-term	**14**	**-**	**124**	**6**	**86**	**230**

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

"*Provision for restructuring*" is recognised in connection with a legal merger by amalgamation of Raiffeisenbank a.s. and Equa bank a.s.

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

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

39. OTHER LIABILITIES

MCZK	2021	2020
Estimated payables – payroll costs	330	251
Accrued expenses and deferred income	176	80
Estimated payables – uninvoiced receipts for services/goods	737	545
Other	202	219
Total	**1,445**	**1,095**

40. EQUITY

a) Share capital

The Bank's shareholder structure as of 31 December 2021:

Name	Registered office	Number of ordinary shares	Nominal value (MCZK)	Ownership percentage* (in %)
Raiffeisen CEE Region Holding GmbH	Austria	1,159,560	11,596	75
RLB OÖ Sektorholding GmbH	Austria	386,520	3,865	25
		1,546,080	**15,461**	**100**

* Direct investment in the share capital

In 2021, the Bank's share capital was increased by MCZK 4,400.

The registered capital has been fully paid. The ordinary shares are in accordance with Act No. 90/2012 Coll. on Business Corporations and Cooperatives, and there are no special rights associated with them. The shareholder is entitled to a share of the Bank's profit (dividend), which the General Meeting had approved for distribution according to the Bank's economic results. The Bank has not issued any convertible bonds or priority bonds within the meaning of Section 286 of Act No. 90/2012 Coll., On Business Corporations and Cooperatives. In 2021 and 2020, the Bank did not hold any of its own shares or issue any interim certificates.

On 27 April 2021, the Bank's General Meeting approved the following allocation of the profit from separate financial statements as of 2020:

Net profit for 2020	**2,140**
Approved allocation:	
Allocation to reserve funds	-
Allocation to retained earnings	2,140
Dividends paid to shareholders*	-
Of which: Raiffeisen CEE Region Holding GmbH	-
RLB OÖ Sektorholding GmbH	-

During 2021, dividends from the 2020 profit were not paid out to the shareholders.

In 2021, the dividend per share amounted to CZK 0 (2020: CZK 0).

b) Other equity instruments

Other equity instruments include subordinated unsecured AT1 capital investment certificates issued by the Group that combine the elements of equity and debt securities and meet the criteria for inclusion in the Group's Tier 1 capital. In accordance with the terms of issue of AT1 capital investment certificates, the Bank is not obliged to deliver cash or any other financial asset to the holders of AT1 instruments to settle a contractual obligation, i.e. the AT1 holders are not entitled to the repayment of the outstanding amount or the payment of the coupon yield. In 2021, the Group placed another issue of AT1 capital investment certificates of MCZK 662 (2020: MCZK 786). As of 31 December 2021, the issue totalled MCZK 4,831 (at 31 December 2020: MCZK 4,169). The Czech National Bank approved the inclusion of AT1 certificates in the Bank's auxiliary Tier 1 capital. In 2021, the Group paid out a coupon of MCZK 255 (2020: MCZK 211) from retained earnings to the holders of these certificates.

c) Fair value reserve

Arising from cash flow hedges

MCZK	2021	2020
Fair value of the effective part of cash flow hedges at 1 January	54	80
Deferred tax asset/(liability) arising from fair value reserve at 1 January	(10)	(15)
Total balance at 1 January	**44**	**65**
Net gains/(losses) from cash flow hedge for the year		
Cross currency swaps	(27)	3
Interest rate swaps	(495)	(29)
Tax effect of cash flow hedges for the year	99	5
Fair value of the effective part of cash flow hedges at 31 December	(468)	54
Deferred tax asset/(liability) arising from fair value reserve at 31 December	89	(10)
Total balance at 31 December	**(379)**	**44**

From remeasurement of equity securities at FVOCI

MCZK	2021	2020
Fair value reserve from remeasurement of equity securities at FVOCI at 1 January	-	333
Deferred tax asset/(liability) arising from fair value reserve at 1 January	-	(27)
Total balance at 1 January	**-**	**306**
Net gain/(loss) from remeasurement of equity securities at FVOCI	1	(74)
Transfer from OCI to Retained Earnings	-	(259)
Tax effect of remeasurement of equity securities at FVOCI for the year	-	27
Fair value reserve from remeasurement of equity securities at FVOCI at 31 December	1	-
Deferred tax asset/(liability) arising from fair value reserve at 31 December	-	-
Total balance at 31 December	**1**	**-**

41. CONTINGENT LIABILITIES

a) Legal disputes

As of 31 December 2021, the Group conducted a review of legal disputes outstanding against it. Pursuant to the review of individual legal disputes in terms of the risk of potential losses and the probability of payment, in 2021, the Group recognised a provision (see note 38) for significant litigations in the aggregate amount of MCZK 14 (2020: MCZK 39).

b) Commitments and guarantees provided and letters of credit issued

MCZK	2021	2020
Banks		
Commitments provided (irrevocable)	-	-
Provided guarantees	884	618
Letters of credit issued	45	65
Total	**929**	**683**
Customers		
Commitments provided (irrevocable)	53,259	31,694
Provided guarantees	19,009	15,584
Letters of credit issued	407	422
Total	**72,675**	**47,700**
Total	**73,604**	**48,383**

In addition, the Group provides the customers with revocable credit commitments and guarantee commitments.

c) Uncommitted credit commitments and guarantee commitments

MCZK	2021	2020
Banks	3,521	2,185
Customers	72,687	76,265
Total	**76,208**	**78,450**

42. FINANCIAL DERIVATIVES

a) Trading derivatives – overview of fair value and nominal value

MCZK	Fair value – assets	Fair value – liabilities	Nominal value
At 31 December 2021			
Interest rate			
Interest rate swaps	3,236	3,108	178,837
Interest rate forwards	101	149	62,000
Interest rate	**3,337**	**3,257**	**240,837**
Currency forwards and swaps	382	1,147	86,789
Currency options	198	201	26,423
Foreign exchange	**580**	**1,347**	**113,212**
Total	**3,917**	**4,604**	**354,049**

MCZK	Fair value – assets	Fair value – liabilities	Nominal value
At 31 December 2020			
Interest rate			
Interest rate swaps	1,753	1,762	163,667
Interest rate forwards	1	-	2,000
Interest rate	**1,754**	**1,762**	**165,667**
Cross currency swaps	-	-	-
Currency forwards and swaps	198	742	62,059
Currency options	111	112	10,928
Foreign exchange	**309**	**854**	**72,987**
Total	**2,063**	**2,616**	**238,654**

b) Trading derivatives – residual maturity of contracted amount (nominal value)

MCZK	1 year or less	From 1 to 5 years	Over 5 years	Total
At 31 December 2021				
Interest rate				
Interest rate swaps	63,546	84,096	31,195	178,837
Interest rate forwards	52,000	10,000	-	62,000
Interest rate	**115,546**	**94,096**	**31,195**	**240,837**
Foreign exchange				
Currency forwards and swaps	74,584	12,205	0	86,789
Currency options	23,330	3,093	0	26,423
Foreign exchange	**97,914**	**15,298**	**-**	**113,212**
Total trading derivatives	**213,460**	**109,394**	**31,195**	**354,049**

MCZK	1 year or less	From 1 to 5 years	Over 5 years	Total
At 31 December 2020				
Interest rate				
Interest rate swaps	49,010	87,578	27,079	163,667
Interest rate forwards	2,000	-	-	2,000
Interest rate	**51,010**	**87,578**	**27,079**	**165,667**
Foreign exchange				
Currency forwards and swaps	59,364	2,695	-	62,059
Currency options	7,340	3,588	-	10,928
Foreign exchange	**66,704**	**6,283**	**-**	**72,987**
Total trading derivatives	**117,714**	**93,861**	**27,079**	**238,654**

c) Hedging derivatives – overview of fair and nominal value

The Group uses interest rate swaps (IRS) to hedge the fair value of assets and liabilities in CZK, EUR and USD with a fixed interest rate and cross-currency swaps (CCS) to hedge basis risk between assets denominated in CZK and liabilities denominated in EUR linked to reference rates PRIBOR and EURIBOR.

During the year ended 31 December 2021, the Group reported the following hedging arrangements that meet the criteria for hedge accounting under IAS 39.

Fair value hedge:

- fair value hedge of the mortgage/corporate loan receivable portfolio, denominated in CZK;
- fair value hedge of portfolio of purchased government bonds denominated in CZK;
- fair value hedge of the current and savings account portfolio, denominated in CZK, EUR and USD.

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

Portfolio cash flow hedge:

- cash flow hedge of the portfolio of assets denominated in CZK and liabilities denominated in EUR linked to variable interest rate (hedging relationship terminated during 2021);
- cash flow hedge of the portfolio of assets denominated in EUR linked to the variable interest rate (hedging relationship terminated during 2021);
- cash flow hedge of the portfolio of assets denominated in CZK linked to the variable interest rate.

Cross currency swaps (CCS) and interest rate swaps (IRS) are the hedging instruments used in cash flow hedging.

A hedge is regarded as highly effective if both of the following conditions are met:

at the inception of the hedge and in subsequent periods, the hedge is expected to be highly effective in achieving offsetting changes in fair value or cash flows attributable to the hedged risk during the period for with the hedge is designated;
the tests are performed on a cumulative basis; the hedge is highly effective when the actual results of the hedge are within a range of 80-125%.

Hedge ineffectiveness (less than 5%) is caused by insignificant differences between the maturity of hedging derivatives and the remeasurement of the hedged item. The Group did not identify any other sources of hedge ineffectiveness.

MCZK	Fair value – assets	Fair value – liabilities	Nominal value
At 31 December 2021			
Portfolio hedge derivatives			
Interest rate swaps to hedge cash flow	-	422	5,500
Interest rate swaps to hedge fair value	5,062	9,738	252,615
Total	**5,062**	**10,160**	**258,115**

MCZK	Fair value – assets	Fair value – liabilities	Nominal value
At 31 December 2020			
Portfolio hedge derivatives			
Interest rate swaps to hedge cash flow	146	1	17,374
Interest rate swaps to hedge fair value	1,884	3,099	220,347
Total	**2,030**	**3,209**	**240,360**

d) Hedging derivatives – residual maturity of contractual amount (nominal value)

MCZK	1 year or less	From 1 to 5 years	Over 5 years	Total
At 31 December 2021				
Interest rate risk				
Portfolio hedge derivatives				
Interest rate swaps to hedge cash flow	-	1,000	4,500	**5,500**
Average interest rate	-	1.40%	1.98%	**1.87%**
Cross currency swaps to hedge cash flow	-	-	-	-
Average interest rate	-	-	-	-
Average exchange rate CZK/EUR	-	-	-	-
Interest rate swaps to hedge fair value	40,966	143,662	67,987	**252,615**
Average interest rate	0.93%	1.18%	1.09%	**1.12%**
Total financial derivatives	**40,966**	**144,662**	**72,487**	**258,115**

MCZK	1 year or less	From 1 to 5 years	Over 5 years	Total
At 31 December 2020				
Interest rate risk				
Portfolio hedge derivatives				
Interest rate swaps to hedge cash flow	8,398	8,792	184	**17,374**
Average interest rate	(0.20)%	(0.06)%	0.99%	**(0.10)%**
Cross currency swaps to hedge cash flow	2,639	-	-	**2,639**
Average interest rate	(0.33)%	-	-	**(0.33)**
Average exchange rate CZK/EUR	27.30	-	-	**27.30**
Interest rate swaps to hedge fair value	42,729	136,576	41,042	**220,347**
Average interest rate	0.77%	1.07%	0.83%	**0.97%**
Total financial derivatives	**53,766**	**145,368**	**41,226**	**240,360**

e) Fair value hedge

Hedging instruments

MCZK	2021					
	Nominal value	**Fair value**		**Line item in the consolidated statement of financial position where the hedging instrument is recognised**	**Change in fair value used for calculation of hedge ineffectiveness**	**Line item(s) in the consolidated statement of comprehensive income that include(s) hedge ineffectiveness**
		Assets	**Liabilities**			
Interest rate risk						
Fair value hedge derivatives						
Interest rate swaps	-	-	-	Hedge derivatives with positive fair value	-	Net gain from hedge accounting
Portfolio hedge derivatives						
Interest rate swaps	252,615	5,062	9,738	Hedge derivatives with positive/negative fair value	(3,808)	Net gain from hedge accounting

MCZK	2020					
	Nominal value	**Fair value**		**Line item in the consolidated statement of financial position where the hedging instrument is recognised**	**Change in fair value used for calculation of hedge ineffectiveness**	**Line item(s) in the consolidated statement of comprehensive income that include(s) hedge ineffectiveness**
		Assets	**Liabilities**			
Interest rate risk						
Fair value hedge derivatives						
Interest rate swaps	-	-	-	Hedge derivatives with positive fair value	-	Net gain from hedge accounting
Portfolio hedge derivatives						
Interest rate swaps	220,347	1,884	3,099	Hedge derivatives with positive/negative fair value	(873)	Net gain from hedge accounting

Hedged items

MCZK	2021					
	Net book value		Accumulated amount of hedged item revaluation		Line item in the consolidated statement of financial position where the hedged item is recognised	Change in fair value used for calculation of hedge ineffectiveness
	Assets	Liabilities	Assets	Liabilities		
Interest rate risk						
Debt securities	11,535	-	(1,537)	-	Financial assets at amortised cost	(1,768)
Loans and advances to customers	61,672	-	(2,916)	-	Financial assets at amortised cost	(3,938)
Deposits from customers	-	(121,069)	-	(9,151)	Financial liabilities at amortised cost	9,414
Debt securities issued	-	(13,179)	-	(133)	Financial liabilities at amortised cost	133

MCZK	2020					
	Net book value		Accumulated amount of hedged item revaluation		Line item in the consolidated statement of financial position where the hedged item is recognised	Change in fair value used for calculation of hedge ineffectiveness
	Assets	Liabilities	Assets	Liabilities		
Interest rate risk						
Debt securities	15,301	-	231	-	Financial assets at amortised cost	106
Loans and advances to customers	75,121	-	1,022	-	Financial assets at amortised cost	2,299
Deposits from customers	-	(88,120)	-	262	Financial liabilities at amortised cost	(1,532)

f) Cash flow hedge

Hedging instruments

MCZK	2021									
	Nominal value	Fair value		Line item in the consolidated statement of financial position where the hedging instrument is recognised	Changes in fair value used for calculating hedge ineffectiveness	Changes in the value of the hedging instrument recognised in OCI	Ineffectiveness recognised in the consolidated statement of comprehensive income	Line item(s) in profit or loss (that include(s) hedge ineffectiveness	Amount reclassified from the hedge reserve to profit or loss	Line item in the consolidated statement of comprehensive income affected by the reclassification
		Assets	Liabilities							
Interest rate risk										
Interest rate swaps	5,500	-	422	Hedging derivatives with positive/ negative fair value	(517)	(495)	(21)	Net gain from hedge accounting	(21)	Net gain from hedge accounting
Cross currency swaps	-	-	-	Hedging derivatives with positive/ negative fair value	(26)	(26)	-	Net gain from hedge accounting	-	Net gain from hedge accounting

MCZK	2020									
	Nominal value	Fair value		Line item in the consolidated statement of financial position where the hedging instrument is recognised	Changes in fair value used for calculating hedge ineffectiveness	Changes in the value of the hedging instrument recognised in OCI	Ineffectiveness recognised in the consolidated statement of comprehensive income	Line item(s) in profit or loss (that include(s) hedge ineffectiveness	Amount reclassified from the hedge reserve to profit or loss	Line item in the consolidated statement of comprehensive income affected by the reclassification
		Assets	Liabilities							
Interest rate risk										
Interest rate swaps	17,374	146	1	Hedging derivatives with positive/ negative fair value	(26)	(29)	4	Net gain from hedge accounting	4	Net gain from hedge accounting
Cross currency swaps	2,639		109	Hedging derivatives with positive/ negative fair value	3	3	-	Net gain from hedge accounting	-	Net gain from hedge accounting

Hedged items

MCZK	2021		2020	
	Line item in the consolidated statement of financial position where the hedged item is recognised	Changes in fair value used for calculating hedge ineffectiveness	Line item in the consolidated statement of financial position where the hedged item is recognised	Changes in fair value used for calculating hedge ineffectiveness
Interest rate risk				
Loans and advances to customers	Financial assets at amortised cost	(466)	Financial assets at amortised cost	(21)
Deposits from customers	Financial liabilities at amortised cost	11	Financial liabilities at amortised cost	-
Debt securities issued	Financial liabilities at amortised cost	-	Financial liabilities at amortised cost	-

43. OTHER OFF-BALANCE SHEET ITEMS

a) Assets placed under management, into administration and deposit

In the years ended 31 December 2021 and 2020, the Group placed no assets under management, into administration or deposit.

b) Assets accepted for management, administration and deposit

MCZK	2021	2020
Assets accepted for management	37,865	31,621
Assets accepted for administration	45,209	37,201
Assets accepted for deposit	6	-
Total	**83,080**	**68,822**

44. SEGMENT ANALYSIS

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

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

Operating segments are represented as follows:
Corporate banking;
Retail banking;
Treasury and ALM;
Other.

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

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

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

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

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

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

The Group has no customer or group of related parties for which income from transactions exceeds 10% of the Group's total income.

Selected items by segment (2021)

At 31 December 2021 MCZK	Corporate entities	Retail customers	Treasury and ALM	Other	Reconciliation to the consolidated statement of comprehensive income	Total
Income statement:						
Net interest income	2,743	6,249	1,032	132	-	**10,156**
Net fee and commission income	1,329	2,636	(18)	14	-	**3,961**
Net gain/(loss) from financial operations	27	141	(78)	9	-	**99**
Net gain on financial assets other than held for trading mandatorily reported at fair value through profit or loss	(3)	-	-	(33)	-	**(36)**
Net gain from hedge accounting	-	-	34	(22)	-	**12**
Impairment losses on financial assets	(34)	(270)	4	(30)	-	**(330)**
Gain or loss (-) arising from derecognition of financial assets measured at amortised cost	12	1	-	-	-	**13**
Other operating expenses	(1,917)	(5,337)	(190)	(535)	-	**(7,979)**
Dividend income	-	-	-	9	-	**9**
Gains/(losses) on the sale of subsidiaries and associated companies	-	-	-	40	-	**40**
Gains/(losses) on non-current assets and disposal groups	-	-	-	1	-	**1**
Operating profit	**2,157**	**3,420**	**784**	**(415)**	**-**	**5,946**
Share of the income from joint ventures	-	-	-	**19**	-	**19**
Profit before tax	**2,157**	**3,420**	**784**	**(396)**	**-**	**5,965**
Income tax	(380)	(409)	(108)	(298)	-	**(1,195)**
Profit after tax	**1,777**	**3 011**	**676**	**(694)**	**-**	**4,770**
Assets and liabilities:						
Total assets	**109,816**	**241,627**	**268,304**	**31,261**	**-**	**651,008**
Total liabilities	**122,996**	**409,467**	**48,554**	**24,066**	**-**	**605,083**

Selected items by segment (2020)

At 31 December 2020 MCZK	Corporate entities	Retail customers	Treasury and ALM	Other	Reconciliation to the consolidated statement of comprehensive income	Total
Income statement:						
Net interest income	2,640	4,829	157	224	(1)	**7,849**
Net fee and commission income	1,162	1,993	(27)	(14)	-	**3,114**
Net gain/(loss) from financial operations	(14)	-	(190)	5	-	**(199)**
Net gain on financial assets other than held for trading mandatorily reported at fair value through profit or loss	(17)	-	-	55	-	**38**
Net gain from hedge accounting	-	-	3	-	-	**3**
Impairment losses on financial assets	(1,047)	(677)	-	-	-	**(1,724)**
Gain or loss (-) arising from derecognition of financial assets measured at amortised cost	8	-	-	-	-	**8**
Other operating expenses	(1,608)	(4,664)	(229)	77	-	**(6,424)**
Dividend income	-	-	-	-	1	**1**
Gains/(losses) on the sale of subsidiaries and associated companies	-	-	-	30	-	**30**
Gains/(losses) on non-current assets and disposal groups	-	-	-	53	-	**53**
Profit before tax	**1,124**	**1,481**	**(286)**	**430**	-	**2,749**
Income tax	(166)	(276)	76	(159)	-	**(525)**
Profit after tax	**958**	**1,205**	**(210)**	**271**	-	**2,224**
Assets and liabilities:						
Total assets	**95,955**	**189,198**	**178,185**	**18,662**	**-**	**482,000**
Total liabilities	**92,478**	**291,888**	**51,650**	**9,170**	**-**	**445,186**

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

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

In *"Net interest income"* in the *"Other"* segment, the Group reports a positive compensation of capital costs that are allocated to individual client segments.

"Other operating expenses" includes *"Other operating expenses*", *"Other operating income*", *"Personnel expenses"*, *"Depreciation/amortisation of property and equipment and intangible assets"* and *"General operating expenses*" presented in the consolidated statement of comprehensive income in separate lines.

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

45. FINANCIAL INSTRUMENTS – MARKET RISK

The Group is exposed to market risks arising from the open positions of transactions with interest rate, equity and currency instruments that are sensitive to changes in financial market conditions.

a) Trading

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

These positions are also held for the purpose of speculation on the expected future development of financial markets and thus represent speculation on this development. The majority of the Group's trading activities are conducted based on the requirements of the Group's customers.

The Group maintains the admission to financial markets through the quoting of bid and ask prices and by trading with other market makers. The Group's business strategy is thus affected by the speculative expectation and market making and its goal is to maximise net income from trading.

The Group manages risks associated with its trading activities on the level of individual risks and types of financial instruments. The key risk management tools are the limits for individual transaction volumes and individual position volumes, stop loss limits and value at risk (VaR) limits. The quantitative methods applied to market risk management are described in "*Risk management methods*" in note 44 (d).

b) Risk management

The selected risks exposures resulting from the Group's activities, management of positions arising from these activities and its risk management approach are described below. More detailed policies applied in measuring and managing these risks are included in "*Risk management methods*" in note 46 (d).

Liquidity risk

Liquidity risk is the risk of losing the Group's ability to meet its financial obligations as they fall due, or the risk of losing the Group's ability to finance an increase in assets. Liquidity risk arises from the time mismatch between cash inflows and outflows. It includes both the risk of inability to raise funds to cover the Group's assets using instruments with appropriate maturity and the Group's ability to sell assets at a reasonable price within a reasonable time frame. The liquidity position of the Group is regularly monitored by the Czech National Bank.

The Group has access to diversified sources of funding, which comprise deposits and other savings, issued securities, loans accepted including subordinated loans, and also the Group's equity. This diversification makes the Group flexible and reduces its dependency on one source of funding. The Group regularly evaluates its liquidity exposures, in particular by monitoring the changes in the structure of financing and comparing these changes with the Group's liquidity risk management strategy, which has been approved by the Group's board of directors. According to the liquidity risk management strategy, the Group has set limits for basic liquidity indicators LCR, NSFR, liquidity position calculated from cumulative cash inflows and outflows for stress scenarios so as to correspond to the Group's appetite risk and safely comply with regulatory regulations. The Group also monitors LCR and NSFR indicators for all major currencies, i.e. CZK, EUR and USD.

As part of its liquidity risk management strategy, the Group also holds a portion of its assets in highly liquid funds, such as czech government bonds and deposits with the Czech National Bank (repo transactions/deposit facilities). The Group uses internal statistical models for modeling from deposits without a contractual maturity. These models are reassessed on a regular basis. In order to manage liquidity in extraordinary circumstances, the Group has prepared a contingency plan, which contains measures to restore liquidity. The ALM department performs regular reviews of the contingency plan and submits it to the Assets and Liabilities Committee (ALCO) for approval.

Financing management

The liquidity Coverage Ratio (LCR) measures the volume of liquid assets against the expected net cash outflows over the next 30 days. Liquidity risk is the risk of losing the ability to meet its financial obligations as they fall due, or the risk of losing the ability to finance an increase in assets under severe crisis conditions. The LCR indicator developed as follows in 2021 and 2020:

LCR (%)	2021	2020
31.3.	241.3	220.7
30.6.	297.6	184.5
30.9.	269.7	178.2
31.12.	260.0	231.8

Strategic liquidity management

The NSFR (Net Stable Funding Ratio) indicators is defined as the ratio of available stable funding and required stable funding. The NSFR indicator developed as follows in 2021 and 2020:

NSFR (%)	2021	2020
31.3.	153.5	120.7
30.6.	176.0	126.7
30.9.	166.8	128.4
31.12.	157.9	137.3

Both LCR and NSFR indicators are monitored on a regular basis and are regularly reported to the Group's management

The following table shows the remaining maturity of contractual cash flows arising from financial liabilities. Analysis of remaining maturity of derivatives is disclosed in the tables in notes 45 (b) and 45 (d).

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

2021 (MCZK)	Net book value	Total contractual liability	0 – 1 months	1 - 3 months	3 - 12 months	1 - 5 years	Over 5 years
Financial liabilities held for trading – Derivatives held for trading	**4,604**	**4,604**	851	400	459	1,840	1,054
Deposits from banks	**13,107**	**13,132**	4,163	4,984	3,985	-	-
Deposits from customers	**553,090**	**553,093**	429,464	85,748	14,084	21,653	2,144
Debt securities issued	**19,984**	**21,578**	-	1,444	117	10,071	9,946
Subordinated liabilities and bonds	**5,526**	**7,084**	-	-	287	241	6,556
Other financial liabilities	**4,192**	**4,229**	2,753	50	218	1,022	186
Negative fair value of hedging derivatives	**10,160**	**10,160**	141	264	241	3,815	5,699
Off-balance sheet items	**73,604**	**73,604**	73,604	-	-	-	-
Total	**684,267**	**687,484**	**510,976**	**92,890**	**19,391**	**38,642**	**25,585**

2020 (MCZK)	Net book value	Total contractual liability	0 – 1 months	0 - 3 months	3 - 12 months	1 - 5 years	Over 5 years
Financial liabilities held for trading – Derivatives held for trading	**2,616**	**2,616**	714	205	431	812	454
Deposits from banks	**12,201**	**12,204**	5 991	264	3,841	2,108	-
Deposits from customers	**402,776**	**402,779**	333,138	37,991	6,098	23,194	2,358
Debt securities issued	**13,053**	**13,357**	-	5,698	-	7,659	-
Subordinated liabilities and bonds	**4,561**	**6,044**	-	7	135	571	5,331
Other financial liabilities	**3,878**	**3,950**	1,585	356	538	1,071	400
Negative fair value of hedging derivatives	**3,209**	**3,209**	122	233	361	1,539	954
Off-balance sheet items	**48,383**	**48,383**	48,383	-	-	-	-
Total	**490,677**	**492,542**	**389,933**	**44,754**	**11,404**	**36,954**	**9,497**

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

Foreign currency risk

The foreign currency risk is the risk arising from currency markets. The source of this risk is the Group's foreign currency position which arises from the mismatch of the Group's assets and liabilities, including the currency-sensitive off-balance sheet items. The majority of foreign currency gains or losses is due to changes in foreign currency rates in currency positions of the Group denominated in EUR and USD. The foreign currency risk is managed by setting trading limits. More detailed policies applied in managing this risk are included in "Risk management methods" in note 44 (d).

Interest rate risk

The Group is exposed to interest rate risk since the interest-bearing assets and liabilities have different maturity dates, periods of interest rate changes/adjustments and volumes during these periods. In the case of variable interest rates, the Group is exposed to a basis risk arising from the difference in the mechanism of adjusting individual types of interest rates, such as PRIBOR, announced interest on deposits, etc. The interest rate risk of the Group is primarily impacted by the development in interbank interest rates, including the negative rates (the impact of negative interest rates is disclosed in note 8). The Group's interest rate risk management activities are aimed at optimising the Group's net interest income in accordance with its strategy approved by the board of directors. In managing the interest rate risk, the Group uses (as in the case of liquidity management) statistical models for distribution of those items where it is unable to determine the exact moment of repricing of interest rates or liquidity maturity (for example on current accounts).

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

Part of the Group's income is generated through a targeted mismatch between rate-sensitive assets and rate-sensitive liabilities. In managing the interest rate risk, the carrying amounts of these assets and liabilities and the nominal (notional) values of interest rate derivatives are recorded either in the year in which they are due or in which the interest rate changes, whichever occurs first. Due to the anticipated prepayment or undefined maturity dates, certain assets or liabilities are allocated to individual periods based on an expert estimate.

Equity risk

Equity risk is the risk of fluctuations of the prices of equity instruments held in the Group's portfolio and financial derivatives related to these instruments. As the Group does not trade shares on its own account, it is exposed to indirect equity risk arising from the shares held by the Group as collateral for customer loans. Equity risk is managed by trading limits. The equity risk management methods are described in "*Risk management methods*" in note 45 (d).

c) Fair values of financial assets and liabilities

The Group used the following methods and estimates in determining the fair values of financial assets and liabilities.

i) Cash and balances with central banks

The reported amounts of cash and short-term instruments are essentially equivalent to their fair value.

ii) Loans and advances to banks

The reported amounts of loans and advances to banks due within one year are essentially equivalent to their fair values. The fair values of other loans and advances to financial institutions are estimated based on cash flows discounted at standard rates for similar types of investments (market rates adjusted for credit risk). The fair values of delinquent loans to financial institutions are estimated based on discounted cash flows; for loss loans, fair values are equivalent to the amount of their collateral.

iii) Loans and advances to customers
For variable-rate loans that are often remeasured or loans with the final maturity within one year, and for which credit risk changes are immaterial, the fair values are essentially equivalent to the reported amounts. The fair values of fixed-rate loans are estimated based on discounted cash flows using the interest rate that is standard for loans with similar conditions and maturity dates and provided to borrowers with a similar risk profile, including the impact of collateral (the discounted rate technique according to IFRS 13). The fair values of loans and receivables from clients and banks were calculated as discounted future cash flows, taking into account the effect of interest and credit spreads, including the possible realization of collateral. Interest rates are affected by movements in market interest rates, while changes in the credit spread are derived from the probabilities of default (PD) and LGD used, which are used to calculate credit risk. To calculate fair value, loans and receivables were grouped into homogeneous portfolios based on the rating method, rating grade, maturity and country where they were provided.

iv) Securities at amortised cost
The fair values of securities at amortised cost are estimated based on discounted cash flows using the interest rate common as of the reporting date, unless they are traded on an active market.

v) Deposits from banks and customers
The fair values of deposits repayable on demand at the reporting date are equal to the amounts repayable on demand (i.e. their carrying amounts). The carrying amounts of variable-rate term deposits are essentially equivalent to their fair values at the reporting date. The fair values of fixed-rate deposits are estimated based on discounted cash flows using market interest rates and taking into account the Group's liquidity costs. The fair value of deposits at amortized cost is calculated taking into account the current interest rate environment and own credit risk.

vi) Bonds issued
The fair values of bonds issued by the Group are determined based on current market prices. If market prices are not available, the fair values are the Group's estimates where the fair value is estimated based on discounted cash flows using market interest rates and taking into account the Group's liquidity costs.

vii) Subordinated liabilities and bonds
The fair values of subordinated loans are estimated based on discounted cash flows using market interest rates and taking into account the Group's liquidity costs. The fair values of subordinated bonds issued by the Group are determined based on current market prices.

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

2021	Level 1	Level 2	Level 3	Fair value	Net book value	Difference
Assets						
Cash and cash equivalents	9,461	-	-	9,461	9,461	-
Loans and advances to banks*	-	-	197,963	197,963	197,963	-
Loans and advances to customers*	-	-	368,140	368,140	371,751	(3,611)
Debt securities at amortised cost*	27,113	4,621	2,546	34,280	36,550	(2,270)
Liabilities						
Deposits from banks	-	-	13,112	13,112	13,107	5
Deposits from customers	-	-	553,038	553,038	553,090	(52)
Debt securities issued	-	-	19,955	19,955	19,984	(29)
Subordinated liabilities and bonds	-	-	5,715	5,715	5,526	189
Other financial liabilities**	-	-	2,717	2,717	2,717	-

*including loss allowances
**excluding lease liabilities

2020	Level 1	Level 2	Level 3	Fair value	Net book value	Difference
Assets						
Cash and cash equivalents	5,852	-	-	5,852	5,852	-
Loans and advances to banks*	-	-	107,619	107,619	107,619	-
Credit and loans to customers*	-	-	299,856	299,856	298,759	1,097
Debt securities at amortised cost*	39,664	-	378	40,043	38,958	1,085
Liabilities						
Deposits from banks	-	-	12,204	12,204	12,201	3
Deposits from customers	-	-	402,838	402,838	402,776	62
Debt securities issued	-	-	13,350	13,350	13,053	297
Subordinated liabilities and bonds	-	-	4,869	4,869	4,561	308
Other financial liabilities**	-	-	2,133	2,133	2,133	-

*including loss allowances
**excluding lease liabilities

Financial instruments at fair value

MCZK	Fair value at 31 December 2021			Fair value at 31 December 2020		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Positive fair value of trading derivatives		3,917		-	2,063	-
Securities held for trading	165		-	1,683	-	-
Positive fair value of hedging derivatives	-	5,062	-	-	2,030	-
Financial assets other than held for trading mandatorily measured at fair value through profit or loss	126	130	242	129	123	280
Financial assets at FVOCI	-	-	20	-	-	1
Total	**291**	**9,109**	**262**	**1,812**	**4,216**	**281**

MCZK	Fair value at 31 December 2021			Fair value at 31 December 2020		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Negative fair value of trading derivatives	-	4,604	-	-	2,616	-
Negative fair value of hedging derivatives	-	10,160	-	-	3,209	-
Total	**-**	**14,764**	**-**	**-**	**5,825**	**-**

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

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

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

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

2021

MCZK	Financial assets held for trading (debt securities)	Financial assets other than held for trading mandatorily measured at fair value through profit or loss	Financial assets at FVOCI	Total
Balance at the beginning of the year	**-**	**280**	**1**	**281**
Transfer to Level 3		-	-	-
Purchases	-		18	**18**
Comprehensive income/(loss)	-	-	-	-
– in the income statement	-	(38)	-	**(38)**
– in equity (note 40)	-	-	1	**1**
Sales/settlement/transfer	-	-	-	-
Transfer from Level 3	-	-	-	-
Balance at the end of the year	**-**	**242**	**20**	**262**

2020

MCZK	Financial assets held for trading (debt securities)	Financial assets other than held for trading mandatorily measured at fair value through profit or loss	Financial assets at FVOCI	Total
Balance at the beginning of the year	**1**	**-**	**735**	**736**
Transfer to Level 3	-	**280**	-	280
Purchases	-	-	-	-
Comprehensive income/(loss)	-	-	**(333)**	**(333)**
– in the income statement	-	-	-	-
– in equity (note 36)	-	-	(333)	(333)
Sales/settlement/transfer	**(1)**	-	**(401)**	(402)
Transfer from Level 3	-	-	-	-
Balance at the end of the year	**-**	**280**	**1**	**281**

The Group measures financial assets held for trading and financial assets measured at FVOCI using the technique of discounted future cash flows. This valuation method adjusts future amounts (i.e. cash flows, income and expense) to the present (discounted) value. The fair value is determined based on the value acquired from the current market expectation of the future value. In respect of securities that fall into the Level 3 category, the Group uses the discount factor for the calculation that is derived from the internal price for liquidity determined by the Group and concurrently reflects the credit risk of the security issuer. The price of the Group for liquidity and credit risk of the security issuer are inputs that are not observable from the data available on the market. The price of the Group for liquidity determined in the calculation is based on the resolution of the Group's ALCO Committee and reflects the level of available sources of the Group's financing and their price. In the event of a negative development of the Group's liquidity position or changes in the interbank market, the price for liquidity may increase and consequently the price of the financial instrument may decline. The credit risk of the issuer is determined based on the rating of the securities issuer in the Group's rating scale. If the issuer was attributed a worse rating, the price of the financial instrument could decline by 0-10%.

The amount in Level 3, item *"Financial assets at FVOCI"* primarily comprises an investment in Bankovní identita a.s. of MCZK 19 (2020: MCZK 0) and SWIFT of MCZK 1 (2020: MCZK: 1).

As of 31 December 2019, the Group recognised an investment in Visa Inc. in the amount of MCZK 238, which represents the amount of the Group's expected share in the cash settlement within the sale of Visa Europe Ltd. to Visa Inc. In accordance with the final form of the merger, the purchase price is settled in the following tranches: cash and transfer of Visa Series C Convertible Participating Preferred Stock (hereinafter "Visa C") in June 2016 and additional cash on the anniversaries of this transactions which leads to a gradual conversion of Visa C to Visa Series A Convertible Participating Preferred Stock (hereinafter "Visa A"). In connection with this transaction, in June 2016 the Group received 5,104 pieces of Visa C with fair value MUSD 4.4 and cash in the amount MEUR 14. In 2016, the Group reported the result of this transaction as a profit of MCZK 519 (MEUR 20.1) in *"Net profit from financial operations"*.

The anniversaries of this transaction are set for the following years: 2020 (4th anniversary), 2022 (6th anniversary), 2024 (8th anniversary), 2026 and 2028 (10th anniversary).

4th anniversary – September 2020
As of 24 September 2020, the Group received 350 pieces of Visa A. Subsequently, on 6 November 2020, these Visa Series A Convertible Participating Preferred Stocks were exchanged for 35,000 pieces of Visa Class A Common Stock with a fair value of MUSD 7. These instruments were presented under *"Financial assets at fair value through other comprehensive income"*. In this context, the fair value of Visa C decreased to MUSD 5.2. Total gain from this Visa conversion in the amount of MUSD 1.7 was presented in other comprehensive income, on September 2020.

In 2020, the Group decided to change the presentation of Visa C. As of 31 December 2019, the Group presented Visa C in *"Financial assets at fair value through other comprehensive income"*. Cumulative change in fair value in other comprehensive income from June 2016 to September 2020 was MUSD 6.1 and fair value of Visa C was MUSD 10.5 in September 2020. In 2020, the Group changed the presentation of Visa C to debt financial instruments, which in 2020 are reported in *"Financial assets other than held for trading mandatorily measured at fair value through profit or loss"* in the amount of MCZK 123. In connection with this change in the presentation of Visa C, the Group reported a revaluation of these stocks to fair value from June 2016 to December 2019 in the amount of MCZK 132 in the consolidated statement of changes in equity under *"Retained earnings"* and revaluation from January 2020 to December 2020 in the amount of MCZK 55 in the consolidated statement of comprehensive income under *"Net gain on financial assets other than held for trading mandatorily measured at fair value through profit or loss"*.

As of 11 November 2020, the Group decided to sell 35,000 pieces of Visa Class A Common Stock. Total gain from the sale of Visa Class A Common Stocks in the amount of MCZK 9 is presented in the consolidated statement of changes in equity in *"Allocation from fair value reserve"*.

d) Risk management methods

The Group uses a set of limits for individual positions and portfolios as part of the appropriate methodologies to facilitate effective market risk management. The set of limits is based on limits determined by appropriate regulators which are complemented by the limits set by the parent company in a standardised way for the entire CEE region. In some cases, the set of limits is complemented by other internal limits and methods that reflect the specifications of local markets that the Group is exposed to.

The Group monitors both aggregate and individual market risks using the value at risk method. Value at risk has been measured based on a one-day holding period with a 99% confidence level.

The calculation reflects mutual correlations of individual risk factors (currency rates, interest rates, market spreads and equity market prices).

MCZK	At 31 December 2021	Average 2021	At 31 December 2020	Average 2020
Total market risk VaR	**646**	**768**	**192**	**214**

Interest rate risk

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

MCZK	At 31 December 2021	Average 2021	At 31 December 2020	Average 2020
Total interest rate position VaR	**536**	**233**	**14**	**12**
Interest rate position VaR - banking book	575	252	17	13
Interest rate position VaR - trading book	33	10	3	5

Interest rate sensitivity of assets and liabilities

MCZK	31 December 2021					
	Up to 3 months	3 months to 1 year	1 year to 5 years	More than 5 years	Unspecified	Total
Assets						
Cash and cash equivalents	9,461	-	-	-	-	**9,461**
Financial assets held for trading	2	157	6	-	3,917	**4,082**
Trading derivatives	-	-	-	-	3,917	**3,917**
Trading securities	2	157	6	-	-	**165**
Financial assets other than held for trading mandatorily reported at fair value through profit or loss	-	-	126	-	372	**498**
Financial assets at FVOCI	-	-	-	-	20	**20**
Financial assets at amortised cost	294,938	47,163	178,893	62,717	22,553	**606,264**
Loans and advances to banks	197,032	261	670	-	-	**197,963**
Loans and advances to customers	97,145	40,254	165,602	46,197	22,553	**371,751**
Debt securities	761	6,648	12,621	16,520		**36,550**
Finance leases	193	38	5,672	2,116	-	**8,019**
Fair value remeasurement of portfolio-remeasured items (loans and advances to customers and debt securities)	-	-	-	-	(4,453)	**(4,453)**
Hedging derivatives with positive fair value	-	-	-	-	5,062	**5,062**
Income tax asset	-	-	-	-	1	**1**
Deferred tax asset	-	-	-	-	18	**18**
Equity investments in associated companies	-	-	-	-	102	**102**
Intangible assets	-	-	-	-	6,180	**6,180**
Property, plant and equipment	-	-	-	-	4,199	**4,199**
Investment property	-	-	-	-	183	**183**
Other assets	-	-	-	-	11,372	**11,372**
Total assets	**304,594**	**47,358**	**184,697**	**64,833**	**49,526**	**651,008**
Liabilities						
Financial liabilities held for trading	-	-	-	-	4,604	**4,604**
Trading derivatives	-	-	-	-	4,604	**4,604**
Financial liabilities at amortised cost	476,188	24,387	32,547	24,392	38,385	**595,899**
Deposits from banks	8,335	3,984	-	-	788	**13,107**
Deposits from customers	463,290	17,669	23,924	14,802	33,405	**553,090**
Debt securities issued	2,713	-	8,582	8,689	-	**19,984**
Subordinated liabilities and bonds	1,850	2,734	41	901	-	**5,526**
Other financial liabilities	-	-	-	-	4,192	**4,192**
Fair value remeasurement of portfolio-remeasured items (deposits from customers)	(9,151)	-	-	-	(134)	**(9,285)**
Hedging derivatives with negative fair value	-	-	-	-	10,160	**10,160**
Provisions	-	-	-	-	1,473	**1,473**
Current tax liability	-	-	-	-	339	**339**
Deferred tax liability	-	-	-	-	448	**448**
Other liabilities	-	-	-	-	1,445	**1,445**
Total liabilities	**467,037**	**24,387**	**32,547**	**24,392**	**56,720**	**605,083**
Gap	**(162,443)**	**22,971**	**152,150**	**40,441**	**(7,194)**	**45,925**
Cumulative gap	**(162,443)**	**(139,472)**	**12,678**	**53,119**	**45,924**	

MCZK	31 December 2020					
	Up to 3 months	3 months to 1 year	1 year to 5 years	More than 5 years	Unspecified	Total
Assets						
Cash and cash equivalents	5,852	-	-	-	-	**5,852**
Financial assets held for trading	1,006	495	125	57	2,063	**3,746**
Trading derivatives	-	-	-	-	2,063	**2,063**
Trading securities	1,006	495	125	57	-	**1,683**
Financial assets other than held for trading mandatorily reported at fair value through profit or loss	-	-	129	-	403	**532**
Financial assets at FVOCI	-	-	-	-	1	**1**
Financial assets at amortised cost	193,592	38,238	144,746	50,844	17,916	**445,336**
Loans and advances to banks	106,645	307	667	-	-	**107,619**
Loans and advances to customers	86,618	26,846	134,098	33,281	17,916	**298,758**
Debt securities	329	11,085	9,981	17,563		**38,958**
Finance leases	423	56	6,053	1,559	-	**8,091**
Fair value remeasurement of portfolio-remeasured items (loans and advances to customers and debt securities)	-	-	-	-	1,253	**1,253**
Hedging derivatives with positive fair value	-	-	-	-	2,030	**2,030**
Income tax asset	-	-	-	-	598	**598**
Deferred tax asset	-	-	-	-	6	**6**
Equity investments in associated companies	-	-	-	-	-	**-**
Intangible assets	-	-	-	-	3,247	**3,247**
Property, plant and equipment	-	-	-	-	4,098	**4,098**
Investment property	-	-	-	-	323	**323**
Other assets	-	-	-	-	6,887	**6,887**
Total assets	**200,873**	**38,789**	**151,053**	**52,460**	**38,825**	**482,000**
Liabilities and Equity						
Financial liabilities held for trading	-	-	-	-	2,616	**2,616**
Trading derivatives	-	-	-	-	2,616	**2,616**
Financial liabilities at amortised cost	361,638	15,108	35,756	12,487	11,480	**436,469**
Deposits from banks	5,971	3,835	2,105	-	290	**12,201**
Deposits from customers	348,504	8,642	26,131	12,187	7,312	**402,776**
Debt securities issued	5,533	-	7,520	-	-	**13,053**
Subordinated liabilities and bonds	1,630	2,631	-	300	-	**4,561**
Other financial liabilities			-		3,878	**3,878**
Fair value remeasurement of portfolio-remeasured items (deposits from customers)	262	-	-	-	-	**262**
Hedging derivatives with negative fair value	-	-	-	-	3,209	**3,209**
Provisions	-	-	-	-	1,172	**1,172**
Current tax liability	-	-	-	-	26	**26**
Deferred tax liability	-	-	-	-	337	**337**
Other liabilities	-	-	-	-	1,095	**1,095**
Total liabilities and equity	**361,900**	**15,108**	**35,756**	**12,487**	**19,935**	**445,186**
Gap	**(161,027)**	**23,681**	**115,297**	**39,973**	**18,890**	**36,814**
Cumulative gap	**(161,027)**	**(137,347)**	**(22,049)**	**17,923**	**36,814**	

Foreign currency Risk

The Group uses a set of limits established based on the standards of the Group. The limits are set for individual currencies and for the overall currency position. Internal currency position limits fully respect the limits set by the local regulator. Moreover, these limits are complemented by monitoring foreign currency risk using Value at Risk.

MCZK	At 31 December 2021	Average 2021	At 31 December 2020	Average 2020
Foreign currency position VaR	1	2	1	2

Foreign exchange position

The table below shows the Group's currency position in the most important currencies, while the rest of the currencies are listed under Other currencies.

MCZK	31 December 2021				
	CZK	EUR	USD	Other currencies	Total
Assets					
Cash and cash equivalents	2,462	6,194	489	316	**9,461**
Financial assets held for trading	4,066	16	-	-	**4,082**
Trading derivatives	3,901	16	-	-	**3,917**
Trading securities	165	-	-	-	**165**
Financial assets other than held for trading mandatorily reported at fair value through profit or loss	368	-	130	-	**498**
Financial assets at FVOCI	19	1	-	-	**20**
Financial assets at amortised cost	553,449	50,251	2,333	231	**606,264**
Loans and advances to banks	197,935	17	11	-	**197,963**
Loans and advances to customers	321,294	47,915	2,311	231	**371,751**
Debt securities	34,220	2,319	11	-	**36,550**
Finance leases	3,544	4,392	82	1	**8,019**
Fair value remeasurement of portfolio-remeasured items (loans and advances to customers and debt securities)	(4,453)	-	-	-	**(4,453)**
Hedging derivatives with positive fair value	4,938	51	73	-	**5,062**
Income tax asset	1	-	-	-	**1**
Deferred tax asset	18	-	-	-	**18**
Equity investments in associated companies	102	-	-	-	**102**
Intangible assets	6,180	-	-	-	**6,180**
Property, plant and equipment	4,199	-	-	-	**4,199**
Investment property	183	-	-	-	**183**
Other assets	9,724	1,615	32	1	**11,372**
Total assets	**584,800**	**62,521**	**3,138**	**549**	**651,008**
Liabilities and Equity					
Financial liabilities held for trading	4,579	25	-	-	**4,604**
Trading derivatives	4,579	25	-	-	**4,604**
Financial liabilities at amortised cost	484,777	85,996	19,915	5,211	**595,899**
Deposits from banks	5,509	6,740	855	3	**13,107**
Deposits from customers	471,392	57,891	18,923	4,884	**553,090**
Debt securities issued	4,223	15,761	-	-	**19,984**
Subordinated liabilities and bonds	1,193	4,333	-	-	**5,526**
Other financial liabilities	2,460	1,271	137	324	**4,192**
Fair value remeasurement of portfolio-remeasured items (deposits from customers)	(9,285)	-	-	-	**(9,285)**
Hedging derivatives with negative fair value	10,132	28	-	-	**10,160**
Provisions	1,391	77	3	2	**1,473**
Current tax liability	339	-	-	-	**339**
Deferred tax liability	448	-	-	-	**448**
Other liabilities	1,373	72	-	-	**1,445**
Equity	41,094	4,831	-	-	**45,925**
Total liabilities and equity	**534,854**	**91,029**	**19,912**	**5,213**	**651,008**
Net foreign exchange position as of 31 December 2021	**49,946**	**(28,508)**	**(16,775)**	**(4 664)**	**-**
Off-balance sheet assets*	435,332	135,437	9,152	32 211	**612,132**
Off-balance sheet liabilities*	481,864	110,163	4,480	17,502	**614,009**
Off-balance sheet foreign exchange position as of 31 December 2021	**(46,532)**	**25,274**	**4,672**	**14,709**	**(1,877)**
Total net foreign exchange position as of 31 December 2021	**3,414**	**(3,234)**	**(12,103)**	**10,045**	**(1,877)**

* Off-balance sheet assets and liabilities include receivables and payables arising from spot transactions and the nominal values of all derivative contracts.

MCZK	31 December 2020				
	CZK	EUR	USD	Other currencies	Total
Assets					
Cash and cash equivalents	2,461	2 672	417	302	**5,852**
Financial assets held for trading	3,680	65	1	-	**3,746**
Trading derivatives	2,054	8	1	-	**2,063**
Trading securities	1,626	57	-	-	**1,683**
Financial assets other than held for trading mandatorily reported at fair value through profit or loss	409	-	123	-	**532**
Financial assets at FVOCI	-	1	-	-	**1**
Financial assets at amortised cost	396,966	46,737	1,072	561	**445,336**
Loans and advances to banks	107,604	8	7	-	**107,619**
Loans and advances to customers	251,435	45,698	1,065	561	**298,759**
Debt securities	37,927	1,031	0	0	**38,958**
Finance leases	3,801	4,045	244	1	**8,091**
Fair value remeasurement of portfolio-remeasured items (loans and advances to customers and debt securities)	1,253	-	-	-	**1,253**
Hedging derivatives with positive fair value	1,888	63	79	-	**2,030**
Income tax asset	598	-	-	-	**598**
Deferred tax asset	6	-	-	-	**6**
Equity investments in associated companies	-	-	-	-	**-**
Intangible assets	3,247	-	-	-	**3,247**
Property, plant and equipment	4,098	-	-	-	**4,098**
Investment property	323	-	-	-	**323**
Other assets	6,549	234	101	3	**6,887**
Total assets	**425,279**	**53,817**	**2,037**	**867**	**482,000**
Liabilities and Equity					
Financial liabilities held for trading	2,586	28	2	-	**2,616**
Trading derivatives	2,586	28	2	-	**2,616**
Financial liabilities at amortised cost	344,219	70,356	18,191	3,703	**436,469**
Deposits from banks	3,598	7,794	805	4	**12,201**
Deposits from customers	338,384	43,493	17,216	3,683	**402,776**
Debt securities issued	-	13,053	-	-	**13,053**
Subordinated liabilities and bonds	302	4,259	-	-	**4,561**
Other financial liabilities	1,935	1,757	170	16	**3,878**
Fair value remeasurement of portfolio-remeasured items (deposits from customers)	262	-	-	-	**262**
Hedging derivatives with negative fair value	3,180	26	3	0	**3,209**
Provisions	1,046	120	4	2	**1,172**
Current tax liability	26	-	-	-	**26**
Deferred tax liability	337	-	-	-	**337**
Other liabilities	1,024	71	-	-	**1,095**
Equity	32,645	4,169	-	-	**36,814**
Total liabilities and equity	**385,325**	**74,770**	**18,200**	**3,705**	**482,000**
Net foreign exchange position as of 31 December 2020	**39,954**	**(20,952)**	**(16,163)**	**(2,838)**	**-**
Off-balance sheet assets*	329,870	114,249	29,458	5,039	**478,616**
Off-balance sheet liabilities*	366,248	97,576	13,291	2,190	**479,305**
Off-balance sheet foreign exchange position as of 31 December 2020	**(36,378)**	**16,673**	**16,167**	**2,849**	**(689)**
Total net foreign exchange position as of 31 December 2020	**3,576**	**(4,279)**	**4**	**11**	**(689)**

* Off-balance sheet assets and liabilities include receivables and payables arising from spot transactions and the nominal values of all derivative contracts.

Market spread risk

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 Group also uses the Value at Risk method.

MCZK	At 31 December 2021	Average 2021	At 31 December 2020	Average 2020
Total market risk VaR	**742**	**827**	**204**	**214**
Market spread VaR - debt instruments	746	833	202	213
Market spread VaR - currency positions	19	7	5	3

Equity risk

Market risks arising from the Group's equity trading activities are managed using the limits of maximum open positions in equity instruments. At the end of 2013, the Group suspended trading with equity instruments in the banking book.

Stress testing

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

e) Operational risk

In accordance with the applicable legislation, operational risk is defined as the risk of the Group's loss arising from the inappropriateness or failure of internal processes, human errors or failures of systems or the risk of the Group's loss arising from external events. The Group monitors, tracks and assesses these risks on a regular basis and undertakes measures aimed at minimising losses. In respect of the operational risk, the Group applies the standardised approach to calculating capital adequacy. In the future, it intends to implement the advanced (AMA) approach. The Group has completed the phase of preparation so that the advanced approach could be applied. The Group is planning to file the application for the regulator's approval of this approach in coordination with the parent company Raiffeisen Bank International AG.

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

Operational risk management primarily draws upon the following:

- event data collection;
- general ledger analysis;
- risk assessment;
- scenario analysis;
- early warning indicators (EWI);
- mitigation plans.

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

The general ledger analysis provides reconciliation between the reported loss and its recognition in the books.

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

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

EWIs are used for the ongoing monitoring and reporting of the risk exposure to operational risk. They provide early warning to take possible steps or make changes in the risk profile, which may initiate management measures. The monitored EWIs include for example the number of dismissed employees, the supplier's financial dependence on the Group, deposit outflows in the retail portfolio, complex projects, or major projects exceeding two years.

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

All instruments are used in a regular annual cycle.

f) Equity management

In the EU, banking regulation requirements are stipulated by the Basel III regulatory framework through Regulation EU No. 575/2013/EU on prudential requirements for credit institutions and investment firms (CRR – Capital Requirements Regulation), as amended, and Directive EU No. 2013/36/EU on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms (CRD IV – Capital Requirements Directive). CRD IV was transposed to the Czech legal system by means of an amendment to the Act on Banks and by adopting the Czech National Bank's Decree No. 163/2014 Coll. The new regulation primarily governs capital indicators, imposing stricter requirements namely in respect of regulatory capital, liquidity and risk-weighted exposure.

Since 2014, CRD IV has made it possible for member states to require that banks create and maintain three types of buffers: capital conservation buffer, systemic risk buffer and countercyclical capital buffer. As for the capital conservation buffer, the CNB has decided to apply it from the very beginning to all institutions in the full amount of 2.5% of the Tier 1 capital. In 2020, the systemic risk buffer was only applied to five institutions, including Raiffeisenbank (set at 1% for Raiffeisenbank). As of October 2021, the Czech National Bank abolished the risk premium for systemic risk and replaced it with Other Systemically Important Institution (O-SII), which amounts to 0.5% for the Group. As for the countercyclical capital buffer, the CNB decided to set the initial buffer amount to zero at the end of 2014; banks were to apply it over the two subsequent years. The CNB set the countercyclical capital buffer to 1.75% from 1 January 2020 and to 2.0% from 1 July 2020. In relation to the measures adopted due to the COVID-19 outbreak in 2020, the CNB first cancelled the July increase of the countercyclical buffer by 0.25%, and subsequently reduced the countercyclical buffer by 0.75% to 1% beginning in April, and starting from 1 July 2020, the Czech National Bank set this buffer at 0.5%. The countercyclical buffer will then be increased by 0.5% to 1% from July 2022, by 0,5% to 1.5% from October 2022, and by additional 0.5% to 2% from 1 January 2023

The Group manages its capital adequacy with a view to ensuring its sufficient level after the natural growth in the volume of sales has been accounted for, taking into account the potential macroeconomic development and the environment of changing regulatory requirements. The Group monitors changes in regulatory requirements on an ongoing basis, assessing their impact as part of the capital planning process.

As a local supervisory authority, the CNB monitors whether the Group complies with capital adequacy on a separate as well as consolidated basis. In 2021, the Group met all regulatory requirements.

Internal capital adequacy assessment process

In line with Pillar 2 of Basel II, the Group creates its own internal capital system (hereinafter the "ICS"). The process ensures that the Group is able to:

- identify, quantify, manage and monitor all risks to a sufficient degree;
- secure and maintain the necessary amount of capital to cover all material risks; and
- set up reliable management of the risks, and develop and perfect it on an ongoing basis.

As part of the ICS, the Group proceeds in line with the applicable methodology, which is updated on an annual basis following developments in the ICS. The methodology is based on key parameters defined in line with the Group's general nature, size and risk profile. The key parameters are based on the Group's target rating[i], according to which the applied reliability level (99.9%), the time frame for calculating economic capital (1 year) and the planning time frame (3 years) are determined.

The Group determines the risk appetite, which represents the acceptable level of risk and is one of the basic starting points for the Group's strategic management. The Group's risk appetite is defined through internal and regulatory capital adequacy limits and serves as an instrument for ensuring sufficiently high values of the capital adequacy and Tier 1 and CET1 capital ratios under both expected and stress conditions.

On a monthly basis, the Group monitors internal capital adequacy, which is defined as a ratio of aggregated economic capital (EC) and internal capital, whose structure is based on regulatory capital (Pillar 1). In calculating EC for risks defined under Pillar 1, the Group applies methods derived from those used in determining capital regulatory requirements. For other risks, the economic capital is calculated using internal methods based on risk significance. In addition, the Group recognises a "*capital mark-up*" on total EC.

[i]In 2017, the Bank received public rating from the Moody's rating agency. However, as part of the ICS methodology, the Bank uses target rating as the key parameter, which corresponds to the public rating.

The risk limit for the risk undertaken (i.e. the amount of economic capital) is determined as 75% of the internal capital. The unallocated portion of internal capital serves as a buffer. If limits defined under the risk appetite are exceeded, the Group's ALCO committee and board of directors is immediately notified and corrective measures are taken.

As part of the ICS process, all relevant risks to which the Group is or may be exposed in the future are assessed and mapped. Based on the resulting assessment, it determines the risks for which it defines the management system, calculates economic capital and performs stress testing as part of Pillar 2 with the aim of verifying the Group's ability to overcome even highly adverse future developments.

The ICS forms part of financial planning (in the form of risk appetite). The creation of the financial plan is reflected in regular monthly stress tests in the form of capital prediction and development planning. The Group's ALCO committee receives a report on ISC every month. The Group applies the ICS both on a local (monthly) and a consolidated basis (quarterly).

46. FINANCIAL INSTRUMENTS – CREDIT RISK

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

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

a) Collateral assessment

Generally, the Group requires collateral for loans granted to certain borrowers prior to the issuance of the loan. The Group considers the following types of collateral as eligible collateral:

- cash;
- real estate;
- first-class receivables;
- bank guarantees;
- guarantee provided by a reputable third party;
- machinery and equipment - movable assets;
- first-class securities; and
- commodities.

To determine the realisable value of collateral of immovable and movable assets, the Group refers to estimates of usual prices revised by a specialised department of the Group or internal assessments prepared by this department of the Group. In other types of hedging instruments, their value including the recalculated value is determined in line with the internal standards of the Group. The realisable value of collateral is subsequently determined by discounting the appraised value using a correction coefficient which reflects the Group's ability to realise the collateral as and when required. The Group regularly reviews and updates collateral values depending on the type and quality of the collateral, usually no later than on an annual basis.

b) Credit risk measurement methods

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

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

c) Concentration of credit risk

The Group maintains a system of internal limits for individual countries, sectors and clients (or groups of economically connected clients) in order to be able to manage risks connected with significant concentration of credit risk. As of the reporting date, the Group recorded no significant credit risk concentration exposure to an individual client or an economically connected group of clients that would exceed the limits set by the Czech National Bank.

The credit risk concentration analysis by sector/industry and concentration by geographical areas is provided in notes 46(l) and 46(m).

d) Recovery of receivables

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

e) Expected credit losses

The measurement of expected credit losses reflects an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes, the time value of the money and reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

General approach

The process of measuring the expected credit losses is a field that requires the use of complex models and significant assumptions about future economic conditions and payment behaviour. Significant judgements are required in applying the accounting requirements for measuring expected credit losses, inter alia:

- Determining criteria for significant increase in credit risk;
- Choosing appropriate models and assumptions for the measurement of expected credit losses;
- Consideration of risk factors beyond the current models
- Establishing the number and relative weightings of forward-looking scenarios for each type of product/market and the associated expected credit losses;
- Establishing groups of similar financial assets for the purposes of measuring expected credit losses.

For Raiffeisen Bank International (RBI), credit risk comes from the risk of suffering financial loss should any of the customers, clients or market counterparties fail to fulfil their contractual obligations. Credit risk arises mainly from interbank, commercial and consumer loans, and loan commitments arising from such lending activities, but can also arise from financial guarantees given, such as credit guarantees, letters of credit, and acceptances (note: for risk management purposes, the Group applies the rules according to the RBI methodologies).

The Group is also exposed to other credit risks arising from investments in debt securities and from its trading activities (trading credit risks) including trade in non-equity trading portfolio assets and derivatives as well as settlement balances with market counterparties and reverse repurchase agreements.

The estimation of the credit risk for risk management purposes requires the use of models, as the risk varies with changes in market conditions, expected cash flows and the passage of time. The assessment of the credit risk of a portfolio of assets entails further estimations as to the likelihood of defaults occurring, the associated default ratios and the default correlations between counterparties. The Group measures credit risks using the probability of default ("PD"), exposure at default ("EAD") and loss given default ("LGD"). This is the predominant approach used for the purposes of measuring expected credit losses under IFRS 9.

IFRS 9 prescribes a three-stage model for impairment based on changes in credit quality from the point of initial recognition. Under this model, a financial instrument that is not credit-impaired on initial recognition is classified in Stage 1 and has its credit risk continuously monitored. If a significant increase in credit risk since initial recognition is identified, the financial instrument is moved to Stage 2 but is not yet deemed to be credit-impaired. If the financial instrument is deemed credit-impaired, it is then moved to Stage 3.

Financial instruments in Stage 1 have their expected credit loss measured at an amount equal to the portion of lifetime expected credit losses that result from default events possible within the next twelve months. Instruments in Stages 2 or 3 have their expected credit losses measured based on expected credit losses on a lifetime basis. According to IFRS 9, when measuring expected credit losses it is necessary to consider forward-looking information. Purchased or originated credit-impaired financial assets ("POCI") are those financial assets that are credit-impaired on initial recognition. Their expected credit loss is always measured on a lifetime basis.

Significant increase in credit risk

According to RBI Group definition (note: this methodology is implemented by the Group), RBI considers a financial instrument to have experienced a significant increase in credit risk when one or more of the following quantitative, qualitative or backstop criteria have been met:

Quantitative criteria

RBI uses quantitative criteria as the primary indicator of significant increase in credit risk for all material portfolios plus additionally qualitative criteria like 30 days past due or forbearance measures for a particular facility as backstop. For quantitative staging, the Group compares the lifetime PD curve at reporting date with the forward lifetime PD curve at the date of initial recognition. Given the different nature of products between non-retail and retail, the methods for assessing potential significant increases also slightly differ.

For non-retail risk, to make the two curves comparable, the PDs are scaled down to annualized PDs. A significant increase in credit risk is considered to have occurred if the PD increase was 250% or greater. For longer maturities the threshold of 250% is reduced to account for a maturity effect.

On the other hand, for retail exposures the remaining cumulative PDs are compared as the logit difference between "Lifetime PD at reporting date" and "Lifetime PD at origination conditional to survival up to the reporting date". A significant increase in credit risk is considered to have occurred once this logit difference is above a certain threshold. The threshold levels are calculated separately for each portfolio which is covered by individual rating-based lifetime PD models. According to the currently valid methodology in place for 2021, based on historical data, the thresholds are estimated as the 50th quantile of the distribution of the above-mentioned logit differences on the worsening portfolio (defined as products such as mortgage loans, credit cards, SME loans for each country). This way, 50% of the worsening in the lifetime PDs with the highest magnitude is deemed significant. That usually translates to PD increase between 150 and up to 250%, dependent on the default behaviour of the different portfolios.

With regard to the threshold at which a financial instrument must be transferred to Stage 2, RBI has decided on the aforementioned thresholds based on the current market practice.

Qualitative criteria

RBI uses qualitative criteria as a secondary indicator of a significant increase in credit risk for all material portfolios. A movement to Stage 2 takes place when the criteria below are met.

For corporate customer, sovereign, bank, and project finance portfolios, if the borrower meets one or more of the following criteria:

- Detection of first signs of credit deterioration in the Early Warning System
- Changes in contract terms as part of a Forbearance measure

- External risk factors with a potentially significant impact on the client's repayment ability
-

The assessment of a significant increase in credit risk incorporates forward-looking information and is performed on a quarterly basis at an individual transaction level for all corporate customer, sovereign, bank, and project finance portfolios held by RBI.

For retail portfolios, a Stage 2 transfer is carried out on the basis of the following qualitative criteria if the borrower meets one or more of the following criteria:

- Forbearance Flag active;
- Default of other exposure of the same customer (PI segment);
- Holistic approach – applicable for cases where new forward-looking information becomes available for a segment or portion of the portfolio and this information is not yet captured in the rating system. Upon identifying such cases, the Management shall measure this portfolio with lifetime expected credit losses (as collective assessment).

The assessment of a significant increase in credit risk incorporates forward-looking information and is performed on a monthly basis at an individual transaction level for all retail portfolios held by RBI.

Backstop

A backstop is applied and the financial instrument considered to have experienced a significant increase in credit risk if the debtor is more than 30 days overdue on its contractual payments. In a few limited cases, the presumption that financial assets which are more than 30 days overdue should be moved to Stage 2 is rebutted.

Low credit risk exemption

In selected cases for mostly sovereign debt securities, RBI makes use of the low credit risk exemption. All securities which are presented as low credit risk have a rating equivalent to investment grade or better i.e. minimum S&P BBB-, Moody's Baa3 or Fitch BBB-. RBI has not used the low credit risk exemption for any lending business.

Definition of Default and Credit-Impaired Assets

RBI uses the same definition of default for the purpose of calculating expected credit losses under IFRS 9 as for the CRR equity statement (Basel 3). This means that a default claim is also in Stage 3. Default is assessed by referring to quantitative and qualitative triggers. Firstly, a borrower is considered to be in default if they are assessed to be more than 90 days past due on a material credit obligation. Secondly, a borrower is considered to be defaulted if they have significant financial difficulty and are unlikely to repay any credit obligation in full. The default definition has been applied consistently to model the Probability of Default (PD), Exposure at Default (EAD) and Loss given Default (LGD) throughout expected loss calculations of RBI.

Explanation of inputs, assumptions and estimation techniques

The expected credit loss is measured on either a 12-month or lifetime basis depending on whether a significant increase in credit risk has occurred since initial recognition or whether an asset is considered to be credit-impaired. Forward-looking economic information is also included in determining the 12-month and lifetime PD, EAD and LGD. These assumptions vary by product type. Expected credit losses are the discounted product of the probability of default (PD), loss given default (LGD), exposure at default (EAD) and discount factor (D).

Probability of default

The probability of default represents the likelihood of a borrower defaulting on its financial obligation either over the next twelve months or over the remaining lifetime of the obligation. In general, the lifetime probability of default is calculated using the regulatory twelve-month probability of default, stripped of any margin of conservatism, as a starting point. Thereafter, various statistical methods are used to generate an estimate of how the default profile will develop from the point of initial recognition throughout the

lifetime of the loan or portfolio of loans. The profile is based on historical observed data and parametric functions.
Different models have been used to estimate the default profile of outstanding lending amounts and these can be grouped into the following categories:

- Sovereign, local and regional governments, insurance companies and collective investment undertakings: The default profile is generated using a transition matrix approach. Forward-looking information is incorporated into the probability of default using the Vasicek one-factor model.
- Corporate customers, project finance and financial institutions: The default profile is generated using a parametric survival regression (Weibull) approach. Forward-looking information is incorporated into the probability of default using the Vasicek one-factor model. The default rate calibration is based on the Kaplan Maier methodology with withdrawal adjustment.
- Retail lending and mortgage loans: The default profile is generated using parametric survival regression in competing risk frameworks. Forward-looking information is incorporated into the probability of default using satellite models.

In the limited circumstances where some inputs are not fully available, grouping, averaging and benchmarking of inputs is used for the calculation.

Loss Given Default

Loss given default represents RBI's expectations of the extent of loss on a defaulted exposure. Loss given default is expressed as a percentage loss per unit of exposure at the time of default. Loss given default is calculated on a twelve-month or lifetime basis, where twelve-month loss given default is the percentage of loss expected to be made if the default occurs in the next twelve months and lifetime loss given default is the percentage of loss expected to be made if the default occurs over the remaining expected lifetime of the loan.

Different models have been used to estimate the loss given default of outstanding lending amounts and these can be grouped into the following categories:

- Sovereign: The loss given default is found by using market implied sources.
- Corporate customers, project finance, financial institutions, local and regional governments, insurance companies: The loss given default is generated by discounting cash flows collected during the workout process. Forward-looking information is incorporated into the loss given default using the Vasicek model.
- Retail lending and mortgage loans: The loss given default is generated by stripping the downturn adjustments and other margins of conservatism from the regulatory loss given default. Forward-looking information is incorporated into the loss given default using various satellite models.

In the limited circumstances where some inputs are not fully available, alternative recovery models, benchmarking of inputs and expert judgement are used for the calculation.

Exposure at default (EAD)

Exposure at default is based on the amount RBI expects to be owed at the time of default, over the next twelve months or over the remaining lifetime. The twelve-month and lifetime EADs are determined based on the expected payment profile, which varies by product type. For amortizing products and bullet repayment loans, this is based on the contractual repayments owed by the borrower over a twelve-month or lifetime basis. If not already taken into account in the PD estimate over the loan term, early (full) repayment/refinance assumptions are also considered in the calculation.

For revolving products, the exposure at default is predicted by taking current drawn balance and adding a credit conversion factor which allows for the expected drawdown of the remaining limit by the time of default. The prudential regulatory margins are removed from the credit conversion factor. In the limited circumstances where some inputs are not fully available, benchmarking of inputs is used for the calculation.

Discount Factor (D)

In general, for on balance sheet exposure which is not leasing or POCI, the discount rate used in the expected credit loss calculation is the effective interest rate or an approximation thereof.

Calculation

For loans in stages 1 and 2, the expected credit loss is the product of PD, LGD and EAD times the probability not to default prior to the considered time period. The latter is expressed by the survivorship function S. This effectively calculates future values of expected credit losses, which are then discounted back to the reporting date and summed. The calculated values of expected credit losses are then weighted by the forward-looking scenario.

Different models have been used to estimate the provisions in Stage 3 and these can be grouped into the following categories:

- Corporate customers, project finance, sovereign, financial institutions, local and regional governments, insurance companies and collective investment undertakings: Stage 3 provisions are calculated by workout managers who discount expected cash flows by the appropriate effective interest rate.
- For retail receivables, Stage 3 provisions are generated by calculating the statistically derived best estimate of expected loss which has been adjusted for indirect costs.

Shared credit risk characteristics

Almost all of the provisions under IFRS 9 are measured collectively. Only in case of non-retail Stage 3 exposures, most of the provisions are assessed individually. For expected credit losses provisions modelled on a portfolio basis, a grouping of exposures is performed on the basis of shared credit risk characteristics so that the exposures within each group are similar. Retail exposure characteristics are grouped at country level, customer classification (households and SMEs), product level (e.g. mortgage, personal loans, overdraft facilities or credit cards), PD rating grades and LGD pools. Each combination of the above characteristics is considered as a group with a uniform expected loss profile. Non-retail exposure characteristics are assigned to a probability of default according to rating levels. Thereby customer types are grouped into individual assessment models. For the determination of LGD and EAD parameters, the portfolio is grouped by country and product.

Forward-looking information

Both the assessment of a significant increase in credit risk and the calculation of expected credit losses incorporate forward-looking information. RBI has performed an analysis of historical data and identified the key economic variables impacting credit risk and expected credit losses for each portfolio.

These economic variables and their associated impact on the probability of default, loss given default and exposure at default vary by category type. Forecasts of these economic variables (the base economic scenario) are provided by Raiffeisen Research on a quarterly basis and provide the best estimate view over the next three years. Beyond three years, no macroeconomic adjustments are carried out. That means that after three years, to project the economic variables for the full remaining lifetime of each instrument, a mean reversion approach has been used, which means that economic variables tend to either a long-term average rate or a long-term average growth rate until maturity. The impact of these economic variables on the probability of default, loss given default and exposure at default has been determined by performing statistical regression to understand the impact changes in these variables have had historically on default rates and on the components of loss given default and exposure at default. These satellite models are calibrated with pre-pandemic data. Therefore, there is still a need for adjustment during the pandemic in order to reflect the current risk factors in the impairment.

In addition to the base economic scenario, Raiffeisen Research also estimates an optimistic and a pessimistic scenario to ensure non-linearities are captured.

For the pessimistic and optimistic scenarios, the methodology was adjusted due to the COVID-19 pandemic. In order to account for the downside risks for the GDP baseline scenarios, more weight was given to the pessimistic scenario. The high inflation rates have changed the interest rate outlook in Central Europe. While the ECB is expected to scale back its expansionary monetary policy rather cautiously and leave key interest rates unchanged, some countries in Central Europe are already close to the end of the interest rate cycle. Due to increased inflation risks, the pessimistic scenario implies even higher interest rates.

As with any economic forecasts, the projections and likelihoods of occurrence are subject to a high degree of inherent uncertainty and therefore the actual outcomes may be significantly different to those projected. RBI considers these forecasts to represent its best estimate of the future outcomes and cover any potential non-linearities and asymmetries within RBI's different portfolios.

The most significant assumptions used as a starting point for the expected credit loss estimates at year-end are shown below (Source: Raiffeisen Research, November 2021):

Real GDP	**Scenario**	**2022**	**2023**	**2024**
	Optimistic	4.2%	3.8%	3.4%
Czech Republic	Base	2.8%	3.0%	2.6%
	Pessimistic	0.1%	1.5%	1.1%

Unemployment	**Scenario**	**2022**	**2023**	**2024**
	Optimistic	2.4%	2.9%	2.8%
Czech Republic	Base	3.7%	3.5%	3.5%
	Pessimistic	5.4%	4.5%	4.5%

Rate of Long-Term Bonds	**Scenario**	**2022**	**2023**	**2024**
	Optimistic	2.0%	2.5%	2.7%
Czech Republic	Base	2.7%	2.9%	3.1%
	Pessimistic	4.9%	4.1%	4.3%

The macro-economic scenarios from Raiffeisen Research are translated via macro models to changes of PD and LGD. For the development of a macroeconomic model, a variety of relevant macroeconomic variables were considered. The model employed is a linear regression model aiming to explain changes or the level of the default rate. The following types of macro variables were considered as drivers of the credit cycle: Real GDP Growth, Unemployment Rate, 3M Money Market Rate, 10Y Government Bond Yield, Houseprice Index, FX Rates, and HICP Inflation Rate. For each country (or portfolio in the case of retail exposure), a relevant set is determined on the ability to explain historically observed default rates. Through the cycle, PDs are overlayed with the results of the macro-economic model to reflect the current and expected state of the economy. For LGD, the macro model is applied to the underlying cure rates, i.e. a positive macro-economic outlook drives up the cure rates, reducing LGD. For retail exposures, workout LGD is modelled similarly to the default rates either directly or via individual components such as cure rate, loss given cure, and loss given non-cure. Long-run average LGDs are overlayed with the macro models' results to reflect the current and expected state of the economy.

The weightings assigned to each scenario at the end of the reporting year end are as follows: 25 per cent optimistic, 50 per cent base and 25 per cent pessimistic scenarios. Weighting was maintained and no further scenarios were used as a result of the COVID-19 pandemic.

After a strong growth year to date, COVID-19 is again on the rise. With vaccinations still being below desired levels, the risks for another economic weakening during the winter of 2021/2022 are elevated. The strong recovery in the first three quarters of 2021 will slow down in 2022, but economic growth will remain above average for most countries. In the baseline scenario, it is assumed that most countries will reach pre-crisis levels in 2022. Apart from the pandemic, supply chain disruptions and high inflation in the energy sector pose risks to economic growth as well.

Management overlays within the meaning of IFRS 9

In situations where the existing input parameters, assumptions and modelling do not cover all relevant risk factors, post-model adjustments and additional risk factors are the most important types of management overlays within the meaning of IFRS 9. These are used in circumstances where existing inputs, assumptions and model techniques do not capture all relevant risk factors. Existing inputs, assumptions and model techniques might not capture all relevant risk factors due to transient circumstances, insufficient time to appropriately incorporate relevant new information into the rating or re-segmentation of portfolios, and situations when individual lending exposures within a group of lending exposures react to factors or events differently than initially expected. For 2021, it is necessary to reflect additional risks in the impairments due to the current pandemic situation. The background to this is the fact that the macroeconomic models are calibrated to the time before COVID-19. All these adjustments are approved by the Group Risk Committee (GRCM). In addition to the COVID-19 specific adjustments, there are also other portfolio specific adjustments, which are presented in the category "Other".

For the central models in the corporate segment, the risk factors were illustrated, while in the local retail segment, the risks were applied on top of the models. For retail exposures, post-model adjustments are the main types of overlays applied for the calculation of the expected credit losses. Generally, post-model adjustments are only a temporary solution to avoid potential distortions. They are temporary and typically not valid for more than one to two years.

The overlays relevant for 2021 and 2020 are shown in the table below and split according to the relevant categories.

2021 – Accumulated impairment (Stage 1 & 2)

(MCZK)	Modelled ECL	Other risk factors		Post-model adjustments		Total
		Covid-19	Other	Covid-19	Other	
Retail exposures	1,366	-	-	44	649	2,059
Non-retail exposures	682	99	199	-	-	980
Total	**2,048**	**99**	**199**	**44**	**649**	**3,039**

2020 – Accumulated impairment (Stage 1 & 2)

(MCZK)	Modelled ECL	Other risk factors		Post-model adjustments		Total
		Covid-19	Other	Covid-19	Other	
Retail exposures	1,374	-	-	330	103	1,807
Non-retail exposures	763	-	-	160	-	923
Total	**2,137**	**-**	**-**	**490**	**103**	**2,730**

Post-model adjustments

In 2020, the COVID-19 pandemic necessitated post-model and in-model adjustments, as the ECL models did not fully capture the speed of the changes and the depth of the economic effects of the virus (e.g. the collapse in GDP in the second quarter of 2020 following the outbreak of the pandemic and the measures taken by governments to tackle it). COVID-19 related post-model adjustments reflected the collective impact on the sectors that were hit especially hard by the pandemic: tourism, hotels, further related industries as well as automobile, air travel, oil and gas, real estate and some consumer goods industries. The effects were due to demand shock, supply chain disruptions and crisis containment measures. The related post-model adjustments involve qualitative assessment of exposures for the expected significant increase in credit risk and their subsequent transfer from Stage 1 to Stage 2. The criteria for identification of such exposures were predominantly based on the above-listed industries (for SMEs) and employment (for households) and further refined, where relevant, with information related to the application of the specific moratorium measures.

In light of concerns about the impending risk of a steep increase in interest rates, which would above all affect mortgages at the time of interest rate refixation, the principle of moving mortgage contracts from Stage 1 to Stage 2 was introduced depending on the estimated level of DSTI (crossing the 45% threshold) at the time of refixing.

The post-model adjustments are reversed either after the risks have materialised by transferring the affected receivables to Stage 3 or if the expected risks do not materialise.

In 2021, the COVID-19 post-model and in-model adjustments for corporate customers expired or have been replaced by the more differentiated risk factor methodology described below. In addition, the gradual reduction of the COVID-19 related post-model and in-model adjustments for households (i.e. recovery of debt-free contracts that are older than six months from the end of the moratorium) was initiated. The respective accounts will either naturally default by this time or not be considered once the recovery conditions have been met because increased credit risk and corresponding adjustments will be reversed.

Other risk factors

For corporate customers, additional expected credit loss effects have been built into the modelled expected credit losses by means of an industry matrix, country specifics or, if necessary, by means of other special risk factors. On top of the existing country-specific view, we use an industry-based differentiation to further modulate risk parameters. This industry matrix combines a short-term state of the industry within the economic cycle and the recovery path on a 3-year horizon. For example, for hotels, the GDP determines the macroeconomic outlook, while the industry matrix indicates a pessimistic scenario and on top the special risk factor of COVID-19 impacts drives the elevated level of Stage 2 impairments.

In 2021, the Group built in the following specific risk factors: the impact of the COVID-19 pandemic, energy and fuel prices, increasing building material prices and base interest rates, the chip market crisis, and supply chain disruptions. These specific risk factors impact ECL in sectors related to tourism, gastronomy, entertainment, automotive, construction, and specific energy-intensive industries such as steelmaking and wood processing.

The one-time impact of using a more differentiated methodology fully offsets the post-model adjustments applied to the corporate customer portfolio in 2020.

Climate change risks

Environmental and climate change risks (transit and physical implications of these risks) are important factors in the credit risk management process. These environmental and climate change risks affect the overall credit assessment process with regard to customers. The assessment of customers' vulnerability to environmental and climate change risks is a factor influencing the measurement of the collateral, particularly real estate.

The credit risk management process also assesses customers' adaptation strategies to environmental and climate change risks, including the impact of expected investment costs associated with emission reductions and an assessment of the impact of losses in the supply chain in the event of failure to reduce environmental impacts. The assessment of these risks at the level of both the customer and the respective business transaction with them is embedded in the Group's internal procedures and processes. The Group has a policy in place for clients in exposed sectors. Currently, the effect of climate-related risk is not explicitly part of the ECL measurement. This is expected to change during 2022, when the methods for climate-related risk will begin to be developed, building on the experience of the ECB/EBA climate stress test, which will influence the resulting internal rating of customers. At the moment, the necessary detailed data is being collected and the corresponding data structures are being set up. The Group perceives the following as other critical priorities in this area: ongoing data collection and evaluation related to these risks, preparation of data for disclosure under the Group-level taxonomy regulation, and optimisation of the Group's primary systems, processes and products in line with the Group's strategy in this area.

Sensitivity analysis

The most significant assumptions affecting the sensitivity of the expected credit loss allowance are as follows:

- gross domestic product (all portfolios),
- unemployment rate (all portfolios),
- long term government bond rate (non-retail portfolios especially),
- real estate prices (retail portfolios especially).

The table below provides a comparison between the reported accumulated impairment for expected credit losses for financial assets in Stage 1 and 2 (weighted by 25 per cent optimistic, 50 per cent base and 25 per cent pessimistic scenarios) and then each scenario weighted by 100% on their own. The optimistic and pessimistic scenarios do not reflect extreme cases, but the average of the scenarios which are distributed in these cases.

2021 – Accumulated impairment (Stage 1 & 2)

(MCZK)	Reported	Optimistic	Base	Pessimistic
Retail exposures	2,059	1,840	1,972	2,452
Non-retail exposures	980	903	937	1,142
Total	**3,039**	**2,743**	**2,909**	**3,594**

2020 – Accumulated impairment (Stage 1 & 2)

(MCZK)	Reported	Optimistic	Base	Pessimistic
Retail exposures	1,807	1,522	1,766	2,179
Non-retail exposures	923	878	913	989
Total	**2,730**	**2,400**	**2,679**	**3,168**

The table below shows the impact of staging on the Group's accumulated impairment of financial assets by comparing the reported amounts accumulated for all performing assets subject to impairment with the special case where all accumulated impairment is measured based on 12-month expected losses (Stage 1).

2021 – Accumulated impairment (Stage 1 & 2)

(MCZK)	Reported	Accumulated impairment (Stage 1)	Impact of Staging
Retail exposures	2,059	1,185	874
Non-retail exposures	980	564	416
Total	**3,039**	**1,749**	**1,290**

2020 – Accumulated impairment (Stage 1 & 2)

(MCZK)	Reported	Accumulated impairment (Stage 1)	Impact of Staging
Retail exposures	1,807	985	822
Non-retail exposures	923	513	410
Total	**2,730**	**1,498**	**1,232**

The table below shows the impact of staging on Group's accumulated impairment for financial assets by comparing the reported amounts accumulated for all performing assets subject to impairment with the special case where all accumulated impairment is measured based on lifetime expected losses (Stage 2). As there are no historical data on the use of stages, it is impossible to estimate adequate increase at present. However, we do not expect the share of assets in Stage 2 to ever reach 100%.

2021 – Accumulated impairment (Stage 1 & 2)

(MCZK)	Reported	Accumulated impairment (Stage 2)	Impact of Staging
Retail exposures	2,059	5,048	(2,989)
Non-retail exposures	980	1,596	(616)
Total	**3,039**	**6,644**	**(3,605)**

2020 – Accumulated impairment (Stage 1 & 2)

(MCZK)	Reported	Accumulated impairment (Stage 2)	Impact of Staging
Retail exposures	1,807	3,198	(1,391)
Non-retail exposures	923	1,587	(664)
Total	**2,730**	**4,785**	**(2,055)**

Write-offs

Loans and debt securities are written off (either partially or fully) where there is no expectation of recovery in line with IFRS 9. This happens when the borrower no longer generates any income from operations and collateral values cannot generate sufficient cash flows. In the case of non-retail exposures, loans and debt securities are managed on an individual basis by the Workout team. In the case of bankruptcy exposures, the procedure is dependent and items are written off in line with the status of the bankruptcy proceedings. For retail exposures, write-offs are carried out when all recovery processes have been exhausted and no further performance is expected. This is the case, for example, for credit exposures after the cessation of enforcement proceedings due to lack of means, termination of debt elimination in the insolvency proceedings, or when we have not received any recovery in the last twelve months and we do not expect any further performance. If this concerns a current account where the debit is mainly made up of fees, we carry out a write-off after 90 DPD. In the case of corporate customer exposures in gone concern cases, loans are written down to the value of collateral if the company no longer generates any cash flows from operations.

The contractual amount outstanding on financial assets that were written off during the reporting period and are still subject to enforcement activity amounts to MCZK 682 (2020: MCZK 122).

f) Financial assets at amortised cost and provisions for commitments and financial guarantees provided based on the stages of impairment

Financial assets measured at amortised cost

MCZK	31 December 2021				
	Gross carrying amount				
	Stage 1	Stage 2	Stage 3	POCI	Total
Debt securities	**34,236**	**2,317**	**-**	**-**	**36,553**
Credit institutions	205	-	-	-	205
Government institutions	30,571	2,317	-	-	32,888
Other financial institutions	926	-	-	-	926
Non-financial enterprises	2,534	-	-	-	2,534
Loans and advances to banks	**197,963**	**-**	**-**	**-**	**197,963**
Central banks	197,020	-	-	-	197,020
Credit institutions	943	-	-	-	943
Loans and advances to customers	**287,509**	**82,954**	**5,879**	**897**	**377,239**
Government institutions	560	13	-	-	573
Other financial institutions	13,020	726	113	-	13,858
Non-financial enterprises	106,370	25,367	2,220	265	134,223
Households	167,559	56,848	3,546	632	228,585
Total	**519,707**	**85,271**	**5,879**	**898**	**611,755**

MCZK	31 December 2020				
	Gross carrying amount				
	Stage 1	Stage 2	Stage 3	POCI	Total
Debt securities	**38,967**	**-**	**-**	**-**	**38,967**
Credit institutions	205	-	-	-	**205**
Government institutions	36,788	-	-	-	**36,788**
Other financial institutions	167	-	-	-	**167**
Non-financial enterprises	1 807	-	-	-	**1,807**
Loans and advances to banks	**107,619**	**-**	**-**	**-**	**107,619**
Central banks	106,637	-	-	-	**106,637**
Credit institutions	982	-	-	-	**982**
Loans and advances to customers	**227,372**	**70,337**	**6,608**	**364**	**304,681**
Government institutions	934	72	-	-	**1,006**
Other financial institutions	13,047	215	136	-	**13,398**
Non-financial enterprises	80,826	31,314	2,753	89	**114,982**
Households	132,565	38,736	3,719	275	**175,295**
Total	**373,958**	**70,337**	**6,608**	**364**	**451,267**

Breakdown of loss allowances for financial assets at amortised cost and provisions for commitments and financial guarantees provided based on segments and stages of impairment

MCZK	31 December 2021				
	Stage 1	Stage 2	Stage 3	POCI	Total
Debt securities	**(3)**	**-**	**-**	**-**	**(3)**
Government institutions	(1)	-	-	-	**(1)**
Non-financial enterprises	(2)	-	-	-	**(2)**
Loans and advances to banks	**-**	**-**	**-**	**-**	**-**
Central banks	-	-	-	-	**-**
Credit institutions	-	-	-	-	**-**
Loans and advances to customers	**(772)**	**(1,767)**	**(3,090)**	**141**	**(5,488)**
Government institutions	-	-	-	-	**-**
Other financial institutions	(10)	(12)	(1)	(0)	**(23)**
Non-financial enterprises	(294)	(489)	(1,380)	21	**(2,142)**
Households	(467)	(1,266)	(1,709)	120	**(3,323)**
Total loss allowances for financial assets at amortised cost	**(775)**	**(1,767)**	**(3,090)**	**141**	**(5,491)**
Provisions for off-balance sheet items	**(196)**	**(241)**	**(118)**	**-**	**(555)**
Total	**(971)**	**(2,008)**	**(3,208)**	**141**	**(6,046)**

MCZK	31 December 2020				
	Stage 1	Stage 2	Stage 3	POCI	Total
Debt securities	**(9)**	**-**	**-**	**-**	**(9)**
Government institutions	(6)	-	-	-	**(6)**
Non-financial enterprises	(3)	-	-	-	**(3)**
Loans and advances to banks	**-**	**-**	**-**	**-**	**-**
Central banks	-	-	-	-	**-**
Credit institutions	-	-	-	-	**-**
Loans and advances to customers	**(587)**	**(1,722)**	**(3,649)**	**36**	**(5,922)**
Government institutions	-	-	-	-	**-**
Other financial institutions	(14)	(7)	(4)	-	**(24)**
Non-financial enterprises	(166)	(529)	(1,520)	10	**(2,205)**
Households	(407)	(1,186)	(2,125)	26	**(3,693)**
Total loss allowances for financial assets at amortised cost	**(596)**	**(1,722)**	**(3,649)**	**36**	**(5,931)**
Provisions for off-balance sheet items	**(186)**	**(155)**	**(164)**	**-**	**(505)**
Total	**(782)**	**(1,877)**	**(3,813)**	**36**	**(6,436)**

g) Finance leases

MCZK	31 December 2021				
	Gross carrying amount				
	Stage 1	Stage 2	Stage 3	POCI	Total
Government institutions	3	-	-	-	**3**
Other financial institutions	7	-	-	-	**7**
Non-financial enterprises	6,781	917	134	-	**7,832**
Households	227	61	16	-	**304**
Total	**7,018**	**978**	**150**	**-**	**8,146**

MCZK	31 December 2020				
	Gross carrying amount				
	Stage 1	Stage 2	Stage 3	POCI	Total
Government institutions	3	-	-	-	**3**
Other financial institutions	7	1	-	-	**8**
Non-financial enterprises	5,358	2,249	211	-	**7,818**
Households	227	151	46	-	**424**
Total	**5,595**	**2,401**	**257**	**-**	**8,253**

Breakdown of loss allowances for finance leases based on segments and stages of impairment

MCZK	31 December 2021				
	Stage 1	Stage 2	Stage 3	POCI	Total
Government institutions	-	-	-	-	**-**
Other financial institutions	-	-	-	-	**-**
Non-financial enterprises	(23)	(32)	(60)	-	**(115)**
Households	(1)	(4)	(7)	-	**(12)**
Total	**(24)**	**(36)**	**(67)**	**-**	**(127)**

MCZK	31 December 2020				
	Stage 1	Stage 2	Stage 1	Stage 2	Stage 1
Government institutions	-	-	-	-	**-**
Other financial institutions	-	-	-	-	**-**
Non-financial enterprises	(16)	(50)	(73)	-	**(139)**
Households	-	(5)	(18)	-	**(23)**
Total	**(16)**	**(55)**	**(91)**	**-**	**(162)**

h) Changes in gross carrying amount and changes in loss allowances

MCZK	31 December 2021				
Gross carrying amount – loans and advances to banks	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Total**
Balance at 1 January 2021	**107,619**	**-**	**-**	**-**	**107,619**
Transfers to/(from) Stage 1					
Transfers to/(from) Stage 2					
Transfers to/(from) Stage 3					
Transfers to POCI					
Increase due to origination and acquisition	174,372	-	-	-	**174,372**
Decrease due to derecognition and overall payment	(103,608)	-	-	-	**(103,608)**
Decrease in allowance due to write-offs	-	-	-	-	**-**
Partial repayment	-	-	-	-	**-**
Changes to the consolidation group	19,580	-	-	-	**19,580**
Adjustments by foreign exchange gains/losses	-	-	-	-	**-**
Balance at 31 December 2021	**197,963**	**-**	**-**	**-**	**197,963**

MCZK	31 December 2020				
Gross carrying amount – loans and advances to banks	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Total**
Balance at 1 January 2020	**87,043**	**-**	**-**	**-**	**87,043**
Transfers to/(from) Stage 1	-	-	-	-	**-**
Transfers to/(from) Stage 2	-	-	-	-	**-**
Transfers to/(from) Stage 3	-	-	-	-	**-**
Transfers to POCI	-	-	-	-	**-**
Increase due to origination and acquisition	102,722	-	-	-	**102,722**
Decrease due to derecognition and overall payment	(86,549)	-	-	-	**(86,549)**
Decrease in allowance due to write-offs	-	-	-	-	**-**
Partial repayment	-	-	-	-	**-**
Changes to the consolidation group	4,403				**4,403**
Adjustments by foreign exchange gains/losses	-	-	-	-	**-**
Balance at 31 December 2020	**107,619**	**-**	**-**	**-**	**107,619**

MCZK	31 December 2021				
Gross carrying amount – debt securities	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Total**
Balance at 1 January 2021	**38,967**	**-**	**-**	**-**	**38,967**
Transfers to/(from) Stage 1	-	-	-	-	**-**
Transfers to/(from) Stage 2	(2,323)	2,323	-	-	**-**
Transfers to/(from) Stage 3	-	-	-	-	**-**
Transfers to POCI	-	-	-	-	**-**
Increase due to origination and acquisition	1,853	-	-	-	**1,853**
Decrease due to derecognition and overall payment	(7,263)	-	-	-	**(7,263)**
Decrease in allowance due to write-offs			-	-	
Partial repayment	378	(6)	-	-	**372**
Changes to the consolidation group	2,678	-	-	-	**2,678**
Adjustments by foreign exchange gains/losses	(54)	-	-	-	**(54)**
Balance at 31 December 2021	**34,236**	**2,317**	**-**	**-**	**36,553**

MCZK			31 December 2020		
Gross carrying amount – debt securities	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Total**
Balance at 1 January 2020	**10,883**	**-**	**-**	**-**	**10,883**
Transfers to/(from) Stage 1	-	-	-	-	**-**
Transfers to/(from) Stage 2	-	-	-	-	**-**
Transfers to/(from) Stage 3	-	-	-	-	**-**
Transfers to POCI	-	-	-	-	**-**
Increase due to origination and acquisition	19 922	-	-	-	**19,922**
Decrease due to derecognition and overall payment	(2,827)	-	-	-	**(2,827)**
Decrease in allowance due to write-offs	-	-	-	-	**-**
Partial repayment	-	-	-	-	**-**
Changes to the consolidation group	10,994				**10,994**
Adjustments by foreign exchange gains/losses	(5)	-	-	-	**(5)**
Balance at 31 December 2020	**38,967**	**-**	**-**	**-**	**38,967**

MCZK			31 December 2021		
Gross carrying amount – non-retail	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Total**
Balance at 1 January 2021	**87 949**	**26 033**	**2 366**	**7**	**116,355**
Transfers to/(from) Stage 1	5,152	(5,152)	-	-	**-**
Transfers to/(from) Stage 2	(10,531)	10,566	(35)	-	**-**
Transfers to/(from) Stage 3	(1,277)	(155)	1,432	-	**-**
Transfers to POCI					
Increase due to origination and acquisition	66,192	642	7	8	**66,849**
Decrease due to derecognition and overall payment	(34,349)	(8,175)	(1,672)	(126)	**(44,322)**
Decrease in allowance due to write-offs	-	-	(67)	(17)	**(84)**
Partial repayment	(11,652)	(2,031)	(188)	(84)	**(13,955)**
Changes to the consolidation group	10,125	-	-	406	**10,531**
Adjustments by foreign exchange gains/losses	(1,452)	(331)	(14)	-	**(1,797)**
Balance at 31 December 2021	**110,157**	**21,397**	**1,829**	**194**	**133,577**

MCZK			31 December 2020		
Gross carrying amount – non-retail	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Total**
Balance at 1 January 2020	**104,215**	**8,559**	**1,403**	**17**	**114,194**
Transfers to/(from) Stage 1	534	(534)	-	-	**-**
Transfers to/(from) Stage 2	(20,924)	20,929	(5)	-	**-**
Transfers to/(from) Stage 3	(1,470)	(215)	1,685	-	**-**
Transfers to POCI	-	-	-	-	**-**
Increase due to origination and acquisition	59,871	136	5	2	**60,014**
Decrease due to derecognition and overall payment	(44,634)	(1,795)	(381)	(9)	**(46,819)**
Decrease in allowance due to write-offs	-	-	(218)	-	**(218)**
Partial repayment	(9,650)	(987)	(114)	(3)	**(10,754)**
Changes to the consolidation group	150	-	-	-	**150**
Adjustments by foreign exchange gains/losses	(143)	(60)	(9)	-	**(212)**
Balance at 31 December 2020	**87,949**	**26,033**	**2,366**	**7**	**116,355**

MCZK	31 December 2021				
Gross carrying amount – retail	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Total**
Balance at 1 January 2021	**139,423**	**44,304**	**4,242**	**357**	**188,326**
Transfers to/(from) Stage 1	14,163	(14,025)	(138)	-	-
Transfers to/(from) Stage 2	(38,176)	38,478	(302)	-	-
Transfers to/(from) Stage 3	(648)	(1,102)	1,750	-	-
Transfers to POCI	-	-	(1)	1	-
Increase due to origination and acquisition	52,967	2,977	11	271	**56,226**
Decrease due to derecognition and overall payment	(21,485)	(6,893)	(735)	(131)	**(29,242)**
Decrease in allowance due to write-offs	-	(7)	(485)	(221)	**(714)**
Partial repayment	(9,901)	(2,174)	(292)	(102)	**(12,469)**
Changes to the consolidation group	41,022	-	-	529	**41,551**
Adjustments by foreign exchange gains/losses	(13)	(1)	-	-	**(14)**
Balance at 31 December 2021	**177,352**	**61,557**	**4,050**	**704**	**243,663**

MCZK	31 December 2020				
Gross carrying amount – retail	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Total**
Balance at 1 January 2020	**87,158**	**37,824**	**2,885**	**319**	**128,186**
Transfers to/(from) Stage 1	12,871	(12,691)	(180)	-	-
Transfers to/(from) Stage 2	(23,265)	23,538	(273)	-	-
Transfers to/(from) Stage 3	(1,030)	(897)	1,927	-	-
Transfers to POCI	-	-	(48)	48	-
Increase due to origination and acquisition	29,396	132	13	111	**29,652**
Decrease due to derecognition and overall payment	(11,518)	(5,465)	(772)	(34)	**(17,789)**
Decrease in allowance due to write-offs	-	-	(132)	(19)	**(151)**
Partial repayment	(4,829)	(1,585)	(169)	(68)	**(6,651)**
Changes to the consolidation group	50,634	3,446	991		**55,071**
Adjustments by foreign exchange gains/losses	6	2	-	-	**8**
Balance at 31 December 2020	**139,423**	**44,304**	**4,242**	**357**	**188,326**

MCZK	31 December 2021				
Gross carrying amount – finance leases	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Total**
Balance at 1 January 2021	**5,596**	**2,400**	**257**	**-**	**8,253**
Transfers to/(from) Stage 1	885	(877)	(8)	-	-
Transfers to/(from) Stage 2	29	(18)	(11)	-	-
Transfers to/(from) Stage 3	(12)	(63)	75	-	-
Transfers to POCI	-	-	-	-	-
Increase due to origination and acquisition	3,091	151	5	-	**3,247**
Decrease due to derecognition and overall payment	(541)	(248)	(79)	-	**(868)**
Decrease in allowance due to write-offs	-	(10)	(10)	-	**(20)**
Partial repayment	(1,808)	(338)	(74)	-	**(2,220)**
Adjustments by foreign exchange gains/losses	(222)	(19)	(5)	-	**(246)**
Balance at 31 December 2021	**7,018**	**978**	**150**	**-**	**8,146**

MCZK	31 December 2020				
Gross carrying amount – finance leases	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Total**
Balance at 1 January 2020	**7,793**	**629**	**319**	**-**	**8 741**
Transfers to/(from) Stage 1	93	(83)	(10)	-	**-**
Transfers to/(from) Stage 2	(2,158)	2 211	(53)	-	**-**
Transfers to/(from) Stage 3	(67)	(66)	133	-	**-**
Transfers to POCI	-	-	-	-	**-**
Increase due to origination and acquisition	1,664	318	1	-	**1 983**
Decrease due to derecognition and overall payment	(429)	(89)	(29)	-	**(547)**
Decrease in allowance due to write-offs	(1)	-	(20)	-	**(21)**
Partial repayment	(1,380)	(550)	(89)	-	**(2,019)**
Adjustments by foreign exchange gains/losses	81	30	5	-	116
Balance at 31 December 2020	**5,596**	**2,400**	**257**	**-**	**8,253**

MCZK	31 December 2021				
	Stage 1	**Stage 2**	**Stage 3**	**POCI**	**Total**
Loss allowances – debt securities					
Balance at 1 January 2021	**(9)**	**-**	**-**	**-**	**(9)**
Changes due to change in credit risk (net)	6	-	-	-	**6**
Balance at 31 December 2021	**(3)**	**-**	**-**	**-**	**(3)**

MCZK	31 December 2020				
	Stage 1	**Stage 2**	**Stage 3**	**POCI**	**Total**
Loss allowances – debt securities					
Balance at 1 January 2020	**(4)**	**-**	**-**	**-**	**(4)**
Changes due to change in credit risk (net)	(5)	-	-	-	**(5)**
Balance at 31 December 2020	**(9)**	**-**	**-**	**-**	**(9)**

MCZK	31 December 2021				
	Stage 1	Stage 2	Stage 3	POCI	Total
Loss allowances – non-retail					
Balance as of 1 January 2021	**(171)**	**(389)**	**(1,171)**	**-**	**(1,731)**
Transfers to/(from) Stage 1	(96)	90	6	-	-
Transfers to/(from) Stage 2	59	(59)	-	-	-
Transfers to/(from) Stage 3	-	5	(5)	-	-
Transfers to POCI	(0)	(0)	-	-	-
Increase due to origination and acquisition	(171)	(8)	-	-	**(179)**
Decrease due to derecognition	8	76	458	2	**544**
Changes due to the change in credit risk (net)	117	(56)	(360)	(24)	**(323)**
Decrease in loss allowances due to write-offs	-	-	67	17	**84**
Impact of unwind	-	-	-	-	-
Adjustment by foreign exchange gains/losses	(6)	(14)	(45)	-	**(65)**
Balance at 31 December 2021	**(260)**	**(355)**	**(1,050)**	**(5)**	**(1,670)**

MCZK	31 December 2020				
	Stage 1	Stage 2	Stage 3	POCI	Total
Loss allowances – non-retail					
Balance as of 1 January 2020	**(156)**	**(107)**	**(757)**	**-**	**(1,020)**
Transfers to/(from) Stage 1	(36)	36	-	-	-
Transfers to/(from) Stage 2	38	(38)	-	-	-
Transfers to/(from) Stage 3	2	5	(7)	-	-
Transfers to POCI	-	-	-	-	-
Increase due to origination and acquisition	(45)	(2)	(1)	-	**(48)**
Decrease due to derecognition	3	23	95		**121**
Changes due to the change in credit risk (net)	20	(314)	(738)	-	**(1,032)**
Decrease in loss allowances due to write-offs	-	-	219	-	**219**
Impact of unwind	-	-	-		-
Adjustment by foreign exchange gains/losses	3	8	18	-	**29**
Balance at 31 December 2020	**(171)**	**(389)**	**(1,171)**	**-**	**(1,731)**

MCZK	31 December 2021				
	Stage 1	Stage 2	Stage 3	POCI	Total
Loss allowances – retail					
Balance as of 1 January 2021	**(416)**	**(1 333)**	**(2 478)**	**36**	**(4 191)**
Transfers to/(from) Stage 1	(325)	283	42	-	-
Transfers to/(from) Stage 2	203	(280)	77	-	-
Transfers to/(from) Stage 3	59	126	(185)	-	-
Transfers to POCI	-	-	7	(7)	-
Increase due to origination and acquisition	(396)	(99)	(6)	(0)	**(501)**
Decrease due to derecognition	73	199	204	35	**511**
Changes due to the change in credit risk (net)	282	(328)	(221)	(88)	**(355)**
Decrease in loss allowances due to write-offs	9	20	529	170	**728**
Impact of unwind	-	-	(9)	-	**(9)**
Changes to the consolidation group	-	-	-	-	-
Adjustment by foreign exchange gains/losses	-	-	-	-	-
Balance at 31 December 2021	**(511)**	**(1,412)**	**(2,040)**	**146**	**(3,817)**

MCZK	31 December 2020				
	Stage 1	Stage 2	Stage 3	POCI	Total
Loss allowances – retail					
Balance as of 1 January 2020	**(111)**	**(678)**	**(2 067)**	**27**	**(2,829)**
Transfers to/(from) Stage 1	(171)	145	26	-	-
Transfers to/(from) Stage 2	242	(327)	85	-	-
Transfers to/(from) Stage 3	69	77	(146)	-	-
Transfers to POCI	-	-	13	(13)	-
Increase due to origination and acquisition	(69)	(9)	(2)	-	**(80)**
Decrease due to derecognition	24	113	328	13	**477**
Changes due to the change in credit risk (net)	(217)	(600)	(99)	(10)	**(926)**
Decrease in loss allowances due to write-offs	2	20	109	19	**150**
Impact of unwind	(0)	(0)	(13)	-	**(13)**
Changes to the consolidation group	(185)	(74)	(714)	-	**(973)**
Adjustment by foreign exchange gains/losses	-	-	2	-	**2**
Balance at 31 December 2020	**(416)**	**(1,333)**	**(2,478)**	**36**	**(4,191)**

MCZK	31 December 2021				
	Stage 1	Stage 2	Stage 3	POCI	Total
Loss allowances – finance leases					
Balance as of 1 January 2021	**(16)**	**(55)**	**(91)**	-	**(162)**
Transfers to/(from) Stage 1	(19)	17	2	-	-
Transfers to/(from) Stage 2	1	(5)	4	-	-
Transfers to/(from) Stage 3	-	3	(3)	-	-
Transfers to POCI	-	-	-	-	-
Increase due to origination and acquisition	(9)	(6)	-	-	**(15)**
Decrease due to derecognition	1	4	28	-	**33**
Changes due to the change in credit risk (net)	17	5	(28)	-	**(6)**
Decrease in loss allowances due to write-offs	-	-	19	-	**19**
Impact of unwind	-	-	-	-	-
Adjustment by foreign exchange gains/losses	1	1	2	-	**4**
Balance at 31 December 2021	**(24)**	**(36)**	**(67)**	-	**(127)**

MCZK	31 December 2020				
	Stage 1	Stage 2	Stage 3	POCI	Total
Loss allowances – finance leases					
Balance as of 1 January 2020	**(16)**	**(10)**	**(89)**	-	**(115)**
Transfers to/(from) Stage 1	(3)	1	2	-	-
Transfers to/(from) Stage 2	5	(27)	22	-	-
Transfers to/(from) Stage 3	-	3	(3)	-	-
Transfers to POCI	-	-	-	-	-
Increase due to origination and acquisition	(4)	(6)	-	-	**(10)**
Decrease due to derecognition	1	3	5	-	**9**
Changes due to the change in credit risk (net)	1	(18)	(47)	-	**(64)**
Decrease in loss allowances due to write-offs	-	-	20	-	**20**
Impact of unwind	-	-	-	-	-
Adjustment by foreign exchange gains/losses	-	(1)	(1)	-	**(2)**
Balance at 31 December 2021	**(16)**	**(55)**	**(91)**	-	**(162)**

MCZK	31 December 2021				
	Stage 1	Stage 2	Stage 3	POCI	Total
Provisions for off-balance sheet items					
Balance at 1 January 2021	**(186)**	**(155)**	**(164)**	**-**	**(505)**
Increase due to origination and acquisition	(118)	(151)	(4)	-	**(273)**
Decrease due to derecognition	8	20	34	-	**62**
Changes due to the change in credit risk (net)	114	51	16	-	**180**
Changes to the consolidation group	(11)	-	-	-	**(11)**
Adjustment by foreign exchange gains/losses	(3)	(5)	-	-	**(8)**
Balance at 31 December 2021	**(196)**	**(241)**	**(118)**	**-**	**(555)**

MCZK	31 December 2020				
	Stage 1	Stage 2	Stage 3	POCI	Total
Provisions for off-balance sheet items					
Balance at 1 January 2020	**(147)**	**(45)**	**(210)**	**-**	**(402)**
Increase due to origination and acquisition	(100)	(52)	(1)	-	**(153)**
Decrease due to derecognition	4	11	63	-	**78**
Changes due to the change in credit risk (net)	63	(71)	(18)	-	**(26)**
Changes to the consolidation group	(8)	-	-	-	**(8)**
Adjustment by foreign exchange gains/losses	2	2	2	-	**6**
Balance at 31 December 2020	**(186)**	**(155)**	**(164)**	**-**	**(505)**

i) Allocation of financial assets at amortised cost and credit commitments and financial guarantees based on internal rating and stage of impairment

The Group allocates each exposure to a credit risk grade in conformity with a rating model corresponding with borrower's segment and type of exposure.

Rating models and credit risk stages are defined based on statistical models and techniques. The allocated credit risk stage is a result of a combination of qualitative and quantitative parameters which indicate the probability of default of the credit exposure.

Each credit exposure must be allocated to a credit risk stage. Exposures and borrowers are subject to ongoing monitoring, which may result in being moved to a different credit risk grade. Accordingly, the exposure and borrower can be moved to a different credit risk rating during their relationship with the Group. The monitoring typically involves use of the following data:

- Information obtained from a borrower – financing request, audited financial statements, management accounts, financial budget and projections, structure of areas of particular focus such as sales revenues, customers, receivables, costs, suppliers, liabilities, bank loans, intragroup transactions, competitors, management etc.;
- Internally collected data – overdue status, fulfilment of financial covenants, internal monitoring of the credit exposure and periodic review of borrower's files;
- External data from credit reference agencies, press articles, changes in external credit ratings;
- Quoted securities prices for the borrower where available;
- Actual and expected significant changes in the political, regulatory and technological environment of the borrower or in its business activities.

The credit risk rating grades for the retail exposures are subject to ongoing monthly monitoring which typically involves use of the available information.

Rating grades – retail and non-retail portfolio:

Rating	Probability of default (in %)
Excellent	0.0000 - 0.0300
Strong	0.0310 - 0.1878
Good	0.1879 - 1.1735
Satisfactory	1.1736 - 7.3344
Substandard	7.3345 - 99.999
Credit-impaired	100

Financial assets at amortised cost

Loans and advances to banks

MCZK	31 December 2021				
Gross carrying amount	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Total**
Excellent	197,020	-	-	-	**197,020**
Strong	915	-	-	-	**915**
Good	-	-	-	-	**-**
Satisfactory	17	-	-	-	**17**
Substandard	-	-	-	-	**-**
Credit-impaired	-	-	-	-	**-**
No rating	11	-	-	-	**11**
Total	**197,963**	**-**	**-**	**-**	**197,963**

MCZK	31 December 2020				
Gross carrying amount	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Total**
Excellent	106,638	-	-	-	**106,638**
Strong	7	-	-	-	**7**
Good	966	-	-	-	**966**
Satisfactory	8	-	-	-	**8**
Substandard	-	-	-	-	**-**
Credit-impaired	-	-	-	-	**-**
Total	**107,619**	**-**	**-**	**-**	**107,619**

Debt securities

MCZK	31 December 2021				
Gross carrying amount	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Total**
Excellent	4,543	-	-	-	**4,543**
Strong	2,719	-	-	-	**2,719**
Good	23,854	2,317	-	-	**26,171**
Satisfactory	439	-	-	-	**439**
Substandard	-	-	-	-	**-**
Credit-impaired	-	-	-	-	**-**
No rating	2,680	-	-	-	**2,680**
Total	**34,236**	**2,317**	**-**	**-**	**36,553**

MCZK	31 December 2020				
Gross carrying amount	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Total**
Excellent	36,788	-	-	-	**36,788**
Strong	1,614	-	-	-	**1,614**
Good	126	-	-	-	**126**
Satisfactory	438	-	-	-	**438**
Substandard	-	-	-	-	**-**
Credit-impaired	-	-	-	-	**-**
Total	**38,967**	**-**	**-**	**-**	**38,967**

Loans and advances to customers – non-retail

MCZK	31 December 2021				
Gross carrying amount	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Total**
Excellent	-	-	-	-	**-**
Strong	18,715	382	-	-	**19,097**
Good	47,055	6,507	-	-	**53,562**
Satisfactory	36,820	12,026	-	-	**48,846**
Substandard	7,523	2,469	-	-	**9,992**
Credit-impaired	0	0	1,829	182	**2,011**
No rating	44	13	0	12	**69**
Total	**110,157**	**21,397**	**1,829**	**194**	**133,577**

MCZK	31 December 2020				
Gross carrying amount	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Total**
Excellent	-	-	-	-	**-**
Strong	12,585	17	-	-	**12,602**
Good	39,436	7,801	-	-	**47,237**
Satisfactory	34,332	16,819	-	-	**51,151**
Substandard	1,596	1,393	-	-	**2,989**
Credit-impaired	-	-	2,366	7	**2,373**
	-	3	-	-	**3**
Total	**87,949**	**26,033**	**2,366**	**7**	**116,355**

Loans and advances to customers – retail

MCZK	31 December 2021				
Gross carrying amount	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Total**
Excellent	-	-	-	-	**-**
Strong	38,547	17,551	-	-	**56,097**
Good	70,992	31,669	-	-	**102,661**
Satisfactory	23,342	9,292	-	-	**32,635**
Substandard	2,791	2,707	-	-	**5,498**
Credit-impaired	-	-	4,050	327	**4,377**
No rating	41,680	338	-	377	**42,395**
Total	**177,352**	**61,557**	**4,050**	**704**	**243,663**

MCZK		31 December 2020			
Gross carrying amount	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Total**
Excellent	-	-	-	-	**-**
Strong	34,504	8,678	-	-	**43,182**
Good	45,714	20,385	-	-	**66,099**
Satisfactory	11,343	11,720	-	-	**23,063**
Substandard	293	2,605	-	-	**2,898**
Credit-impaired	-	-	4,242	357	**4,599**
No rating	47,569	916	-	-	**48,485**
Total	**139,423**	**44,304**	**4,242**	**357**	**188,326**

Loans and advances to customers for which no rating is reported as of 31 December 2021 mainly represent the retail portfolio of Equa bank a.s. Expected credit losses for retail financial instruments at Stages 1, 2, 3, POCI and for non-retail financial instruments at Stage 3 are calculated by Equa bank a.s. A qualitative component is applied to assess a significant increase in credit risk for retail financial assets. Expected credit losses on these exposures are calculated using PD curves estimated at internal substages according to the methodology of Equa bank a.s. The internal rating (RTG) is determined by Equa bank a.s. for the retail portfolio, which is assessed on a portfolio basis. The internal rating for the retail portfolio is calculated on the basis of RTG_RX, which is a continuous variable, a ratio of the current rating and the rating valid at the time of the initial recognition. The Group expects to use a rating for these exposures in accordance with the Group's methodology in the following accounting period. The risk-weighted assets of these exposures are calculated using the STA method.

Loans and advances to customers for which no rating is reported in 2020 represent the retail portfolio of Raiffeisen stavební spořitelna a.s. Expected credit losses for retail financial instruments at Stages 1, 2, and 3 and for non-retail financial instruments at Stage 3 are calculated by Raiffeisen stavební spořitelna a.s. A qualitative component is applied to assess a significant increase in credit risk for retail financial assets. Expected credit losses on these exposures are calculated using PD curves estimated at Stages 1 to 3, not rating. The Group expects to use a rating for these exposures in the following accounting period. The risk-weighted assets of these exposures are calculated using the STA method.

Finance leases

MCZK		31 December 2021			
Gross carrying amount	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Total**
Excellent	-	-	-	-	**-**
Strong	586	6	-	-	**592**
Good	3,924	118	-	-	**4,042**
Satisfactory	2,488	519	-	-	**3,007**
Substandard	17	335	-	-	**352**
Credit-impaired	-	-	150	-	**150**
No rating	3	-	-	-	**3**
Total	**7,018**	**978**	**150**	**-**	**8,146**

MCZK		31 December 2020			
Gross carrying amount	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Total**
Excellent	-	-	-	-	**-**
Strong	248	-	-	-	**248**
Good	3,217	434	-	-	**3,651**
Satisfactory	2,101	1,645	-	-	**3,746**
Substandard	27	290	-	-	**317**
Credit-impaired	-	-	257	-	**257**
No rating	3	31	-	-	**34**
Total	**5,596**	**2,401**	**257**	**-**	**8,253**

Loan commitments and financial guarantees

MCZK	31 December 2021				
Gross carrying amount	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Total**
Excellent	-	-	-	-	-
Strong	41,969	4,245	-	-	**46,214**
Good	58,103	8,759	-	-	**66,862**
Satisfactory	26,377	2,821	-	-	**29,198**
Substandard	2,879	1,091	-	-	**3,970**
Credit-impaired	-	-	412	-	**412**
No rating	3,156	-	-	-	**3,156**
Total	**132,484**	**16,916**	**412**	**-**	**149,812**

MCZK	31 December 2020				
Gross carrying amount	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Total**
Excellent	700	-	-	-	**700**
Strong	33,361	827	-	-	**34,188**
Good	44,783	14,709	-	-	**59,492**
Satisfactory	20,906	6,073	-	-	**26,979**
Substandard	1,314	671	-	-	**1 985**
Credit-impaired	-	-	411	-	**411**
No rating	3,075	3	-	-	**3,078**
Total	**104,139**	**22,283**	**411**	**-**	**126,833**

j) Modified contractual cash flows

The following table provides information on financial assets that were modified while they had loss allowances measured at an amount equal to lifetime ECL:

MCZK	2021	2020
Financial assets modified during the year		
Amortised cost before the modification of contractual cash flows	1,538	38,989
Net modification profit	1	(101)
Financial assets modified since initial recognition		
Gross carrying amount at the reporting date relating to financial assets for which loss allowance has changed to 12-month ECL during the year	58	82

k) Quantitative information on collateral for credit-impaired financial assets (Stage 3)

MCZK	2021		2020	
	Gross carrying amount	**Collateral**	**Gross carrying amount**	**Collateral**
Financial assets at amortised cost (Stage 3)	5,879	2,311	6,608	2,474

The principal type of collateral for credit-impaired financial assets is the pledge of real estate, movable property and company guarantees.

l) Concentration of credit risk by location

Loans and advances to customers

MCZK	2021	2020
Czech Republic	357,535	284,314
Slovakia	4,461	4,998
Other EU member states	11,723	11,573
Other	3,521	3,796
Total gross carrying amount	**377,239**	**304,681**

Loan commitments and financial guarantees

MCZK	2021	2020
Czech Republic	136,849	117,639
Slovakia	1,516	1,666
Other EU member states	7,363	5,756
Other	4,084	1,772
Total gross carrying amount	**149,812**	**126,833**

m) Analysis of loans and advances to customers and finance lease receivables by sector and type of collateral

2021	Cash collateral	State guarantees	Bank guarantees	Real estate	Company guarantee	Other collateral	Movable assets	Total collateral
Administrative and support activities	9	-	81	657	618	865	53	**2,283**
Activities of households	5,284	-	-	155,765	-	2	-	**161,051**
Real estate	519	501	140	25,382	145	710	20	**27,417**
Transport and storage	5	-	201	2,324	-	4,536	32	**7,098**
Information and communication activities	-	-	136	253	-	361	1	**751**
Arts, entertainment and recreation	3	-	23	38	-	24	4	**92**
Other activities	-	-	52	62	-	425	-	**539**
Banking and insurance	-	-	3,695	1,225	767	948	-	**6,635**
Professional, scientific and technical activities	12	968	446	1,376	179	1,269	23	**4,273**
Construction industry	152	-	397	2,681	1	1,430	5	**4,666**
Mining and quarrying	-	183	14	-	-	85	-	**282**
Hotels and restaurants	2	-	166	2,475	75	133	29	**2,880**
Wholesale and retail trade; repair and maintenance of motor vehicles	37	318	1,205	5,780	589	6,206	774	**14,909**
Public administration and defence; compulsory social security	-	-	-	10	-	5	-	**15**
Electricity, gas, water and air conditioning supply	105	-	2	117	-	383	1,154	**1,761**
Education	-	-	33	45	-	24	-	**102**
Water supply, sewerage, waste management and remediation activities	-	-	126	117	-	320	33	**596**
Health and social work	1	451	67	172	113	337	-	**1,141**
Agriculture, forestry and fishing	1	-	224	245	10	870	16	**1,366**
Manufacturing	148	761	937	4,533	1,657	5,295	355	**13,687**
Total	**6,278**	**3,182**	**7,945**	**203,257**	**4,154**	**24,229**	**2,499**	**251,544**

For the purposes of reporting loans and advances to customers by sector and type of collateral, the Group uses the collateral in discounted value decreased to the current balance of the collateralised exposure.

2020	Cash collateral	State guarantees	Bank guarantees	Real estate	Company guarantee	Other collateral	Movable assets	Total collateral
Administrative and support activities	38	100	1,349	5,439	2,082	4,134	664	**13,806**
Activities of households	5,263	-	28	123,951	-	466	2,007	**131,715**
Real estate	221	584	229	5,571	-	1,016	104	**7,725**
Transport and storage	2	-	438	1,471	1	3,401	-	**5,313**
Information and communication activities	-	-	4,875	1,837	835	1,024	-	**8,571**
Arts, entertainment and recreation	-	-	186	1,196	-	178	32	**1,592**
Other activities	-	688	55	283	106	224	-	**1,356**
Banking and insurance	-	-	126	181	125	427	-	**859**
Professional, scientific and technical activities	-	81	14	-	-	363	-	**458**
Construction industry	1	-	17	64	-	824	2	**908**
Mining and quarrying	7	282	1	-	8	74	-	**372**
Hotels and restaurants	51	-	54	16,142	-	181	18	**16,446**
Wholesale and retail trade; repair and maintenance of motor vehicles	-	-	21	34	-	1,330	-	**1,385**
Public administration and defence; compulsory social security	-	-	-	12	-	21	-	**33**
Electricity, gas, water and air conditioning supply	3	-	48	342	400	452	52	**1,297**
Education	-	-	27	125	-	111	37	**300**
Water supply, sewerage, waste management and remediation activities	23	1,285	265	1,147	267	768	31	**3,786**
Health and social work	-	-	33	75	-	174	15	**297**
Agriculture, forestry and fishing	27	10	1,220	3,942	318	4,203	381	**10,101**
Manufacturing	1	-	146	2,381	-	1,830	31	**4,389**
Total	**5,637**	**3,030**	**9,132**	**164,193**	**4,142**	**21,201**	**3,374**	**210,709**

For the purposes of reporting loans and advances to customers by sector and type of collateral, the Group uses the collateral in discounted value decreased to the current balance of the collateralised exposure.

n) Analysis of loans and advances to customers and finance lease receivables by default categories

MCZK 2021	Before due date	Less than 1 month	1 to 3 months	3 to 6 months	6 months to 1 year	Over 1 year	Total
Loans and advances to customers and finance lease receivables							
Stage 1	293,235	1,278	8	-	1	4	**294,526**
Stage 2	82,506	885	421	110	3	7	**83,932**
Stage 3	3,479	307	240	290	254	1,459	**6,029**
POCI	613	63	73	32	17	100	**898**
Gross	**379,833**	**2,533**	**742**	**432**	**275**	**1,570**	**385,385**
Loss allowances	**(3,380)**	**(260)**	**(187)**	**(215)**	**(185)**	**(1,388)**	**(5,615)**
Net	**376,453**	**2,273**	**555**	**217**	**90**	**182**	**379,770**

MCZK 2020	Before due date	Less than 1 month	1 to 3 months	3 to 6 months	6 months to 1 year	Over 1 year	Total
Loans and advances to customers and finance lease receivables							
Stage 1	230,987	1,967	3	-	4	6	**232,967**
Stage 2	70,259	2,026	352	93	5	3	**72,738**
Stage 3	3,373	364	305	453	295	2,075	**6,865**
POCI	241	43	13	5	6	56	**364**
Gross	**304,860**	**4,400**	**673**	**551**	**310**	**2,140**	**312,934**
Loss allowances	(3,078)	(286)	(228)	(357)	(214)	(1,921)	**(6,084)**
Net	**301,782**	**4,114**	**445**	**194**	**96**	**219**	**306,850**

The proportion of loans and advances with default decreased year-on-year to 1.8 % from 2.3 % of the total loan portfolio. The coverage by individual loss allowances for loans with default fell to 42.6 % at the end of 2021 from 50.0 % in 2020.

o) Forbearance and non-performing exposures

In compliance with the EBA's Implementing Technical Standard (ITS) on supervisory reporting (forbearance and non-performing exposures), the Group introduced a new definition of *forbearance* and *non-performing exposures* in 2014 that does not necessarily represent default under the CNB's regulation.

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

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

Within the defined processes, the Group's customers having financial difficulties and being provided with forbearance are assessed, rated and monitored according to specific algorithms in line with the relevant regulations. In practice, this means that all customers with financial difficulties who were provided with forbearance, or for whom forbearance is considered, are at least subject to the early warning system, or in case of default, they are treated by the workout or collection teams. The algorithms applied are in compliance with the parent group's requirements for individual segments of the Group. The above-specified processes have an impact on the classification of receivables under individual stages according to IFRS 9 and, consequently, on the assessment of the amount of individual and portfolio allowances.

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

MCZK	Loans and advances to forborne customers			Loss allowances	Collateral
31 December 2021	Performing exposure	Non-performing exposure	Total with forbearance		
Other financial institutions	-	3	3	-	-
Non-financial enterprises	4,506	737	**5,243**	(395)	1,087
Households	687	1,610	**2,297**	(455)	930
Total	**5,193**	**2,350**	**7,543**	**(850)**	**2,017**

MCZK	Loans and advances to forborne customers			Loss allowances	Collateral
31 December 2020	Performing exposure	Non-performing exposure	Total with forbearance		
Other financial institutions	39	3	**42**	(1)	-
Non-financial enterprises	3,823	597	**4,420**	(312)	258
Households	449	1,502	**1,951**	(617)	768
Total	**4,311**	**2,102**	**6,413**	**(930)**	**1,026**

The Group recognises no forborne loans and advances to banks.

The Group's interest income includes interest on loans and advances to forborne customers of MCZK 155 (2020: MCZK 56).

Development of loans and advances to forborne customers

MCZK 2021	Other financial institutions	Non-financial enterprises	Households	Total
Balance at 1 January	**42**	**4,420**	**1,951**	**6,413**
Changes in consolidation		344	259	**603**
Additions (+)	-	1,387	803	**2,190**
Disposals (-)	-	(390)	(465)	**(855)**
Movements in exposures (+/-)	(39)	(518)	(251)	**(808)**
At 31 December	**3**	**5,243**	**2,297**	**7,543**

MCZK 2020	Other financial institutions	Non-financial enterprises	Households	Total
Balance at 1 January	13	1,572	1,263	**2,848**
Changes in consolidation	-	-	69	**69**
Additions (+)	3	3,097	1,562	**4,662**
Disposals (-)	(0)	(161)	(554)	**(715)**
Movements in exposures (+/-)	26	(88)	(389)	**(451)**
At 31 December	**42**	**4,420**	**1,951**	**6,413**

Carrying amount of loans and advances to forborne customers compared to the total loans and advances to customers

MCZK 2021	Loans and advances to customers	Finance lease receivables	Total loans and advances	Loans and advances with forbearance	Percentage of loans and advances with forbearance
Government institutions	573	3	576	-	-
Other financial institutions	13,858	7	13,865	3	**0.0%**
Non-financial enterprises	134,223	7,832	142,055	5,243	**3.7%**
Households	228,585	304	228,889	2,297	**1.0%**
Total	**377,239**	**8,146**	**385,385**	**7,543**	**2.0%**

MCZK 2020	Loans and advances to customers	Finance lease receivables	Total loans and advances	Loans and advances with forbearance	Percentage of loans and advances with forbearance
Government institutions	1,006	3	1,009	-	**-**
Other financial institutions	13,398	8	13,406	42	**0.3%**
Non-financial enterprises	114,982	7,818	122,800	4,420	**3.6%**
Households	175,295	424	175,719	1,951	**1.1%**
Total	**304,681**	**8,253**	**312,934**	**6,413**	**2.0%**

p) Maximum exposure to credit risk

2021 MCZK	On-balance sheet exposure (carrying amount)	Off-balance sheet exposure (carrying amount)	Aggregate exposure (carrying amount)	Allocated collateral - balance sheet	Allocated collateral - off balance sheet	Aggregate allocated collateral
Cash and cash equivalents	9,461	-	9,461	-	-	-
Loans and advances to banks*	197,963	929	198,892	910	-	910
Loans and advances to customers and finance lease receivables*	379,770	72 120	451,890	251,544	11,565	263,109
Debt securities*	36,550	-	36,550		-	-
Positive fair value of financial derivatives	8,979	-	8,979	276	-	276
Securities held for trading	165	-	165	-	-	-
Financial assets other than held for trading mandatorily measured at fair value through profit or loss	498	-	498	-	-	-
Financial assets at FVOCI	20	-	20	-	-	-
Income tax asset	18	-	18	-	-	-
Other assets	11,372	-	11,372	-	-	-

*including loss allowances and provisions

2020 MCZK	On-balance sheet exposure (carrying amount)	Off-balance sheet exposure (carrying amount)	Aggregate exposure (carrying amount)	Allocated collateral - balance sheet	Allocated collateral - off balance sheet	Aggregate allocated collateral
Cash and cash equivalents	5,852	-	5,852	-	-	-
Loans and advances to banks*	107,619	683	108,302	8,774	-	8,774
Loans and advances to customers and finance lease receivables*	306,,850	47,700	354,550	210,709	12,605	223,314
Debt securities*	38,958	-	38,958	-	-	-
Positive fair value of financial derivatives	4,093	-	4,093	9	-	9
Securities held for trading	1,683	-	1,683	-	-	-
Financial assets other than held for trading mandatorily measured at fair value through profit or loss	532	-	532	-	-	-
Financial assets at FVOCI	1	-	1	-	-	-
Income tax asset	598	-	598	-	-	-
Other assets	6,887	-	6,887	-	-	-

*including loss allowances and provisions

q) Offsetting financial assets and financial liabilities

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

2021			Related amount not offset in the consolidated statement of financial position			
MCZK	Amount of an asset/liability in the consolidated statement of financial position	Amount of an asset/liability offset in the consolidated statement of financial position	Net amount presented in the consolidated statement of financial position	Financial instrument	Cash collateral received	Total
Assets						
Positive fair values of financial derivatives	8,771	-	8,771	8,459	276	**36**
Reverse repurchase	198,438	-	198,438	195,582	-	**2,856**
Total assets	**207,209**	**-**	**207,209**	**204,041**	**276**	**2,892**
Liabilities						
Negative fair values of financial derivatives	13,681	-	13,681	8,459	5 144	**78**
Repurchase transactions	1,700	-	1,700	1,673	-	**27**
Total liabilities	**15,381**	**-**	**15,381**	**10,132**	**5 144**	**105**

2020			Related amount not offset in the consolidated statement of financial position			
MCZK	**Amount of an asset/liability in the consolidated statement of financial position**	**Amount of an asset/liability offset in the consolidated statement of financial position**	**Net amount presented in the consolidated statement of financial position**	**Financial instrument**	**Cash collateral received**	**Total**
Assets						
Positive fair values of financial derivatives	3,579	-	3,579	3,568	9	**2**
Reverse repurchase	106,897	-	106,897	105,243	-	**1,654**
Total assets	**110,476**	**-**	**110,476**	**108,811**	**9**	**1,656**
Liabilities						
Negative fair values of financial derivatives	5,446	-	5,446	3,568	1,861	**17**
Repurchase transactions	2,599	-	2,599	2,558	-	**41**
Total liabilities	**8,045**	**-**	**8,045**	**6,126**	**1,861**	**58**

47. RECONCILIATION OF LIABILITIES ARISING FROM FUNDING, INCLUDING CHANGES ARISING FROM CASH FLOWS AND NON-CASH CHANGES

	At 1 Jan 2021	**Cash flows**		**Non-cash changes**		**At 31 Dec 2021**
		Inflow	**Outflow**	**Remeasurement of foreign currency positions**	**Other non-cash changes**	
Debt securities issued	13,053	11,787	(5,551)	(878)	1,573	19,984
Subordinated liabilities and bonds	4,561	315	-	(241)	891	5,526
Lease liabilities	1,744	-	(343)	44	30	1,475

	At 1 Jan 2020	**Cash flows**		**Non-cash changes**		**At 31 Dec 2020**
		Inflow	**Outflow**	**Remeasurement of foreign currency positions**	**Other non-cash changes**	
Debt securities issued	12,692	-	(54)	415	-	13,053
Subordinated liabilities and bonds	3,309	813	-	136	303	4,561
Lease liabilities	1,928	-	(322)	34	104	1,744

48. LEASES

a) Right-of-use assets

Right-of-use assets relate to the lease of immovable and movable assets which are part of property and equipment – see note 33.

MCZK	Real estate	Machinery and equipment	Total
At 1 January 2020	**2,260**	-	**2,260**
Changes to the consolidation group	6	-	**6**
Additions	275	-	**275**
Disposals	(227)	-	**(227)**
At 31 December 2020	**2,314**	**-**	**2,314**
Changes to the consolidation group	147	18	**165**
Additions	101	2	**103**
Disposals	(216)	-	**(216)**
At 31 December 2021	**2,346**	**20**	**2,366**
Accumulated depreciation		-	
At 1 January 2020	(320)	-	**(320)**
Changes to the consolidation group	(1)	-	**(1)**
Additions – annual depreciation charges	(333)	-	**(333)**
Disposals	49	-	**49**
At 31 December 2020	**(605)**	**-**	**(605)**
Additions – annual depreciation charges	(350)	(4)	**(354)**
Disposals	**66**	**-**	**66**
At 31 December 2021	**(889)**	**(4)**	**(893)**
Net book value			
At 31 December 2020	**1,709**	**-**	**1,709**
At 31 December 2021	**1,457**	**16**	**1,473**

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

2021 (MCZK)	Net book value	Total contractual liability	0 – 1 months	0 - 3 months	3 - 12 months	1 - 5 years	Over 5 years
Lease liabilities	**1,475**	**1,514**	37	50	218	1,023	186

2020 (MCZK)	Net book value	Total contractual liability	0 – 1 months	0 - 3 months	3 - 12 months	1 - 5 years	Over 5 years
Lease liabilities	**1,744**	**1,814**	42	49	252	1,071	400

c) Values recognised in the consolidated statement of comprehensive income

MCZK	2021	2020
Interest expense from lease liabilities	(22)	(27)
Depreciation of right-of-use assets	(354)	(333)
Cost of short-term leases	(3)	(2)
Cost of short-term leases of low-value assets	(1)	-

49. CHANGES IN THE CONSOLIDATION GROUP

a) Newly consolidated entities in 2021

In 2021, the Group acquired Equa bank a.s. and Equa Sales & Distribution s.r.o., which are included in the consolidation by using the full method. Details of assets and liabilities of these companies at the date of acquisition are provided in the following overview.

Equa bank a.s.

MCZK	Book value as of the acquisition date of 1 July 2021	Fair value remeasurement	Fair value as of the acquisition date of 1 July 2021
Cash and cash equivalents	1,250	-	1,250
Financial assets held for trading	3	-	3
Trading derivatives	3	-	3
Financial assets at FVOCI	2	-	2
Financial assets at amortised cost	74,175	168	74,343
Loans and advances to banks	19,580	-	19,580
Loans and advances to customers	51,869	217	52,086
Debt securities	2,726	(49)	2,677
Fair value remeasurement of portfolio-remeasured items	2	-	2
Current tax asset	5	-	5
Intangible assets	761	(217)	544
Core deposit intangibles	-	1,574	1,574
Brand	-	49	49
Customer tribe	-	175	175
Property, plant and equipment	244	-	244
Other assets	1 488	-	1 488
Total identifiable assets	**77,930**	**1,749**	**79,679**
Financial liabilities held for trading	2	-	2
Trading derivatives	2	-	2
Financial liabilities at amortised cost	71,675	28	71,703
Deposits from banks	137	-	137
Deposits from customers	68,475	-	68,475
Debt securities issued	2,012	17	2,029
Subordinated liabilities and bonds	892	11	903
Other financial liabilities	159	-	159
Provisions	111	-	111
Deferred tax liability	-	327	327
Other liabilities	287	-	287
Total assumed assets	**72,075**	**355**	**72,430**
Net identifiable assets at book values	**5,855**	**1,394**	**7,249**
Goodwill	-	-	**447**
Cash and cash equivalents	-	-	1 250
Cash inflow/outflow from acquisition	-	-	**(6,445)**
Net loss from the acquisition date to 31 December 2021*	-	-	(56)
Net profit from 1 January 2021 to 31 December 2021*	-	-	151

*Net profit/loss in both periods represents the accounting profit of Equa bank a.s. including the impact of amortisation of fair values of identifiable assets and liabilities assumed, which were determined at the acquisition date.

Equa Sales & Distribution s.r.o.

mil. Kč	Book value as of the acquisition date of 1 July 2021	Fair value remeasurement	Fair value as of the acquisition date of 1 July 2021
Cash and cash equivalents	123	-	123
Current tax asset	8	-	8
Property, plant and equipment	127	-	127
Other assets	39	-	39
Total identifiable assets	**297**		**297**
Financial liabilities at amortised cost	(75)	-	(75)
Other financial liabilities	(75)	-	(75)
Provisions	(6)	-	(6)
Other liabilities	(44)	-	(44)
Total liabilities assumed	**125**		**125**
Net identifiable assets at book values	**172**	-	**172**
Goodwill	-	-	**-**
Cash and cash equivalents	-	-	**123**
Cash inflow/outflow from acquisition	-	-	**(49)**
Net profit from the acquisition date to 31 December 2021*	-	-	**8**
Net profit from 1 January 2021 to 31 December 2021*	-	-	**16**

*Net profit in both periods represent the accounting profit of Equa Sales & Distribution s.r.o.

b) Newly consolidated entities in 2020

On 9 September 2020, the Group's management decided to purchase a 90% equity investment in Raiffeisen stavební spořitelna a.s. from Raiffeisen Bausparkassen Holding GmbH. This transaction became effective on 30 November 2020. This transaction represented a transaction under common control. As such, the assets and liabilities acquired have been accounted for at the book values in the separate financial statements of the acquirees and no new intangible assets arose in connection with this transaction. Raiffeisen stavební spořitelna a.s. and KONEVOVA s.r.o., whose direct owner is Raiffeisen stavební spořitelna a.s., have been consolidated using the full method since 30 November 2020. Details of assets and liabilities of these companies at the date of acquisition are provided in the following overview.

MCZK	Book values as of the date of inclusion into the consolidation group		
	Raiffeisen stavební spořitelna a.s.	KONEVOVA s.r.o.	Total
Cash and cash equivalents	9	59	**68**
Financial assets at amortised cost	72,024	-	**72,024**
Loans and advances to banks	6,200	-	**6,200**
Loans and advances to customers	57,032	-	**57,032**
Debt securities	8,792	-	**8,792**
Income tax asset	24	2	**26**
Other assets	368	1	**369**
Investments in subsidiaries	257	-	**257**
Intangible assets	217	-	**217**
Property, plant and equipment	341	249	**590**
Total identifiable assets	**73,240**	**311**	**73,551**
Financial liabilities at amortised cost	67 954	9	**67,963**
Provisions	40	-	**40**
Deferred tax liability	11	22	**33**
Other liabilities	12	125	**137**
Total liabilities assumed	**68,017**	**156**	**68,173**
Net identifiable assets at book values before investment elimination	5 223	155	**5,378**
Investment elimination	**-**	**-**	**(257)**
Net identifiable assets at book values	-	-	**5,121**
Goodwill	-	-	**-**
Acquisition cost of investment	-	-	**5,393**
of which: cash consideration	-	-	***5,232***
of which: fair value of receivable from Raiffeisen Bausparkasse Holding GmbH	-	-	***(280)***
of which: book value of 10% equity investment at the acquisition date	-	-	***441***
Impact of acquisition on equity	**-**	**-**	**(272)**
Cash and cash equivalents	-	-	68
Cash inflow/outflow from acquisition	**-**	**-**	**(5,164)**
Net loss from the acquisition date to 31 December 2020	(1)	(2)	**(3)**
Net profit from 1 January 2020 to 31 December 2020	217	10	**227**

c) Disposals for the year ended 31 December 2021

In 2021, Janus Property, s.r.o. was sold.

MCZK	Book value as of the disposal date
Value of investment as of the disposal date	165
Selling price of the equity investment	205
Profit/(loss) arising from the disposal	40
Cash inflow arising from the disposal	**205**

d) Disposals for the year ended 31 December 2020

In 2020, Gaia Property, s.r.o. was sold.

MCZK	Book value as of the disposal date
Value of investment as of the disposal date	(3)
Selling price of the equity investment	27
Profit/(loss) arising from the disposal	30
Cash inflow arising from the disposal	**27**

50. TRANSACTIONS WITH RELATED PARTIES

At 31 December 2021

For related party transaction reporting purposes, the Group considers Raiffeisen CEE Region Holding GmbH (direct parent company) and Raiffeisen Bank International AG (entity with controlling influence on the Group exercised indirectly) to be its parent companies. Transactions with related parties are concluded under standard business terms and arm's length prices.

MCZK	Parent companies	Companies with significant influence over the Group	Associated companies	Board of directors, supervisory board and other managers*	Other related parties	Total
Receivables	5,298	-	42	175	2,573	**8,088**
Positive fair values of financial derivatives	7,448	-	6	-	1	**7,455**
Liabilities	2,390	2	357	100	5,222	**8,071**
Negative fair values of financial derivatives	12,400	-	55	-	-	**12,455**
Other equity instruments	4,097	-	-	-	734	**4,831**
Subordinated liabilities and bonds	3,250	-	-	-	1,385	**4,635**
Guarantees issued	343	-	-	-	48	**391**
Guarantees received	162	-	-	-	2,054	**2,216**
Nominal values of financial derivatives (off-balance sheet receivables)	486,188	-	3,152	-	88	**489,428**
Nominal values of financial derivatives (off-balance sheet liabilities)	485,901	-	3,246	-	87	**489,234**
Irrevocable credit commitments provided	-	-	-	44	497	**541**
Interest income	1,057	-	-	3	12	**1 072**
Interest expense	(1,322)	-	-	-	(73)	**(1,395)**
Fee and commission income	27	-	-	-	22	**49**
Fee and commission expense	(13)	-	-	-	(120)	**(133)**
Net gain or loss from financial operations	462	-	(98)	-	(3)	**361**
Net gain or loss from hedge accounting	(4,324)	-	-	-	-	**(4,324)**
General operating expenses	(250)	-	-	(235)	(33)	**(518)**
Other operating income, net	19	-	-	-	2	**21**

*Other members of the management are level B-1 managers of the Bank

The **receivables** are principally composed of the following:

Credit balances on the current account maintained at:
- Raiffeisen Bank International AG (parent company) of MCZK 5,298

Provided loan:
- AKCENTA CZ a.s. (associated company) of MCZK 42

Nominal values of financial derivatives - off-balance sheet receivables:
- Raiffeisen Bank International AG (parent company) of MCZK 486,188
- AKCENTA CZ a.s. (associated company) of MCZK 3,152

The **liabilities** are principally composed of the following:

Credit balances on the current account of the Group from:
- Raiffeisen Bank International AG (parent company) of MCZK 685
- AKCENTA CZ a.s. (associated company) of MCZK 357

Term deposits:
- Raiffeisenbank (Bulgaria) EAD (fellow subsidiary) of MCZK 549
- Raiffeisen Bank International AG (parent company) of MCZK 354

Repo transactions:
- Tatra Banka, a.s. (fellow subsidiary) of MCZK 1,700

Debt securities of the Bank issued:
- Raiffeisenbank Hungary (fellow subsidiary) of MCZK 505
- Raiffeisen Bank International AG (parent company) of MCZK 1,268

Nominal values of financial derivatives - off-balance sheet liabilities:
- Raiffeisen Bank International AG (parent company) of MCZK 485,901
- AKCENTA CZ a.s. (associated company) of MCZK 3,246

Subordinated debt from:
- Raiffeisen Bank International AG (parent company) of MCZK 3,250
- Raiffeisenlandesbank Oberösterreich AG of MCZK 1,083
- Raiffeisen Bausparkassen Holding GmbH of MCZK 302

Other equity instruments – subordinated unsecured AT1 capital investment certificates purchased from:
- Raiffeisen Bank International AG (parent company) of MCZK 4,097
- Raiffeisenlandesbank Oberösterreich AG of MCZK 734

At 31 December 2020

For related party transaction reporting purposes, the Group considers Raiffeisen CEE Region Holding GmbH (direct parent company) and Raiffeisen Bank International AG (entity with controlling influence on the Group exercised indirectly) to be its parent companies. Transactions with related parties are concluded under standard business terms and arm's length prices.

MCZK	Parent companies	Companies with significant influence over the Group	Associated companies	Board of directors, supervisory board and other managers*	Other related parties	Total
Receivables	1,895	-	-	176	511	**2,582**
Positive fair values of financial derivatives	3,214	-	-	-	-	**3,214**
Liabilities	3,835	11	-	94	14,119	**18,059**
Negative fair values of financial derivatives	4,705	-	-	-	2	**4,707**
Other equity instruments	3,600	-	-	-	569	**4,169**
Subordinated liabilities and bonds	3,194	-	-	-	1,367	**4,561**
Guarantees issued	401	-	-	-	81	**482**
Guarantees received	186	-	-	-	1,878	**2,064**
Nominal values of financial derivatives (off-balance sheet receivables)	372,495	-	-	-	139	**372,634**
Nominal values of financial derivatives (off-balance sheet liabilities)	372,871	-	-	-	141	**373,012**
Irrevocable credit commitments provided	-	-	-	17	-	**17**
Interest income	3,533	1	-	3	15	**3,552**
Interest expense	(3,763)	-	-	-	(198)	**(3,961)**
Fee and commission income	20	-	-	-	17	**37**
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)	-	-	-	-	**(509)**
General operating expenses	(235)	-	-	(224)	(29)	**(488)**
Other operating income, net	11	-	-	-	2	**13**

*Other members of the management are level B-1 managers of the Bank

The **receivables** are principally composed of the following:

Credit balances on the current account maintained at:
- Raiffeisen Bank International AG (parent company) of MCZK 1,895

Nominal values of financial derivatives - off-balance sheet receivables:
- Raiffeisen Bank International AG (parent company) of MZK 372,495
- Raiffeisenbank AO (Russia), (fellow subsidiary) of MCZK 115
- Raiffeisen Bank Zrt. (fellow subsidiary) of MCZK 25

The **liabilities** are principally composed of the following:

Credit balances on the current account of the Bank from:
- Raiffeisen Bank International AG (parent company) of MCZK 339

Term deposits:
- Raiffeisenbank (Bulgaria) EAD (fellow subsidiary) of MCZK 2,053

Repo transactions:
- Tatra Banka, a.s. (fellow subsidiary) of MCZK 2,599

Debt securities of the Group issued:
- Raiffeisenbank Hungary (fellow subsidiary) of MCZK 2,607
- Raiffeisenbank (Bulgaria) EAD (fellow subsidiary) of MCZK 377
- Raiffeisen Bank International AG (parent company) of MCZK 3,490
- Raiffeisen Bank Albania (fellow subsidiary) of MCZK 941

Nominal values of financial derivatives - off-balance sheet liabilities:
- Raiffeisen Bank International AG (parent company) of MCZK 372,871

Subordinated debt from:
- Raiffeisen Bank International AG (parent company) of MCZK 3,194
- Raiffeisenlandesbank Oberösterreich AG of MCZK 1,065
- Raiffeisen Bausparkassen Holding GmbH of MCZK 302

Other equity instruments – subordinated unsecured AT1 capital investment certificates purchased from:
- Raiffeisen Bank International AG (parent company) of MCZK 3,600
- Raiffeisenlandesbank Oberösterreich AG of MCZK 569

51. SUBSEQUENT EVENTS

As of 1 January 2022, a legal merger by amalgamation took place between Raiffeisenbank a.s. and Equa bank a.s. Raiffeisenbank a.s., as the successor company, assumed the assets of the dissolving company, Equa bank a.s. As of 1 January 2022, total assets increased by MCZK 67,512 and total liabilities by MCZK 67,568.

In January 2022, the Group commenced a gradual transfer of all activities and operations of Equa Sales & Distribution s.r.o. to the Bank. This transfer is expected to be completed during the third quarter of 2022. This company is expected to enter into liquidation by the end of 2022.

The current political and economic situation in Ukraine may lead to increased global economic uncertainty, price and exchange rate fluctuations, potential energy supply shortages and a potential decline in global economic growth. All financial activities of the Group and its customers with respect to entities from the Russian Federation and Ukraine have already been historically limited. Credit ratings of some clients that are exposed to these risks may result in higher-than-initially-expected loss allowances and provisions for credit risk. All exposures to these high-risk countries are closely monitored and managed.

As of the date of preparation and authorisation for issue of the consolidated financial statements, the Group's management assessed the current political and economic situation and the existing and planned measures of the Czech Government, the Czech National Bank, and the European Commission that may negatively impact the Group. Based on its assessment of the current situation and various scenarios as well as public information available as of the date of approval of these consolidated financial statements, the Group's management does not expect the economic impact of this situation on the Group to materially affect the Group's liquidity and capital position and the quality of the Group's assets; as a result, there is currently no material uncertainty in relation to these events that could materially impair the Group's ability to continue as a going concern. Due to the uncertain nature of current developments, it is still premature to quantify the potential impact on the Group's financial results in 2022 and beyond. The overall economic impact on the Group and its customers with economic ties to this geographic area will depend primarily on the duration of this war and the intensity of political and economic measures and restrictions related to this situation. At present, a negative impact of this situation on the economic environment in which the Group operates and the Group's financial position and performance in the medium term cannot be ruled out. The Group's management closely monitors and manages the situation and is prepared to take appropriate steps to reflect the current developments. These potential future measures adopted by the Group to reflect the ever-changing situation could concern the areas of accounting estimates and methods of calculating loss allowances and provisions for credit risk according to IFRS 9.

No other events occurred subsequent to the reporting date that would have a material impact on the consolidated financial statements as of 31 December 2021.

Raiffeisenbank a.s.

Separate financial statements
Prepared in accordance with International Financial Reporting Standards as Adopted by the European Union
For the Year Ended 31 December 2021

<u>Components of the Financial Statements</u>

Statement of Comprehensive Income

Statement of Financial Position

Statement of Changes in Equity

Cash Flow Statement

Notes to the Financial Statements

These financial statements have been prepared by the Bank and approved by the Board of Directors of the Bank on 1 March 2022.

Statutory body of the entity	Signature
Igor Vida Chairman of the Board of Directors	
Kamila Makhmudova Member of the Board of Directors	

Statement of Comprehensive Income
For the Year Ended 31 December 2021

MCZK	Note	2021	2020 (restated)*
Interest income and similar income calculated using the effective interest rate method	6	9 713	8 928
Other interest income	6	635	783
Interest expense and similar expense	6	(2 700)	(2 472)
Net interest income		**7 648**	**7 239**
Fee and commission income	7	4 426	3 792
	7	(889)	(872)
Net fee and commission income		**3 537**	**2 920**
Net gain/(loss) on financial operations	8	21	(190)
Net gain/(loss) on financial assets other than held for trading mandatorily measured at fair value in profit or loss	9	(36)	38
Net gain from hedge accounting	10	14	3
Dividend income	11	715	323
Impairment losses on financial assets	12	(43)	(1 552)
Gain/(loss) from derecognition of financial assets measured at amortised cost	13	11	8
Personnel expenses	14	(3 121)	(3 094)
General operating expenses	15	(2 098)	(1 966)
Depreciation and amortisation	16	(1 195)	(1 217)
Other operating income	17	276	171
Other operating expenses	18	(55)	(120)
Profit before tax		**5 674**	**2 563**
Income tax	19	(987)	(423)
Net profit for the year attributable to the Bank's shareholders		**4 687**	**2 140**
Other comprehensive income			
Items that will not be reclassified to profit or loss in future:			
Net gain/(loss) from remeasurement of equity securities at FVOCI	36	1	(333)
Deferred tax relating to items that will not be reclassified to profit or loss in following periods	36	-	27
Items that will be reclassified to profit or loss in future:			
Revaluation of cash flow hedges	36	(522)	(26)
Deferred tax relating to items that will be reclassified to profit or loss in following periods	36	99	5
Total other comprehensive income		**(422)**	**(327)**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**4 265**	**1 813**

The accompanying notes on pages 199-296 are an integral part of these financial statements.

*Detailed information on the changes in reporting of individual items is stated in Note 3(v).

Statement of Financial Position

As of 31 December 2021

MCZK	Note	31 Dec 2021	31 Dec 2020
ASSETS			
Cash and cash equivalents	20	8 920	5 746
Financial assets held for trading	21	4 105	3 746
Trading derivatives	21, 38	3 940	2 063
Securities held for trading	21	165	1 683
Financial assets other than held for trading mandatorily measured at fair value in profit or loss	22	498	532
Financial assets at FVOCI	23	18	1
Financial assets at amortised cost	24	468 838	379 470
Loans and advances to banks	24	177 340	99 684
Loans and advances to customers	24	262 377	249 083
Debt securities	24	29 121	30 703
Fair value remeasurement of portfolio-remeasured items (loans to customers and debt securities)	38	(4 453)	1 253
Hedging derivatives with positive fair value	25	5 062	2 030
Income tax receivable	19	-	519
Equity investments in subsidiaries and associated companies	28	14 905	6 888
Intangible assets	29	3 184	2 950
Property, plant and equipment	30	2 139	2 601
Other assets	27	8 176	5 320
TOTAL ASSETS		**511 392**	**411 056**

The accompanying notes on pages 199-296 are an integral part of these financial statements.

MCZK	Note	31 Dec 2021	31 Dec 2020
LIABILITIES AND EQUITY			
Financial liabilities held for trading	31	4 604	2 618
Trading derivatives	31	4 604	2 618
Financial liabilities at amortised cost	32	459 342	367 593
Deposits from banks	32	13 017	12 194
Deposits from customers	32	420 163	334 673
Debt securities issued	32	18 455	13 053
Subordinated liabilities and bonds	32	4 333	4 259
Other financial liabilities	32	3 374	3 414
Fair value remeasurement of portfolio-remeasured items (deposits from customers)	38	(9 285)	262
Hedging derivatives with negative fair value	33	10 160	3 209
Provisions	34	1 099	1 054
Current tax liability	19	86	-
Deferred tax liability	26	15	83
Other liabilities	35	948	886
TOTAL LIABILITIES		**466 969**	**375 705**
EQUITY			
Share capital	36	15 461	11 061
Reserve fund		694	694
Fair value reserve	36	(378)	44
Retained earnings		19 128	17 243
Other equity instruments	36	4 831	4 169
Profit for the year		4 687	2 140
Total equity		**44 423**	**35 351**
TOTAL LIABILITIES AND EQUITY		**511 392**	**411 056**

The accompanying notes on pages 199-296 are an integral part of these financial statements.

Statement of Changes in Equity
For the Year Ended 31 December 2021

(MCZK)	Share capital	Reserve fund	Fair value reserve	Retained earnings	Other equity instruments	Net profit for the year	Total equity
At 1 Jan 2020	**11 061**	**694**	**371**	**13 007**	**3 383**	**4 188**	**32 704**
Increase in other equity instruments	-	-	-	-	786	-	786
Dividends	-	-	-	-	-	-	-
Payment of coupon on other equity instruments	-	-	-	(211)	-	-	(211)
Allocation to retained earnings	-	-	-	4 188	-	(4 188)	-
Allocation from fair value reserve				259	-	-	259
Net profit for the year	-	-	-	-	-	2 140	2 140
Other comprehensive income, net	-	-	(327)	-	-	-	(327)
Total comprehensive income for the year	**-**	**-**	**(327)**	**-**	**-**	**2 140**	**1 813**
At 31 December 2020	**11 061**	**694**	**44**	**17 243**	**4 169**	**2 140**	**35 351**
Increase in share capital	4 400	-	-	-	-	-	4 400
Increase in other equity instruments	-	-	-	-	662	-	662
Dividends	-	-	-	-	-	-	-
Payment of coupon on other equity instruments	-	-	-	(255)	-	-	(255)
Allocation to retained earnings	-	-	-	2 140	-	(2 140)	-
Net profit for the year	-	-	-	-	-	4 687	4 687
Other comprehensive income, net	-	-	(422)	-	-	-	(422)
Total comprehensive income for the year	-	-	(422)	-	-	4 687	4 265
At 31 December 2021	**15 461**	**694**	**(378)**	**19 128**	**4 831**	**4 687**	**44 423**

The accompanying notes on pages 199-296 are an integral part of these financial statements.

Raiffeisenbank a.s.

Separate financial statements
prepared in accordance with International Financial Reporting Standards as adopted by the European Union for the year ended 31 December 2021

Cash Flow Statement

For the Year Ended 31 December 2021

(MCZK)	Note	2021	2020
Profit before tax		**5 674**	**2 563**
Adjustments for non-cash transactions			
Creation of loss allowances and provisions for credit risks	12	43	1 552
Depreciation/amortisation expense	16	1 195	1 217
Loss on impairment of tangible assets	18	-	5
Creation/(release) of other provisions	34	33	(87)
Change in fair value of derivatives	21, 25, 33, 31	3 506	(1 453)
Unrealised losses/(gains) on remeasurement of securities	21	41	(40)
Gain/(loss) on sale of property and equipment and intangible assets	17, 18	5	-
Change in the remeasurement of hedged items upon fair value hedge	13	(3 841)	(915)
Foreign exchange gains/losses	12	(1 607)	(185)
Other non-cash changes*		(1 009)	(795)
Operating profit before changes in operating assets and liabilities		***4 040***	***1 862***
Operating cash flow			
(Increase)/decrease in operating assets			
Mandatory minimum reserves with the Czech National Bank (CNB)	27	(1 565)	(1 193)
Loans and advances to banks	24	(77 553)	(12 679)
Loans and advances to customers	24	(15 896)	(812)
Debt securities held at amortised cost	24	1 441	(19 642)
Securities held for trading	21	1 513	(1 570)
Other assets	27	(1 290)	(34)
(Increase)/decrease in operating assets			
Deposits from banks	32	1 164	(9 891)
Deposits from customers	32	88 857	45 255
Other financial liabilities	32	393	(481)
Other liabilities	35	62	(51)
Net operating cash flow before tax		**1 166**	**764**
Income tax paid	19	(603)	(1 015)
Net operating cash flow		***563***	***(251)***
Cash flows from investing activities			
Increase in equity investments	28	(8 033)	(5 232)
Sale of financial assets at FVOCI	22	-	9
Acquisition of property and equipment and intangible assets	29, 30	(955)	(1 195)
Proceeds from sale of non-current assets	17	4	1
Dividends received	11	715	323
Net cash flow from investing activity		***(8 269)***	***(6 094)***
Cash flows from financing activities			
Dividends paid and paid coupons on other equity instruments	36	(255)	(211)
Increase in share capital	36	4 400	-
Increase in other equity instruments	36	662	786
Debt securities issued	32	11 787	-
Repayment of debt securities issued	32	(5 551)	(54)
Proceeds from issue of subordinated debt	32	315	813
Lease liabilities	32	(331)	(379)
Net cash flow from financing activities		**11 027**	**955**
Net (decrease)/increase in cash and cash equivalents		**3 321**	**(5 390)**
Cash and cash equivalents at the beginning of the year (note 20)		5 746	11 114
Foreign exchange gains/losses on cash and cash equivalents at the beginning of the year		(147)	22
Cash and cash equivalents at the end of the year (note 20)		**8 920**	**5 746**
Interest received		9 995	9 643
Interest paid		(2 174)	(2 409)

Other non-cash changes represent mainly changes in accrued interest and commissions.

The accompanying notes on pages 199-296 are an integral part of these financial statements.

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1. INFORMATION ABOUT THE COMPANY

Raiffeisenbank a.s. (“the Bank”), with its registered office at Hvězdova 1716/2b, Praha 4, post code 140 78, identification number 49240901, was founded as a joint stock company in the Czech Republic. The Bank was recorded in the Commercial Register maintained by the Municipal Court in Prague on 25 June 1993, Section B, File 2051.

Principal activities of the Bank according to the banking licence granted by the Czech National Bank (CNB):

- acceptance of deposits from the public;
- provision of loans;
- investing in securities on its own account;
- finance leases - at present, the Bank does not carry out this activity directly;
- payments and clearing;
- issuance and maintenance of payment facilities;
- provision of guarantees;
- opening of letters of credit;
- direct debit services;
- provision of investment services;
    - principal investment services under Section 4 (2) (a), (b), (c), (d), (e), (g), and (h) of Act No. 256/2004 Coll., as amended;
    - additional investment services under Section 4 (3) (a) – (f) of Act No. 256/2004 Coll., as amended;
- issuance of mortgage bonds;
- financial brokerage;
- depositary activities;
- foreign exchange services (foreign currency purchases);
- provision of banking information;
- proprietary or client-oriented trading with foreign currency assets;
- rental of safe-deposit boxes;
- activities directly relating to the activities listed in the banking licence; and
- mediation of supplementary pension schemes.

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

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

During the year ended 31 December 2021, the performance or provision of the Bank’s activities and services were not restricted or suspended by the Czech National Bank.

2. BASIS OF PREPARATION

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

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

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

These financial statements have been prepared under the historical cost convention (including any impairment), except for financial assets and financial liabilities measured at fair value through profit or loss (FVTPL) (including all non-hedging derivatives and hedging derivatives in a fair value hedge), financial assets measured at fair value through other comprehensive income (FVOCI), and hedging derivatives upon a cash flow hedge remeasured at fair value through other comprehensive income. Recognised financial assets and financial liabilities designated as hedged items in qualifying fair value hedging relationships, which if not included in the hedging relationship, would be measured at amortized cost, are adjusted for changes in fair value that arise from the hedged risk under hedging relationship.

These financial statements and notes thereto are non-consolidated and do not include the accounts and results of those companies over which the Bank has control or significant influence and joint ventures. The policies of accounting for equity investments are disclosed in note 3 (i).

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

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

The Bank does not prepare an annual report as of the date of these separate financial statements, as all information will be included in the consolidated annual report.

These separate financial statements are prepared on a going concern basis as the Bank's management believes that the Bank has sufficient resources to maintain its business operations in the foreseeable future. This belief is based on a wide range of information and analyses regarding the current and future economic environment, including possible scenarios and their impact on the Bank's profitability, liquidity and capital adequacy; there is no material uncertainty related to events or circumstances that would cast significant doubt on the Bank's ability to continue as a going concern.

Unless otherwise indicated, all amounts are shown in millions of Czech crowns (MCZK). Numbers in brackets represent negative amounts.

Use of estimates

The presentation of separate financial statements in compliance with IFRS EU requires the Bank's management to make estimates and assumptions that affect the amounts of assets and liabilities reported as of the reporting date, disclosure of contingent assets and liabilities and the amounts of revenues and expenses for the accounting period. These estimates, which primarily relate to the determination of fair values of financial instruments (derivatives and securities, where no active market exists), measurement of intangible assets, impairment of financial assets and provisions, deferred tax assets and liabilities, are based on the information available at the date of issue of the separate financial statements. The actual future results may differ from these estimates.

As disclosed in note 42, in calculating the expected credit losses the Bank uses estimates concerning the financial condition of the borrowers and their ability to repay the credit, the value and recoverability of the security, and future macroeconomic information.

The value of recognised provisions is based on the management's judgement and represents the best estimate of expenses required to settle liabilities of uncertain timing or amount. For additional information on provisions refer to note 34.

As disclosed in note 3 (f), classification of financial assets requires assessment of business model within which the assets are held and assessment of whether the financial meets the criteria of cash flows (so called "SPPI test").

3. SIGNIFICANT ACCOUNTING POLICIES AND PROCEDURES

a) Interest income and expense

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

b) Fees and commissions

Fee and commission income arising from customer contracts is measured based on the consideration specified in the contract. Income is recorded when the Bank provides the service to customers.

The following is a description of the principles for reporting fee and commission income. The Bank provides retail and corporate customers with banking and credit services such as account management, overdraft facilities, foreign currency transactions, credit cards, loans, and operational financing. Fees and commissions paid or received that are directly attributable to the issuance or acquisition of a financial asset or financial liability are an integral part of the effective interest rate of the financial asset or financial liability and are included in the calculation of the effective interest rate. These include, for example, fees for the origination of loans, loan application processing, paid commissions, etc. Fee income/expense that is part of the effective interest rate is recognised under "*Interest income and similar income calculated using the effective interest rate method"* or "*Interest expense and similar expense"*, respectively.

Fees for services provided over a certain period of time are accrued over such a period of time and are recognised under "*Total fee and commission income*" and "*Total fee and commission expense*". These fees include, for example, fees for guarantees and letters of credit, internal and external commissions and fees for transactions with securities. Income from fees and commissions received for concluding a transaction for a third party or for participating in such a transaction, such as payment transactions through bank accounts or ATMs, and fees relating to clients' foreign currency translations are recognised at the moment the transaction is completed.

Commission income arising from mediating third-party insurance and investment products is recognised when the contract is executed. The Bank concluded that it acts as an agent as it has no control over the services provided to clients. The bank does not associate these commissions with ancillary services nor does it have the ability to set the price. Therefore, the Bank accounts for income only at the net amount of the expected consideration. Commissions are generally based on the volume of negotiated contracts and their performance. The Bank accounts for performance-based fees when a third party confirms them. Service fees and fees for the ongoing administration of deposit and credit accounts are periodically deducted from customers' accounts and are recognised when they use respective benefits. The Bank determines fees for different customer segments and service levels individually. Service fee income is recognised evenly over time. Contracts, with the exception of contracts concerning term deposits, do not have a minimum commitment period.

When providing services, the Bank does not apply incentives (such as temporary discounts) that would result in the recognition of a contractual asset. The Bank does not accept any non-refundable prepayments from customers that would lead to the recognition of a contractual liability or customer option or that would contain a material financing component.

Transaction fee income arises mainly from payment card settlement fees, currency conversion fees, and other payment transactions. Income is recognised when the transaction takes place. Fee income arising from impaired financial assets is recognised when the payment is received or the service is provided, whichever occurs later.

The Bank decided to apply a practical expedient under IFRS 15.121 and does not disclose information on the total amount of the residual transaction price for services and commission income because the period of enforceability of the respective contract is less than one year and the right to receive performance under service and commission contracts is directly related to the value provided to the customer.

c) Dividends

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

Dividends paid reduce retained earnings in the period in which their payment is approved by the annual General Meeting.

d) Other income and expenses reported in the statement of comprehensive income

Other income and expenses presented in the statement of comprehensive income are recognised under the accrual basis of accounting, i.e. in the period to which they relate in terms of substance and time irrespective of the moment of their payment or receipt.

Other operating expenses and income that do not directly relate to banking activities are presented in "*Other operating expenses"* or *"Other operating income*".

e) Taxation

The final amount of tax presented in the statement of comprehensive income comprises the current tax for the accounting period adjusted for changes in prior years' tax liabilities, if any, and deferred tax. Current tax for the year is calculated based on the taxable income, using the tax rate enacted and the tax legislation in force as of the reporting date.

Deferred tax is provided using the balance sheet liability method on all temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for tax purposes. The principal temporary differences arise from certain non-tax deductible provisions and loss allowances, differences between depreciation/amortisation expense for accounting and tax purposes, and remeasurement of financial assets at FVOCI.
Deferred tax assets are recognised only to the extent that it is probable that sufficient taxable profit will be available to allow the asset to be utilised.

Deferred tax is calculated using the tax rate expected to apply in the period in which the tax asset is utilised or the tax liability is settled. The effect of changes in tax rates on deferred tax is recognised directly in the statement of comprehensive income except where such changes relate to items charged directly to equity.

Deferred tax assets and liabilities are offset if there is a legal right to do so and deferred taxes relate to the same tax administrator.

f) Financial assets and liabilities

Date of recognition and derecognition of financial instruments in/from the statement of financial position

Financial assets with regular delivery terms, except for financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income, are recognised using settlement date accounting.

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

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

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

The substance of trade date accounting is as follows:

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

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

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

The Bank derecognises a financial liability when its contractual obligations are discharged, or cancelled, or expire.

Day one gain/loss

In the event that the transaction price differs from the fair value of a financial asset or financial liability measured at fair value, the difference between these values (gain or loss) is reported in the statement of comprehensive income, either as a one-off amount or accrued over the duration of the contract based on an individual assessment of the financial instrument. The Bank typically does not conduct this type of transaction.

Fair value measurement principles

The fair value of financial assets and financial liabilities is based on their listed market price as of the reporting date without any deduction for transaction costs. If a listed market price is not available, the fair value of the instrument is determined using the appropriate measurement models or discounted cash flow method.

Where the discounted cash flow method is used, estimated future cash flows are based on the management's best estimates and the discount rate is derived from the market rate as of the reporting date for instruments with similar terms and conditions. Where measurement models are used, inputs are based on market values as of the reporting date.

The fair value of derivatives that are not exchange-traded is determined as the amount that the Bank would receive upon the sale of the asset or would have to pay transfer the liability, taking into account current market conditions and the current creditworthiness of the counterparties.

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

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

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

- market quotations are again available;
- the credit spread of a particular debt security is adjusted based on a comparison of credit spreads of similar debt securities;
- the Bank obtains another signal to change the credit spread applied;
- the issuer's credit rating changes (change in internal and/or external rating, signals from the market that creditworthiness is worsening); and
- the liquidity of the specific security has deteriorated significantly.

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

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

Classification and measurement

The classification of financial assets under IFRS 9 reflects the cash flow characteristics ("SPPI test") and business model in which assets are managed. Based on these criteria, the Bank classifies financial instruments into the following categories:

- financial assets measured at amortised cost ("AC");
- financial assets measured at fair value through other comprehensive income ("FVOCI");
- financial assets measured at fair value through profit or loss ("FVTPL").

<u>Financial assets measured at amortised cost (AC)</u>

A financial asset is measured at amortised cost if it is held in a business model whose objective is to hold financial assets to collect contractual cash flows, and cash flows meet the conditions of the SPPI test.

In the statement of financial position, financial assets at amortised cost are recognised in "*Financial assets at amortised cost*" and include loans and advances to banks and customers and debt securities not held for trading.

The amortised cost is the cost minus repayments of principal, plus accrued interest, increased or decreased by amortisation of discount or premium, if any, and decreased by expected credit losses using a loss allowance. The amortised cost is calculated using the effective interest rate method. An integral part of the effective interest rate are fees and the related transaction costs. All loans and advances are recognised when cash is advanced to borrowers (or banks). Interest income from financial assets at amortised cost is reported in the statement of comprehensive income in *"Interest income and similar income calculated using the effective interest rate method"*. Impairment losses are reported in the statement of comprehensive income in *"Impairment losses on financial instruments"*.

<u>Financial assets measured at fair value through other comprehensive income ("FVOCI")</u>

Debt instruments can be measured at fair value through other comprehensive income if they are held in a business model whose objective is achieved by collecting contractual cash flows and selling financial assets; simultaneously, the contractual terms of financial assets meet the SPPI criteria. Unrealised gains and losses from changes in fair values are recognised in other comprehensive income until they are derecognised or reclassified (until their sale). Upon sale, cumulated gains and losses are reclassified from other comprehensive income to profit or loss. Interest income is recognised in "*Interest income and similar income calculated using the effective interest rate method*". Currently, the Bank does not measure any debt instrument at fair value through other comprehensive income.

On initial recognition of an equity security not held for trading, the Bank can elect to present subsequent changes in fair value in equity. This classification is irrevocable. The Bank uses this option in respect of equity investments if the Bank's holding does not exceed 20% share in the share capital. In the statement of financial position, these equity securities are recognised in *"Financial assets measured at FVOCI"*. Gains or losses from a change in their fair value are reported in the statement of comprehensive income in "*Gains/(losses) from remeasurement of equity securities at FVOCI"*. Gain or loss accumulated in equity cannot be reclassified to profit or loss when the security is sold. Dividends received from these equity instruments are reported in the statement of comprehensive income in *"Dividend income"*.

<u>Financial assets measured at fair value through profit or loss ("FVTPL")</u>

Financial assets are measured at fair value through profit or loss if the cash flows do not meet the conditions of the contractual cash flow characteristics test or present a part of the business model whose objective is to hold financial assets to realise their value through sale.

In addition, the Bank may, on initial recognition, irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise. The Bank currently does not use this option.

Debt financial instruments measured at fair value through profit or loss are reported in the statement of financial position in *"Securities held for trading"* which is a part of "*Financial assets held for trading"*.

Equity instruments which are classified by the Bank as held for trading or for which it does not apply the option to recognise fair value movements in other comprehensive income are measured at fair value through profit or loss.

Changes in net fair value of financial assets at FVTPL are reported in the statement of comprehensive income in *"Net gain on financial operations"*. The interest income and interest expense is reported in the statement of comprehensive income in "*Other interest income" or "Interest expense and similar expense"*.

Financial assets where the cash flows do not meet the conditions of the contractual cash flow characteristics test or present a part of the business model are reported in the statement of financial position in *"Financial assets other than held for trading mandatorily reported at fair value through profit or loss"*.

Changes in net fair value of financial assets other than held for trading measured mandatorily at FVTPL are reported in the statement of comprehensive income in *"Net gain on financial assets other than held for trading"*. The interest income and interest expense are reported in the statement of comprehensive income in *"Interest income and similar income calculated using the effective interest rate method" or "Interest expense and similar expense".*

Analysis of contractual cash flow characteristics

As part of the analysis of contractual cash flow characteristics, the Bank assesses whether the contractual cash flows from loans and debt securities represent solely payments of principal and interest (SPPI) on the principal amount outstanding. Principal is defined as the fair value of the financial asset on initial recognition. Interest is defined as consideration for the time value of money, for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic and lending risks and costs, as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Bank will consider the contractual terms of the instrument. This will include assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Bank will consider:
- contingent events that would change the amount and timing of contractual cash flows;
- leverage features;
- prepayment and extension terms;
- terms that limit the entity's claim to cash flows from specified assets; and
- features that modify consideration for the time value of money.

Business model

The definition of the Bank's business models reflects how groups of financial assets are managed together to achieve a particular business objective. In assessing the objective of a business model, the Bank primarily considers the following information:
- the stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, the Bank considers whether the management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realising cash flows through the sale of the assets;
- how the performance of the business model is evaluated and reported to the Bank's key management personnel;
- the risks that affect the performance of the business model and financial assets held within this business model, and how those risks are managed;
- how managers of the entity are compensated - e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the entity's stated objective for managing the financial assets is achieved and how cash flows are realised.

The Bank classifies financial assets into the following business model categories:
(i) "Held for trading",
(ii) "Hold, collect contractual cash flows and sell";
(iii) "Hold and collect contractual cash flows";
(iv) "Held for strategic reasons"; or
(v) "Derivatives held for risk management purposes"

(i) “Held for trading”

Debt securities and loans classified by the Bank as “held for trading” are held to generate cash flows through their sale. The Bank makes decisions based on the assets’ fair values and manages their trading based on revenues from the realisation of these fair values. The “held for trading” business model category includes all debt securities and loans that are not included in the “hold and collect contractual cash flows” and “hold, collect contractual cash flows and sell” categories. The Bank classifies as “held for trading” all derivative transactions that do not fall into the “derivatives held for risk management purposes” category.

(ii) “Hold, collect contractual cash flows and sell”

Loans and debt securities in the “hold, collect contractual cash flows and sell” category are held for the purpose of acquiring contractual cash flows and selling financial assets. To acquire contractual cash flows and sell financial assets form an essential part of the model’s business objective, which is to manage the Bank’s liquidity needs. The Bank expects that, upon the structural deficit of assets, it will sell these loans and securities to cover the deficit of liquid assets.

Within the “hold, collect contractual cash flows and sell” business model, the Bank categorises all denominated government bonds that are part of a liquidity provision and, potentially, all other debt securities that are held and could be sold before their maturity if market conditions are favourable.

(iii) “Hold and collect contractual cash flows”

In the “hold and collect contractual cash flows” category the Bank holds all loans and debt securities for the purpose of acquiring contractual cash flows over the entire useful lives of instruments. The Bank expects and has intention and ability to hold these loans and debt securities to maturity. When determining whether cash flows will be generated by collecting financial assets’ contractual cash flows, the Bank assesses the frequency, value and timeline of sales in previous periods as well as reasons why these sales were carried out and expectations regarding the future selling activities within the given portfolio.

The Bank considers the following sales to be consistent with the “hold and collect contractual cash flows” business model:

- a sale as a result of an increase in the credit risk associated with a financial instrument, irrespective of the frequency and value;
- a sale carried out to manage credit risk concentration if this sale is unique (even if material in terms of its value) or immaterial in terms of value but frequent.

(iv) “Held for strategic reasons”

Equity securities falling into the “held for strategic reasons” category are held to acquire cash flows – dividends on a long-term basis. The Bank classifies its ownership interests in non-consolidated companies as “held for strategic reasons”.

(v) “Derivatives held for risk management purposes”

Derivative transactions categorised as falling in the “derivatives held for risk management purposes” category represent hedging derivatives intended to manage the Bank’s interest rate and currency risks. Hedging derivatives are used according to the type of hedging relationship, i.e. fair value hedges or cash flow hedges.

Impairment of financial assets

The Bank determines impairment of financial assets using the ECL model in respect of the following financial assets:

- Financial assets at amortised cost;
- Debt financial instruments measured at FVOCI;

For the purpose of calculating loss allowances, IFRS 9 requires using a three-stage model that evaluates changes in portfolio quality since initial recognition as of the reporting date.

Stage 1 includes financial assets the credit risk of which has not increased significantly since initial recognition and assets with low credit risk as of the reporting date. The 12-month expected credit losses are recognised for all assets in this category. Interest income is calculated on the basis of the gross carrying amount of financial assets.

Stage 2 includes financial assets the credit risk of which has increased significantly since initial recognition but for which there is no objective evidence of impairment. Expected credit losses are recognised for these assets over their lifetime. Interest income is calculated on the basis of the gross carrying amount of financial assets.

Stage 3 includes financial assets for which there is objective evidence of impairment. Expected credit losses are recognised for these assets over their entire lifetime. Interest income is calculated on the basis of the net carrying amount of the assets.

Purchased or originated credit-impaired financial assets ("POCI")

These assets include expected cash flows used in calculating the effective interest rate upon the initial recognition of the expected credit loss over the entire lifetime of the asset. Changes in expected credit losses are recognised as loss allowances along with the related gain or loss through the Bank's profit or loss.

The calculation of expected credit losses and the methodology for classifying financial assets into individual stages of the ECL model is described in detail in note 42 (e).

Modification of financial assets

Financial assets are modified when there are new or else modified contractual terms related to cash flows from financial asset agreed between the date of origination and the maturity date.

To determine whether there is a significant or insignificant modification to the contractual terms, the Bank assesses changes in contractual cash flows from financial assets based on qualitative measures such as change in currency or type of the instrument, and quantitative criteria such as change in net present value. In case of significant modification, the original financial asset is derecognised and a new financial asset is recognised (including new classification and new impairment stage determination) in fair value as of the date of modification. Insignificant modifications of contractual terms do not result in derecognition, but to change in gross carrying amount of the financial asset calculated using original effective interest rate. Thej modification gain or loss is reported in "*Other operating income*" or "*Other operating expenses*", respectively.

In assessing the significance of a change in quantitative criteria, the Bank calculates the change in the net present value (NPV) of past and present cash flows. If the change in NPV is significant (greater than 10 %), a so-called substantial modification occurs. The existing financial asset is derecognised and new financial assets is recognized. The difference in carrying amount between newly recognised and derecognised financial asset is recognized as a gain or loss on derecognition. The new financial asset (including the new classification and stage of impairment) is carried at fair value at the date of modification and with new effective interest rate. The date of modification is treated as the origination date of this financial asset, in particular to determine whether there has been a significant increase in credit risk. Insignificant modifications to the terms of contract (change in NPV less than 10 %) do not lead to derecognition of financial asset, but to adjustment of the gross carrying amount calculated on the basis of the original effective interest rate and the new discounted cash flows. The assessment of the significance of the modification does not depend on the portfolio to which financial assets belongs, it is only affected by the change in financial flows.

In case of each modification of contractual terms there is an assessment whether forbearance criteria are met for classification of financial assets as forborne. Financial asset is considered to be forborne if the customer was in financial difficulties as of the moment of decision about change of contractual terms. The Bank considers financial difficulties as the situation, when customer or any of his exposures is in default, when in last three months the customer was 30 days past due, when at least 20% of customer's exposure has rating 4.0 or worse, or when financial difficulties of the customer are implied from collection discussions or request to change contractual terms. After classification of financial assets with forbearance there is assessment, whether criteria for change indication as forced restructuring are met, following rules of definition of default. Defaulted financial assets are classified as Stage 3 based on IFRS 9 approach, financial assets with forbearance to Stage 2 based on IFRS 9 approach.

Restructuring of loans and advances to customers

Restructuring of loans and advances means providing the customer with a relief because the Bank concluded that it would likely incur a loss if it did not do so. For economic or legal reasons associated with the borrower's financial position the Bank therefore provided the borrower with a relief which would not have been available otherwise. For example, the relief may include rescheduling repayments, reducing the interest rate or waiving default interest. A restructured loan or advance (receivable) is not a loan or advance which originated as a result of the renewal of a short-term loan for current assets if the borrower fulfilled all of his payment and non-payment obligations arising from the loan agreement.

Furthermore, a change in the repayment schedule or in the form of the loan is not considered to be restructuring if these changes have been made for commercial reasons or on the grounds of changed financial needs of the borrower, and the anticipated development in the borrower's financial and economic situation does not give rise to doubt as to the full repayment of the receivable even without the change.

Financial liabilities

The Bank classifies financial liabilities into two categories:
- financial liabilities at amortised cost;
- financial liabilities held for trading.

The Bank classifies financial liabilities whose performance management is based on trading as measured subsequently at FVTPL upon initial recognition. Such financial liabilities are liabilities arising from securities sold and derivatives held for trading with a negative value. They are recognised in the statement of financial position under *"Financial liabilities held for trading at FVTPL."*

After initial recognition, all other financial liabilities are measured subsequently at amortised cost using the effective interest rate method.

The Bank derecognises a financial liability where related contractual obligations are fulfilled or cancelled or they cease to exist.

Repurchase transactions

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

Securities borrowed are not reported in the financial statements unless they are assigned to third parties, in which case ("short sales") the purchase and sale are recognised as a liability with the gain or loss included in *"Net gain on financial operations"*.

The obligation to return them is recorded at fair value as a trading liability and presented in the statement of financial position line *"Other liabilities"*.

Interest on debt securities transferred under repo transactions (repurchase transactions) is accrued while interest on debt securities received under reverse repurchase transactions is not accrued. Income or expenses arising from repo transactions or reverse repo transactions (reverse repurchase transactions) as the difference between the selling and purchase price are accrued over the term of the transaction and presented in the statement of comprehensive income as *"Interest income and similar income calculated using the effective interest rate method"* or *"Interest expense and similar expense"*.

Issued bonds

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

The Bank's own debt securities repurchased by the Bank are presented as a reduction of liabilities arising from securities issued. Upon initial recognition, the Bank's own debt securities are stated at fair value. The difference between the cost of repurchased own debt securities and the amortised cost of issued securities is included in the statement of comprehensive income line *"Net gain on financial operations"* in the period of acquisition. Interest expense on issued debt securities are reduced to reflect the gradual increase in the value of the Bank's own debt securities.

Subordinated loan

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

The principal of the subordinated loan and relevant interest are recognised from the draw-down date to the maturity date of the subordinated loan. The subordinated loan including the accrued and not yet paid portion of the interest is reported in "*Financial liabilities at amortised cost" - "Subordinated liabilities and bonds"* in the statement of financial position. Interest expense on subordinated loan is reported in the statement of comprehensive income in *"Interest expense and similar expense"*.

Subordinated debt securities issued

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

Subordinated debt securities issued are reported by the Bank at amortised cost using the effective interest rate and are included in *"Financial liabilities at amortised cost – Subordinated liabilities and bonds"* in the statement of financial position. Interest expense arising on the issue of the Bank's own debt securities is reported in the statement of comprehensive income line *"Interest expense and similar expense"*.

Financial derivative instruments

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

All financial derivative instruments are initially recognised at fair value in the statement of financial position and are subsequently remeasured and stated at fair value. The fair values of financial derivatives held for trading are reported in "*Financial assets held for trading – derivatives held for trading*" and "*Financial liabilities held for trading – derivatives held for trading*" in the statement of financial position. The fair values of hedging financial derivatives are reported in "*Hedging derivatives with positive fair value*" and *"Hedging derivatives with negative fair value"* in the statement of financial position. Interest income and expense associated with financial derivatives used as hedging instruments when hedging fair values or cash flows is reported in "*Interest income and similar income calculated using the effective interest rate method*" or "*Interest expense and similar expense*" in the statement of comprehensive income. Interest income and expense relating to financial derivatives in the trading portfolio is reported in "*Other interest income*" or "*Interest expense and similar expense*".

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

Embedded derivatives

In some instances, a derivative may be part of a compound financial instrument, which includes both the host instrument and the derivative (embedded derivative) that influences the cash flow or otherwise modifies the characteristics of the host instrument.

Derivatives embedded in other financial instruments are treated as separate derivatives when:

- the host instrument is not a financial asset in compliance with IFRS 9;
- a separate host instrument is not remeasured at fair value through profit or loss (FVTPL);
- the terms of the embedded derivative would meet the definition of a derivative if these were part of a separate contract;
- the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host instrument.

Separate embedded derivatives are stated at fair value and changes in fair values are recognised in profit or loss if they are not part of hedging relationships within cash flow hedging or hedging of a net investment in a foreign operation.

Hedge accounting

The Bank applies hedge accounting in accordance with IAS 39, and not in compliance with the current amendment to IFRS 9. Hedging derivatives are derivatives that the Bank can use to hedge against its interest rate and currency risks. A hedging relationship qualifies for hedge accounting if, and only if, all of the following conditions are met:

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

f) Current changes in hedged and hedging instruments' fair values or cash flows are almost equal (between 80% and 125%).

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

a) Fair value hedge: a hedge of the exposure to changes in fair value of a recognised asset or liability or an unrecognised firm commitment, or an identified portion of such an asset, liability or firm commitment, that is attributable to a particular risk and could affect profit or loss;

b) Cash flow hedge: a hedge of the exposure to variability in cash flows that:
   i. Is attributable to a particular risk associated with a recognised asset or liability (such as all or some future interest payments on variable rate debt) or a highly probable forecast transaction; and,
   ii. Could affect profit or loss.

c) Hedge of a net investment in a foreign operation.

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

The cash flow hedging is aimed at the elimination of uncertainty in future cash flows and the stabilisation of the net interest income. The effective part of the change in the fair value of hedging derivatives treated as cash flow hedges is reported in *"Revaluation of cash flow hedges"* in the statement of comprehensive income and cumulatively in *"Fair value reserve"* in the statement of financial position. The ineffective part of the change in the fair value of hedging derivatives treated as cash flow hedges is immediately presented in *"Net gain from hedge accounting"* in the statement of comprehensive income. The values that were reported in other comprehensive income are reallocated in gain or loss in the period in which the hedged item affects gains or losses in "*Net gain from hedge accounting"* in the statement of comprehensive income.

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

g) Offsetting

Financial assets and liabilities may be offset if the Bank has a legally enforceable right to do so and plans to offset them on a net basis or apply the assets and liabilities simultaneously. The transactions are intended to be reported in the statement of financial position on a net basis. The Bank does not offset any financial assets and financial liabilities.

h) Other equity instruments

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

AT1 certificates includes no contractual obligation to deliver cash or another financial asset and obligation to exchange financial liabilities with another entity under conditions that are potentially unfavourable to the issuer. Certificates are not redeemable at the option of the holders and they will not otherwise be called or repurchased except at the option of the issuer. Issuer at its sole and full discretion, can at any time elect to cancel, in whole or in part, any payment of distributions. Based on these reasons are AT1 certificates classified as equity instruments.

i) Equity investments

Equity investments in subsidiaries and associated companies and joint ventures are recognised at acquisition cost including transaction costs, less loss allowances for any temporary impairment, or less write-downs due to permanent impairment of their value.

At the reporting date, the Bank assesses equity investments in subsidiaries and associated companies and joint ventures for impairment. The impairment of an equity investment is identified as the difference between the carrying amount and recoverable amount. The recoverable amount is the higher of an asset's fair value less cost of disposal and its value in use determined as a sum of discounted expected cash flows. Impairment of equity investments in subsidiaries and associated companies is reported in the statement of comprehensive income in *"Impairment losses on equity investments"*.

Equity investments where the Bank holds a share in registered capital lower than 20 percent are reported as *"Financial assets measured at FVOCI"*.

j) Property and equipment and intangible assets

Property and equipment comprise assets with a physical substance and with an estimated useful life exceeding one year and acquisition cost of more than CZK 80,000.

Intangible assets include assets without physical substance with an estimated useful life exceeding one year and acquisition cost of more than CZK 60,000.

Property and equipment and intangible assets are stated at acquisition cost less accumulated depreciation, amortisation and loss allowances and are depreciated or amortised when ready for use through the statement of comprehensive income line *"Depreciation and amortisation of property and equipment and intangible assets"* on a straight line basis over their estimated useful lives.

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

	Depreciation period	**Depreciation rate**
Software	4 years	25%
Other intangible assets	3 years	33.3%
Buildings	30 years	3.33%
Fixtures and fittings	5 – 10 years	10 – 20 %
Machinery and equipment	5 – 10 years	10 – 20%

Leasehold improvements are depreciated on a straight-line basis over the lease term, or if appropriate the depreciation period is extended by the term arising from an option arrangement if the Bank assumes that the option will be exercised. Leasehold improvements under lease arrangements with no fixed expiry date are depreciated over 15 years.

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

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

Customer tribe

The Bank recognises a purchased customer tribe under intangible assets provided that the Bank exercises control over the asset and is able to control the future expected cash flows arising from customer relations. Upon initial recognition, the Bank measured the customer tribe at fair value using the multi-period excess earnings method. The Bank amortises the ING customer tribe on a straight-line basis over 3 years.

The Bank reviews the utilisation of its assets once a year and adjusts the policy on their depreciation/amortisation as and when needed. A change in the depreciation period is not considered a change in accounting policies but a change in accounting estimates.

The Bank's acquired assets are tested for impairment once a year. Classified assets are tested if there is an indication of impairment. Impairment of assets, if any, is reported in the statement of comprehensive income in *"Other operating expenses"*. The Bank regularly reviews the anticipated future benefit from intangible assets; if no benefit can be expected, the relevant intangible assets are derecognised from the statement on financial position. The loss resulting from the derecognition is included in the statement of comprehensive income line *"Other operating expenses"*.

Repairs and maintenance are charged directly to the statement of comprehensive income line *"General operating expenses"* in the year in which the expenses were incurred.

k) Leases

Under IFRS 16, in assessing whether the contract contains a lease. The contract is, or contains a lease if, the contract conveys the right to control and to use an identified asset for a period of time in exchange for consideration.

A lessee recognises a right-of-use asset and a lease liability. A right-of-use asset is initially measured at cost and is subsequently depreciated until the end of its useful life or until the end of the lease contract term. Right-of-use assets are reported by the Bank in the statement of financial position line *"Property and equipment"*.

The lease liability is initially measured at the present value of the lease payments which have not been paid as of the commencement date of the lease contract, discounted at the rate implicit in the lease if that can be readily determined. If that rate cannot be readily determined, the lessee shall use their incremental borrowing rate. Lease payments entering into the calculation of the lease liability measurement include fixed lease payments, variable lease payments that depend on an index or a rate, amounts expected to be payable by the lessee under residual value guarantees, the exercise price of a purchase option that the lessee is reasonably certain to exercise and payments for terminating the lease if the lease term reflects early termination.

Subsequently, the lease liability is measured at carrying amount plus the relevant interest and less lease payments made, and remeasured to take into account a modification or reassessment of the lease.

Lease liabilities are reported in the statement of financial position line *"Other financial liabilities"*, which is included in the line *"Financial liabilities at amortised cost"*. Interest is reported in the statement of comprehensive income in *"Interest expense and similar expense"*.

In applying IFRS 16, the Bank applies exemptions for lease terms of 12 months or less and not containing a purchase option (short-term leases) and exemptions for leases when the underlying asset has a low value when new. The Bank set the low-value limit to TCZK 100. In such cases, the right-of-use asset or the relating liability is not reported and the relevant payments are reported in the statement of comprehensive income in *"General operating expenses*".

In applying IFRS 16, the Bank is the lessee. Cases where the Bank would be the lessor are currently not expected. The exception is a sublease where the Bank acts as an intermediate lessor. In this case, the Bank accounts for a leases and a sublease as about two separate contracts. All subleases are classified as operating leases.

l) Assets and disposal groups held for sale

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

m) Provisions

A provision represents a probable cash outflow of uncertain timing or amount. The Bank recognises a provision when, and only when:

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

Provisions for guarantees and other off balance sheet items

The Bank recognises potential commitments arising from issued guarantees, irrevocable credit commitments (undrawn portion), confirmed open letters of credit, etc. as part of off-balance sheet assets. Provisions for estimated losses on these commitments are made under the same principles as the loss allowances to financial assets. Changes in these provisions are recognised in "*Impairment losses on financial instruments*".

Provisions for payroll bonuses

The Bank accounts for provisions for payroll bonuses (quarterly and annual bonuses). Creation, utilisation and release of the provisions for payroll bonuses are reported in the statement of comprehensive income in *"Personnel expenses"*.

Other provisions

Creation, utilisation and release of the other provisions relating to banking activities (legal disputes, etc.) are reported in *"General operating expenses"*. If a provision does not relate to banking activities, the creation, utilisation and release of the other provisions are reported in *"Other operating income/Other operating expenses"*. Other provisions also include the provision for fines and penalties.

n) Current tax liability

Current tax liability represents the tax liabilities for the current period less current income tax prepayments, adjusted for changes in prior year's tax liability, if any. Tax liabilities are stated at the amount that is expected to be paid to the tax authority. In calculating the tax liabilities for the current period, the tax rates and tax legislation in force as of the reporting date will apply.

o) Transactions with securities undertaken on behalf of customers

Securities taken by the Bank into custody, administration or to be managed are kept off balance sheet at their market or nominal values if the market value is not available. *"Other liabilities"* in the statement of financial position comprise the Bank's payables to customers (Deposits from customers) arising from cash received to purchase securities or advance payments to be refunded to customers.

p) Contingent assets, contingent liabilities and off-balance sheet items

A contingent asset/liability is a potential asset/liability that arises from past events and whose existence will be only confirmed by the occurrence or non-occurrence of one or more uncertain future events not fully under the entity's control. Contingent assets/liabilities are recorded off balance sheet, with the Bank regularly reviewing their development to specify whether an inflow/outflow of resources embodying economic benefits has become probable. Where the likelihood of an outflow of economic benefits is higher than 50%, the Bank will recognise a provision. Where the likelihood of an inflow of economic benefits is virtually certain, the Bank will recognise an asset and income.

Contingent liabilities also include existing liabilities if their settlement is unlikely to require an outflow of resources embodying economic benefits or if the amount of the liability cannot be reliably quantified. Contingent liabilities include for example: irrevocable credit commitments and commitments arising from bank guarantees and letters of credit.

Besides contingent assets and contingent liabilities, assets arising from activities consisting in management, administration and custody of valuables and securities are also recorded off balance sheet, including the related liabilities to return the relevant assets to customers.

Off-balance sheet items also include the nominal values of interest rate and foreign currency instruments, including forwards, swaps and options.

q) Segment reporting

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

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

Information on reportable operating segments of the Bank is disclosed in note 40.

r) Foreign currency translation

Transactions denominated in foreign currencies are initially measured at the official exchange rate announced by CNB on the transaction date. Assets and liabilities denominated in foreign currencies are translated into the local currency at CNB's exchange rate prevailing as of the reporting date. Realised and unrealised gains and losses on foreign currency translation are recognised in the statement of comprehensive income in *"Net gain on financial operations"*. Non-cash items measured at fair value denominated in a foreign currency are translated using the exchange rate at the date the fair value is determined. Non-cash items measured at historical cost denominated in a foreign currency are not translated.

s) Cash and cash equivalents

The Bank considers cash in hand, deposits with central banks, and deposits with other banks with one-day maturity to be cash equivalents.

t) Mandatory minimum reserves

Mandatory minimum reserves include mandatory deposits with the Czech National Bank, the drawing of which is limited for the Bank. The Bank may draw an amount from mandatory minimum reserves which exceeds the actual average amount of the mandatory minimum reserves for the given period calculated according to the Czech National Bank's regulation. The deposit is mandatory for all commercial banks in the Czech Republic. Mandatory minimum reserves are not included in "Cash and cash equivalents" due to their limited applicability for the Bank's liquidity management and possible sanctions by the Czech National Bank in the event of non-compliance with their required average amount for the given period.

u) Employee benefits

Every employee of the Bank has access to a 'benefit purse' in which they obtain an annual one-off contribution depending on the number of years worked and their position. In drawing it, the employees have several options to choose from, including leisure, supplementary pension insurance and life assurance contributions, and meal contributions. The costs incurred in connection with the benefit purse contributions are reported on an accruals basis in *"Personnel expenses"* in the statement of comprehensive income. Employees receive bonuses on significant personal and work anniversaries. The costs incurred in connection with these benefits are reported in *"Personnel expenses"* in the statement of comprehensive income.

The amount of the bonuses depends on the fulfilment of the performance criteria. The bankers from the branch network, or mortgage network, receive monthly and quarterly bonuses; branch managers and mortgage office managers receive quarterly bonuses. Call centre employees receive monthly bonuses. Employees from the Operations division with short-term goals receive monthly bonuses. Employees from Risk department with short-term goals receive monthly or quarterly bonuses. Other employees receive annual bonuses. Bonuses are reported on an accruals basis. At year-end, the liability is reported in *"Provisions for payroll bonuses"*. Creation, utilisation and release of the provisions for payroll bonuses are reported in the statement of comprehensive income in *"Personnel expenses"*.

Members of the board of directors receive bonuses tied to their performance, depending on the fulfilment of financial and non-financial criteria approved by the supervisory board. 50% of the variable wage component of a member of the Board of Directors is calculated and paid out on the methodology Value in Use ("ViU"). This method is based on Dividend Discount Model (DDM) and is the sum of Net Present Value (NPV) of dividends in the following five years since the evaluation year and the ongoing value. This wage component is awarded based on this scheme: 60% is deferred by 18 months from the end of the financial year for which it is awarded; the remaining 40% is paid out over next five years, with one fifth being paid each year. The other half of the variable wage component is awarded under the following scheme: 60% non-delayed; the remaining 40% is paid out over next five years, with one fifth being paid each year. Deferred bonuses paid in cash, i.e. bonuses paid to members of the Board of Directors more than 12 months subsequent to the end of the reporting period during which they provided services to the Bank, are considered to be long-term employee benefits reported in "*Provision for payroll bonuses*" in the statement of financial position. Creation, utilisation and release of the provisions for payroll expenses are reported in the statement of comprehensive income in "*Personnel expenses*".

v) Reclassification of 2020 data

Effective from January 2021, The Bank changed the presentation of interest income and expense arising from derivatives from the original presentation of interest rate and cross-currency swaps in "*Interest income or expense*" to "*Net interest income or expense*". In accordance with IAS 8, the Bank reclassified this item in the statement of comprehensive income in the comparative period.

The table below shows changes in the individual lines of the statement of financial position where the reclassification was carried out (only the affected lines).

MCZK	2020 Before adjustment	Reclassification	2020 After adjustment
Interest income and similar income calculated using the effective interest rate method	10 758	(1 830)	8 928
Other interest income	2 317	(1 534)	783
Interest expense and similar expense	(5 836)	3 364	(2 472)

The table below shows changes in the individual lines of Note 6 *"Net interest income"* where the reclassification was carried out.

MCZK	2020 Before adjustment	Reclassification	2020 After adjustment
Interest income and similar income calculated using the effective interest rate method			
Financial assets at amortised cost	**8 242**	-	**8 242**
from debt securities	386	-	386
from loans and advances to banks	866	-	866
from loans and advances to customers	6 990	-	6 990
Financial assets other than held for trading mandatorily reported at fair value in profit or loss	**6**	-	**6**
debt securities	6	-	6
Negative interest from financial liabilities measured at amortised cost	**29**	-	**29**
Hedging interest rate derivatives	**2 481**	**(1 830)**	**651**
Interest income calculated using the effective interest rate	**10 758**	**(1 830)**	**8 928**
Other interest income		-	
Financial assets held for trading	**2 317**	**(1 534)**	**783**
trading derivatives	2 315	**(1 534)**	781
of which derivatives in the Bank's portfolio	*9*	-	*9*
debt securities	2	-	2
Other interest income	**2 317**	**(1 534)**	**783**
Interest expense		-	
Financial liabilities held for trading	**(2 178)**	**1 534**	**(644)**
trading derivatives	(2 178)	1 534	(644)
of which derivatives in the Bank's portfolio	*(13)*	-	*(13)*
Financial liabilities at amortised cost	**(1 059)**	-	**(1 059)**
from deposits from banks	(124)	-	(124)
from deposits from customers	(736)	-	(736)
from debt securities issued	(68)	-	(68)
subordinated liabilities	(131)	-	(131)
From lease liabilities	**(28)**	-	**(28)**
Hedging interest rate derivatives	**(2 564)**	**1 830**	**(734)**
Negative interest from financial assets measured at amortised cost	**(7)**	-	**(7)**
Total interest expense and similar expense	**(5 836)**	**3 364**	**(2 472)**
Net interest income	**7 239**	**-**	**7 239**

4. CHANGES IN ACCOUNTING POLICIES IN 2021

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

In 2021, the Bank did not start using any standards and interpretations which would have a significant impact on the separate financial statements.

b) Newly applied standards and interpretations the application of which had no significant impact on the financial statements

The following amendments to the existing standards issued by the International Accounting Standards Board (IASB) and adopted by the EU are effective for the current reporting period:

- **Amendments to IFRS 4 *Insurance Contracts*** – Extension of the Temporary Exemption from Applying IFRS 9 (effective for annual periods beginning on or after 1 January 2021),

- **Amendments to IFRS 9 *Financial Instruments*, IAS 39 *Financial Instruments: Recognition and Measurement*, IFRS 7 *Financial Instruments: Disclosures*, IFRS 4 *Insurance Contracts* and IFRS 16 *Leases*** – Interest Rate Benchmark Reform — Phase 2 (effective for annual periods beginning on or after 1 January 2021),

- **Amendments to IFRS 16 *Leases*** – Covid-19-Related Rent Concessions beyond 30 June 2021 (effective from 1 April 2021 for financial years starting, at the latest, on or after 1 January 2021).

Impact of IBOR reform on hedge accounting

The reform of interest rate benchmarks (IBOR) means that for main benchmark rates such as LIBOR or EURIBOR, the methodology of setting is changed, and some of them can cease to exist entirely. At the same time, new emerging rates arise, e.g. €STR in EUR, SOFR in USD, SONIA in GBP, etc.

Among the main impacts of the change in benchmark rates on the Bank is the effect on the valuation of financial instruments, the necessity of identification of and subsequent changes in contractual documentation, which is based on ending rates and technical solutions for the implementation and necessary adjustments in the Bank's individual transaction systems.

In the Bank, a working group is responsible for the implementation of this reform, including its effects on products, processes, changes in contractual documentation, and overall system implementation of this change. This working group reports the status of overall preparedness on a regular basis to the Bank's management.

In 2021, the Bank proceeded to terminate the provision of new loans bearing interest at the rates that expired on 31 December 2021 (EONIA, GBP and CHF LIBOR; 1W and 2M USD LIBOR); it also renegotiated contracts with clients holding active products so that the expired interest rates are substituted with successor or alternative interest rates (€STR, SONIA, SARON, USD LIBOR with different maturity). As part of the analysis of risks arising from unexpected termination and/or failure of a benchmark interest rate, the Bank analysed the application of possible alternative interest rates.

Given the expected significant decline in liquidity and willingness to trade new interest rate derivatives bearing interest at USD LIBOR on the interbank market after 31 December 2021, the Bank prepared a new technical solution for closing recent interest rate derivative transactions bearing interest at USD SOFR under an overnight index swap (OIS).

The Bank's working group continues to make necessary adjustments to the Bank's primary systems to reflect the new logic of determining successor interest rates for longer maturities, where the resulting interest rate is available no sooner than shortly before the end of the interest period.

The nominal value of hedging derivatives bearing interest at USD LIBOR as of 31 December 2021 is MCZK 10,625. The net carrying amount of receivables bearing interest at USD LIBOR as of 31 December 2021 is MCZK 820 million.

Benchmark rates PRIBOR and EURIBOR have already been reformed; they meet the requirements of the regulation and are approved as authorised benchmark rates; their termination or impact on financial instruments or hedge accounting are not expected.

The decision to comply with the amendments to the existing standards did not result in any further changes to the Bank's accounting policies.

c) Standards and interpretations issued by IASB and adopted by the EU that are not effective yet

- **IFRS 17** ***Insurance Contracts*** including amendments to IFRS 17 (effective for annual periods beginning on or after 1 January 2023),

- **Amendments to IFRS 3** ***Business Combinations*** – Reference to the Conceptual Framework (effective for annual periods beginning on or after 1 January 2022),

- **Amendments to IAS 16** ***Property, Plant and Equipment*** – Proceeds before Intended Use (effective for annual periods beginning on or after 1 January 2022),

- **Amendments to IAS 37** ***Provisions, Contingent Liabilities and Contingent Assets*** – Onerous Contracts — Cost of Fulfilling a Contract (effective for annual periods beginning on or after 1 January 2022),

- **Amendments to various standards due to "Improvements to IFRSs (cycle 2018-2020)"** resulting from the annual improvement project of IFRS (IFRS 1, IFRS 9, IFRS 16 and IAS 41) primarily with a view to removing inconsistencies and clarifying wording – adopted by the EU on 28 June 2021. (The amendments to IFRS 1, IFRS 9 and IAS 41 are effective for annual periods beginning on or after 1 January 2022. The amendment to IFRS 16 only regards an illustrative example, so no effective date is stated.)

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

At present, IFRS as adopted by the EU do not significantly differ from regulations adopted by the International Accounting Standards Board (IASB), except for the following amendments to the existing standards, which were not adopted by the EU as of the date of publication of the financial statements (the effective dates stated below are for IFRS as issued by IASB):

- **Amendments to IFRS 10** ***Consolidated Financial Statements*** **and IAS 28** ***Investments in Associates and Joint Ventures*** – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture and further amendments (effective date deferred indefinitely until the research project on the equity method has been concluded),

- **Amendments to IFRS 17** ***Insurance contracts*** – Initial Application of IFRS 17 and IFRS 9 – Comparative Information (effective for annual periods beginning on or after 1 January 2023),

- **Amendments to IAS 1** ***Presentation of Financial Statements*** – Classification of Liabilities as Current or Non-Current and Classification of Liabilities as Current or Non-current – Deferral of Effective Date (effective for annual periods beginning on or after 1 January 2023),

- **Amendments to IAS 1** ***Presentation of Financial Statements*** – Disclosure of Accounting Policies (effective for annual periods beginning on or after 1 January 2023),

- **Amendments to IAS 8** ***Accounting Policies, Changes in Accounting Estimates and Errors*** – Definition of Accounting Estimates (effective for annual periods beginning on or after 1 January 2023),

- **Amendments to IAS 12** ***Income Taxes*** – Deferred Tax related to Assets and Liabilities arising from a Single Transaction (effective for annual periods beginning on or after 1 January 2023).

The Bank anticipates that the adoption of these amendments to the existing standards will have no material impact on the financial statements of the Bank in the period of initial application.

5. IMPACT OF THE COVID-19 PANDEMIC ON THE SEPARATE FINANCIAL STATEMENTS

The outbreak of the COVID-19 pandemic in Europe in February 2020 had an impact on the operational and strategic objectives of the Bank.

In 2020, the COVID-19 pandemic accelerated the Bank's strategic priorities in connection with the optimisation of its branch network. In line with IAS 36 and IFRS 16 requirements, the Bank assessed the indicators of any possible impairment of these assets. The Bank identified significant impairments in respect of seven leased branch offices reported as rights of use. These branch offices were closed as of 31 December 2020. As of the date of the separate financial statements, the net book value of these rights of use was zero and the impairment of the right of use amounting to MCZK (5) was recognised in the statement of comprehensive income under "*Other operating cost*". Lease liabilities arising out of the lease agreements are still recognised by the Bank in the statement of financial position under "*Other financial liabilities*".

In 2021, the Bank identified further impairment of assets reported as rights of use in the amount of MCZK (4) million. CZK.

During 2021, in the context of the ongoing COVID-19 pandemic, the Bank continued with several measures to protect the health of the Bank's employees and customers.

The Bank allowed almost all of its employees to work from home on a long-term basis in 2021. As early as 2020, the Bank optimised the layout and number of workplaces in the Bank's premises in combination with the support for long-term work from home for most employees. The Bank was also fully operational throughout 2021.

Already in March 2020, the Bank started to offer to its clients the suspension of credit repayments for up to one year, applicable to private individuals, entrepreneurs, as well as businesses. On 1 April 2020, the Czech government passed a bill on selected measures pertaining to the repayment of loans in relation to the COVID-19 pandemic, which allowed the introduction of a loan moratorium. Clients of the Bank who applied for the government moratorium were granted deferrals of instalments according to the law, i.e. until 31 July or 31 October 2020. Part of this statutory credit moratorium on deferral of loan repayments was the setting of a maximum interest rate on consumer loans at 8% above the two-week repo rate announced by the CNB (0.25%). During this moratorium, banks were not allowed to charge clients any penalty fees or interest on past due instalments. The Bank allowed its clients who requested a statutory moratorium to defer payments for a period of three or six months. As of 31 October 2020, when the moratorium ended, the resulting impact of both moratoriums was more than 22 thousand approved applications with a total amount of loans more than CZK 47.7 billion, of which households account for CZK 17.2 billion, companies for CZK 30.5 billion. Approximately 500 approved applications in the total amount of CZK 14.8 billion relate to voluntary moratoriums and almost 22 thousand applications in the total amount of CZK 32.9 billion were approved under the statutory moratorium.

In the period from October to December 2020, subsequent forbearance of CZK 2.5 billion was approved for loans for which the Bank granted a suspension of loan repayment due to a voluntary moratorium and subsequent forbearance of CZK 1.8 billion for loans with granted a statutory moratorium which was valid until the end of October 2020.

In the period from January to December 2021, subsequent forbearance of MCZK 520 was approved for loans for which the Bank granted a suspension of loan repayment due to a voluntary moratorium and subsequent forbearance of CZK 1.1 billion for loans with a granted statutory moratorium which was valid until the end of October 2020.

In 2021, the Bank continued to provide loans to clients in all segments. Clients were able to deal with the vast majority of their banking operations in a remote regime without having to visit a branch office. The Bank offered its credit facilities to corporate entities and businesses under the COVID guarantee programmes operated by Českomoravská záruční a rozvojová banka (ČMZRB), COVID III and European investment fund (EIF), being the most extensive programmes. As of 31 December 2021, the Bank approved 307 applications in the total amount of more than CZK 3.6 billion.

Pursuant to IFRS 9, a loan moratorium results in the modification of the contractual cash flow of a financial asset. The Bank evaluated this modification as an immaterial modification of the financial asset not resulting in the derecognition of the original financial asset. The modification gain or loss equals the difference between the gross book value of the loan before modification and the net present value of the cash flows of the modified financial asset discounted at the original effective interest rate. The Bank recognises the modification loss in the separate statement of comprehensive income under *"Other operating cost"*. As of 31 December 2021, the modification loss caused by COVID-19 effects amounted to CZK 0 (31 December 2020: MCZK 98).

In accordance with EBA guidance, granting a private or public moratorium to a client is not automatically considered an indicator of a significant increase of credit risk leading to a worse staging of exposure. On the other hand, it may result in a worse staging of the client based on an individual assessment as part of extraordinary or regular monitoring or annual assessment renewal. The Bank's exposures under a public or private moratorium were reported in 2020 as forborne exposures, but without automatically worsening the risk category. When evaluating significant increases in credit risk, the Bank continues to apply a set of qualitative, quantitative and additional criteria.

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

The Bank constantly monitors the sectors that are most affected by the COVID-19 pandemic (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 the corporate segment, individual assessment was used. The Bank deems that the expected credit risk in these industries is included in the forward-looking components and in the staging algorithm used in IFRS 9 models; thus, the Group does not apply any additional portfolio adjustments to selected industries beyond the framework of the applicable IFRS 9 methodology.

6. NET INTEREST INCOME

MCZK	2021	2020
Interest income and similar income calculated using the effective interest rate method		
Financial assets at amortised cost	**8 977**	**8 242**
from debt securities	450	386
from loans and advances to banks	1 709	866
from loans and advances to customers	6 818	6 990
Financial assets other than held for trading mandatorily reported at fair value in profit or loss	**7**	**6**
debt securities	7	6
Negative interest from financial liabilities measured at amortised cost	**50**	**29**
Hedging interest rate derivatives	**679**	**651**
Interest income calculated using the effective interest rate	**9 713**	**8 928**
Other interest income		
Financial assets held for trading	**635**	**783**
trading derivatives	634	781
of which derivatives in the Bank's portfolio	*10*	*9*
debt securities	1	2
Other interest income	**635**	**783**
Interest expense		
Financial liabilities held for trading	**(627)**	**(644)**
trading derivatives	(627)	(644)
of which derivatives in the Bank's portfolio	*(2)*	*(13)*
Financial liabilities at amortised cost	**(1 266)**	**(1 059)**
from deposits from banks	(145)	(124)
from deposits from customers	(844)	(736)
from debt securities issued	(117)	(68)
subordinated liabilities	(160)	(131)
From lease liabilities	**(22)**	**(28)**
Hedging interest rate derivatives	**(777)**	**(734)**
Negative interest from financial assets measured at amortised cost	**(8)**	**(7)**
Total interest expense and similar expense	**(2 700)**	**(2 472)**
Net interest income	**7 648**	**7 239**

The Bank changed the presentation of derivatives from the original presentation of interest rate and cross-currency swaps in "*Interest income or expense*" to *"Net interest income or expense"* – see Note 3(v).

The items *"Interest income and similar income calculated using the effective interest rate method"* – *"Hedging interest rate derivatives"* and *"Interest expense"* – *"Hedging interest rate derivatives"* comprise net interest income from hedging financial derivatives upon a cash flow hedge of MCZK 28 (2020: net interest income of MCZK 74), net interest expense from hedging financial derivatives upon a fair value hedge of mortgage loans of MCZK (460) (2020: net interest expense of MCZK (78)), net interest expense from hedging financial derivatives upon a fair value hedge of the debt securities portfolio measured at amortised cost of MCZK (77) (2020: net interest expense of MCZK (47), net interest income from hedging financial derivatives upon a fair value hedge of term deposits and the portfolio of current and savings accounts of MCZK 376 (2020: MCZK (31)), and net interest expense from hedging financial derivatives upon a fair value hedge of the portfolio of securities issued measured at amortised cost in the total amount of MCZK 35 (2020: MCZK 0).

Interest income additionally includes interest on impaired assets (primarily loans and advances to customers) of MCZK 172 (2020: MCZK 104).

Interest income from financial assets at amortised cost includes in 2021 interest from loans and advances to customers which were subject to loan moratorium introduced due to the COVID-19 outbreak of MCZK 996 (2020: MCZK 1,155).

7. NET FEE AND COMMISSION INCOME

MCZK	2021				
	Corporate companies	Retail clients	Treasury	Other	Total
Fee and commission income					
Securities transactions	21	330	-	-	**351**
Clearing and settlement	10	1	-	-	**11**
Asset management	2	69	-	-	**71**
Administration, custody and safekeeping of values	9	31	1	1	**42**
Payments	266	1 328	-	-	**1 594**
Product distribution for customers	3	221	-	-	**224**
Loan administration	79	108	-	-	**187**
Customer foreign currency operations	746	941	-	-	**1 687**
Other	67	35	6	-	**108**
Total fee from customers' accounts	**1 203**	**3 064**	**7**	**1**	**4 275**
Provided guarantees	151	-	-	-	**151**
Total fee and commission income	**1 354**	**3 064**	**7**	**1**	**4 426**
Fee and commission expense					
Clearing and settlement	(8)	(58)	(3)	-	**(69)**
Administration, custody and safekeeping of values	-	-	(4)	-	**(4)**
Payments	(13)	(668)	-	-	**(681)**
Guarantees received	(14)	-	-	-	**(14)**
Other	(13)	(50)	(9)	(49)	**(121)**
Total fee and commission expense	**(48)**	**(776)**	**(16)**	**(49)**	**(889)**
Net fee and commission income	**1 306**	**2 288**	**(9)**	**(48)**	**3 537**

MCZK	2020				
	Corporate companies	Retail clients	Treasury	Other	Total
Fee and commission income					
Securities transactions	22	231	1	-	**254**
Clearing and settlement	12	1	-	-	**13**
Asset management	1	45	-	-	**46**
Administration, custody and safekeeping of values	10	32	1	7	**50**
Payments	246	1 218	-	6	**1 470**
Product distribution for customers	3	180	-	-	**183**
Loan administration	87	103	-	-	**190**
Customer foreign currency operations	616	761	-	-	**1 377**
Other	45	17	-	-	**62**
Total fee from customers' accounts	**1 042**	**2 588**	**2**	**13**	**3 645**
Provided guarantees	147	-	-	-	**147**
Total fee and commission income	**1 189**	**2 588**	**2**	**13**	**3 792**
Fee and commission expense					
Clearing and settlement	(9)	(40)	(5)	-	**(54)**
Administration, custody and safekeeping of values	-	-	(3)	-	**(3)**
Payments	(16)	(632)	-	(1)	**(649)**
Guarantees received	(15)	-	-	-	**(15)**
Other	(5)	(103)	(17)	(26)	**(151)**
Total fee and commission expense	**(45)**	**(775)**	**(25)**	**(27)**	**(872)**
Net fee and commission income	**1 144**	**1 813**	**(23)**	**(14)**	**2 920**

8. NET LOSS ON FINANCIAL OPERATIONS

MCZK	2021	2020
Interest rate and currency derivatives and FX spots	(660)	(416)
Profit/(loss) from revaluation of foreign currency position	661	218
Gain/(loss) from transactions with securities held for trading	-	1
Liabilities from short sales transactions	8	1
Equity instruments held for trading	12	6
Total	**21**	**(190)**

9. NET GAIN ON FINANCIAL ASSETS OTHER THAN HELD FOR TRADING MANDATORILY REPORTED AT FAIR VALUE IN PROFIT OR LOSS

MCZK	2021	2020
Debt securities	2	38
Loans and advances to customers	(38)	-
Total	**(36)**	**38**

10. NET PROFIT FROM HEDGE ACCOUNTING

MCZK	2021	2020
Change in the fair value of hedging derivatives upon fair value hedge	(3 806)	(873)
Change in the fair value of hedged items upon fair value hedge	3 841	872
Gains/ (losses) from cash flow hedges – ineffective part	(21)	4
Total	**14**	**3**

11. DIVIDEND INCOME

MCZK	2021	2020
Raiffeisen – Leasing, s.r.o.	357	257
Raiffeisen investiční společnost a.s.	107	65
Raiffeisen stavební spořitelna a.s.	250	-
Visa Inc.	1	1
Total	**715**	**323**

12. IMPAIRMENT LOSSES ON FINANCIAL INSTRUMENTS

MCZK	2021	2020
Changes in loss allowances		
Additions to loss allowances	(2 263)	(2 528)
Release of loss allowances	2 214	1 029
Use of loss allowances	880	506
Gross book value of assigned and written-off receivables	(880)	(506)
Income from written-off/sold receivables	23	28
Total changes in loss allowances	**(26)**	**(1 471)**
Provisions for off-balance sheet credit risks		
Establishment of provisions	(311)	(290)
Release	294	209
Total changes in provisions for off-balance sheet credit risks	**(17)**	**(81)**
Total impairment losses on financial instruments	**(43)**	**(1 552)**

13. GAIN OR LOSS (-) ARISING FROM DERECOGNITION OF FINANCIAL ASSETS MEASURED AT AMORTISED COST

MCZK	Net carrying amount		Gain arising from derecognition	
	2021	**2020**	**2021**	**2020**
Loans and receivables	524	409	10	5
Debt securities	192	81	1	3
Total	**716**	**490**	**11**	**8**

In 2021 and 2020, loans and receivables from clients and debt securities were sold due to the deterioration in credit risk.

14. PERSONNEL EXPENSES

MCZK	2021	2020
Wages and salaries	(2 295)	(2 254)
Social and health insurance	(711)	(692)
Other personnel expenses	(114)	(148)
Total	**(3 121)**	**(3 094)**
of which wages, salaries and remuneration paid to:		
Members of the board of directors	(93)	(91)
Members of the supervisory board	(7)	(7)
Total	**(100)**	**(98)**

As of 31 December 2021 and 2020, the recalculated average number of the Bank's employees was as follows:

	2021	2020
Employees	2 792	2 819
Members of the Bank's board of directors	8	7
Members of the supervisory board	12	12

The financial arrangements between the Bank and members of the board of directors and supervisory board are disclosed in note 45.

15. GENERAL OPERATING EXPENSES

MCZK	2021	2020
Rent, repairs and other office management services	(159)	(231)
Marketing expenses	(387)	(345)
Costs of legal and advisory services	(525)	(418)
of which: *statutory audit of financial statements*	*(9)*	*(5)*
other assurance services provided by the auditor	*(1)*	*(3)*
IT support costs	(464)	(423)
Deposit and transaction insurance	(70)	(62)
Telecommunication, postal and other services	(58)	(81)
Security costs	(48)	(50)
Cost of training	(22)	(24)
Office equipment	(20)	(18)
Travel expenses	(11)	(8)
Costs of company cars operation	(5)	(6)
Contribution to the crisis resolution fund	(304)	(273)
Other administrative expenses	(25)	(27)
Total	**(2 098)**	**(1 966)**

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

Besides the statutory audit of the financial statements, the auditor provided the Bank with the following services in 2021:

- Review of the Financial Information for consolidation purposes prepared in conformity with the accounting instructions issued by group management of Raiffeisen Bank International for the period from 1 January 2021 to 30 June 2021;
- Audit of the Financial Information for consolidation purposes prepared in conformity with the accounting instructions issued by group management of Raiffeisen Bank International for the year ended 31 December 2021;
- Review of the impairment of financial assets at amortised cost and net income attributable to the shareholders of the Bank and Raiffeisenbank, a.s. for the period from 1 January 2021 to 30 June 2021 for the purpose of using the interim profit or loss in the statement of equity and risk exposures;
- Review of the impairment of financial assets at amortised cost and net income attributable to the shareholders of the Bank and Raiffeisenbank Group, a.s. for the year ended 31 December 2021 to 30 June 2020 for the purpose of using the interim profit or loss in the statement of equity and risk exposures;
- Preparation of report on the adequacy of measures adopted for the purposes of protection of customer assets (MiFID II) based on Section 12(e)(3) of Act no. 256/2004, on Capital Market Business, as amended, and pursuant to the provisions of Section 116(a) of Decree No. 163/2014 Coll., on the Performance of the Activities of Banks, Credit Unions and Investment Firms, for the purposes of the Czech National Bank;
- Other assurance services related to the prospectus of covered bonds containing data necessary to identify the monitor of the covered block ("asset monitor programme");
- Services related to the provision of professional services in the area of bank benchmark of financial statements of the Bank and selected competitor banks;
- Services associated with the preparation and submission of the 1042-S tax form to the U.S. Department of the Treasury.

16. DEPRECIATION AND AMORTISATION OF PROPERTY AND EQUIPMENT AND INTANGIBLE ASSETS

MCZK	2021	2020
Depreciation expense	(204)	(224)
Amortisation expense	(641)	(629)
Depreciation of right-of-use assets	(350)	(364)
Total	**(1 195)**	**(1 319)**

17. OTHER OPERATING INCOME

MCZK	2021	2020
Change in operating provisions	-	25
Change in loss allowances to operating receivables	-	15
Income from reinvoicing of services to subsidiaries	157	23
Income related to banking products	36	39
Modification gain	1	-
Other	82	69
Total	**276**	**171**

18. OTHER OPERATING EXPENSES

MCZK	2021	2020
Change in operating provisions	(20)	
Change in loss allowances to operating receivables	(8)	-
Loss on sale of property and equipment and intangible assets	(5)	-
Impairment of right-of-use assets	(4)	(5)
Modification loss	-	(101)
Other	(17)	(14)
Total	**(55)**	**(120)**

As of 31 December 2021, the modification loss caused by COVID-19 effects amounted to MCZK 0 (2020: MCZK (98)).

19. INCOME TAX

Income tax expense

MCZK	2021	2020
Current income tax	(922)	(415)
Income tax of prior years	(34)	94
(Expense)/income in respect of deferred tax	(31)	(102)
Total income tax	**(987)**	**(423)**

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

MCZK	2021	2020
Profit before tax (general tax base)	**5 674**	**2 563**
Total profit before tax	**5 674**	**2 563**
Tax calculated at the tax rate for the general tax base – 19% (2020: 19%)	**(1 078)**	**(487)**
Non-taxable income (tax effect)	543	442
Non-tax deductible expenses (tax effect)	(422)	(472)
Tax relief and offsets	4	-
Tax liability for the year	**(953)**	**(517)**
Income tax of prior years	(34)	94
Total income tax	**(987)**	**(423)**
Effective tax rate	**17.39%**	**16.51%**

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

20. CASH AND CASH EQUIVALENTS

MCZK	2021	2020
Cash and cash equivalents	2 490	2 298
Balances with central banks (including one-day deposits)	545	497
Other demand deposits	5 885	2 951
Total	**8 920**	**5 746**

21. FINANCIAL ASSETS HELD FOR TRADING

MCZK	2021	2020
Derivatives	**3 940**	**2 063**
Interest rate derivatives	3 336	1 754
Currency derivatives	604	309
Debt securities	**165**	**1 683**
Government institutions	165	1 683
Total	**4 105**	**3 746**

Securities pledged as collateral

As of 31 December 2021 and 2020, the Bank provided no pledge of securities as collateral as part of repurchase and similar transactions with other banks and customers.

22. FINANCIAL ASSETS OTHER THAN HELD FOR TRADING MANDATORILY REPORTED AT FAIR VALUE IN PROFIT OR LOSS

MCZK	2021	2020
Debt securities	**256**	**252**
Other financial institutions	130	123
Non-financial enterprises	126	129
Loans and receivables	**242**	**280**
Other financial institutions	242	280
Total	**498**	**532**

23. FINANCIAL ASSETS MEASURED AT FVOCI

MCZK	2021	2020
Equity instruments	**18**	**1**
Shares	18	1
Total	**18**	**1**

"Financial assets measured at FVOCI" include the Bank's equity investment in SWIFT of MCZK 1 (2020: MCZK 1) and Bankovní identita a.s. of MCZK 17 (2020: MCZK 0).

24. FINANCIAL ASSETS AT AMORTISED COST

a) Financial assets at amortised cost by segment

MCZK		2021	
	Gross carrying amount	**Loss allowances**	**Net carrying amount**
Debt securities	**29 124**	**(3)**	**29 121**
Government institutions	25 708	(1)	25 707
Other financial institutions	902	-	902
Non-financial enterprises	2 514	(2)	2 512
Loans and advances to banks	**177 340**	**-**	**177 340**
Central banks	174 107	-	174 107
Credit institutions	3 233	-	3 233
Loans and advances to customers	**266 342**	**(3 965)**	**262 377**
Government institutions	559	-	559
Other financial institutions	34 440	(20)	34 420
Non-financial enterprises	106 019	(1 823)	104 196
Households	125 324	(2 122)	123 202
Total	**472 806**	**(3 968)**	**468 838**

MCZK	2020		
	Gross carrying amount	Loss allowances	Net carrying amount
Debt securities	**30 711**	**(8)**	**30 703**
Government institutions	28 737	(5)	28 732
Other financial institutions	167	-	167
Non-financial enterprises	1 807	(3)	1,804
Loans and advances to banks	**99 684**	**-**	**99 684**
Central banks	98 703	-	98 703
Credit institutions	981	-	981
Loans and advances to customers	**253 788**	**(4 705)**	**249 083**
Government institutions	989	-	989
Other financial institutions	33 645	(19)	33 626
Non-financial enterprises	98 283	(2 057)	96 226
Households	120 871	(2 629)	118 242
Total	**384 183**	**(4 713)**	**379 470**

b) Financial assets at amortised cost by category

MCZK	2021	2020
Debt securities		
Debt securities	29 124	30 711
Debt securities - gross	**29 124**	**30 711**
Loss allowances	(3)	(8)
Debt securities - net	**29 121**	**30 703**
Loans and advances to banks		
Term deposits	3 216	965
Factoring	17	16
Reverse repurchase transactions with Czech National Bank	174 107	98 703
Loans and advances to banks - gross	**177 340**	**99 684**
Loss allowances	-	-
Loans and advances to banks - net	**177 340**	**99 684**
Loans and advances to customers		
Current account overdrafts	1 027	2 770
Term loans	156 709	145 991
Mortgage loans	98 547	96 094
Reverse repurchase	1 418	260
Credit card receivables	3 111	3 077
Other	5 531	5 596
Loans and advances to customers - gross	**266 342**	**253 788**
Loss allowances	(3 965)	(4 705)
Loans and advances to customers - net	**262 377**	**249 083**
Total financial assets at amortised cost	**468 838**	**379 470**

The Bank has applied hedge accounting upon the fair value hedge of the portfolio of receivables from mortgage loans. As of 31 December 2021, the remeasurement of the hedged items amounted to MCZK (4,453) (2020: MCZK 1,253).

c) Reverse repurchase transactions

The Bank advanced loans to the Czech National Bank in the aggregate amount of MCZK 174,107 (2020: MCZK 98,703) under reverse repo transactions. Reverse repo transactions with the Czech National Bank are collateralised by securities with the fair value of MCZK 171,042 (2020: MCZK 97,104).

Aggregate amount of loans advanced to customers under reverse repo transaction was MCZK 1,418 (2020: MCZK 260). Reverse repo transactions with customers are collateralised by securities with the fair value of MCZK 1,918 (2020: MCZK 350).

d) Syndicated loans

Pursuant to concluded syndicated loan agreements as of 31 December 2021, the Bank acted as the arranger of syndicated loans in the original amount of aggregate credit limits of MCZK 6,527 (2020: MCZK 7,347), of which the proportion of the Bank amounted to MCZK 1,984 (2020: MCZK 2,355), and the proportion of other syndicate members amounted to MCZK 4,543 (2020: MCZK 4,992).

As of 31 December 2021, the aggregate amount of outstanding receivables under the syndicated loan facilities was MCZK 4,707 (2020: MCZK 5,403), of which the proportion of the Bank was MCZK 1,293 (2020: MCZK 1,520), and the proportion of other syndicate members was MCZK 3,414 (2020: MCZK 3,883).

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

25. HEDGING DERIVATIVES WITH POSITIVE FAIR VALUE

MCZK	2021	2020
Portfolio hedge derivatives	**5 062**	**2 030**
Cash flow hedge	-	147
Fair value hedge	5 062	1 883
Total	**5 062**	**2 030**

26. DEFERRED TAX ASSET/LIABILITY

Deferred tax is calculated on all temporary differences under the liability method using the basic income tax rate of 19% (the tax rate for 2021 and 2020).

Deferred tax asset comprises the following items:

MCZK	Balance as of 1 Jan 2021	Movement for the year - (expense)/ income	Movement for the year against equity	Balance at 31 Dec 2021		
	Net deferred tax asset / (liability)			Deferred tax liability	Deferred tax asset	Net deferred tax asset / (liability)
Outstanding social and health insurance, bonuses	**89**	9	-		98	**98**
Other provisions	**107**	-	-		107	**107**
Outstanding vacation days	**4**	(2)	-		2	**2**
Fair value reserve - cash flow hedge	**(10)**	-	99		89	**89**
Differences between accounting and tax carrying amounts of property and equipment and intangible assets	**(273)**	(38)	-	(311)		**(311)**
Movement in fair value reserve in equity from remeasurement of financial assets at FVOCI	-	-	-	-	-	-
Deferred tax asset/(liability)	**(83)**	**(31)**	**99**	**(311)**	**296**	**(15)**

MCZK	Balance as of 1 Jan 2020	Movement for the year - (expense)/income	Movement for the year against equity	Balance at 31 Dec 2020		
	Net deferred tax asset / (liability)			Deferred tax liability	Deferred tax asset	Net deferred tax asset / (liability)
Outstanding social and health insurance, bonuses	**104**	(15)	-	-	89	**89**
Other provisions	**89**	18	-	-	107	**107**
Outstanding vacation days	**3**	1	-	-	4	**4**
Fair value reserve - cash flow hedge	**(15)**	-	5	(10)	-	**(10)**
Differences between accounting and tax carrying amounts of property and equipment and intangible assets	**(167)**	(106)	-	(273)	-	**(273)**
Movement in fair value reserve in equity from remeasurement of financial assets at FVOCI	**(27)**	-	27	-	-	**-**
Deferred tax asset/(liability)	**(13)**	**(102)**	**32**	**(632)**	**549**	**(83)**

27. OTHER ASSETS

MCZK	2021	2020
Indirect tax receivables	1	4
Receivables arising from non-banking activities	1 338	302
Deferred expenses and accrued income	274	193
Receivables from securities trading	121	191
Settlement of cash transactions with other banks	520	372
Mandatory minimum reserves	5 684	4 119
Other	237	139
Total	**8 176**	**5 320**

Mandatory minimum reserves include deposits, the amount of which is determined based on the regulation declared by the Czech National Bank and the drawing of which is limited. Without being sanctioned, the Bank may draw an amount from mandatory minimum reserves which exceeds the actual average amount of the mandatory minimum reserves for the particular period calculated according to the Czech National Bank's regulation.

28. EQUITY INVESTMENTS IN SUBSIDIARIES AND ASSOCIATED COMPANIES

a) Equity investments

MCZK	2021	2020
Balance at 1 January	6 888	**1 496**
Acquisition/addition to equity investments	8 017	5 392
Derecognition/liquidation of equity investments	-	-
At 31 December	**14 905**	**6 888**

The Bank regularly tests equity investments for impairment. No impairment of equity investments was identified in 2021 and 2020.

On 15 February 2021, the Bank's management and RBI Group signed an agreement on the acquisition of Akcenta CZ a.s. and Akcenta Logistic a.s. from AKCENTA GROUP SE. According to the agreement's wording, a 70% equity investment in Akcenta will be assigned to RBI Group and a 30% equity investment to Raiffeisenbank a.s. The transaction became effective on 1 June 2021.

On 1 July 2021, RBI Group announced a successful settlement of the transaction concerning the acquisition of 100% of Equa bank's shares (Equa bank a.s. and Equa Sales and Distribution s.r.o.) from AnaCap Financial Partners (AnaCap) through Raiffeisenbank a.s. The acquisition of Equa bank with its 499,000 customers is part of RBI's strategy to expand its presence in selected markets. As of 31 December 2021, Equa bank's total assets amounted to almost CZK 74 billion.

The financial settlement of the transaction and the actual transfer of Equa bank's shares took place on 1 July 2021. In 2021, preparations for a legal merger of the Bank and Equa bank a.s. were underway. Until the legal merger of the banks, both companies acted as separate brands with their own systems and service channels; nothing changed for employees or clients. The purchase price was determined on the basis of an agreed equity multiplier. Payment of the purchase price was made based on the amount of equity resulting from the data available as of 30 June 2021.

On 9 September 2020, the Bank's management decided to purchase a 90% equity investment in Raiffeisen stavební spořitelna a.s. from Raiffeisen Bausparkasse Holding GmbH. This transaction took effect on 30 November 2020. The total amount of the acquisition was MCZK 5,232. No intangible assets were created in connection with this transaction. At the same time, as of 30 November 2020, the Bank changed the method of reporting a 10% equity investment in Raiffeisen stavební spořitelna a.s. from the "Financial assets at fair value through other comprehensive income" to "Investments in subsidiaries" and the revaluation difference of MCZK 145 was reclassified in the statement of changes in equity from "Fair value reserve" to "Retained earnings". As of 31 December 2021, the Bank recognised a receivable from Raiffeisen Bausparkasse Holding GmbH in the amount of MCZK 242 (31.12.2020: CZK 280 million) arising from the expected compensation of the purchase price. The receivable is reported under "*Financial assets other than held for trading mandatorily measured at fair value in profit or loss*".

b) Subsidiaries (equity investments with controlling influence)

MCZK Corporate name	Registered office	Equity	Of which: Share capital	Share of the share capital	Share of voting power	Carrying amount
Raiffeisen-Leasing, s.r.o.	Praha 4, Hvězdova 1716/2b	2 480	450	100%	100%	1 456
Raiffeisen investiční společnost a.s.	Praha 4, Hvězdova 1716/2b	306	40	100%	100%	40
Raiffeisen stavební spořitelna a.s.	Praha 3, Koněvova 2747/99	5 339	650	100%	100%	5 392
Equa Bank. a.s.	Praha 8, Karolinská 661/4	7 192	2 260	100%	100%	7 695
Equa Sales & Distribution s.r.o.	Praha 8, Karolinská 661/4	180	100	100%	100%	172
Total at 31 December 2021						**14 755**
Raiffeisen-Leasing, s.r.o.	Praha 4, Hvězdova 1716/2b	2 358	450	100%	100%	1 456
Raiffeisen investiční společnost a.s.	Praha 4, Hvězdova 1716/2b	307	40	100%	100%	40
Raiffeisen stavební spořitelna a.s.	Praha 3, Koněvova 2747/99	5 221	650	100%	100%	5 392
Total at 31 December 2020						**6 888**

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

- lease of movable and immovable assets;
- valuation of immovable assets;
- agency activities related to trade and services;
- accounting advisory, bookkeeping, tax records; and

- provision of loans and credits from own resources.

Raiffeisen investiční společnost a.s. – principal activities:
- offer of investment products; and
- administration of investment and participation funds.

Raiffeisen stavební spořitelna a.s. – principal activities
- building society savings operation
- provision of loans to participants in building society savings
- accepting deposits in CZK from banks, foreign banks, foreign bank branches, financial institutions, foreign institutions, and branches of foreign financial institutions
- provision of guarantees for building society savings loans

Equa Bank a.s. – principal activities
- the activities listed Act No. 21/1992 Coll., on Banks, in Section 1(1) letter:
- a) acceptance of deposits from the public
- b) lending

and activities listed in Act No. 21/1992 Coll., on Banks, in Section 1(3) letter:
a) investing in securities for own account
- b) financial leasing
- c) money transmission services
- d) issuing and administering means of payment
- e) providing guarantees
- f) opening letters of credit
- g) collecting payments
- h) providing investment services including – ancillary investment service pursuant to Section 8(3)(d) of Act No. 591/1992 Coll., on Securities, advice on capital structure, industrial strategy and related questions and advice as well as services relating to mergers and the purchase of businesses,
- j) money broking
- k) acting as a depository
- l)) bureau-de-change activities (purchase of foreign exchange funds)
- m) providing banking information
- n) trading for own account or for account of clients in foreign exchange and gold,
- o) renting safe deposit boxes,
- p) activities directly associated with the activities listed in the banking licence of IC Banka, a.s.

Equa Sales & Distribution s.r.o. – principal activities
- mediation of sales of Equa bank a.s.' financial products

In January 2022, the Bank commenced a gradual transfer of all activities and operations of Equa Sales & Distribution s.r.o. to the Bank. This transfer is expected to be completed during the third quarter of 2022. This company is expected to enter into liquidation by the end of 2022.

c) Associated companies (equity investments with significant influence)

MCZK Corporate name	Registered office	Equity	Of which: Share capital	Share of the share capital	Share of voting power	Carrying amount
AKCENTA CZ a.s.	Praha 1, Salvátorská 931/8	340	101	30%	30%	147
AKCENTA LOGISTIC a.s.	Hradec Králové, Nerudova 1361/31	5	2	30%	30%	3
Total at 31 December 2021						**150**
Total at 31 December 2020						**-**

29. INTANGIBLE ASSETS

MCZK	Software	Other intangible assets	Intangible assets under construction	Total
Acquisition cost				
At 1 January 2020	**6 344**	**380**	**658**	**7 382**
Additions	367	-	494	**861**
Disposals	(306)	-	-	**(306)**
Other changes (transfers)	551	-	(551)	**-**
At 31 December 2020	**6 956**	**380**	**601**	**7 937**
Additions	351	129	395	**875**
Disposals	(3)	-	-	**(3)**
Other changes (transfers)	503	0	(503)	**-**
At 31 December 2021	**7 807**	**509**	**493**	**8 809**
Accumulated amortisation				
At 1 January 2020	**(4 291)**	**(373)**	-	**(4 664)**
Additions – annual amortisation charges	(627)	(2)	-	**(629)**
Disposals	306	-	-	**306**
At 31 December 2020	**(4 612)**	**(375)**	**-**	**(4 987)**
Additions – annual amortisation charges	(617)	(24)	-	**(641)**
Disposals	3	-	-	**3**
At 31 December 2021	**(5 226)**	**(399)**	**-**	**(5 625)**
Net book value				
At 31 December 2020	**2 344**	**5**	**601**	**2 950**
At 31 December 2021	**2 581**	**110**	**493**	**3 184**

Additions to software predominantly represent the putting into use of technical improvements on data warehouses and other software used by the Bank. Internal costs (primarily personnel expenses and rental costs) which are required to generate these assets are capitalised. In 2021, internal costs totalling MCZK 177 (2020: MCZK 200) were capitalised.

Other additions to intangible assets under construction include purchases from external entities. In this category, the Bank does not report or record additions acquired through business combinations.

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

30. PROPERTY AND EQUIPMENT

a) Movements in property and equipment

MCZK	Land, buildings and technical improvements on buildings	Fixtures and fittings	Machinery and equipment	Property and equipment under construction	Total
Acquisition cost					
At 1 January 2020	**3 569**	**203**	**904**	**101**	**4 777**
Additions	307	5	185	37	**534**
Disposals	(233)	(9)	(36)	-	**(278)**
Other changes (transfers)	26	6	64	(96)	**-**
At 31 December 2020	**3 669**	**205**	**1 117**	**42**	**5 033**
Additions	107	3	58	89	**257**
Disposals	(330)	(23)	(112)	-	**(465)**
Other changes (transfers)	13	6	20	(39)	**-**
At 31 December 2021	**3 458**	**191**	**1 082**	**93**	**4 824**
Accumulated depreciation					
At 1 January 2020	**(1 253)**	**(154)**	**(534)**	**-**	**(1 941)**
Additions	(417)	(12)	(159)	-	**(588)**
Disposals	56	8	33	-	**97**
At 31 December 2020	**(1 614)**	**(158)**	**(660)**	**-**	**(2 432)**
Additions	(392)	(9)	(153)	-	**(554)**
Disposals	176	20	106	-	**302**
At 31 December 2021	**(1 832)**	**(147)**	**(706)**	**-**	**(2 685)**
Net book value					
At 31 December 2020	**2 055**	**47**	**457**	**42**	**2 601**
At 31 December 2021	**1 626**	**44**	**376**	**93**	**2 139**

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

As of 31 December 2021, the carrying amount of right-of-use assets was MCZK 1,447 (at 31 December 2020: MCZK 1,837) – see note 44.

b) Property and equipment acquired under finance lease

The Bank recorded no property and equipment under finance leases in the years ended 31 December 2021 and 2020.

31. FINANCIAL LIABILITIES HELD FOR TRADING

MCZK	2021	2020
Derivatives	**4 604**	**2 618**
Interest rate derivatives	3 257	1 764
Currency derivatives	1 347	854
Total	**4 604**	**2 618**

32. FINANCIAL LIABILITIES AT AMORTISED COST

a) Deposits from banks

MCZK	2021	2020
Current accounts/One-day deposits	1 121	1 152
Term deposits of banks	10 196	8 443
Repurchase transactions	1 700	2 599
Total	**13 017**	**12 194**

Securities pledged as collateral are government bonds in the amount of MCZK 1,700 (31 December 2020: MCZK 2,558), which were received as collateral in reverse repurchase transactions with the Czech National Bank.

b) Deposits from customers

Analysis of deposits from customers by type

MCZK	2021	2020
Current accounts/One-day deposits	382 937	328 225
Term deposits	36 799	2 549
Term deposits with maturity	428	3 899
Total	**420 163**	**334 673**

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

The Bank has applied hedge accounting upon the fair value hedge of the portfolio of current and savings accounts. As of 31 December 2021, the remeasurement of the hedged items amounted to MCZK (9,285) (2020: a profit of MCZK 262).

In February 2021, the Bank's management signed an exclusive cooperation agreement with ING, under which the Bank was granted the priority right to approach ING clients with its offer. The agreement was approved by the Office for the Protection of Competition in March 2021. In connection with this transaction, which mainly relates to the transfer of client deposits and investment products, there was an increase in deposits from customers of MCZK 50,843 and investments accepted for management of MCZK 4,869.

In connection with this transaction, the Bank recognised an intangible asset of MCZK 129, representing the acquired ING customer tribe with investment products. The Bank concluded that it has control over this asset and can control the expected future cash flows, which are represented by the expected future income of the Bank, as a result of the relationship with these customers. The measurement of this asset is based on the contractual price paid for the transferred portfolio of investment products. The Bank determined the amortisation period of this asset to be 3 years.

Analysis of deposits from customers by sector

MCZK	2021	2020
Government institutions	8 384	8 277
Other financial institutions	13 641	8 613
Non-financial enterprises	146 691	125 534
Households	251 447	192 249
Total	**420 163**	**334 673**

Repo transactions

As of 31 December 2021 and 2020, the Bank received no loans from customers as part of repo transactions.

c) Debt securities issued

Analysis of issued debt securities by type

MCZK	2021	2020
Mortgage bonds	7 085	13 053
Senior non-preferred bonds	11 370	-
Total	**18 455**	**13 053**

Analysis of mortgage bonds

MCZK							
Issue date	**Maturity date**	**ISIN**	**Currency**	**Nominal value**		**Carrying amount**	
				2021	**2020**	**2021**	**2020**
08/03/2017	08/03/2021	XS1574150261	EUR	-	5 511	-	5 532
08/03/2017	08/03/2023	XS1574150857	EUR	2 983	3 149	3 027	3 216
08/03/2017	08/03/2024	XS1574151236	EUR	3 978	4 199	4 058	4 305
15/7/2020	15/7/2030	CZ0002007057	CZK	1 000	1 000	-	-
8/3/2017	8/4/2022	XS1574149842	EUR	7 458	8 109	-	-
15/11/2021	15/11/2031	XS2406886973	EUR	12 430	-	-	-
TOTAL				**27 849**	**21 968**	**7 085**	**13 053**

ISIN	Interest rate
XS1574150261	0.50%
XS1574150857	0.88%
XS1574151236	1.13%
XS1574149842	0.63%
XS2406886973	0.70%
CZ0002007057	1.00%

In 2021, mortgage bond XS1574150261 issued by the Bank reached its maturity. Mortgage bonds XS1574149842, XS2406886973 and CZ0002007057 reimain completely in the Bank's own books.

As of 31 December 2021, the Bank held issued EUR-denominated mortgage bonds totalling MEUR 1,040 (as of 31 December 2020: MEUR 510), which can be used as collateral in repurchase transactions with the European Central Bank, and issued CZK-denominated mortgage bonds totalling MCZK 1,000, which can be used as collateral in repo transactions with the Czech National Bank.

Apart from this, the Bank used issued EUR-denominated mortgage bonds of MEUR 80 (as of 31 December 2020: MEUR 200) as collateral in repurchase transactions on the inter-banking market.

Analysis of senior non-preferred bonds

MCZK							
Issue date	**Maturity date**	**ISIN**	**Currency**	**Nominal value**		**Net carrying amount**	
				2021	**2020**	**2021**	**2020**
18/03/2021	22/03/2026	XS2321749355	CZK	2 689	-	2 694	-
09/06/2021	09/06/2028	XS2348241048	EUR	8 701	-	8 676	-
TOTAL				**11 390**	**-**	**11 370**	**-**

ISIN	Interest rate
XS2321749355	6M PRIBOR + 0.6 pp p.a.
XS2348241048	Fixed rate of 1% p.a.

During the first half of 2021, the Bank issued two issues of senior non-preferred bonds that are subordinated to other preferred bonds and MREL eligible.

International bond XS2348241048, admitted to trading on the Luxembourg Stock Exchange and denominated in EUR, was issued as a green bond in cooperation with Barclays Bank Ireland PLC, Crédit Agricole Corporate and Investment Bank, and Raiffeisen Bank International AG. It has a maturity of seven years and an embedded call option for the Bank for early repayment in nominal value after six years from the issue date. The bond has been assigned a *Baa3* rating by Moody's.

Bond XS2321749355, admitted to trading on the Luxembourg Stock Exchange and denominated in CZK, can be sold to non-professional customers and was offered mainly to investors on the domestic market. It has a maturity of five years and an embedded call option for the Bank for early repayment in nominal value after four years from the issue date. This bond has not been assigned any rating.

d) Subordinated liabilities and bonds

<u>Subordinated loan</u>

MCZK	2021	2020
Raiffeisen Bank International AG (parent company)	3 250	3 194
Raiffeisenlandesbank Oberösterreich AG	1 083	1 065
Total	**4 333**	**4 259**

In May 2021, the Bank obtained another subordinated loan of MEUR 12, out of which MEUR 9 was from Raiffeisen Bank International AG and MEUR 3 from Raiffeisenlandesbank Oberösterreich AG. The subordinated loan bears the interest of a 12-month EURIBOR and a margin of 1.8% p.a., with a 10-year maturity via balloon payment with an option for the Bank of early repayment after 5 years.

e) Other financial liabilities

MCZK	2021	2020
Liabilities from trading with securities	73	67
Liabilities from non-banking activities	148	61
Settlement and suspense clearing accounts	1 714	1 415
Lease liabilities	1 439	1 871
Total	**3 374**	**3 414**

33. HEDGING DERIVATIVES WITH NEGATIVE FAIR VALUE

MCZK	2021	2020
Positive fair value of portfolio hedge derivatives	**10 160**	**3 209**
Cash flow hedge	436	110
Fair value hedge	9 724	3 099
Total	**10 160**	**3 209**

34. PROVISIONS

MCZK	2021	2020
Provisions for commitments and financial guarantees provided	**496**	**483**
Other provisions	**603**	**571**
Provisions for legal disputes	9	10
Provision for untaken holidays	10	25
Provisions for payroll bonuses	515	467
Provision for restructuring	6	7
Other	63	62
Total	**1 099**	**1 054**

The Bank recognises provisions for credit risks arising from off-balance sheet items in respect of irrevocable credit commitments, guarantees and letters of credit provided to customers. The purpose of this provision is to cover credit risks associated with off-balance sheet receivables. Provisions are made for estimated credit losses on these potential receivables on the basis of the same principles as loss allowances for financial assets. The movement in provisions for commitments and financial guarantees provided is part of Section 42 *"Financial instruments – credit risk"*.

Overview of other provisions

MCZK	Provisions for legal disputes	Provision for outstanding vacation days	Provisions for salary bonuses	Provision for restructuring	Other provisions	Total
1 January 2020	**11**	**17**	**548**	**10**	**72**	**658**
Additions	-	25	468	-	34	**527**
Utilisation	-	-	(531)	(3)	-	**(534)**
Release of redundant provisions	(1)	(17)	(18)	-	(44)	**(80)**
31 December 2020	**10**	**25**	**467**	**7**	**62**	**571**
Short-term	-	25	394	-	-	419
Long-term	10	-	73	7	62	152
Additions	7	10	515	-	16	**548**
Utilisation	(5)	-	(437)	(1)	-	**(443)**
Release of redundant provisions	(3)	(25)	(30)	-	(15)	**(73)**
31 December 2021	**9**	**10**	**515**	**6**	**63**	**603**
Short-term	-	10	420	-	-	430
Long-term	9	-	95	6	63	173

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

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

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

35. OTHER LIABILITIES

MCZK	2021	2020
Estimated payables – payroll costs	263	251
Accrued expenses and deferred income	80	65
Estimated payables – uninvoiced receipts for services/goods	528	532
Other	77	38
Total	**948**	**886**

36. EQUITY

a) Share capital

The Bank's shareholder structure as of 31 December 2021:

Name	Registered office	Number of ordinary shares	Nominal value (MCZK)	Ownership percentage* (in %)
Raiffeisen CEE Region Holding GmbH	Austria	1 159 560	11 596	75
RLB OÖ Sektorholding GmbH	Austria	386 520	3 865	25
		1 546 080	**15 461**	**100**

* Direct investment in the share capital

In 2021, the Bank's share capital was increased by MCZK 4,400.

The registered capital has been fully paid. The ordinary shares are in accordance with Act No. 90/2012 Coll. on Business Corporations and Cooperatives, and there are no special rights associated with them. The shareholder is entitled to a share of the Bank's profit (dividend), which the General Meeting had approved for distribution according to the Bank's economic results. The Bank has not issued any convertible bonds or priority bonds within the meaning of Section 286 of Act No. 90/2012 Coll., On Business Corporations and Cooperatives. In 2021 and 2020, the Bank did not hold any of its own shares or issue any interim certificates.

On 27 April 2021, the Bank's General Meeting approved the following allocation of the profit from separate financial statements as of 2020:

Net profit for 2020	**2 140**
Approved allocation:	
Allocation to reserve funds	-
Allocation to retained earnings	2 140
Dividends paid to shareholders*	-
Of which: Raiffeisen CEE Region Holding GmbH	-
RLB OÖ Sektorholding GmbH	-

During 2021, dividends from the 2020 profit were not paid out to the shareholders.

In 2021, the dividend per share amounted to CZK 0 (2020: CZK 0).

b) Other equity instruments

Other equity instruments include subordinated unsecured AT1 capital investment certificates issued by the Bank that combine the elements of equity and debt securities and meet the criteria for inclusion in the Bank's Tier 1 capital. In accordance with the terms of issue of AT1 capital investment certificates, the Bank is not obliged to deliver cash or any other financial asset to the holders of AT1 instruments to settle a contractual obligation, i.e. the AT1 holders are not entitled to the repayment of the outstanding amount or the payment of the coupon yield. In 2021, the Bank placed another issue of AT1 capital investment certificates of MCZK 662 (2020: MCZK 786). As of 31 December 2021, the issue totalled MCZK 4,831 (at 31 December 2020: MCZK 4,169). The Czech National Bank approved the inclusion of AT1 certificates in the Bank's auxiliary Tier 1 capital. In 2021, the Bank paid out a coupon of MCZK 255 (2020: MCZK 211) from retained earnings to the holders of these certificates.

c) Fair value reserve

Arising from cash flow hedges

MCZK	2021	2020
Fair value of the effective part of cash flow hedges at 1 January	54	80
Deferred tax asset/(liability) arising from fair value reserve at 1 January	(10)	(15)
Total balance at 1 January	**44**	**65**
Net gains/(losses) from cash flow hedge for the year		
Cross currency swaps	(27)	3
Interest rate swaps	(495)	(29)
Tax effect of cash flow hedges for the year	99	5
Fair value of the effective part of cash flow hedges at 31 December	(468)	54
Deferred tax asset/(liability) arising from fair value reserve at 31 December	89	(10)
Total balance at 31 December	**(379)**	**44**

From remeasurement of equity securities at FVOCI

MCZK	2021	2020
Fair value reserve from remeasurement of equity securities at FVOCI at 1 January	-	333
Deferred tax asset/(liability) arising from fair value reserve at 1 January	-	(27)
Total balance at 1 January	**-**	**306**
Net gain/(loss) from remeasurement of equity securities at FVOCI	1	(74)
Transfer from OCI to Retained Earnings	-	(259)
Tax effect of remeasurement of equity securities at FVOCI for the year	-	27
Fair value reserve from remeasurement of equity securities at FVOCI at 31 December	1	-
Deferred tax asset/(liability) arising from fair value reserve at 31 December	-	-
Total balance at 31 December	**1**	**-**

37. CONTINGENT LIABILITIES

a) Legal disputes

As of 31 December 2021, the Bank conducted a review of legal disputes outstanding against it. Pursuant to the review of individual legal disputes in terms of the risk of potential losses and the probability of payment, in 2021, the Bank recognised a provision (see note 34) for significant litigations in the aggregate amount of MCZK 9 (2020: MCZK 10).

b) Commitments and guarantees provided and letters of credit issued

MCZK	2021	2020
Banks		
Provided guarantees	884	618
Letters of credit issued	45	65
Total	**929**	**683**
Customers		
Commitments provided (irrevocable)	44 002	34 418
Provided guarantees	18 933	15 431
Letters of credit issued	407	422
Total	**63 342**	**50 271**
Total	**64 271**	**50 954**

c) Uncommitted credit commitments and guarantee commitments

MCZK	2021	2020
Banks	3 521	2 185
Customers	73 747	76 265
Total	**77 268**	**78 450**

38. FINANCIAL DERIVATIVES

a) Trading derivatives – overview of fair value and nominal value

MCZK	Fair value – assets	Fair value – liabilities	Nominal value
At 31 December 2021			
Interest rate			
Interest rate swaps	3 236	3 108	178 837
Interest rate forwards	101	149	62 000
Interest rate	**3 337**	**3 257**	**240 837**
Currency forwards and swaps	406	1 147	88 850
Currency options	198	201	26 423
Foreign exchange	**604**	**1 347**	**115 273**
Total	**3 940**	**4 604**	**356 110**

MCZK	Fair value – assets	Fair value – liabilities	Nominal value
At 31 December 2020			
Interest rate			
Interest rate swaps	1 753	1 763	163 454
Interest rate forwards	1	-	2 000
Interest rate	**1 754**	**1 763**	**165 454**
Currency forwards and swaps	198	743	62 059
Currency options	111	112	10 928
Foreign exchange	**309**	**855**	**72 987**
Total	**2 063**	**2 618**	**238 441**

b) Trading derivatives – residual maturity of contracted amount (nominal value)

MCZK	1 year or less	From 1 to 5 years	Over 5 years	Total
At 31 December 2021				
Interest rate				
Interest rate swaps	63 546	84 096	31 195	178 837
Interest rate forwards	52 000	10 000	-	62 000
Interest rate	**115 546**	**94 096**	**31 195**	**240 837**
Foreign exchange				
Currency forwards and swaps	76 645	12 205	-	88 850
Currency options	23 330	3 093	-	26 423
Foreign exchange	**99 975**	**15 298**	**-**	**115 273**
Total trading derivatives	**215 521**	**109 394**	**31 195**	**356 110**

MCZK	1 year or less	From 1 to 5 years	Over 5 years	Total
At 31 December 2020				
Interest rate				
Interest rate swaps	48 797	87 578	27 079	163 454
Interest rate forwards	2 000	-	-	2 000
Interest rate	**50 797**	**87 578**	**27 079**	**165 454**
Foreign exchange				
Currency forwards and swaps	59 364	2 695	-	62 059
Currency options	7 340	3 588	-	10 928
Foreign exchange	**66 704**	**6 283**	**-**	**72 987**
Total trading derivatives	**117 501**	**93 861**	**27 079**	**238 441**

c) Hedging derivatives – overview of fair and nominal value

The Bank uses interest rate swaps (IRS) to hedge the fair value of assets and liabilities in CZK, EUR and USD with a fixed interest rate and cross-currency swaps (CCS) to hedge basis risk between assets denominated in CZK and liabilities denominated in EUR linked to reference rates PRIBOR and EURIBOR.

During the year ended 31 December 2021, the Bank reported the following hedging arrangements that meet the criteria for hedge accounting under IAS 39.

Fair value hedge:

- fair value hedge of the mortgage/corporate loan receivable portfolio, denominated in CZK;
- fair value hedge of portfolio of purchased government bonds denominated in CZK;
- fair value hedge of the current and savings account portfolio, denominated in CZK, EUR and USD.

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

Portfolio cash flow hedge:

- cash flow hedge of the portfolio of assets denominated in CZK and liabilities denominated in EUR linked to variable interest rate (hedging relationship terminated during 2021);
- cash flow hedge of the portfolio of assets denominated in EUR linked to the variable interest rate (hedging relationship terminated during 2021);
- cash flow hedge of the portfolio of assets denominated in CZK linked to the variable interest rate.

Cross currency swaps (CCS) and interest rate swaps (IRS) are the hedging instruments used in cash flow hedging.

A hedge is regarded as highly effective if both of the following conditions are met:

- at the inception of the hedge and in subsequent periods, the hedge is expected to be highly effective in achieving offsetting changes in fair value or cash flows attributable to the hedged risk during the period for with the hedge is designated;
- the tests are performed on a cumulative basis; the hedge is highly effective when the actual results of the hedge are within a range of 80-125%.

Hedge ineffectiveness (less than 5%) is caused by insignificant differences between the maturity of hedging derivatives and the remeasurement of the hedged item. The Bank did not identify any other sources of hedge ineffectiveness.

MCZK	Fair value – assets	Fair value – liabilities	Nominal value
At 31 December 2021			
Portfolio hedge derivatives			
Interest rate swaps to hedge cash flow	-	422	5 500
Cross currency swaps to hedge cash flow	-	-	-
Interest rate swaps to hedge fair value	5 062	9 738	252 615
Total	**5 062**	**10 160**	**258 115**

MCZK	Fair value – assets	Fair value – liabilities	Nominal value
At 31 December 2020			
Portfolio hedge derivatives			
Interest rate swaps to hedge cash flow	146	1	17 374
Cross currency swaps to hedge cash flow	-	109	2 639
Interest rate swaps to hedge fair value	1 884	3 099	220 347
Total	**2 030**	**3 209**	**240 360**

d) Hedging derivatives – residual maturity of contractual amount (nominal value)

MCZK	1 year or less	From 1 to 5 years	Over 5 years	Total
At 31 December 2021				
Interest rate risk				
Portfolio hedge derivatives				
Interest rate swaps to hedge cash flow	-	1 000	4 500	**5 500**
Average interest rate	-	1.40%	1.98%	**1.87%**
Cross currency swaps to hedge cash flow	-	-	-	-
Average interest rate	-	-	-	-
Average exchange rate CZK/EUR	-	-	-	-
Interest rate swaps to hedge fair value	40 966	143 662	67 987	**252 615**
Average interest rate	0.93%	1.18%	1.09%	**1.12%**
Total financial derivatives	**40 966**	**144 662**	**72 487**	**258 115**

MCZK	1 year or less	From 1 to 5 years	Over 5 years	Total
At 31 December 2020				
Interest rate risk				
Portfolio hedge derivatives				
Interest rate swaps to hedge cash flow	8 398	8 792	184	**17 374**
Average interest rate	(0.20)%	(0.06)%	0.99%	**(0.10)%**
Cross currency swaps to hedge cash flow	2 639	-	-	**2 639**
Average interest rate	(0.33)%	-	-	**(0.33)**
Average exchange rate CZK/EUR	27.30	-	-	**27.30**
Interest rate swaps to hedge fair value	42 729	136 576	41 042	**220 347**
Average interest rate	0.77%	1.07%	0.83%	**0.97%**
Total financial derivatives	**53 766**	**145 368**	**41 226**	**240 360**

e) Fair value hedge

Hedging instruments

MCZK 2021	Nominal value	Fair value Assets	Fair value Liabilities	Line item in the statement of financial position where the hedging instrument is recognised	Change in fair value used for calculation of hedge ineffectiveness	Line item(s) in the statement of comprehensive income that include(s) hedge ineffectiveness
Interest rate risk						
Fair value hedge derivatives						
Interest rate swaps	-	-	-	Hedge derivatives with positive fair value	-	Net gain from hedge accounting
Portfolio hedge derivatives						
Interest rate swaps	252 615	5 062	9 738	Hedge derivatives with positive/negative fair value	(3 806)	Net gain from hedge accounting

MCZK 2020	Nominal value	Fair value Assets	Fair value Liabilities	Line item in the statement of financial position where the hedging instrument is recognised	Change in fair value used for calculation of hedge ineffectiveness	Line item(s) in the statement of comprehensive income that include(s) hedge ineffectiveness
Interest rate risk						
Fair value hedge derivatives						
Interest rate swaps	-	-	-	Hedge derivatives with positive fair value	-	Net gain from hedge accounting
Portfolio hedge derivatives						
Interest rate swaps	220 347	1 884	3 099	Hedge derivatives with positive/negative fair value	(873)	Net gain from hedge accounting

Hedged items

MCZK 2021	Net book value Assets	Net book value Liabilities	Accumulated amount of hedged item revaluation Assets	Accumulated amount of hedged item revaluation Liabilities	Line item in the statement of financial position where the hedged item is recognised	Change in fair value used for calculation of hedge ineffectiveness
Interest rate risk						
Debt securities	11 535	-	(1 537)	-	Financial assets at amortised cost	(1 768)
Loans and advances to customers	61 672	-	(2 916)	-	Financial assets at amortised cost	(3 938)
Deposits from customers	-	(121 069)	-	(9 151)	Financial liabilities at amortised cost	9 414
Debt securities issued	-	(13 179)	-	(133)	Financial liabilities at amortised cost	133

MCZK	2020					
	Net book value		**Accumulated amount of hedged item revaluation**		**Line item in the statement of financial position where the hedged item is recognised**	**Change in fair value used for calculation of hedge ineffectiveness**
	Assets	**Liabilities**	**Assets**	**Liabilities**		
Interest rate risk						
Debt securities	15 301	-	231	-	Financial assets at amortised cost	106
Loans and advances to customers	75 121	-	1 022	-	Financial assets at amortised cost	2 299
Deposits from customers	-	(88 120)	-	262	Financial liabilities at amortised cost	(1 532)

f) Cash flow hedge

Hedging instruments

MCZK	2021									
	Nominal value	**Fair value**		**Line item in the statement of financial position where the hedging instrument is recognised**	**Changes in fair value used for calculating hedge ineffectiveness**	**Changes in the value of the hedging instrument recognised in OCI**	**Ineffectiveness recognised in the statement of comprehensive income**	**Line item(s) in profit or loss (that include(s) hedge ineffectiveness**	**Amount reclassified from the hedge reserve to profit or loss**	**Line item in the statement of comprehensive income affected by the reclassification**
		Assets	**Liabilities**							
Interest rate risk										
Interest rate swaps	5 500	-	422	Hedging derivatives with positive/ negative fair value	(517)	(495)		Net gain from hedge accounting	(21)	Net gain from hedge accounting
Cross currency swaps	-	-	-	Hedging derivatives with positive/ negative fair value	(26)	(26)	-	Net gain from hedge accounting	-	Net gain from hedge accounting

MCZK	2020									
	Nominal value	**Fair value**		**Line item in the statement of financial position where the hedging instrument is recognised**	**Changes in fair value used for calculating hedge ineffectiveness**	**Changes in the value of the hedging instrument recognised in OCI**	**Ineffectiveness recognised in the statement of comprehensive income**	**Line item(s) in profit or loss (that include(s) hedge ineffectiveness**	**Amount reclassified from the hedge reserve to profit or loss**	**Line item in the statement of comprehensive income affected by the reclassification**
		Assets	**Liabilities**							
Interest rate risk										
Interest rate swaps	17 374	146	1	Hedging derivatives with positive/ negative fair value	(26)	(29)	4	Net gain from hedge accounting	4	Net gain from hedge accounting
Cross currency swaps	2 639		109	Hedging derivatives with positive/ negative fair value	3	3	-	Net gain from hedge accounting	-	Net gain from hedge accounting

Hedged items

MCZK	2021		2020	
	Line item in the statement of financial position where the hedged item is recognised	**Changes in fair value used for calculating hedge ineffectiveness**	**Line item in the statement of financial position where the hedged item is recognised**	**Changes in fair value used for calculating hedge ineffectiveness**
Interest rate risk				
Loans and advances to customers	Financial assets at amortised cost	(466)	Financial assets at amortised cost	(21)
Deposits from customers	Financial liabilities at amortised cost	11	Financial liabilities at amortised cost	-
Debt securities issued	Financial liabilities at amortised cost	-	Financial liabilities at amortised cost	-

39. OTHER OFF-BALANCE SHEET ITEMS

a) Assets placed under management, into administration and deposit

In the years ended 31 December 2021 and 2020, the Bank placed no assets under management, into administration or deposit.

b) Assets accepted for management, administration and deposit

MCZK	2021	2020
Assets accepted for management	13 711	11 563
Assets accepted for administration	71 681	56 630
Assets accepted for deposit	6	1
Total	**85 398**	**68 194**

40. SEGMENT ANALYSIS

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

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

Operating segments are represented as follows:
- Corporate banking;
- Retail banking;
- Treasury and ALM;
- Other.

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

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

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

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

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

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

The Bank has no customer or group of related parties for which income from transactions exceeds 10% of the Bank's total income.

Selected items by segment (2021)

At 31 December 2021 MCZK	Corporate entities	Retail customers	Treasury and ALM	Other	Reconciliation to the statement of comprehensive income	Total
Income statement:						
Net interest income	2 386	4 416	703	142	-	**7 648**
Net fee and commission income	1 306	2 288	(9)	(48)	-	**3 537**
Net gain/(loss) from financial operations	13	-	(1)	9	-	**21**
Net gain on financial assets other than held for trading mandatorily reported at fair value in profit or loss	(3)	-	-	(32)	-	**(36)**
Net gain from hedge accounting	-	-	36	(22)	-	**14**
Impairment losses on financial assets	77	(136)	4	12	-	**(43)**
Gain or loss (-) arising from derecognition of financial assets measured at amortised cost	11	-	-	-	-	**11**
Other operating (expenses)/ income	(1 749)	(4 370)	(190)	116	-	**(6 193)**
Dividend income	-	-	-	715		**715**
Profit before tax	**2 041**	**2 198**	**543**	**892**	**-**	**5 674**
Income tax	(388)	(413)	(111)	(75)		**(987)**
Profit after tax	**1 653**	**1 785**	**432**	**817**	**-**	**4 687**
Assets and liabilities:						
Total assets	**122 268**	**128 171**	**235 354**	**25 599**	**-**	**511 392**
Total liabilities	**137 548**	**285 300**	**24 906**	**19 214**	**-**	**466 969**

Selected items by segment (2020)

At 31 December 2020 MCZK	Corporate entities	Retail customers	Treasury and ALM	Other	Reconciliation to the statement of comprehensive income	Total
Income statement:						
Net interest income	2 602	4 660	(28)	328	(323)	**7 239**
Net fee and commission income	1 144	1 813	(23)	(14)	-	**2 920**
Net gain/(loss) from financial operations	(12)	-	(183)	5	-	**(190)**
Net gain on financial assets other than held for trading mandatorily reported at fair value in profit or loss	(17)	-	-	55	-	**38**
Net gain from hedge accounting	-	-	3	-	-	**3**
Impairment losses on financial assets	(981)	(571)	-	-	-	**(1 552)**
Gain or loss (-) arising from derecognition of financial assets measured at amortised cost	8	-	-	-	-	**8**
Other operating (expenses)/income	(1 732)	(4 392)	(229)	127	-	**(6 226)**
Dividend income	-	-	-	-	323	**323**
Profit before tax	**1 012**	**1 510**	**(460)**	**501**	**-**	**2 563**
Income tax	(166)	(249)	76	(84)	-	**(423)**
Profit after tax	**846**	**1 261**	**(384)**	**417**	**-**	**2 140**
Assets and liabilities:						
Total assets	**111 063**	**123 241**	**160 171**	**16 581**	**-**	**411 056**
Total liabilities	**115 171**	**222 755**	**30 109**	**7 670**	**-**	**375 705**

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

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

In *"Net interest income"* in the *"Other"* segment, the Bank reports a positive compensation of capital costs that are allocated to individual client segments.

"Other operating expenses" includes *"Other operating expenses*", *"Other operating income*", *"Personnel expenses", "Depreciation/amortisation of property and equipment and intangible assets"* and *"General operating expenses*" presented in the statement of comprehensive income in separate lines.

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

41. FINANCIAL INSTRUMENTS – MARKET RISK

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

a) Trading

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

These positions are also held for the purpose of speculation on the expected future development of financial markets and thus represent speculation on this development. The majority of the Bank's trading activities are conducted based on the requirements of the Bank's customers.

The Bank maintains the admission to financial markets through the quoting of bid and ask prices and by trading with other market makers. The Bank's business strategy is thus affected by the speculative expectation and market making and its goal is to maximise net income from trading.

The Bank manages risks associated with its trading activities on the level of individual risks and types of financial instruments. The key risk management tools are the limits for individual transaction volumes and individual position volumes, stop loss limits and value at risk (VaR) limits. The quantitative methods applied to market risk management are described in "*Risk management methods*" in note 41 (d).

b) Risk management

The selected risks exposures resulting from the Bank's activities, management of positions arising from these activities and its risk management approach are described below. More detailed policies applied in measuring and managing these risks are included in "*Risk management methods*" in note 41 (d).

Liquidity risk

Liquidity risk is the risk of losing the Bank's ability to meet its financial obligations as they fall due, or the risk of losing the Bank's ability to finance an increase in assets. Liquidity risk arises from the time mismatch between cash inflows and outflows. It includes both the risk of inability to raise funds to cover the Bank's assets using instruments with appropriate maturity and the Bank's ability to sell assets at a reasonable price within a reasonable time frame. The liquidity position of the Bank is regularly monitored by the Czech National Bank.

The Bank has access to diversified sources of funding, which comprise deposits and other savings, issued securities, loans accepted including subordinated loans, and also the Bank's equity. This diversification makes the Bank flexible and reduces its dependency on one source of funding. The Bank regularly evaluates its liquidity exposures, in particular by monitoring the changes in the structure of financing and comparing these changes with the Bank's liquidity risk management strategy, which has been approved by the Bank's board of directors. According to the liquidity risk management strategy, the Bank has set limits for basic liquidity indicators LCR, NSFR, liquidity position calculated from cumulative cash inflows and outflows for stress scenarios so as to correspond to the Bank's appetite risk and safely comply with regulatory regulations. The Bank also monitors LCR and NSFR indicators for all major currencies, i.e. CZK, EUR and USD.

As part of its liquidity risk management strategy, the Bank also holds a portion of its assets in highly liquid funds, such as czech government bonds and deposits with the Czech National Bank (repo transactions/deposit facilities). The Bank uses internal statistical models for modeling from deposits without a contractual maturity. These models are reassessed on a regular basis. In order to manage liquidity in extraordinary circumstances, the Bank has prepared a contingency plan, which contains measures to restore liquidity. The ALM department performs regular reviews of the contingency plan and submits it to the Assets and Liabilities Committee (ALCO) for approval.

Financing management

The liquidity Coverage Ratio (LCR) measures the volume of liquid assets against the expected net cash outflows over the next 30 days. Liquidity risk is the risk of losing the ability to meet its financial obligations as they fall due, or the risk of losing the ability to finance an increase in assets under severe crisis conditions. The LCR indicator developed as follows in 2021 and 2020:

LCR (%)	2021	2020
31.3.	224,1	221,3
30.6.	282,3	184,7
30.9.	249,2	179,6
31.12.	242,9	209,4

Strategic liquidity management

The NSFR (Net Stable Funding Ratio) indicators is defined as the ratio of available stable funding and required stable funding. The NSFR indicator developed as follows in 2021 and 2020:

NSFR (%)	2021	2020
31.3.	141,4	121,4
30.6.	179,6	127,3
30.9.	170,1	129,0
31.12.	161,4	133,6

Both LCR and NSFR indicators are monitored on a daily basis and are regularly reported to the Bank's management

The following table shows the remaining maturity of contractual cash flows arising from financial liabilities. Analysis of remaining maturity of derivatives is disclosed in the tables in notes 38 (b) and 38 (d).

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

2021 (MCZK)	Net book value	Total contractual liability	0 – 1 months	1 - 3 months	3 - 12 months	1 - 5 years	Over 5 years
Financial liabilities held for trading – Derivatives held for trading	4 604	**4 604**	851	400	459	1 840	1 054
Deposits from banks	13 017	**13 028**	4 163	4 880	3 985	-	-
Deposits from customers	420 163	**420 230**	404 592	11 749	3 799	85	5
Debt securities issued	18 455	**19 954**	-	1 444	92	8 472	9 946
Subordinated liabilities and bonds	4 333	**5 595**	-	-	-	34	5 561
Other financial liabilities	3 374	**3 423**	1 973	55	236	957	202
Negative fair value of hedging derivatives	10 160	**10 160**	141	264	241	3 815	5 699
Off-balance sheet items	64 271	**64 271**	64 271	-	-	-	-
Total	**538 377**	**541 265**	**475 991**	**18 792**	**8 812**	**15 203**	**22 467**

2020 (MCZK)	Net book value	Total contractual liability	0 – 1 months	0 - 3 months	3 - 12 months	1 - 5 years	Over 5 years
Financial liabilities held for trading – Derivatives held for trading	2 618	**2 618**	716	205	431	812	454
Deposits from banks	12 194	**12 197**	5 991	262	3 835	2 109	-
Deposits from customers	334 673	**334 677**	333 138	1 032	409	90	7
Debt securities issued	13 053	**13 357**	-	5 698	-	7 659	-
Subordinated liabilities and bonds	4 259	**5 607**	-	7	120	510	4 970
Other financial liabilities	3 414	**3 495**	1 585	58	276	1 148	428
Negative fair value of hedging derivatives	3 209	**3 209**	122	233	361	1 539	954
Off-balance sheet items	50 954	**50 954**	50 954	-	-	-	-
Total	**424 374**	**426 114**	**392 507**	**7 495**	**4 640**	**11 516**	**5 405**

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

Foreign currency risk

The foreign currency risk is the risk arising from currency markets. The source of this risk is the Bank's foreign currency position which arises from the mismatch of the Bank's assets and liabilities, including the currency-sensitive off-balance sheet items. The majority of foreign currency gains or losses is due to changes in foreign currency rates in currency positions of the Bank denominated in EUR and USD. The foreign currency risk is managed by setting trading limits. More detailed policies applied in managing this risk are included in "Risk management methods" in note 41 (d).

Interest rate risk

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

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

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

Equity risk

Equity risk is the risk of fluctuations of the prices of equity instruments held in the Bank's portfolio and financial derivatives related to these instruments. As the Bank does not trade shares on its own account, it is exposed to indirect equity risk arising from the shares held by the Bank as collateral for customer loans. Equity risk is managed by trading limits. The equity risk management methods are described in "*Risk management methods*" in note 41 (d).

c) Fair values of financial assets and liabilities

The Bank used the following methods and estimates in determining the fair values of financial assets and liabilities.

i) Cash and balances with central banks

The reported amounts of cash and short-term instruments are essentially equivalent to their fair value.

ii) Loans and advances to banks

The reported amounts of loans and advances to banks due within one year are essentially equivalent to their fair values. The fair values of other loans and advances to financial institutions are estimated based on cash flows discounted at standard rates for similar types of investments (market rates adjusted for credit risk). The fair values of delinquent loans to financial institutions are estimated based on discounted cash flows; for loss loans, fair values are equivalent to the expected amount when the respective collateral is realised.

iii) Loans and advances to customers

For variable-rate loans that are often remeasured or loans with the final maturity within one year, and for which credit risk changes are immaterial, the fair values are essentially equivalent to the reported amounts. The fair values of fixed-rate loans are estimated based on discounted cash flows using the interest rate that is standard for loans with similar conditions and maturity dates and provided to borrowers with a similar risk profile, including the impact of collateral (the discounted rate technique according to IFRS 13). The fair values of loans and receivables from clients and banks were calculated as discounted future cash flows, taking into account the effect of interest and credit spreads, including the possible realization of collateral. Interest rates are affected by movements in market interest rates, while changes in the credit spread are derived from the probabilities of default (PD) and LGD used, which are used to calculate credit risk. To calculate fair value, loans and receivables were grouped into homogeneous portfolios based on the rating method, rating grade, maturity and country where they were provided.

iv) Securities at amortised cost

The fair values of securities at amortised cost are estimated based on discounted cash flows using the interest rate common as of the reporting date, unless they are traded on an active market.

v) Deposits from banks and customers

The fair values of deposits repayable on demand at the reporting date are equal to the amounts repayable on demand (i.e. their carrying amounts). The carrying amounts of variable-rate term deposits are essentially equivalent to their fair values at the reporting date. The fair values of fixed-rate deposits are estimated based on discounted cash flows using market interest rates and taking into account the Bank's liquidity costs. The fair value of deposits at amortized cost is calculated taking into account the current interest rate environment and own credit risk.

vi) Bonds issued

The fair values of bonds issued by the Bank are determined based on current market prices. If market prices are not available, the fair values are the Bank's estimates where the fair value is estimated based on discounted cash flows using market interest rates and taking into account the Bank's liquidity costs.

vii) Subordinated liabilities and bonds

The fair values of subordinated loans are estimated based on discounted cash flows using market interest rates and taking into account the Bank's liquidity costs. The fair values of subordinated bonds issued by the Bank are determined based on current market prices.

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

2021	Level 1	Level 2	Level 3	Fair value	Net book value	Difference
Assets						
Cash and cash equivalents	8 920	-	-	8 920	8 920	-
Loans and advances to banks*	-	-	177 340	177 340	177 340	-
Loans and advances to customers*	-	-	258 766	258 766	262 377	(3 611)
Debt securities at amortised cost*	27 113	-	-	27 113	29 121	(2 008)
Liabilities						
Deposits from banks	-	-	13 022	13 022	13 017	5
Deposits from customers	-	-	420 111	420 111	420 163	(52)
Debt securities issued	-	-	18 549	18 549	18 455	94
Subordinated liabilities and bonds	-	-	4 540	4 540	4 333	207
Other financial liabilities**		-	1 935	1 935	1 935	-

*including loss allowances
**excluding lease liabilities

2020	Level 1	Level 2	Level 3	Fair value	Net book value	Difference
Assets						
Cash and cash equivalents	5 746	-	-	5 746	5 746	-
Loans and advances to banks*	-	-	99 684	99 684	99 684	-
Loans and advances to customers*	-	-	250 180	250 180	249 083	1 097
Debt securities at amortised cost*	31 243		378	31 621	30 703	918
Liabilities						
Deposits from banks	-	-	12 197	12 197	12 194	3
Deposits from customers	-	-	334 735	334 735	334 673	62
Debt securities issued	-	-	13 350	13 350	13 053	297
Subordinated liabilities and bonds	-	-	4 462	4 462	4 259	203
Other financial liabilities**	-	-	1 542	1 542	1 542	-

*including loss allowances
**excluding lease liabilities

Financial instruments at fair value

MCZK	Fair value at 31 December 2021			Fair value at 31 December 2020		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Positive fair value of trading derivatives		3 940		-	2 063	-
Securities held for trading	165		-	1 683	-	-
Positive fair value of hedging derivatives	-	5 062	-	-	2 030	-
Financial assets other than held for trading mandatorily measured at fair value in profit or loss	126	130	242	129	123	280
Financial assets at FVOCI	-	-	18	-	-	1
Total	**291**	**9 132**	**260**	**1 812**	**4 216**	**281**

MCZK	Fair value at 31 December 2021			Fair value at 31 December 2020		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Negative fair value of trading derivatives	-	4 604	-	-	2 618	-
Negative fair value of financial derivatives	-	10 160	-	-	3 209	-
Total	**-**	**14 764**	**-**	**-**	**5 827**	**-**

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

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

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

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

2021

MCZK	Financial assets held for trading (debt securities)	Financial assets other than held for trading mandatorily measured at fair value in profit or loss	Financial assets at FVOCI	Total
Balance at the beginning of the year	**-**	**280**	**1**	**281**
Transfer to Level 3		**-**	-	**-**
Purchases	-		16	**16**
Comprehensive income/(loss)	-	-	-	**-**
– in the income statement	-	(38)	-	**(38)**
– in equity (note 36)	-	-	1	**1**
Sales/settlement/transfer	-	-	-	**-**
Transfer from Level 3	-	-	-	**-**
Balance at the end of the year	**-**	**242**	**18**	**260**

2020

MCZK	Financial assets held for trading (debt securities)	Financial assets other than held for trading mandatorily measured at fair value in profit or loss	Financial assets at FVOCI	Total
Balance at the beginning of the year	**1**	**-**	**735**	**736**
Transfer to Level 3	**-**	**280**	**-**	280
Purchases	-	**-**	**-**	**-**
Comprehensive income/(loss)	**-**	**-**	**(333)**	**(333)**
– in the income statement	-	-	-	**-**
– in equity (note 36)	-	-	(333)	(333)
Sales/settlement/transfer	**(1)**	**-**	**(401)**	(402)
Transfer from Level 3	-	**-**	**-**	-
Balance at the end of the year	**-**	**280**	**1**	**281**

The Bank measures financial assets held for trading and financial assets measured at FVOCI using the technique of discounted future cash flows. This valuation method adjusts future amounts (i.e. cash flows, income and expense) to the present (discounted) value. The fair value is determined based on the value acquired from the current market expectation of the future value. In respect of securities that fall into the Level 3 category, the Bank uses the discount factor for the calculation that is derived from the internal price for liquidity determined by the Bank and concurrently reflects the credit risk of the security issuer. The price of the Bank for liquidity and credit risk of the security issuer are inputs that are not observable from the data available on the market. The price of the Bank for liquidity determined in the calculation is based on the resolution of the Bank's ALCO Committee and reflects the level of available sources of the Bank's financing and their price. In the event of a negative development of the Bank's liquidity position or changes in the interbank market, the price for liquidity may increase and consequently the price of the financial instrument may decline. The credit risk of the issuer is determined based on the rating of the securities issuer in the Bank's rating scale. If the issuer was attributed a worse rating, the price of the financial instrument could decline by 0-10%.

The amount in Level 3, item *"Financial assets at FVOCI"* primarily comprises an investment in Bankovní identita a.s. of MCZK 17 (2020: MCZK 0) and SWIFT of MCZK 1 (2020: MCZK: 1).

As of 31 December 2019, the Bank recognised an investment in Visa Inc. in the amount of MCZK 238, which represents the amount of the Bank's expected share in the cash settlement within the sale of Visa Europe Ltd. to Visa Inc. In accordance with the final form of the merger, the purchase price is settled in the following tranches: cash and transfer of Visa Series C Convertible Participating Preferred Stock (hereinafter "Visa C") in June 2016 and additional cash on the anniversaries of this transactions which leads to a gradual conversion of Visa C to Visa Series A Convertible Participating Preferred Stock (hereinafter "Visa A"). In connection with this transaction, in June 2016 the Bank received 5,104 pieces of Visa C with fair value MUSD 4.4 and cash in the amount MEUR 14. In 2016, the Bank reported the result of this transaction as a profit of MCZK 519 (MEUR 20.1) in *"Net profit from financial operations"*. The anniversaries of this transaction are set for the following years: 2020 (4th anniversary), 2022 (6th anniversary), 2024 (8th anniversary), 2026 and 2028 (10th anniversary).

4th anniversary – September 2020
As of 24 September 2020, the Bank received 350 pieces of Visa A. Subsequently, on 6 November 2020, these Visa Series A Convertible Participating Preferred Stocks were exchanged for 35,000 pieces of Visa Class A Common Stock with a fair value of MUSD 7. These instruments were presented under *"Financial assets at fair value through other comprehensive income"*. In this context, the fair value of Visa C decreased to MUSD 5.2. Total gain from this Visa conversion in the amount of MUSD 1.7 was presented in other comprehensive income, on September 2020.

In 2020, the Bank decided to change the presentation of Visa C. As of 31 December 2019, the Bank presented Visa C in *"Financial assets at fair value through other comprehensive income"*. Cumulative change in fair value in other comprehensive income from June 2016 to September 2020 was MUSD 6.1 and fair value of Visa C was MUSD 10.5 in September 2020. In 2020, the Bank changed the presentation of Visa C to debt financial instruments, which in 2020 are reported in *"Financial assets other than held for trading mandatorily measured at fair value in profit or loss"* in the amount of MCZK 123. In connection with this change in the presentation of Visa C, the Bank reported a revaluation of these stocks to fair value from June 2016 to December 2019 in the amount of MCZK 132 in the statement of changes in equity under *"Retained earnings"* and revaluation from January 2020 to December 2020 in the amount of MCZK 55 in the statement of comprehensive income under *"Net gain on financial assets other than held for trading mandatorily measured at fair value in profit or loss"*.

As of 11 November 2020, the Bank decided to sell 35,000 pieces of Visa Class A Common Stock. Total gain from the sale of Visa Class A Common Stocks in the amount of MCZK 9 is presented in the statement of changes in equity in *"Other equity instruments"*.

d) Risk management methods

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

The Bank monitors both aggregate and individual market risks using the value at risk method. Value at risk represents the potential loss arising from an adverse movement of market rates within a certain time period with a certain confidence level. Since the beginning of 2021, the value at risk for the whole bank and the banking book has been measured based on a twenty-day holding period with a 99% confidence level. A one-day holding period is retained for the trading book (including currency positions),

The calculation reflects mutual correlations of individual risk factors (currency rates, interest rates, market spreads and equity market prices).

MCZK	At 31 December 2021	Average 2021	At 31 December 2020	Average 2020
Total market risk VaR	**646**	**768**	**192**	**214**

Interest rate risk

The Bank manages interest rate risk of the banking book and the trading book separately, on the level of individual currencies. The interest rate position is monitored based on the sensitivity of the position to the shift in the interest rate curve (BPV). The BPV (basis point value) method involves determining the change in the present value (both in total and individual time periods) of the portfolio when interest rates shift by one basis point (0.01%). This method is complemented by monitoring the interest rate risk using Value at Risk. The year-on-year change in the indicator can be attributed to both the modified methodology (20-day holding period) and the increased strategic interest rate position established to stabilise the net interest income.

MCZK	At 31 December 2021	Average 2021	At 31 December 2020	Average 2020
Total interest rate position VaR	**536**	**233**	**14**	**12**
Interest rate position VaR - banking book	575	252	17	13
Interest rate position VaR - trading book	33	10	3	5

Foreign currency Risk

The Bank uses a set of limits established based on the standards of the Group. The limits are set for individual currencies and for the overall currency position. Internal currency position limits fully respect the limits set by the local regulator. Moreover, these limits are complemented by monitoring foreign currency risk using Value at Risk.

MCZK	At 31 December 2021	Average 2021	At 31 December 2020	Average 2020
Foreign currency position VaR	**1**	**2**	**1**	**2**

Market spread risk

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 Bank also uses the Value at Risk method.

MCZK	At 31 December 2021	Average 2021	At 31 December 2020	Average 2020
Total market risk VaR	**742**	**827**	**204**	**214**
Market spread VaR - debt instruments	746	833	202	213
Market spread VaR - currency positions	19	7	5	3

Equity risk

Market risks arising from the Bank's equity trading activities are managed using the limits of maximum open positions in equity instruments. At the end of 2013, the Bank suspended trading with equity instruments in the banking book.

Stress testing

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

e) Operational risk

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

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

Operational risk management primarily draws upon the following:

- event data collection;
- general ledger analysis;
- risk assessment;
- scenario analysis;
- early warning indicators (EWI);
- mitigation plans.

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

The general ledger analysis provides reconciliation between the reported loss and its recognition in the books.

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

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

EWIs are used for the ongoing monitoring and reporting of the risk exposure to operational risk. They provide early warning to take possible steps or make changes in the risk profile, which may initiate management measures. The monitored EWIs include for example the number of dismissed employees, the supplier’s financial dependence on the Bank, deposit outflows in the retail portfolio, complex projects, major projects exceeding two years.

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

All instruments are used in a regular annual cycle.

f) Equity management

In the EU, banking regulation requirements are stipulated by the Basel III regulatory framework through Regulation EU No. 575/2013/EU on prudential requirements for credit institutions and investment firms (CRR – Capital Requirements Regulation), as amended, and Directive EU No. 2013/36/EU on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms (CRD IV – Capital Requirements Directive). CRD IV was transposed to the Czech legal system by means of an amendment to the Act on Banks and by adopting the Czech National Bank’s Decree No. 163/2014 Coll. The new regulation primarily governs capital indicators, imposing stricter requirements namely in respect of regulatory capital, liquidity and risk-weighted exposure.

Since 2014, CRD IV has made it possible for member states to require that banks create and maintain three types of buffers: capital conservation buffer, systemic risk buffer and countercyclical capital buffer. As for the capital conservation buffer, the CNB has decided to apply it from the very beginning to all institutions in the full amount of 2.5% of the Tier 1 capital. In 2020, the systemic risk buffer was only applied to five institutions, including Raiffeisenbank (set at 1% for Raiffeisenbank). As of October 2021, the Czech National Bank abolished the risk premium for systemic risk and replaced it with Other Systemically Important Institution (O-SII), which amounts to 0.5% for the Bank. As for the countercyclical capital buffer, the CNB decided to set the initial buffer amount to zero at the end of 2014; banks were to apply it over the two subsequent years. The CNB set the countercyclical capital buffer to 1.75% from 1 January 2020 and to 2.0% from 1 July 2020. In relation to the measures adopted due to the COVID-19 outbreak in 2020, the CNB first cancelled the July increase of the countercyclical buffer by 0.25%, and subsequently reduced the countercyclical buffer by 0.75% to 1% beginning in April, and starting from 1 July 2020, the Czech National Bank set this buffer at 0.5%. The countercyclical buffer will then be increased by 0.5% to 1% from July 2022, by 0,5% to 1.5% from October 2022, and by additional 0.5% to 2% from 1 January 2023

The Bank manages its capital adequacy with a view to ensuring its sufficient level after the natural growth in the volume of sales has been accounted for, taking into account the potential macroeconomic development and the environment of changing regulatory requirements. The Bank monitors changes in regulatory requirements on an ongoing basis, assessing their impact as part of the capital planning process.

As a local supervisory authority, the CNB monitors whether the Bank complies with capital adequacy on a separate as well as consolidated basis. In 2021, the Bank met all regulatory requirements.

Internal capital adequacy assessment process

In line with Pillar 2 of Basel II, the Bank creates its own internal capital system (hereinafter the "ICS"). The process ensures that the Bank is able to:

- identify, quantify, manage and monitor all risks to a sufficient degree;
- secure and maintain the necessary amount of capital to cover all material risks; and
- set up reliable management of the risks, and develop and perfect it on an ongoing basis.

As part of the ICS, the Bank proceeds in line with the applicable methodology, which is updated on an annual basis following developments in the ICS. The methodology is based on key parameters defined in line with the Bank's general nature, size and risk profile. The key parameters are based on the Bank's target rating[ii], according to which the applied reliability level (99.9%), the time frame for calculating economic capital (1 year) and the planning time frame (3 years) are determined.

The Bank determines the risk appetite, which represents the acceptable level of risk and is one of the basic starting points for the Bank's strategic management. The Bank's risk appetite is defined through internal and regulatory capital adequacy limits and serves as an instrument for ensuring sufficiently high values of the capital adequacy and Tier 1 and CET1 capital ratios under both expected and stress conditions.

On a monthly basis, the Bank monitors internal capital adequacy, which is defined as a ratio of aggregated economic capital (EC) and internal capital, whose structure is based on regulatory capital (Pillar 1). In calculating EC for risks defined under Pillar 1, the Bank applies methods derived from those used in determining capital regulatory requirements. For other risks, the economic capital is calculated using internal methods based on risk significance. In addition, the Bank recognises a "*capital mark-up*" on total EC.

[ii]In 2017, the Bank received public rating from the Moody's rating agency. However, as part of the ICS methodology, the Bank uses target rating as the key parameter, which corresponds to the public rating.

The risk limit for the risk undertaken (i.e. the amount of economic capital) is determined as 75% of the internal capital. The unallocated portion of internal capital serves as a buffer. If limits defined under the risk appetite are exceeded, the Bank's ALCO committee and board of directors is immediately notified and corrective measures are taken.

As part of the ICS process, all relevant risks to which the Bank is or may be exposed in the future are assessed and mapped. Based on the resulting assessment, it determines the risks for which it defines the management system, calculates economic capital and performs stress testing as part of Pillar 2 with the aim of verifying the Bank's ability to overcome even highly adverse future developments.

The ICS forms part of financial planning (in the form of risk appetite). The creation of the financial plan is reflected in regular monthly stress tests in the form of capital prediction and development planning. The Bank's ALCO committee receives a report on ISC every month. The Bank applies the ICS both on a local (monthly) and a consolidated basis (quarterly).

42. FINANCIAL INSTRUMENTS – CREDIT RISK

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

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

a) Collateral assessment

Generally, the Bank requires collateral for loans granted to certain borrowers prior to the issuance of the loan. The Bank considers the following types of collateral as eligible collateral:

- cash;
- real estate;
- first-class receivables;
- bank guarantees;
- guarantee provided by a reputable third party;
- machinery and equipment - movable assets;
- first-class securities; and
- commodities.

To determine the realisable value of collateral of immovable and movable assets, the Bank refers to estimates of usual prices revised by a specialised department of the Bank or internal assessments prepared by this department of the Bank. In other types of hedging instruments, their value including the recalculated value is determined in line with the internal standards of the Bank. The realisable value of collateral is subsequently determined by discounting the appraised value using a correction coefficient which reflects the Bank's ability to realise the collateral as and when required. The Bank regularly reviews and updates collateral values depending on the type and quality of the collateral, usually no later than on an annual basis.

b) Credit risk measurement methods

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

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

c) Concentration of credit risk

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

The credit risk concentration analysis by sector/industry and concentration by geographical areas is provided in notes 42(k) and 42(l).

d) Recovery of receivables

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

e) Expected credit losses

The measurement of expected credit losses reflects an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes, the time value of the money and reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

General approach

The process of measuring the expected credit losses is a field that requires the use of complex models and significant assumptions about future economic conditions and payment behaviour. Significant judgements are required in applying the accounting requirements for measuring expected credit losses, inter alia:

- Determining criteria for significant increase in credit risk;
- Choosing appropriate models and assumptions for the measurement of expected credit losses;
- Consideration of risk factors beyond the current models
- Establishing the number and relative weightings of forward-looking scenarios for each type of product/market and the associated expected credit losses;
- Establishing groups of similar financial assets for the purposes of measuring expected credit losses.

For Raiffeisen Bank International (RBI), credit risk comes from the risk of suffering financial loss should any of the customers, clients or market counterparties fail to fulfil their contractual obligations. Credit risk arises mainly from interbank, commercial and consumer loans, and loan commitments arising from such lending activities, but can also arise from financial guarantees given, such as credit guarantees, letters of credit, and acceptances (note: for risk management purposes, the Bank applies the rules according to the RBI methodologies).

The Bank is also exposed to other credit risks arising from investments in debt securities and from its trading activities (trading credit risks) including trade in non-equity trading portfolio assets and derivatives as well as settlement balances with market counterparties and reverse repurchase agreements.

The estimation of the credit risk for risk management purposes requires the use of models, as the risk varies with changes in market conditions, expected cash flows and the passage of time. The assessment of the credit risk of a portfolio of assets entails further estimations as to the likelihood of defaults occurring, the associated default ratios and the default correlations between counterparties. The Bank measures credit risks using the probability of default (“PD”), exposure at default (“EAD”) and loss given default ("LGD"). This is the predominant approach used for the purposes of measuring expected credit losses under IFRS 9.

IFRS 9 prescribes a three-stage model for impairment based on changes in credit quality from the point of initial recognition. Under this model, a financial instrument that is not credit-impaired on initial recognition is classified in Stage 1 and has its credit risk continuously monitored. If a significant increase in credit risk since initial recognition is identified, the financial instrument is moved to Stage 2 but is not yet deemed to be credit-impaired. If the financial instrument is deemed credit-impaired, it is then moved to Stage 3.

Financial instruments in Stage 1 have their expected credit loss measured at an amount equal to the portion of lifetime expected credit losses that result from default events possible within the next twelve months. Instruments in Stages 2 or 3 have their expected credit losses measured based on expected credit losses on a lifetime basis. According to IFRS 9, when measuring expected credit losses it is necessary to consider forward-looking information. Purchased or originated credit-impaired financial assets ("POCI") are those financial assets that are credit-impaired on initial recognition. Their expected credit loss is always measured on a lifetime basis.

Significant increase in credit risk

According to RBI Group definition (note: this methodology is implemented by the Bank), RBI considers a financial instrument to have experienced a significant increase in credit risk when one or more of the following quantitative, qualitative or backstop criteria have been met:

Quantitative criteria

RBI uses quantitative criteria as the primary indicator of significant increase in credit risk for all material portfolios plus additionally qualitative criteria like 30 days past due or forbearance measures for a particular facility as backstop. For quantitative staging, the Bank compares the lifetime PD curve at reporting date with the forward lifetime PD curve at the date of initial recognition. Given the different nature of products between non-retail and retail, the methods for assessing potential significant increases also slightly differ.

For non-retail risk, to make the two curves comparable, the PDs are scaled down to annualized PDs. A significant increase in credit risk is considered to have occurred if the PD increase was 250% or greater. For longer maturities the threshold of 250% is reduced to account for a maturity effect.

On the other hand, for retail exposures the remaining cumulative PDs are compared as the logit difference between "Lifetime PD at reporting date" and "Lifetime PD at origination conditional to survival up to the reporting date". A significant increase in credit risk is considered to have occurred once this logit difference is above a certain threshold. The threshold levels are calculated separately for each portfolio which is covered by individual rating-based lifetime PD models. According to the currently valid methodology in place for 2021, based on historical data, the thresholds are estimated as the 50th quantile of the distribution of the above-mentioned logit differences on the worsening portfolio (defined as products such as mortgage loans, credit cards, SME loans for each country). This way, 50% of the worsening in the lifetime PDs with the highest magnitude is deemed significant. That usually translates to PD increase between 150 and up to 250%, dependent on the default behaviour of the different portfolios.

With regard to the threshold at which a financial instrument must be transferred to Stage 2, RBI has decided on the aforementioned thresholds based on the current market practice.

Qualitative criteria

RBI uses qualitative criteria as a secondary indicator of a significant increase in credit risk for all material portfolios. A movement to Stage 2 takes place when the criteria below are met.

For corporate customer, sovereign, bank, and project finance portfolios, if the borrower meets one or more of the following criteria:

- Detection of first signs of credit deterioration in the Early Warning System

- Changes in contract terms as part of a Forbearance measure
- External risk factors with a potentially significant impact on the client's repayment ability

The assessment of a significant increase in credit risk incorporates forward-looking information and is performed on a quarterly basis at an individual transaction level for all corporate customer, sovereign, bank, and project finance portfolios held by RBI.

For retail portfolios, a Stage 2 transfer is carried out on the basis of the following qualitative criteria if the borrower meets one or more of the following criteria:

- Forbearance Flag active;
- Default of other exposure of the same customer (PI segment);
- Holistic approach – applicable for cases where new forward-looking information becomes available for a segment or portion of the portfolio and this information is not yet captured in the rating system. Upon identifying such cases, the Management shall measure this portfolio with lifetime expected credit losses (as collective assessment).

The assessment of a significant increase in credit risk incorporates forward-looking information and is performed on a monthly basis at an individual transaction level for all retail portfolios held by RBI.

Backstop

A backstop is applied and the financial instrument considered to have experienced a significant increase in credit risk if the debtor is more than 30 days overdue on its contractual payments. In a few limited cases, the presumption that financial assets which are more than 30 days overdue should be moved to Stage 2 is rebutted.

Low credit risk exemption

In selected cases for mostly sovereign debt securities, RBI makes use of the low credit risk exemption. All securities which are presented as low credit risk have a rating equivalent to investment grade or better i.e. minimum S&P BBB-, Moody's Baa3 or Fitch BBB-. RBI has not used the low credit risk exemption for any lending business.

Definition of Default and Credit-Impaired Assets

RBI uses the same definition of default for the purpose of calculating expected credit losses under IFRS 9 as for the CRR equity statement (Basel 3). This means that a default claim is also in Stage 3. Default is assessed by referring to quantitative and qualitative triggers. Firstly, a borrower is considered to be in default if they are assessed to be more than 90 days past due on a material credit obligation. Secondly, a borrower is considered to be defaulted if they have significant financial difficulty and are unlikely to repay any credit obligation in full. The default definition has been applied consistently to model the Probability of Default (PD), Exposure at Default (EAD) and Loss given Default (LGD) throughout expected loss calculations of RBI.

Explanation of inputs, assumptions and estimation techniques

The expected credit loss is measured on either a 12-month or lifetime basis depending on whether a significant increase in credit risk has occurred since initial recognition or whether an asset is considered to be credit-impaired. Forward-looking economic information is also included in determining the 12-month and lifetime PD, EAD and LGD. These assumptions vary by product type. Expected credit losses are the discounted product of the probability of default (PD), loss given default (LGD), exposure at default (EAD) and discount factor (D).

Probability of default

The probability of default represents the likelihood of a borrower defaulting on its financial obligation either over the next twelve months or over the remaining lifetime of the obligation. In general, the lifetime probability of default is calculated using the regulatory twelve-month probability of default, stripped of any margin of conservatism, as a starting point. Thereafter, various statistical methods are used to generate

an estimate of how the default profile will develop from the point of initial recognition throughout the lifetime of the loan or portfolio of loans. The profile is based on historical observed data and parametric functions.
Different models have been used to estimate the default profile of outstanding lending amounts and these can be grouped into the following categories:

- Sovereign, local and regional governments, insurance companies and collective investment undertakings: The default profile is generated using a transition matrix approach. Forward-looking information is incorporated into the probability of default using the Vasicek one-factor model.
- Corporate customers, project finance and financial institutions: The default profile is generated using a parametric survival regression (Weibull) approach. Forward-looking information is incorporated into the probability of default using the Vasicek one-factor model. The default rate calibration is based on the Kaplan Maier methodology with withdrawal adjustment.
- Retail lending and mortgage loans: The default profile is generated using parametric survival regression in competing risk frameworks. Forward-looking information is incorporated into the probability of default using satellite models.

In the limited circumstances where some inputs are not fully available, grouping, averaging and benchmarking of inputs is used for the calculation.

Loss Given Default

Loss given default represents RBI's expectations of the extent of loss on a defaulted exposure. Loss given default is expressed as a percentage loss per unit of exposure at the time of default. Loss given default is calculated on a twelve-month or lifetime basis, where twelve-month loss given default is the percentage of loss expected to be made if the default occurs in the next twelve months and lifetime loss given default is the percentage of loss expected to be made if the default occurs over the remaining expected lifetime of the loan.

Different models have been used to estimate the loss given default of outstanding lending amounts and these can be grouped into the following categories:

- Sovereign: The loss given default is found by using market implied sources.
- Corporate customers, project finance, financial institutions, local and regional governments, insurance companies: The loss given default is generated by discounting cash flows collected during the workout process. Forward-looking information is incorporated into the loss given default using the Vasicek model.
- Retail lending and mortgage loans: The loss given default is generated by stripping the downturn adjustments and other margins of conservatism from the regulatory loss given default. Forward-looking information is incorporated into the loss given default using various satellite models.

In the limited circumstances where some inputs are not fully available, alternative recovery models, benchmarking of inputs and expert judgement are used for the calculation.

Exposure at default (EAD)

Exposure at default is based on the amount RBI expects to be owed at the time of default, over the next twelve months or over the remaining lifetime. The twelve-month and lifetime EADs are determined based on the expected payment profile, which varies by product type. For amortizing products and bullet repayment loans, this is based on the contractual repayments owed by the borrower over a twelve-month or lifetime basis. If not already taken into account in the PD estimate over the loan term, early (full) repayment/refinance assumptions are also considered in the calculation.

For revolving products, the exposure at default is predicted by taking current drawn balance and adding a credit conversion factor which allows for the expected drawdown of the remaining limit by the time of default. The prudential regulatory margins are removed from the credit conversion factor. In the limited circumstances where some inputs are not fully available, benchmarking of inputs is used for the calculation.

Discount Factor (D)

In general, for on balance sheet exposure which is not leasing or POCI, the discount rate used in the expected credit loss calculation is the effective interest rate or an approximation thereof.

Calculation

For loans in stages 1 and 2, the expected credit loss is the product of PD, LGD and EAD times the probability not to default prior to the considered time period. The latter is expressed by the survivorship function S. This effectively calculates future values of expected credit losses, which are then discounted back to the reporting date and summed. The calculated values of expected credit losses are then weighted by the forward-looking scenario.

Different models have been used to estimate the provisions in Stage 3 and these can be grouped into the following categories:

- Corporate customers, project finance, sovereign, financial institutions, local and regional governments, insurance companies and collective investment undertakings: Stage 3 provisions are calculated by workout managers who discount expected cash flows by the appropriate effective interest rate.
- For retail receivables, Stage 3 provisions are generated by calculating the statistically derived best estimate of expected loss which has been adjusted for indirect costs.

Shared credit risk characteristics

Almost all of the provisions under IFRS 9 are measured collectively. Only in case of non-retail Stage 3 exposures, most of the provisions are assessed individually. For expected credit losses provisions modelled on a portfolio basis, a grouping of exposures is performed on the basis of shared credit risk characteristics so that the exposures within each group are similar. Retail exposure characteristics are grouped at country level, customer classification (households and SMEs), product level (e.g. mortgage, personal loans, overdraft facilities or credit cards), PD rating grades and LGD pools. Each combination of the above characteristics is considered as a group with a uniform expected loss profile. Non-retail exposure characteristics are assigned to a probability of default according to rating levels. Thereby customer types are grouped into individual assessment models. For the determination of LGD and EAD parameters, the portfolio is grouped by country and product.

Forward-looking information

Both the assessment of a significant increase in credit risk and the calculation of expected credit losses incorporate forward-looking information. RBI has performed an analysis of historical data and identified the key economic variables impacting credit risk and expected credit losses for each portfolio.

These economic variables and their associated impact on the probability of default, loss given default and exposure at default vary by category type. Forecasts of these economic variables (the base economic scenario) are provided by Raiffeisen Research on a quarterly basis and provide the best estimate view over the next three years. Beyond three years, no macroeconomic adjustments are carried out. That means that after three years, to project the economic variables for the full remaining lifetime of each instrument, a mean reversion approach has been used, which means that economic variables tend to either a long-term average rate or a long-term average growth rate until maturity. The impact of these economic variables on the probability of default, loss given default and exposure at default has been determined by performing statistical regression to understand the impact changes in these variables have had historically on default rates and on the components of loss given default and exposure at default. These satellite models are calibrated with pre-pandemic data. Therefore, there is still a need for adjustment during the pandemic in order to reflect the current risk factors in the impairment.

In addition to the base economic scenario, Raiffeisen Research also estimates an optimistic and a pessimistic scenario to ensure non-linearities are captured.

For the pessimistic and optimistic scenarios, the methodology was adjusted due to the COVID-19 pandemic. In order to account for the downside risks for the GDP baseline scenarios, more weight was given to the pessimistic scenario. The high inflation rates have changed the interest rate outlook in

Central Europe. While the ECB is expected to scale back its expansionary monetary policy rather cautiously and leave key interest rates unchanged, some countries in Central Europe are already close to the end of the interest rate cycle. Due to increased inflation risks, the pessimistic scenario implies even higher interest rates.

As with any economic forecasts, the projections and likelihoods of occurrence are subject to a high degree of inherent uncertainty and therefore the actual outcomes may be significantly different to those projected. RBI considers these forecasts to represent its best estimate of the future outcomes and cover any potential non-linearities and asymmetries within RBI's different portfolios.

The most significant assumptions used as a starting point for the expected credit loss estimates at year-end are shown below (Source: Raiffeisen Research, November 2021):

Real GDP	**Scenario**	**2022**	**2023**	**2024**
	Optimistic	4.2%	3.8%	3.4%
Czech Republic	Base	2.8%	3.0%	2.6%
	Pessimistic	0.1%	1.5%	1.1%

Unemployment	**Scenario**	**2022**	**2023**	**2024**
	Optimistic	2.4%	2.9%	2.8%
Czech Republic	Base	3.7%	3.5%	3.5%
	Pessimistic	5.4%	4.5%	4.5%

Rate of Long-Term Bonds	**Scenario**	**2022**	**2023**	**2024**
	Optimistic	2.0%	2.5%	2.7%
Czech Republic	Base	2.7%	2.9%	3.1%
	Pessimistic	4.9%	4.1%	4.3%

The macro-economic scenarios from Raiffeisen Research are translated via macro models to changes of PD and LGD. For the development of a macroeconomic model, a variety of relevant macroeconomic variables were considered. The model employed is a linear regression model aiming to explain changes or the level of the default rate. The following types of macro variables were considered as drivers of the credit cycle: Real GDP Growth, Unemployment Rate, 3M Money Market Rate, 10Y Government Bond Yield, Houseprice Index, FX Rates, and HICP Inflation Rate. For each country (or portfolio in the case of retail exposure), a relevant set is determined on the ability to explain historically observed default rates. Through the cycle, PDs are overlayed with the results of the macro-economic model to reflect the current and expected state of the economy. For LGD, the macro model is applied to the underlying cure rates, i.e. a positive macro-economic outlook drives up the cure rates, reducing LGD. For retail exposures, workout LGD is modelled similarly to the default rates either directly or via individual components such as cure rate, loss given cure, and loss given non-cure. Long-run average LGDs are overlayed with the macro models' results to reflect the current and expected state of the economy.

The weightings assigned to each scenario at the end of the reporting year end are as follows: 25 per cent optimistic, 50 per cent base and 25 per cent pessimistic scenarios. Weighting was maintained and no further scenarios were used as a result of the COVID-19 pandemic.

After a strong growth year to date, COVID-19 is again on the rise. With vaccinations still being below desired levels, the risks for another economic weakening during the winter of 2021/2022 are elevated. The strong recovery in the first three quarters of 2021 will slow down in 2022, but economic growth will remain above average for most countries. In the baseline scenario, it is assumed that most countries will reach pre-crisis levels in 2022. Apart from the pandemic, supply chain disruptions and high inflation in the energy sector pose risks to economic growth as well.

Management overlays within the meaning of IFRS 9

In situations where the existing input parameters, assumptions and modelling do not cover all relevant risk factors, post-model adjustments and additional risk factors are the most important types of management overlays within the meaning of IFRS 9. These are used in circumstances where existing inputs, assumptions and model techniques do not capture all relevant risk factors. Existing inputs, assumptions and model techniques might not capture all relevant risk factors due to transient circumstances, insufficient time to appropriately incorporate relevant new information into the rating or re-segmentation of portfolios, and situations when individual lending exposures within a group of lending exposures react to factors or events differently than initially expected. For 2021, it is necessary to reflect additional risks in the impairments due to the current pandemic situation. The background to this is the fact that the macroeconomic models are calibrated to the time before COVID-19. All these adjustments are approved by the Group Risk Committee (GRCM). In addition to the COVID-19 specific adjustments, there are also other portfolio specific adjustments, which are presented in the category "Other".

For the central models in the corporate segment, the risk factors were illustrated, while in the local retail segment, the risks were applied on top of the models. For retail exposures, post-model adjustments are the main types of overlays applied for the calculation of the expected credit losses. Generally, post-model adjustments are only a temporary solution to avoid potential distortions. They are temporary and typically not valid for more than one to two years.

The overlays relevant for 2021 and 2020 are shown in the table below and split according to the relevant categories.

2021 – Accumulated impairment (Stage 1 & 2)

(MCZK)	Modelled ECL	Other risk factors		Post-model adjustments		Total
		Covid-19	Other	Covid-19	Other	
Retail exposures	792	-	-	44	439	1 275
Non-retail exposures	432	99	184	-	-	715
Total	**1 224**	**99**	**184**	**44**	**439**	**1 990**

2020 – Accumulated impairment (Stage 1 & 2)

(MCZK)	Modelled ECL	Other risk factors		Post-model adjustments		Total
		Covid-19	Other	Covid-19	Other	
Retail exposures	889	-	-	222	103	1 214
Non-retail exposures	633	-	-	160	-	793
Total	**1 522**	**-**	**-**	**382**	**103**	**2 007**

Post-model adjustments

In 2020, the COVID-19 pandemic necessitated post-model and in-model adjustments, as the ECL models did not fully capture the speed of the changes and the depth of the economic effects of the virus (e.g. the collapse in GDP in the second quarter of 2020 following the outbreak of the pandemic and the measures taken by governments to tackle it). COVID-19 related post-model adjustments reflected the collective impact on the sectors that were hit especially hard by the pandemic: tourism, hotels, further related industries as well as automobile, air travel, oil and gas, real estate and some consumer goods industries. The effects were due to demand shock, supply chain disruptions and crisis containment measures. The related post-model adjustments involve qualitative assessment of exposures for the expected significant increase in credit risk and their subsequent transfer from Stage 1 to Stage 2. The criteria for identification of such exposures were predominantly based on the above-listed industries (for SMEs) and employment (for households) and further refined, where relevant, with information related to the application of the specific moratorium measures. The post-model adjustments are reversed either after the risks have materialised by transferring the affected receivables to Stage 3 or if the expected risks do not materialise.

In light of concerns about the impending risk of a steep increase in interest rates, which would above all affect mortgages at the time of interest rate refixation, the principle of moving mortgage contracts from Stage 1 to Stage 2 was introduced depending on the estimated level of DSTI (crossing the 45% threshold) at the time of refixing.

In 2021, the COVID-19 post-model and in-model adjustments for corporate customers expired or have been replaced by the more differentiated risk factor methodology described below. In addition, the gradual reduction of the COVID-19 related post-model and in-model adjustments for households (i.e. recovery of debt-free contracts that are older than six months from the end of the moratorium) was initiated. The respective accounts will either naturally default by this time or not be considered once the recovery conditions have been met because increased credit risk and corresponding adjustments will be reversed.

Other risk factors

For corporate customers, additional expected credit loss effects have been built into the modelled expected credit losses by means of an industry matrix, country specifics or, if necessary, by means of other special risk factors. On top of the existing country-specific view, we use an industry-based differentiation to further modulate risk parameters. This industry matrix combines a short-term state of the industry within the economic cycle and the recovery path on a 3-year horizon. For example, for hotels, the GDP determines the macroeconomic outlook, while the industry matrix indicates a pessimistic scenario and on top the special risk factor of COVID-19 impacts drives the elevated level of Stage 2 impairments.

In 2021, the Bank built in the following specific risk factors: the impact of the COVID-19 pandemic, energy and fuel prices, increasing building material prices and base interest rates, the chip market crisis, and supply chain disruptions. These specific risk factors impact ECL in sectors related to tourism, gastronomy, entertainment, automotive, construction, and specific energy-intensive industries such as steelmaking and wood processing.

The one-time impact of using a more differentiated methodology fully offsets the post-model adjustments applied to the corporate customer portfolio in 2020.

Climate change risks

Environmental and climate change risks (transit and physical implications of these risks) are important factors in the credit risk management process. These environmental and climate change risks affect the overall credit assessment process with regard to customers. The assessment of customers' vulnerability to environmental and climate change risks is a factor influencing the measurement of the collateral, particularly real estate.

The credit risk management process also assesses customers' adaptation strategies to environmental and climate change risks, including the impact of expected investment costs associated with emission reductions and an assessment of the impact of losses in the supply chain in the event of failure to reduce environmental impacts. The assessment of these risks at the level of both the customer and the respective business transaction with them is embedded in the Bank's internal procedures and processes. The Bank has a policy in place for clients in exposed sectors. Currently, the effect of climate-related risk is not explicitly part of the ECL measurement. This is expected to change during 2022, when the methods for climate-related risk will begin to be developed, building on the experience of the ECB/EBA climate stress test, which will influence the resulting internal rating of customers. At the moment, the necessary detailed data is being collected and the corresponding data structures are being set up. The Bank perceives the following as other critical priorities in this area: ongoing data collection and evaluation related to these risks, preparation of data for disclosure under the Group-level taxonomy regulation, and optimisation of the Bank's primary systems, processes and products in line with the Bank's strategy in this area.

Sensitivity analysis

The most significant assumptions affecting the sensitivity of the expected credit loss allowance are as follows:

- gross domestic product (all portfolios),
- unemployment rate (all portfolios),
- long term government bond rate (non-retail portfolios especially),
- real estate prices (retail portfolios especially).

The table below provides a comparison between the reported accumulated impairment for expected credit losses for financial assets in Stage 1 and 2 (weighted by 25 per cent optimistic, 50 per cent base and 25 per cent pessimistic scenarios) and then each scenario weighted by 100% on their own. The optimistic and pessimistic scenarios do not reflect extreme cases, but the average of the scenarios which are distributed in these cases.

2021 – Accumulated impairment (Stage 1 & 2)

(MCZK)	Reported	Optimistic	Base	Pessimistic
Retail exposures	1 275	1 166	1 257	1421
Non-retail exposures	715	686	708	757
Total	**1 990**	**1 852**	**1 965**	**2 178**

2020 – Accumulated impairment (Stage 1 & 2)

(MCZK)	Reported	Optimistic	Base	Pessimistic
Retail exposures	1 214	1 080	1 193	1 390
Non-retail exposures	793	754	784	849
Total	**2 007**	**1 834**	**1 977**	**2 239**

The table below shows the impact of staging on the Bank's accumulated impairment of financial assets by comparing the reported amounts accumulated for all performing assets subject to impairment with the special case where all accumulated impairment is measured based on 12-month expected losses (Stage 1).

2021 – Accumulated impairment (Stage 1 & 2)

(MCZK)	Reported	Accumulated impairment (Stage 1)	Impact of Staging
Retail exposures	1 275	444	831
Non-retail exposures	715	302	413
Total	**1 990**	**746**	**1 244**

2020 – Accumulated impairment (Stage 1 & 2)

(MCZK)	Reported	Accumulated impairment (Stage 1)	Impact of Staging
Retail exposures	1 214	468	746
Non-retail exposures	793	437	356
Total	**2 007**	**905**	**1 102**

The table below shows the impact of staging on Bank's accumulated impairment for financial assets by comparing the reported amounts accumulated for all performing assets subject to impairment with the special case where all accumulated impairment is measured based on lifetime expected losses (Stage 2). As there are no historical data on the use of stages, it is impossible to estimate adequate increase at present. However, we do not expect the share of assets in Stage 2 to ever reach 100%.

2021 – Accumulated impairment (Stage 1 & 2)

(MCZK)	Reported	Accumulated impairment (Stage 2)	Impact of Staging
Retail exposures	1 275	2 462	(1 187)
Non-retail exposures	715	1 149	(434)
Total	**1 990**	**3 611**	**(1 621)**

2020 – Accumulated impairment (Stage 1 & 2)

(MCZK)	Reported	Accumulated impairment (Stage 2)	Impact of Staging
Retail exposures	1 214	2 282	(1 068)
Non-retail exposures	793	1 334	(541)
Total	**2 007**	**3 616**	**(1 609)**

Write-offs

Loans and debt securities are written off (either partially or fully) where there is no expectation of recovery in line with IFRS 9. This happens when the borrower no longer generates any income from operations and collateral values cannot generate sufficient cash flows. In the case of non-retail exposures, loans and debt securities are managed on an individual basis by the Workout team. In the case of bankruptcy exposures, the procedure is dependent and items are written off in line with the status of the bankruptcy proceedings. For retail exposures, write-offs are carried out when all recovery processes have been exhausted and no further performance is expected. This is the case, for example, for credit exposures after the cessation of enforcement proceedings due to lack of means, termination of debt elimination in the insolvency proceedings, or when we have not received any recovery in the last twelve months and we do not expect any further performance. If this concerns a current account where the debit is mainly made up of fees, we carry out a write-off after 90 DPD. In the case of corporate customer exposures in gone concern cases, loans are written down to the value of collateral if the company no longer generates any cash flows from operations.

The contractual amount outstanding on financial assets that were written off during the reporting period and are still subject to enforcement activity amounts to MCZK 529 (2020: MCZK 122).

f) Financial assets at amortised cost and provisions for commitments and financial guarantees provided based on the stages of impairment

Financial assets measured at amortised cost

MCZK	31 December 2021				
	Gross carrying amount				
	Stage 1	Stage 2	Stage 3	POCI	Total
Debt securities	**26 807**	**2 317**	**-**	**-**	**29 124**
Government institutions	23 391	2 317	-	-	**25 708**
Other financial institutions	902	-	-	-	**902**
Non-financial enterprises	2 514	-	-	-	**2 514**
Loans and advances to banks	**177 340**	**-**	**-**	**-**	**177 340**
Central banks	174 107	-	-	-	**174 107**
Credit institutions	3 233	-	-	-	**3 233**
Loans and advances to customers	**193 901**	**67 318**	**4 807**	**316**	**266 342**
Government institutions	559	-	-	-	**559**
Other financial institutions	34 007	320	113	-	**34 440**
Non-financial enterprises	82 896	21 036	2 015	72	**106 019**
Households	76 439	45 962	2 679	244	**125 324**
Total	**398 048**	**69 635**	**4 807**	**316**	**472 806**

MCZK	31 December 2020				
	Gross carrying amount				
	Stage 1	Stage 2	Stage 3	POCI	Total
Debt securities	**30 711**	**-**	**-**	**-**	**30 711**
Government institutions	28 737	-	-	-	**28 737**
Other financial institutions	167	-	-	-	**167**
Non-financial enterprises	1 807	-	-	-	**1 807**
Loans and advances to banks	**99 684**	**-**	**-**	**-**	**99 684**
Central banks	98 703	-	-	-	**98 703**
Credit institutions	981	-	-	-	**981**
Loans and advances to customers	**185 113**	**62 729**	**5 582**	**364**	**253 788**
Government institutions	933	56	-	-	**989**
Other financial institutions	33 405	104	136	-	**33 645**
Non-financial enterprises	68 255	27 450	2 489	89	**98 283**
Households	82 520	35 119	2 957	275	**120 871**
Total	**315 508**	**62 729**	**5 582**	**364**	**384 183**

Breakdown of loss allowances for financial assets at amortised cost and provisions for commitments and financial guarantees provided based on segments and stages of impairment

MCZK	31 December 2021				
	Stage 1	Stage 2	Stage 3	POCI	Total
Debt securities	**(3)**	**-**	**-**	**-**	**(3)**
Government institutions	(1)	-	-	-	**(1)**
Other financial institutions	-	-	-	-	**-**
Non-financial enterprises	(2)	-	-	-	**(2)**
Loans and advances to banks	**-**	**-**	**-**	**-**	**-**
Central banks	-	-	-	-	**-**
Credit institutions	-	-	-	-	**-**
Loans and advances to customers	**(321)**	**(1 288)**	**(2 444)**	**88**	**(3 965)**
Government institutions	-	-	-	-	**-**
Other financial institutions	(7)	(12)	(1)	-	**(20)**
Non-financial enterprises	(164)	(392)	(1 293)	26	**(1 823)**
Households	(150)	(884)	(1 150)	62	**(2 122)**
Total loss allowances for financial assets at amortised cost	**(324)**	**(1 288)**	**(2 444)**	**88**	**(3 968)**
Provisions for off-balance sheet items	**(163)**	**(215)**	**(118)**	**-**	**(496)**
Total	**(487)**	**(1 503)**	**(2 562)**	**88**	**(4 464)**

MCZK	31 December 2020				
	Stage 1	Stage 2	Stage 3	POCI	Total
Debt securities	**(8)**	**-**	**-**	**-**	**(8)**
Government institutions	(5)	-	-	-	**(5)**
Other financial institutions	-	-	-	-	**-**
Non-financial enterprises	(3)	-	-	-	**(3)**
Loans and advances to banks	**-**	**-**	**-**	**-**	**-**
Central banks	-	-	-	-	**-**
Credit institutions	-	-	-	-	**-**
Loans and advances to customers	**(279)**	**(1 401)**	**(3 061)**	**36**	**(4 705)**
Government institutions	-	-	-	-	**-**
Other financial institutions	(13)	(2)	(4)	-	**(19)**
Non-financial enterprises	(145)	(479)	(1 443)	10	**(2 057)**
Households	(121)	(920)	(1 614)	26	**(2 629)**
Total loss allowances for financial assets at amortised cost	**(287)**	**(1 401)**	**(3 061)**	**36**	**(4 713)**
Provisions for off-balance sheet items	**(165)**	**(154)**	**(164)**	**-**	**(483)**
Total	**(452)**	**(1 555)**	**(3 225)**	**36**	**(5 196)**

g) Changes in gross carrying amount and changes in loss allowances

MCZK			31 December 2021		
Gross carrying amount – loans and advances to banks	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Total**
Balance at 1 January 2021	**99 684**	**-**	**-**	**-**	**99 684**
Transfers to/(from) Stage 1	-	-	-	-	**-**
Transfers to/(from) Stage 2	-	-	-	-	**-**
Transfers to/(from) Stage 3	-	-	-	-	**-**
Transfers to POCI	-	-	-	-	**-**
Increase due to origination and acquisition	176 674	-	-	-	**176 674**
Decrease due to derecognition and overall payment	(99 018)	-	-	-	**(99 018)**
Decrease in allowance due to write-offs	-	-	-	-	**-**
Partial repayment	-	-	-	-	**-**
Adjustments by foreign exchange gains/losses	-	-	-	-	**-**
Balance at 31 December 2021	**177 340**	**-**	**-**	**-**	**177 340**

MCZK			31 December 2020		
Gross carrying amount – loans and advances to banks	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Total**
Balance at 1 January 2020	**87 043**	**-**	**-**	**-**	**87 043**
Transfers to/(from) Stage 1	-	-	-	-	**-**
Transfers to/(from) Stage 2	-	-	-	-	**-**
Transfers to/(from) Stage 3	-	-	-	-	**-**
Transfers to POCI	-	-	-	-	**-**
Increase due to origination and acquisition	99 190	-	-	-	**99 109**
Decrease due to derecognition and overall payment	(86 549)	-	-	-	**(86 549)**
Decrease in allowance due to write-offs	-	-	-	-	**-**
Partial repayment	-	-	-	-	**-**
Adjustments by foreign exchange gains/losses	-	-	-	-	**-**
Balance at 31 December 2020	**99 684**	**-**	**-**	**-**	**99 684**

MCZK			31 December 2021		
Gross carrying amount – debt securities	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Total**
Balance at 1 January 2021	**30 711**	**-**	**-**	**-**	**30 711**
Transfers to/(from) Stage 1	-	-	-	-	**-**
Transfers to/(from) Stage 2	(2 323)	2 323	-	-	**-**
Transfers to/(from) Stage 3	-	-	-	-	**-**
Transfers to POCI	-	-	-	-	**-**
Increase due to origination and acquisition	1 851	-	-	-	**1 851**
Decrease due to derecognition and overall payment	(3 755)	-	-	-	**(3 755)**
Decrease in allowance due to write-offs	-	-	-	-	**-**
Partial repayment	378	(6)	-	-	**372**
Adjustments by foreign exchange gains/losses	(54)	-	-	-	**(54)**
Balance at 31 December 2021	**26 807**	**2 317**	**-**	**-**	**29 124**

MCZK	31 December 2020				
Gross carrying amount – debt securities	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Total**
Balance at 1 January 2020	**10 883**	**-**	**-**	**-**	**10 883**
Transfers to/(from) Stage 1	-	-	-	-	**-**
Transfers to/(from) Stage 2	-	-	-	-	**-**
Transfers to/(from) Stage 3	-	-	-	-	**-**
Transfers to POCI	-	-	-	-	**-**
Increase due to origination and acquisition	19 922	-	-	-	**19 922**
Decrease due to derecognition and overall payment	(89)	-	-	-	**(89)**
Decrease in allowance due to write-offs	-	-	-	-	**-**
Partial repayment	-	-	-	-	**-**
Adjustments by foreign exchange gains/losses	(5)	-	-	-	**(5)**
Balance at 31 December 2020	**30 711**	**-**	**-**	**-**	**30 711**

MCZK	31 December 2021				
Gross carrying amount – non-retail	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Total**
Balance at 1 January 2021	**101 258**	**24 663**	**2 146**	**7**	**128 074**
Transfers to/(from) Stage 1	4 607	(4 607)	-	-	**-**
Transfers to/(from) Stage 2	(9 334)	9 369	(35)	-	**-**
Transfers to/(from) Stage 3	(1 205)	(152)	1 357	-	**-**
Transfers to POCI					
Increase due to origination and acquisition	62 253	-	4	8	**62 265**
Decrease due to derecognition and overall payment	(30 293)	(8 056)	(1 630)	(8)	**(39 987)**
Decrease in allowance due to write-offs	-	-	(24)	-	**(24)**
Partial repayment	(10 433)	(1 818)	(153)	(6)	**(12 410)**
Adjustments by foreign exchange gains/losses	(1 296)	(276)	(14)	-	**(1 586)**
Balance at 31 December 2021	**115 557**	**19 123**	**1 651**	**1**	**136 332**

MCZK	31 December 2020				
Gross carrying amount – non-retail	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Total**
Balance at 1 January 2020	**117 529**	**7 942**	**1 151**	**17**	**126 639**
Transfers to/(from) Stage 1	252	(252)	-	-	**-**
Transfers to/(from) Stage 2	(19 697)	19 697	-	-	**-**
Transfers to/(from) Stage 3	(1 462)	(212)	1 675	-	**-**
Transfers to POCI	-	-	-	-	**-**
Increase due to origination and acquisition	57 193	5	3	2	**57 203**
Decrease due to derecognition and overall payment	(43 638)	(1 746)	(375)	(9)	**(45 768)**
Decrease in allowance due to write-offs	-	-	(210)	-	**(210)**
Partial repayment	(8 690)	(695)	(88)	(3)	**(9 476)**
Adjustments by foreign exchange gains/losses	(229)	(76)	(9)	-	**(314)**
Balance at 31 December 2020	**101 258**	**24 663**	**2 146**	**7**	**128 074**

MCZK	31 December 2021				
Gross carrying amount – retail	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Total**
Balance at 1 January 2021	**83 855**	**38 066**	**3 435**	**357**	**125 713**
Transfers to/(from) Stage 1	13 828	(13 737)	(91)	-	-
Transfers to/(from) Stage 2	(32 694)	32 902	(208)	-	-
Transfers to/(from) Stage 3	(288)	(1 023)	1 311	-	-
Transfers to POCI	-	-	(1)	1	-
Increase due to origination and acquisition	29 500	6	7	207	**29 720**
Decrease due to derecognition and overall payment	(12 535)	(6 646)	(620)	(65)	**(19 866)**
Decrease in allowance due to write-offs	-	-	(475)	(116)	**(591)**
Partial repayment	(3 322)	(1 373)	(202)	(69)	**(4 966)**
Adjustments by foreign exchange gains/losses	-	-	-	-	-
Balance at 31 December 2021	**78 344**	**48 195**	**3 156**	**315**	**130 010**

MCZK	31 December 2020				
Gross carrying amount – retail	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Total**
Balance at 1 January 2020	**82 801**	**37 818**	**2 819**	**319**	**123 757**
Transfers to/(from) Stage 1	12 236	(12 117)	(119)	-	-
Transfers to/(from) Stage 2	(19 510)	19 740	(230)	-	-
Transfers to/(from) Stage 3	(853)	(853)	1 706	-	-
Transfers to POCI	-	-	(48)	48	-
Increase due to origination and acquisition	20 632	5	3	111	**20 751**
Decrease due to derecognition and overall payment	(8 316)	(5 066)	(414)	(34)	**(13 830)**
Decrease in allowance due to write-offs	-	-	(131)	(19)	**(150)**
Partial repayment	(3 135)	(1 461)	(151)	(68)	**(4 815)**
Adjustments by foreign exchange gains/losses	-	-	-	-	-
Balance at 31 December 2020	**83 855**	**38 066**	**3 435**	**357**	**125 713**

MCZK	31 December 2021				
	Stage 1	**Stage 2**	**Stage 3**	**POCI**	**Total**
Loss allowances – debt securities					
Balance at 1 January 2021	**(8)**	**-**	**-**	**-**	**(8)**
Changes due to change in credit risk (net)	5	-	-	-	**5**
Balance at 31 December 2021	**(3)**	**-**	**-**	**-**	**(3)**

MCZK	31 December 2020				
	Stage 1	**Stage 2**	**Stage 3**	**POCI**	**Total**
Loss allowances – debt securities					
Balance at 1 January 2020	**(4)**	**-**	**-**	**-**	**(4)**
Changes due to change in credit risk (net)	(4)	-	-	-	**(4)**
Balance at 31 December 2020	**(8)**	**-**	**-**	**-**	**(8)**

MCZK	31 December 2021				
	Stage 1	Stage 2	Stage 3	POCI	Total
Loss allowances – non-retail					
Balance as of 1 January 2021	**(152)**	**(348)**	**(1 113)**	**-**	**(1 613)**
Transfers to/(from) Stage 1	(83)	77	6	-	-
Transfers to/(from) Stage 2	56	(56)	-	-	-
Transfers to/(from) Stage 3	-	-	(5)	-	-
Transfers to POCI	-	-	-	-	-
Increase due to origination and acquisition	(37)	-	-	-	**(37)**
Decrease due to derecognition	1	64	452	2	**519**
Changes due to the change in credit risk (net)	58	(23)	(282)	(2)	**(249)**
Decrease in loss allowances due to write-offs					
Impact of unwind	-	-	23	-	**23**
Adjustment by foreign exchange gains/losses	(6)	(14)	(54)	-	**(74)**
Balance at 31 December 2021	**(163)**	**(295)**	**(973)**	**-**	**(1 431)**

MCZK	31 December 2020				
	Stage 1	Stage 2	Stage 3	POCI	Total
Loss allowances – non-retail					
Balance as of 1 January 2020	**(143)**	**(92)**	**(705)**	**-**	**(940)**
Transfers to/(from) Stage 1	(28)	28	-	-	-
Transfers to/(from) Stage 2	35	(35)	-	-	-
Transfers to/(from) Stage 3	2	5	(7)	-	-
Transfers to POCI	-	-	-	-	-
Increase due to origination and acquisition	(37)	-	-	-	**(37)**
Decrease due to derecognition	2	23	89	-	**114**
Changes due to the change in credit risk (net)	14	(285)	(721)	-	**(992)**
Decrease in loss allowances due to write-offs	-	-	213	-	**213**
Impact of unwind	-	-	-	-	-
Adjustment by foreign exchange gains/losses	3	8	18	-	**29**
Balance at 31 December 2020	**(152)**	**(348)**	**(1 113)**	**-**	**(1 613)**

MCZK	31 December 2021				
	Stage 1	Stage 2	Stage 3	POCI	Total
Loss allowances – retail					
Balance as of 1 January 2021	**(127)**	**(1 053)**	**(1 948)**	**36**	**(3 092)**
Transfers to/(from) Stage 1	(320)	281	39	-	-
Transfers to/(from) Stage 2	38	(93)	55	-	-
Transfers to/(from) Stage 3	1	96	(97)	-	-
Transfers to POCI	-	-	7	(7)	-
Increase due to origination and acquisition	(45)	-	-	-	**(45)**
Decrease due to derecognition	11	165	112	35	**323**
Changes due to the change in credit risk (net)	275	(409)	(79)	(89)	**(302)**
Decrease in loss allowances due to write-offs	9	20	449	113	**591**
Impact of unwind	-	-	(9)	-	**(9)**
Adjustment by foreign exchange gains/losses	-	-	-	-	-
Balance at 31 December 2021	**(158)**	**(993)**	**(1 471)**	**88**	**(2 534)**

MCZK	31 December 2020				
	Stage 1	Stage 2	Stage 3	POCI	Total
Loss allowances – retail					
Balance as of 1 January 2020	**(110)**	**(678)**	**(2 051)**	**27**	**(2 812)**
Transfers to/(from) Stage 1	(170)	145	25	-	-
Transfers to/(from) Stage 2	45	(115)	70	-	-
Transfers to/(from) Stage 3	4	57	(61)	-	-
Transfers to POCI	-	-	13	(13)	-
Increase due to origination and acquisition	(18)	-	-	-	**(18)**
Decrease due to derecognition	8	110	78	13	**209**
Changes due to the change in credit risk (net)	112	(592)	(120)	(10)	**(610)**
Decrease in loss allowances due to write-offs	2	20	109	19	**150**
Impact of unwind	-	-	(13)	-	**(13)**
Adjustment by foreign exchange gains/losses	-	-	2	-	**2**
Balance at 31 December 2020	**(127)**	**(1 053)**	**(1 948)**	**36**	**(3 092)**

MCZK	31 December 2021				
	Stage 1	Stage 2	Stage 3	POCI	Total
Provisions for off-balance sheet items					
Balance at 1 January 2021	**(165)**	**(154)**	**(164)**	**-**	**(483)**
Increase due to origination and acquisition	(97)	(129)	(4)	-	**(230)**
Decrease due to derecognition	1	20	34	-	**55**
Changes due to the change in credit risk (net)	101	53	16	-	**170**
Adjustment by foreign exchange gains/losses	(3)	(5)	-	-	**(8)**
Balance at 31 December 2021	**(163)**	**(215)**	**(118)**	**-**	**(496)**

MCZK	31 December 2020				
	Stage 1	Stage 2	Stage 3	POCI	Total
Provisions for off-balance sheet items					
Balance at 1 January 2020	**(145)**	**(46)**	**(210)**	**-**	**(401)**
Increase due to origination and acquisition	(83)	(52)	(2)	-	**(137)**
Decrease due to derecognition	1	11	63	-	**75**
Changes due to the change in credit risk (net)	60	(69)	(17)	-	**(26)**
Adjustment by foreign exchange gains/losses	2	2	2	-	**6**
Balance at 31 December 2020	**(165)**	**(154)**	**(164)**	**-**	**(483)**

h) Allocation of financial assets at amortised cost and credit commitments and financial guarantees based on internal rating and stage of impairment

The Bank allocates each exposure to a credit risk grade in conformity with a rating model corresponding with borrower's segment and type of exposure.

Rating models and credit risk stages are defined based on statistical models and techniques. The allocated credit risk stage is a result of a combination of qualitative and quantitative parameters which indicate the probability of default of the credit exposure.

Each credit exposure must be allocated to a credit risk stage. Exposures and borrowers are subject to ongoing monitoring, which may result in being moved to a different credit risk grade. Accordingly, the exposure and borrower can be moved to a different credit risk rating during their relationship with the Bank. The monitoring typically involves use of the following data:

- Information obtained from a borrower – financing request, audited financial statements, management accounts, financial budget and projections, structure of areas of particular focus such as sales revenues, customers, receivables, costs, suppliers, liabilities, bank loans, intragroup transactions, competitors, management etc.;

- Internally collected data – overdue status, fulfilment of financial covenants, internal monitoring of the credit exposure and periodic review of borrower's files;
- External data from credit reference agencies, press articles, changes in external credit ratings;
- Quoted securities prices for the borrower where available;
- Actual and expected significant changes in the political, regulatory and technological environment of the borrower or in its business activities.

The credit risk rating grades for the retail exposures are subject to ongoing monthly monitoring which typically involves use of the available information.

Rating grades – retail and non-retail portfolio:

Rating	Probability of default (in %)
Excellent	0.0000 - 0.0300
Strong	0.0310 - 0.1878
Good	0.1879 - 1.1735
Satisfactory	1.1736 - 7.3344
Substandard	7.3345 - 99.999
Credit-impaired	100

Financial assets at amortised cost

Loans and advances to banks

MCZK			2021		
Gross carrying amount	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Total**
Excellent	174 107	-	-	-	**174 107**
Strong	3 216	-	-	-	**3 216**
Good	-	-	-	-	**-**
Satisfactory	17	-	-	-	**17**
Substandard	-	-	-	-	**-**
Credit-impaired	-	-	-	-	**-**
Total	**177 340**	**-**	**-**	**-**	**177 340**

MCZK			2020		
Gross carrying amount	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Total**
Excellent	98 703	-	-	-	**98 703**
Strong	7	-	-	-	**7**
Good	966	-	-	-	**966**
Satisfactory	8	-	-	-	**8**
Substandard	-	-	-	-	**-**
Credit-impaired	-	-	-	-	**-**
Total	**99 684**	**-**	**-**	**-**	**99 684**

Debt securities

MCZK			2021		
Gross carrying amount	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Total**
Excellent	-	-	-	-	**-**
Strong	2 514	-	-	-	**2 514**
Good	23 854	2 317	-	-	**26 171**
Satisfactory	439	-	-	-	**439**
Substandard	-	-	-	-	**-**
Credit-impaired	-	-	-	-	**-**
Total	**26 807**	**2 317**	**-**	**-**	**29 124**

MCZK	2020				
Gross carrying amount	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Total**
Excellent	28 738	-	-	-	**28 738**
Strong	1 409	-	-	-	**1 409**
Good	126	-	-	-	**126**
Satisfactory	438	-	-	-	**438**
Substandard	-	-	-	-	**-**
Credit-impaired	-	-	-	-	**-**
Total	**30 711**	**-**	**-**	**-**	**30 711**

Loans and advances to customers – non-retail

MCZK	2021				
Gross carrying amount	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Total**
Excellent	-	-	-	-	**-**
Strong	40 280	382	-	-	**40 662**
Good	42 786	6 368	-	-	**49 154**
Satisfactory	31 169	10 231	-	-	**41 400**
Substandard	1 322	2 142	-	-	**3 464**
Credit-impaired	-	-	1 651	1	**1 652**
Total	**115 557**	**19 123**	**1 651**	**1**	**136 332**

MCZK	2020				
Gross carrying amount	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Total**
Excellent	-	-	-	-	**-**
Strong	32 825	17	-	-	**32 842**
Good	36 133	7 630	-	-	**43 763**
Satisfactory	30 707	16 046	-	-	**46 753**
Substandard	1 593	970	-	-	**2 563**
Credit-impaired	-	-	2 146	7	**2 153**
Total	**101 258**	**24 663**	**2 146**	**7**	**128 074**

Loans and advances to customers – retail

MCZK	2021				
Gross carrying amount	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Total**
Excellent	-	-	-	-	**-**
Strong	30 668	16 615	-	-	**47 283**
Good	38 357	22 453	-	-	**60 810**
Satisfactory	8 896	7 279	-	-	**16 175**
Substandard	423	1 848	-	-	**2 271**
Credit-impaired	-	-	3 156	315	**3 471**
Total	**78 344**	**48 195**	**3 156**	**315**	**130 110**

MCZK	2020				
Gross carrying amount	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Total**
Excellent	-	-	-	-	**-**
Strong	34 504	8 678	-	-	**43 182**
Good	41 924	16 104	-	-	**58 028**
Satisfactory	7 134	10 679	-	-	**17 813**
Substandard	293	2 605	-	-	**2 898**
Credit-impaired	-	-	3 436	357	**3 793**
Total	**83 855**	**38 066**	**3 436**	**357**	**125 714**

Loan commitments and financial guarantees

MCZK	2021				
Gross carrying amount	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Total**
Excellent	-	-	-	-	-
Strong	46 606	4 034	-	-	**50 640**
Good	53 563	7 746	-	-	**61 309**
Satisfactory	24 328	2 662	-	-	**26 990**
Substandard	1 180	1 008	-	-	**2 188**
Credit-impaired	-	-	412	-	**412**
Total	**125 677**	**15 450**	**412**	-	**141 539**

MCZK	2020				
Gross carrying amount	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Total**
Excellent	700	-	-	-	**700**
Strong	40 640	827	-	-	**41 467**
Good	44 164	14 694	-	-	**58 858**
Satisfactory	20 029	6 064	-	-	**26 093**
Substandard	1 204	671	-	-	**1 875**
Credit-impaired	-	-	411	-	**411**
Total	106 737	22 256	411	-	**129 404**

i) Modified contractual cash flows

The following table provides information on financial assets that were modified while they had loss allowances measured at an amount equal to lifetime ECL:

MCZK	2021	2020
Financial assets modified during the year		
Amortised cost before the modification of contractual cash flows	1 515	35 470
Net modification profit/(loss)	1	(101)
Financial assets modified since initial recognition		
Gross carrying amount at the reporting date relating to financial assets for which loss allowance has changed to 12-month ECL during the year	58	82

j) Quantitative information on collateral for credit-impaired financial assets (Stage 3)

MCZK	2021		2020	
	Gross carrying amount	**Collateral**	**Gross carrying amount**	**Collateral**
Financial assets at amortised cost (Stage 3)	4 807	1 912	5 582	1 990

The principal type of collateral for credit-impaired financial assets is the pledge of real estate, movable property and company guarantees.

k) Concentration of credit risk by location

Loans and advances to customers

MCZK	2021	2020
Czech Republic	246 638	233 421
Slovakia	4 461	4 998
Other EU member states	11 723	11 573
Other	3 521	3 796
Total gross carrying amount	**266 342**	**253 788**

Loan commitments and financial guarantees

MCZK	2021	2020
Czech Republic	128 576	120 210
Slovakia	1 516	1 666
Other EU member states	7 363	5 756
Other	4 084	1 772
Total gross carrying amount	**141 539**	**129 404**

l) Analysis of loans and advances to customers by sector and type of collateral

2021	Cash collateral	State guarantees	Bank guarantees	Real estate	Company guarantee	Other collateral	Movable assets	Total collateral
Administrative and support activities	3	-	81	446	618	321	52	1 521
Activities of households	-	-	-	97 033	-	-	-	97 033
Real estate	92	-	140	16 841	145	88	20	17 326
Transport and storage	2	-	201	2 306	-	451	31	2 991
Information and communication activities	-	-	136	232	-	136	-	504
Arts, entertainment and recreation	1	-	23	10	-	-	4	38
Other activities	-	-	52	58	-	3	-	113
Banking and insurance	-	-	3 695	996	767	908	-	6 366
Professional, scientific and technical activities	7	968	446	1 039	179	717	20	3 376
Construction industry	6	-	397	2 089	1	269	4	2 766
Mining and quarrying	-	183	14	-	-	4	-	201
Hotels and restaurants	1	-	166	1 837	75	-	27	2 106
Wholesale and retail trade; repair and maintenance of motor vehicles	7	318	1 205	5 282	589	3 898	771	12 070
Public administration and defence; compulsory social security	-	-	-	-	-	-	-	-
Electricity, gas, water and air conditioning supply	22	-	2	88	-	326	1 154	1 592
Education	-	-	33	31	-	-	-	64
Water supply, sewerage, waste management and remediation activities	-	-	126	117	-	125	33	401
Health and social work	-	451	67	137	113	10	-	778
Agriculture, forestry and fishing	-	-	224	245	10	372	16	867
Manufacturing	139	761	937	4 314	1 657	3 523	355	11 686
Total	**280**	**2 681**	**7 945**	**133 101**	**4 154**	**11 151**	**2 487**	**161 799**

For the purposes of reporting loans and advances to customers by sector and type of collateral, the Bank uses the collateral in discounted value decreased to the current balance of the collateralised exposure.

2020	Cash collateral	State guarantees	Bank guarantees	Real estate	Company guarantee	Other collateral	Movable assets	Total collateral
Administrative and support activities	38	100	1 349	5 439	2 082	3 867	664	13 539
Activities of households	41	-	28	94 660	-	3	2 007	96 379
Real estate	-	-	229	1 172	-	440	104	1 945
Transport and storage	2	-	438	1 471	1	365	-	2 277
Information and communication activities	-	-	4 875	1 837	835	919	-	8 466
Arts, entertainment and recreation	-	-	186	1 196	-	155	32	1 569
Other activities	-	688	55	233	106	-	-	1 082
Banking and insurance	-	-	126	181	125	427	-	859
Professional, scientific and technical activities	-	81	14	-	-	4	-	99
Construction industry	1	-	17	64	-	-	2	84
Mining and quarrying	7	282	1	-	8	-	-	298
Hotels and restaurants	51	-	54	16 142	-	103	18	16 368
Wholesale and retail trade; repair and maintenance of motor vehicles	-	-	21	34	-	-	-	55
Public administration and defence; compulsory social security	-	-	-	-	-	19	-	19
Electricity, gas, water and air conditioning supply	3	-	48	342	400	394	52	1 239
Education	-	-	27	125	-	101	37	290
Water supply, sewerage, waste management and remediation activities	23	1 285	265	1 147	267	639	31	3 657
Health and social work	-	-	33	75	-	4	15	127
Agriculture, forestry and fishing	27	10	1 220	3 942	318	3 798	381	9 696
Manufacturing	1	-	146	2 363	-	1	31	2 542
Total	**194**	**2 446**	**9 132**	**130 423**	**4 142**	**11 239**	**3 374**	**160 950**

For the purposes of reporting loans and advances to customers by sector and type of collateral, the Bank uses the collateral in discounted value decreased to the current balance of the collateralised exposure.

m) Analysis of loans provided to customers by default categories

MCZK 2021	Before due date	Less than 1 month	1 to 3 months	3 to 6 months	6 months to 1 year	Over 1 year	Total
Loans and advances to customers							
Stage 1	193 582	308	6	-	1	4	**193 901**
Stage 2	66 512	610	171	15	3	7	**67 318**
Stage 3	2 983	212	122	161	172	1 157	**4 807**
POCI	207	53	17	5	5	29	**316**
Gross	**263 284**	**1 183**	**316**	**181**	**181**	**1 197**	**266 342**
Loss allowances	(2 299)	(180)	(111)	(124)	(126)	(1 125)	**(3 965)**
Net	**260 985**	**1 003**	**205**	**57**	**55**	**72**	**262 377**

MCZK 2020	Before due date	Less than 1 month	1 to 3 months	3 to 6 months	6 months to 1 year	Over 1 year	Total
Loans and advances to customers							
Stage 1	184 877	223	3	-	4	6	**185 113**
Stage 2	61 614	889	210	8	5	3	**62 729**
Stage 3	2 869	261	196	361	208	1 687	**5 582**
POCI	241	43	13	5	6	56	**364**
Gross	**249 601**	**1 416**	**422**	**374**	**223**	**1 752**	**253 788**
Loss allowances	(2 280)	(197)	(161)	(296)	(168)	(1 603)	**(4 705)**
Net	**247 321**	**1 219**	**261**	**78**	**55**	**149**	**249 083**

The proportion of loans and advances with default decreased year-on-year to 1,9,3% from 2.3% of the total loan portfolio. At the end of 2021, the coverage by individual loss allowances for loans with default fell to 46.0% from 50.9% in 2020.

n) Forbearance and non-performing exposures

In compliance with the EBA's Implementing Technical Standard (ITS) on supervisory reporting (forbearance and non-performing exposures), the Bank introduced a new definition of *forbearance* and *non-performing exposures* in 2014 that does not necessarily represent default under the CNB's regulation.

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

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

Within the defined processes, the Bank's customers having financial difficulties and being provided with forbearance are assessed, rated and monitored according to specific algorithms in line with the relevant regulations. In practice, this means that all customers with financial difficulties who were provided with forbearance, or for whom forbearance is considered, are at least subject to the early warning system, or in case of default, they are treated by the workout or collection teams. The algorithms applied are in compliance with the parent group's requirements for individual segments of the Bank. The above-specified processes have an impact on the classification of receivables under individual stages according to IFRS 9 and, consequently, on the assessment of the amount of individual and portfolio allowances.

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

MCZK	Loans and advances to forborne customers			Loss allowances	Collateral
31 December 2021	Performing exposure	Non-performing exposure	Total with forbearance		
Other financial institutions	-	3	3	-	-
Non-financial enterprises	4 371	506	4 877	(354)	448
Households	241	1 418	1 659	(341)	620
Total	**4 612**	**1 927**	**6 539**	**(694)**	**1 068**

MCZK	Loans and advances to forborne customers			Loss allowances	Collateral
31 December 2020	Performing exposure	Non-performing exposure	Total with forbearance		
Other financial institutions	39	3	**42**	(1)	-
Non-financial enterprises	3 639	582	**4 221**	(301)	258
Households	249	1 403	**1 652**	(510)	618
Total	**3 927**	**1 988**	**5 915**	**(812)**	**876**

The Bank recognises no forborne loans and advances to banks.

The Bank's interest income includes interest on loans and advances to forborne customers of MCZK 103 (2020: MCZK 43).

Development of loans and advances to forborne customers

MCZK 2021	Other financial institutions	Non-financial enterprises	Households	Total
Balance at 1 January	**42**	**4 221**	**1 652**	**5 915**
Additions (+)	-	1 326	629	**1 955**
Disposals (-)	-	(177)	(436)	**(613)**
Movements in exposures (+/-)	(39)	(493)	(186)	**(718)**
At 31 December	**3**	**4 877**	**1 659**	**6 539**

MCZK 2020	Other financial institutions	Non-financial enterprises	Households	Total
Balance at 1 January	**13**	**1 507**	**1 251**	**2 771**
Additions (+)	3	2 918	1 304	4 224
Disposals (-)	-	(144)	(519)	(663)
Movements in exposures (+/-)	26	(60)	(384)	(417)
At 31 December	**42**	**4 221**	**1 652**	**5 915**

Carrying amount of loans and advances to forborne customers compared to the total loans and advances to customers

MCZK 2021	Loans and advances to customers	Loans and advances to forborne customers	Percentage of loans and advances to forborne customers
Government institutions	559	-	**0.0%**
Other financial institutions	34 440	3	**0.0%**
Non-financial enterprises	106 019	4 877	**4.6%**
Households	125 324	1 659	**1.3%**
Total at 31 December 2021	**266 342**	**6 539**	**2.5%**

MCZK 2020	Loans and advances to customers	Loans and advances to forborne customers	Percentage of loans and advances to forborne customers
Government institutions	989	-	**0.0%**
Other financial institutions	33 645	42	**0.1%**
Non-financial enterprises	98 283	4 221	**4.3%**
Households	120 871	1 652	**1.4%**
Total at 31 December 2020	**253 788**	**5 915**	**2.3%**

o) Maximum exposure to credit risk

2021 MCZK	On-balance sheet exposure (carrying amount)	Off-balance sheet exposure (carrying amount)	Aggregate exposure (carrying amount)	Allocated collateral - balance sheet	Allocated collateral - off balance sheet	Aggregate allocated collateral
Cash and cash equivalents	8 920	-	8 920	-	-	-
Loans and advances to banks*	177 340	929	178 269	910	-	910
Loans and advances to customers*	262 377	62 846	325 223	161 799	11 565	173 364
Debt securities*	262 377	-	262 377	-	-	-
Positive fair value of financial derivatives	9 002	-	9 002	276	-	276
Securities held for trading	165	-	165	-	-	-
Financial assets other than held for trading mandatorily measured at fair value in profit or loss	498	-	498	-	-	-
Financial assets at FVOCI	18	-	18	-	-	-
Other assets	8 176	-	8 176	-	-	-

*including loss allowances and provisions

2020 **MCZK**	**On-balance sheet exposure (carrying amount)**	**Off-balance sheet exposure (carrying amount)**	**Aggregate exposure (carrying amount)**	**Allocated collateral - balance sheet**	**Allocated collateral - off balance sheet**	**Aggregate allocated collateral**
Cash and cash equivalents	5 746	-	5 746	-	-	-
Loans and advances to banks*	99 684	683	100 367	985	-	985
Loans and advances to customers*	249 083	49,788	298 871	160 950	12 605	173 555
Debt securities*	30 703	-	30 703	-	-	-
Positive fair value of financial derivatives	4 093	-	4 093	9	-	9
Securities held for trading	1 683	-	1 683	-	-	-
Financial assets other than held for trading mandatorily measured at fair value in profit or loss	532	-	532	-	-	-
Financial assets at FVOCI	1	-	1	-	-	-
Other assets	5 320	-	5 320	-	-	-

*including loss allowances and provisions

p) Offsetting financial assets and financial liabilities

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

2021 **MCZK**	**Amount of an asset/liability in the statement of financial position**	**Amount of an asset/liability offset in the statement of financial position**	**Related amount not offset in the statement of financial position** **Net amount presented in the statement of financial position**	**Financial instrument**	**Cash collateral received**	**Total**
Assets						
Positive fair values of financial derivatives	8 771	-	8 771	8 459	276	**36**
Reverse repurchase	175 525	-	175 525	172 960	-	**2 565**
Total assets	**184 295**	-	**184 295**	**181 419**	**276**	**2 601**
Liabilities						
Negative fair values of financial derivatives	13 681	-	13 681	8 459	5 144	**78**
Repurchase transactions	1 700	-	1 700	1 673	-	**28**
Total liabilities	**15 381**	-	**15 381**	**10 131**	**5 144**	**106**

2020			Related amount not offset in the statement of financial position			
MCZK	**Amount of an asset/liability in the statement of financial position**	**Amount of an asset/liability offset in the statement of financial position**	**Net amount presented in the statement of financial position**	**Financial instrument**	**Cash collateral received**	**Total**
Assets						
Positive fair values of financial derivatives	3 579	-	3 579	3 568	9	**2**
Reverse repurchase	98 963	-	98 963	97 454	-	**1 509**
Total assets	**102 282**	**-**	**102 282**	**101 022**	**9**	**1 251**
Liabilities						
Negative fair values of financial derivatives	5 446	-	5 446	3 568	1 861	**17**
Repurchase transactions	2 599	-	2 599	2 558	-	**41**
Total liabilities	**8 045**	**-**	**8 045**	**6 126**	**1 861**	**58**

43. RECONCILIATION OF LIABILITIES ARISING FROM FUNDING, INCLUDING CHANGES ARISING FROM CASH FLOWS AND NON-CASH CHANGES

	At 1 Jan 2021	Cash flows		Non-cash changes		**At 31 Dec 2021**
		Inflow	**Outflow**	**Remeasurement of foreign currency positions**	**Other non-cash changes**	
Debt securities issued	13 053	11 787	(5 551)	(878)	44	18 455
Subordinated debt	4 259	315	-	(241)	-	4 333
Lease liabilities	1 871	-	(330)	44	(146)	1 439

	At 1 Jan 2020	Cash flows		Non-cash changes		**At 31 Dec 2020**
		Inflow	**Outflow**	**Remeasurement of foreign currency positions**	**Other non-cash changes**	
Debt securities issued	12 692	-	(54)	415	-	13 053
Subordinated debt	3 309	813	-	136	1	4 259
Lease liabilities	2 041	-	(379)	(34)	243	1 871

44. LEASES

a) Right-of-use assets

Right-of-use assets relate to the lease of immovable and movable assets which are part of property and equipment – see note 30.

MCZK	Real estate	Motor vehicles	Total
Acquisition cost			
At 1 January 2020	**2 346**	**51**	**2 397**
Additions	277	51	328
Disposals	(225)	(7)	(232)
At 31 December 2020	**2 398**	**95**	**2 493**
Additions	96	19	115
Disposals	(213)	(12)	(225)
At 31 December 2021	**2 281**	**102**	**2 383**
Accumulated depreciation			
At 1 January 2020	**(328)**	**(16)**	**(344)**
Additions – annual depreciation charges	(341)	(23)	(364)
Disposals	48	4	52
At 31 December 2020	**(621)**	**(35)**	**(656)**
Additions – annual depreciation charges	(326)	(25)	(351)
Disposals	63	8	71
At 31 December 2021	**(884)**	**(52)**	**(936)**
Net book value			
At 31 December 2020	**1 777**	**60**	**1 837**
At 31 December 2021	**1 397**	**50**	**1 447**

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

2021 (MCZK)	Net book value	Total contractual liability	0 - 1 months	1 - 3 months	3 - 12 months	1 - 5 years	Over 5 years
Lease liabilities	1 439	**1 488**	37	55	236	958	202

2020 (MCZK)	Net book value	Total contractual liability	0 - 1 months	1 - 3 months	3 - 12 months	1 - 5 years	Over 5 years
Lease liabilities	1 871	**1 952**	42	58	276	1 148	428

c) Analysis of operating lease receivables by remaining maturity (undiscounted cash flows)

2021 (MCZK)	Total	0 - 3 months	3 - 12 months	1 - 5 years	Over 5 years
Receivables from operating subleasing	**45**	3	10	32	-

2020 (MCZK)	Total	0 - 3 months	3 - 12 months	1 - 5 years	Over 5 years
Receivables from operating subleasing	**42**	-	6	8	28

d) Values recognised in total comprehensive income

MCZK	2021	2020
Sublease income	12	10
Interest expense from lease liabilities	(22)	(28)
Depreciation of right-of-use assets	(350)	(364)
Short-term lease expense	(5)	(4)

45. TRANSACTIONS WITH RELATED PARTIES

At 31 December 2021

For related party transaction reporting purposes, the Bank considers Raiffeisen CEE Region Holding GmbH (direct parent company) and Raiffeisen Bank International AG (entity with controlling influence on the Bank exercised indirectly) to be its parent companies. Transactions with related parties are concluded under standard business terms and arm's length prices.

MCZK	Parent companies	Companies with significant influence over the Bank	Subsidiaries and associated companies	Board of directors, supervisory board and other managers*	Other related parties	Total
Receivables	5 298	-	21 991	175	2 368	**29 832**
Positive fair values of financial derivatives	7 448	-	35	-	1	**7 484**
Liabilities	2 306	2	1 614	100	5 222	**9 244**
Negative fair values of financial derivatives	12 400	-	55	-	-	**12 455**
Other equity instruments	4 097	-	-	-	734	**4 831**
Subordinated liabilities and bonds	3 250	-	-	-	1 083	**4 333**
Guarantees issued	343	-	-	-	48	**391**
Guarantees received	162	-	-	-	2 054	**2 216**
Nominal values of financial derivatives (off-balance sheet receivables)	486 188	-	5 226	-	88	**491 502**
Nominal values of financial derivatives (off-balance sheet liabilities)	485 901	-	5 292	-	87	**491 280**
Irrevocable credit commitments provided	-	-	-	44	497	**541**
Interest income	1 057	-	41	3	12	**1 113**
Interest expense	(1 322)	-	(4)	-	(58)	**(1 384)**
Fee and commission income	27	-	211	-	22	**260**
Fee and commission expense	(13)	-	(12)	-	(120)	**(145)**
Net gain or loss from financial operations	462	-	(45)	-	(3)	**414**
Net gain or loss from hedge accounting	(4 324)	-	-	-	-	**(4 324)**
General operating expenses	(236)	-	(27)	(235)	(33)	**(531)**
Other operating income, net	19	-	134	-	2	**155**

*Other members of the management are level B-1 managers

The **receivables** are principally composed of the following:

Credit balances on the current account maintained at:
- Raiffeisen Bank International AG (parent company) of MCZK 5,298
- Equa Bank a.s. (subsidiary) of MCZK 100

Provided loan:
- Raiffeisen Leasing, s.r.o. (subsidiary) of MCZK 21,849
- Raiffeisen stavební spořitelna a.s. (subsidiary) of MCZK 2,302
- AKCENTA CZ a.s. (associated company) of MCZK 42

Nominal values of financial derivatives - off-balance sheet receivables:
- Raiffeisen Bank International AG (parent company) of MCZK 486,188
- Raiffeisen Leasing, s.r.o. (subsidiary) of MCZK 13
- Equa bank a.s. (subsidiary) of MCZK 2,061
- AKCENTA CZ a.s. (associated company) of MCZK 3,152

The **liabilities** are principally composed of the following:

Credit balances on the current account of the Bank from:
- Raiffeisen Bank International AG (parent company) of MCZK 685
- Raiffeisen Leasing, s.r.o. (subsidiary) of MCZK 514
- Raiffeisen investiční společnost a.s. (subsidiary) of MCZK 10
- AKCENTA CZ a.s. (associated company) of MCZK 357
- Raiffeisen FinCorp s.r.o. (subsidiary) of MCZK 198

Term deposits:
- Raiffeisenbank (Bulgaria) EAD (fellow subsidiary) of MCZK 549
- Raiffeisen Bank International AG (parent company) of MCZK 354
- Raiffeisen investiční společnost a.s. (subsidiary) of MCZK 246

Repo transactions:
- Tatra Banka, a.s. (fellow subsidiary) of MCZK 1,700

Debt securities of the Bank issued:
- Raiffeisenbank Hungary (fellow subsidiary) of MCZK 505
- Raiffeisen Bank International AG (parent company) of MCZK 1,268

Nominal values of financial derivatives - off-balance sheet liabilities:
- Raiffeisen Bank International AG (parent company) of MCZK 485,901
- Raiffeisen Leasing (subsidiary) of MCZK 13
- Equa bank a.s. (subsidiary) of MCZK 2,033
- AKCENTA CZ a.s. (associated company) of MCZK 3,246

Subordinated debt from:
- Raiffeisen Bank International AG (parent company) of MCZK 3 250
- Raiffeisenlandesbank Oberösterreich AG of MCZK 1,083

Other equity instruments – subordinated unsecured AT1 capital investment certificates purchased from:
- Raiffeisen Bank International AG (parent company) of MCZK 4,097
- Raiffeisenlandesbank Oberösterreich AG of MCZK 734

At 31 December 2020

For related party transaction reporting purposes, the Bank considers Raiffeisen CEE Region Holding GmbH (direct parent company) and Raiffeisen Bank International AG (entity with controlling influence on the Bank exercised indirectly) to be its parent companies. Transactions with related parties are concluded under standard business terms and arm's length prices.

MCZK	Parent companies	Companies with significant influence over the Bank	Subsidiaries and associated companies	Board of directors, supervisory board and other managers*	Other related parties	Total
Receivables	1 890	-	20 513	176	306	**22 885**
Positive fair values of financial derivatives	3 214	-	-	-	-	**3 214**
Liabilities	3 824	11	1 136	94	14 119	**19 184**
Negative fair values of financial derivatives	4 705	-	2	-	2	**4 709**
Other equity instruments	4 169	-				**4 169**
Subordinated liabilities and bonds	3 194	-	-	-	1 065	**4 259**
Guarantees issued	401	-	-	-	81	**482**
Guarantees received	186	-	-	-	1 878	**2 064**
Nominal values of financial derivatives (off-balance sheet receivables)	372 495	-	227	-	139	**372 861**
Nominal values of financial derivatives (off-balance sheet liabilities)	372 871	-	227	-	141	**373 239**
Irrevocable credit commitments provided	-	-	-	17	-	**17**
Interest income	3 533	1	55	3	15	**3 607**
Interest expense	(3 763)	-	(7)	-	(198)	**(3 968)**
Fee and commission income	20	-	3	-	17	**40**
Fee and commission expense	(11)	-	(14)	-	(112)	**(137)**
Net gain or loss from financial operations	(794)	-	4	-	(17)	**(807)**
Net gain or loss from hedge accounting	(509)	-	-	-	-	**(509)**
General operating expenses	(232)	-	(30)	(224)	(29)	**(515)**
Other operating income, net	11	-	21	-	2	**34**

*Other members of the management are level B-1 managers

The **receivables** are principally composed of the following:

Credit balances on the current account maintained at:
- Raiffeisen Bank International AG (parent company) of MCZK 1,890

Provided loan:
- Raiffeisen Leasing, s.r.o. (subsidiary), of MCZK 20,513

Nominal values of financial derivatives - off-balance sheet receivables:
- Raiffeisen Bank International AG (parent company) of MZK 372,495
- Raiffeisen Leasing, s.r.o. (subsidiary) of MCZK 277
- Raiffeisenbank AO (Russia), (fellow subsidiary) of MCZK 115
- Raiffeisen Bank Zrt. (fellow subsidiary) of MCZK 25

The **liabilities** are principally composed of the following:

Credit balances on the current account of the Bank from:
- Raiffeisen Bank International AG (parent company) of MCZK 334
- Raiffeisen Leasing, s.r.o. (subsidiary) of MCZK 361
- Raiffeisen investiční společnost a.s. (subsidiary) of MCZK 22

Term deposits:
- Raiffeisenbank (Bulgaria) EAD (fellow subsidiary) of MCZK 2,053

Repo transactions:
- Tatra Banka, a.s. (fellow subsidiary) of MCZK 2,599

Debt securities of the Bank issued:
- Raiffeisenbank Hungary (fellow subsidiary) of MCZK 2,607
- Raiffeisenbank (Bulgaria) EAD (fellow subsidiary) of MCZK 377
- Raiffeisen Bank International AG (parent company) of MCZK 3,490
- Raiffeisen Bank Albania (fellow subsidiary) of MCZK 941

Nominal values of financial derivatives - off-balance sheet liabilities:
- Raiffeisen Bank International AG (parent company) of MCZK 372,871
- Raiffeisen Leasing (subsidiary) of MCZK 227

Subordinated debt from:
- Raiffeisen Bank International AG (parent company) of MCZK 3,194
- Raiffeisenlandesbank Oberösterreich AG of MCZK 1,065

Other equity instruments – subordinated unsecured AT1 capital investment certificates purchased from:
- Raiffeisen Bank International AG (parent company) of MCZK 3,600
- Raiffeisenlandesbank Oberösterreich AG of MCZK 569

46. SUBSEQUENT EVENTS

As of 1 January 2022, a legal merger by amalgamation took place between Raiffeisenbank a.s. and Equa bank a.s. Raiffeisenbank a.s., as the successor company, assumed the assets of the dissolving company, Equa bank a.s. As of 1 January 2022, total assets increased by MCZK 67,512 and total liabilities by MCZK 67,568.

The current political and economic situation in Ukraine may lead to increased global economic uncertainty, price and exchange rate fluctuations, potential energy supply shortages and a potential decline in global economic growth. All financial activities of the Bank and its customers with respect to entities from the Russian Federation and Ukraine have already been historically limited. Credit ratings of some clients that are exposed to these risks may result in higher-than-expected loss allowances and provisions for credit risk. All exposures to these high-risk countries are closely monitored and managed.

As of the date of preparation and authorisation for issue of the separate financial statements, the Bank’s management assessed the current political and economic situation and the existing and planned measures of the Czech Government, the Czech National Bank, and the European Commission that may negatively impact the Bank. Based on its assessment of the current situation and various scenarios as well as public information available as of the date of approval of these separate financial statements, the Bank’s management does not expect the economic impact of this situation on the Bank to materially affect the Bank’s liquidity and capital position and the quality of the Bank’s assets; as a result, there is currently no material uncertainty in relation to these events that could materially impair the Bank’s ability to continue as a going concern. Due to the uncertain nature of current developments, it is still premature to quantify the potential impact on the Bank’s financial results in 2022 and beyond. The overall economic impact on the Bank and its customers with economic ties to this geographic area will depend primarily on the duration of this war and the intensity of political and economic measures and restrictions related to this situation. At present, a negative impact of this situation on the economic environment in which the Bank operates and the Bank’s financial position and performance in the medium term cannot be ruled out. The Bank’s management closely monitors and manages the situation and is prepared to take appropriate steps to reflect the current developments. These potential future measures adopted by the Bank to reflect the ever-changing situation could concern the areas of accounting estimates and methods of calculating loss allowances and provisions for credit risk according to IFRS 9.

No other events occurred subsequent to the reporting date that would have a material impact on the separate financial statements as of 31 December 2021.

Information about the issuer's internal control policies and procedures and the rules for the issuer's approach to the risks to which it is or may be exposed in relation to the financial reporting process

In order to give a true and fair view of the facts in the Bank's financial statements, all systems, processes, and procedures that affect or may affect the process of compiling the Bank's financial reporting are identified and described.

These are, for example, rules for operational and financial accounting, inventory of assets and liabilities, circulation of accounting documents, procedures for preparing monthly and annual financial statements, access to the accounting system, the process of creating new analytical accounts, corrections to settled operations, valuation rules for securities and assets and liabilities, impairment of financial assets, capitalisation of costs for intangible assets, principles for the creation of provisions and reserves, procedures for reconciliation of accounts, rollback procedures, etc.

In addition, the risks associated with these processes are identified and described. The description and process of risk management at the Group and Bank level is described in sections 45 and 46 of the consolidated financial statements and sections 41 and 42 of the separate financial statements. These include, in particular, the process of managing market risks, operational risks, credit risks and the equity management process. For these risks, controls were set with various periodicity in order to eliminate these risks. Controls are performed automatically and manually and are integrated into the entire process upon entering the transaction into the Bank's systems up to the time of compiling the financial statements. The settings of systems, processes, procedures, and controls are always formally regulated by internal regulations. All of these processes and procedures are evaluated and updated at least once a year. Moreover, verification of the set controls is performed, which eliminates the described risks.

An automated system is used to process most financial statements, which in most cases for their preparation uses detailed data from source systems and from the data warehouse, which are reconciled for the general ledger.

The effectiveness of internal controls is regularly evaluated by an internal audit. Both consolidated and separate financial statements are subject to verification by an external auditor.

Significant legal disputes

As of 31 December 2021, the Bank was a party to 15 legal proceedings as a defendant with a total claimed amount of CZK 90,921,154. Information concerning the provisions created for litigations in which the Bank is a defendant is stated in the Notes to the Separate Financial Statements, Note 37 - *"Contingent liabilities"*.

As of 31 December 2021, the Group was a party to 21 legal proceedings as a defendant with a total claimed amount of CZK 91,629,649. Information concerning the provisions created for litigations in which the Bank is a defendant is stated in the Notes to the Consolidated Financial Statements, Note 41 – *"Contingent liabilities"*.

Information on Capital and Capital requirements

Regulatory framework

Supervision over Raiffeisenbank a.s. is carried out by the Czech National Bank.

Within the European Union, the requirements of banking regulation are established by the Basel III regulatory framework in Regulation (EU) No 575/2013 on prudential requirements for credit institutions and investment firms (CRR – Capital Requirements Regulation) and Directive 2013/36/EU on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms (CRD IV – Capital Requirements Directive). The CRD IV Directive was transposed into Czech law by an amendment to the Banking Act and the adoption of CNB Decree no. 163/2014 Sb. The CRR regulates, among other things, liquidity requirements, capital structure, and regulatory requirements regarding capital adequacy and exposure. Some parts are further elaborated on in the implementing regulations.

CRD IV makes it possible to establish and maintain three types of capital buffers – a capital conservation buffer, a systemic risk buffer, and an institution-specific countercyclical capital buffer. As regards the capital conservation buffer, the CNB has decided to apply this buffer to all institutions in the full amount of 2.5% of Tier 1 capital from the outset. The systemic risk buffer is applied in 2020 to five institutions, including Raiffeisenbank (set at 1% for Raiffeisenbank). From October 2021, the Czech National Bank abolished the risk premium for Systemic Risk and replaced it with J-SVI, which amounts to 0.5% for the bank. As for the countercyclical capital buffer, the CNB decided at the end of 2014 to set an initial zero buffer ratio to be applied by banks over the next two years. The CNB set the countercyclical capital buffer at 1.75% from 1 January 2020 and 2.0% from 1 July 2020. As part of the anti-crisis measures taken against Covid-19 in 2020, the CNB first cancelled the July increase in the countercyclical buffer of 0.25%, then reduced the countercyclical buffer by 0.75% to 1% from April, and from 1 July 2020, the CNB set the amount of this buffer at 0.5%.

From July 2022, the countercyclical buffer will be increased by 0.5% to 1%, from October 2022 by 0.5% to 1.5%, and from 1 January 2023 by another 0.5% to 2%.

Consolidated capital and risk-weighted assets

The consolidated regulatory capital of the Group for determining consolidated capital adequacy as at 31 December 2021 amounted to CZK 44.6 billion. The consolidated capital adequacy of the Group was 18.47%, and the consolidated core Tier 1 capital ratio was 13.99%. The Group's Risk Weighted Assets (RWA) amounted to CZK 241.4 billion as at 31 December 2021 (in 2020: CZK 198.1 billion). The increase in RWA in 2021 was mainly due to the increase of exposure in the main client segments.

Information about capital

Data on capital and ratios in accordance with Decree 354/2021 of 20 September 2021, amending Decree no. 163/2014 Coll.

Information about Capital and Capital Requirements pursuant to Part Eight of Regulation (EU) 575/2013	**unconsolidated**	**unconsolidated**
CZK million	**at 31. 12. 2021**	**at 31. 12. 2020**
Share capital	15,461	11,061
Retained earnings	19,128	17,243
Reserve fund	694	694
Valuation gains or losses	(378)	44
Other capital instruments	4,831	4,169
Profit for the year	4,687	2,140
Total shareholders' equity	**44,423**	**35,351**
Total Adjustments to Common equity tier 1		
Unusable profit	(1,320)	(709)
Intangible fixed assets	(3,030)	(2,782)
Deferred tax assets	-	-
Provision shortage for IRB positions	(14)	(6)
Additional valuation adjustment (AVA) according to CRR	(102)	(80)
Securitization - junior tranche (with 1 250% risk weight)	-	-
Valuation gains or losses	378	(44)
Retained earnings adjustment	-	-
Reserve fund adjustment	-	-
Other capital instruments	(4,831)	(4,169)
Common equity tier 1 (after deductions)	**35,504**	**27,561**
Other capital instruments	4,831	4,169
Tier 1 (after deductions)	**40,335**	**31,730**
Subordinated loans	4,326	4,252
IRB Excess of provisions over expected losses eligible	894	818
Aggregate amount of Tier 2 capital	**5,220**	**5,070**
Aggregate amount of capital	**45,555**	**36,800**

Information about Capital and Capital Requirements pursuant to Article 438 (c) to (f) of Regulation (EU) 575/2013	**unconsolidated**	**unconsolidated**
CZK million	**at 31. 12. 2021**	**at 31. 12. 2020**
Total capital requirement for credit risk	12,325	11,324
- Internal rating approach (IRB)	11,942	10,912
- Standardized approach (STA)	378	409
- credit value adjustment (CVA risk)	5	3
Total capital requirement related to position, foreign exchange and commodity risks	178	134
Total capital requirement for operational risk	1,472	1,477
Total capital requirement	**13,975**	**12,935**

Risk weighted assets	unconsolidated	unconsolidated
CZK million	**at 31. 12. 2021**	**at 31. 12. 2020**
Internal rating approach (IRB)	**149,276**	**136 399**
Central governments and central banks exposures	35	116
Bank exposures	2,738	3,505
Corporate customer exposures	87,216	85,367
Retail customer exposures	39,313	38,137
Equity exposures	19,820	9,105
Exposures related to securitization	-	-
Other exposures	154	169
Standardized approach (STA)	**4,723**	**5,114**
Regional governments and municipalities exposures	1	1
Bank exposures	-	-
Corporate customer exposures	21	5
Retail customer exposures	-	-
Exposures secured by immovable property	3	5
Exposures at default	-	-
Equity exposures	-	-
Other exposures	4,698	5,103
Total Risk weighted assets for credit risk	**153,999**	**141,513**
Credit value adjustment (CVA risk)	**59**	**43**
Risk weighted assets for position, foreign exchange and commodity risks	2,227	1,674
Risk weighted assets for the operating risk	18,398	18,456
Total risk weighted assets	**174,683**	**161,686**

Capital ratios	unconsolidated	unconsolidated
	at 31. 12. 2021	**at 31. 12. 2020**
Core Tier 1 capital adequacy ratio	20.32%	17.05%
Tier 1 capital adequacy ratio	23.09%	19.62%
Total capital adequacy ratio	26.08%	22.76%

Ratio indicators	unconsolidated	unconsolidated
	at 31. 12. 2021	**at 31. 12. 2020**
Return of average assets (ROAA)	1.16%	0.64%
Return of average Tier 1 capital (ROAE)	13.26%	7.47%
Assets per one employee (CZK thousand)	183,492	152,299
General administrative expenses per one employee (CZK thousand)	2,297	2,221
Net profit or loss per one employee (CZK thousand)	1,679	757

Further details can be found in the regulatory disclosure report in accordance with regulation no. 163/2014 available on the Bank's internet webpage: https://www.rb.cz/povinne-uverejnovane-informace

Data on capital and ratios in accordance with Decree 354/2021 of 20 September 2021, amending Decree no. 163/2014 Coll.

Information about Capital and Capital Requirements pursuant to Part Eight of Regulation (EU) 575/2013	**consolidated**	**consolidated**
CZK million	**at 31. 12. 2021**	**at 31. 12. 2020**
Share capital	15,461	11,061
Retained earnings	20,303	18,491
Other capital funds	113	-
Reserve fund	825	825
Valuation gains or losses	(378)	44
Other capital instruments	4,831	4,169
Profit for the year	4,770	2,224
Total shareholders' equity	**45,925**	**36,814**
Total Adjustments to Common equity tier 1		
Profit for the year	(1,403)	(793)
Goodwill	(447)	-
Intangible fixed assets	(5,578)	(3,078)
Deffered tax liabilities resulting from other intangible fixed assets	98	20
Provision shortage for IRB positions	(14)	(6)
Additional valuation adjustment (AVA) according to CRR	(102)	(80)
Securitization - junior tranche (with 1 250% risk weight)	-	-
Applicable amount of insufficient coverage	-	-
Transitional adjustments of tier 1	24	-
Valuation gains or losses	378	(44)
Retained earnings adjustment	(165)	(285)
Other capital funds	(113)	-
Reserve fund adjustment	(1)	(1)
Non-controlling interests	-	-
Other capital instruments	(4,831)	(4,169)
Common equity tier 1 (after deductions)	**33,771**	**28,378**
Other capital instruments	4,831	4,169
Tier 1 (after deductions)	**38,602**	**32,547**
Subordinated loans	5,260	4,552
IRB Excess of provisions over expected losses eligible	737	818
Aggregate amount of Tier 2 capital	**5,997**	**5,370**
Aggregate amount of capital	**44,599**	**37,917**

Information about Capital and Capital Requirements pursuant to Article 438 (c) to (f) of Regulation (EU) 575/2013	**consolidated**	**consolidated**
CZK million	**at 31. 12. 2021**	**at 31. 12. 2020**
Total capital requirement for credit risk	17,047	13,898
- Internal rating approach (IRB)	9,821	9,740
- Standardized approach (STA)	7,221	4,155
- credit value adjustment (CVA risk)	5	3
Total capital requirement related to position, foreign exchange and commodity risks	178	134
Total capital requirement for operational risk	2,090	1,815
Total capital requirement	**19,315**	**15,847**

Risk weighted assets	consolidated	consolidated
CZK million	**at 31. 12. 2021**	**at 31. 12. 2020**
Internal rating approach (IRB)	**122,763**	**121,747**
Central governments and central banks exposures	35	116
Bank exposures	2,201	3,505
Corporate customer exposures	80,815	79,701
Retail customer exposures	39,313	38,137
Equity exposures	245	119
Exposures related to securitization	-	-
Other exposures	154	169
Standardized approach (STA)	**90,269**	**51,933**
Central governments and central banks exposures	-	29
Regional governments and municipalities exposures	2	2
Bank exposures	263	232
Corporate customer exposures	20,309	14,369
Retail customer exposures	39,660	19,466
Exposures secured by immovable property	17,527	9,586
Exposures at default	1,215	779
High risk exposures	2,135	323
Equity exposures	400	312
Other exposures	8,758	6,835
Credit value adjustment (CVA risk)	**59**	**43**
Total Risk weighted assets for credit risk	**213,032**	**173,680**
Risk weighted assets for position, foreign exchange and commodity risks	2,227	1,674
Risk weighted assets for the operating risk	26,125	22,682
Total risk weighted assets	**241,443**	**198,079**

Capital ratios	consolidated	consolidated
	at 31. 12. 2021	**at 31. 12. 2020**
Core Tier 1 capital adequacy ratio	13.99%	14.33%
Tier 1 capital adequacy ratio	15.99%	16.43%
Total capital adequacy ratio	18.47%	19.14%

Capital management

The Group manages its capital adequacy to ensure its sufficient level while allowing for organic business growth and for potentially adverse macroeconomic developments. The Group continuously monitors changes in regulatory requirements and evaluates their impact on the capital planning process.

The Czech National Bank as a local regulatory body supervises the local supevisory body ensures that the Bank maintains unconsolidated and consolidated capital adequacy. During 2021, the Bank complied with all the regulatory requirements.

The Bank also regularly reports Information on the internal control sytem (Pillar 2) to the Czech National Bank.

Definitions of Alternative Performance Measures

Earnings per share: (*"Net profit for the year attributable to the Bank´s shareholders"* minus coupon paid on other capital instruments) divided by (the quantity average number of shares issued minus the average number of own shares in treasury);

Return on average equity before tax (ROAE, in separate statements): *"Profit before tax"* divided by the average total equity;

Return on average equity after tax (ROAE, in separate statements): *"Net profit for the year attributable to the Bank's shareholders"* divided by average total equity;

Average total equity: Sum of monthly balances of total equity as of the year end X-1 until the end of the year X divided by 13;

Average total assets: Sum of monthly balances of total assets as of the year end X-1 until the end of the year X divided by 13;

Return on average assets before tax (ROAA, in separate statements): *"Profit before tax"* divided by average total assets;

Return on average assets after tax (ROAA, in separate statements): *"Net profit for the year attributable to the Bank's shareholders"* divided by average total assets;

Return on average Tier 1 capital after tax (ROAE, in separate statements): *"Net profit for the year attributable to the Bank's shareholders"* divided by average Tier 1 capital;

Average Tier 1 capital: Sum of monthly balances of Tier 1 capital as of the year end X-1 until the end of the year X divided by 13;

Total operating income: Sum of *"Net interest income"*, *"Net fee and commission income"*, *"Net gain on financial operations"*, *"Net gain on financial assets other than held for trading mandatorily measured at fair value in profit or loss"*, *"Net gain from hedge accounting"*, *"Dividend income"*, *"Gain/(loss) from derecognition of financial assets measured at amortised cost"*, *"Other operating income"* and *"Other operating expenses"*;

Cost/income ratio: (*"Personnel expenses"* plus *"General operating expenses"* plus *"Depreciation and amortisation"*) divided by total operating income.

Cost of credit risk to average assets ratio: *"Impairment losses on financial instruments"* divided by average total assets.

Non-performing loan ratio: *"Receivables from clients at level 3 and POCI"* divided by the *"Gross book value of receivables for clients"*.

Cost of credit risk to operating income ratio: *"Impairment losses on financial instruments"* divided by *"Total operating income"*.

Report on Related Parties

prepared pursuant to the provisions of Sec. 82 and the following of Act No. 90/2012 Coll. on Commercial Companies and Cooperatives (the Act on Commercial Corporations) for the reporting period from 1 January 2021 to 31 December 2021

Raiffeisenbank a.s., having its registered office at: Hvězdova 1716/2b, Prague 4, 140 78, corporate ID: 49240901, entered in the Commercial Register maintained by the Municipal Court of Prague on 25 June 1993, Section B, Insert 2051 (hereinafter referred to as the *"Bank"*) is part of the Raiffeisen Bank International AG group, in which relations between the Bank and controlling entities and between the Bank and entities controlled by the same controlling entities (hereinafter referred to as the *"related parties"*) exist.

This report on relations among the below entities was prepared in accordance with the provisions of Sec. 82 of the Act on Commercial Corporations and with regard to the legal definition of business secret according to Sec. 504 of Act No. 89/2012 Coll., the Civil Code.

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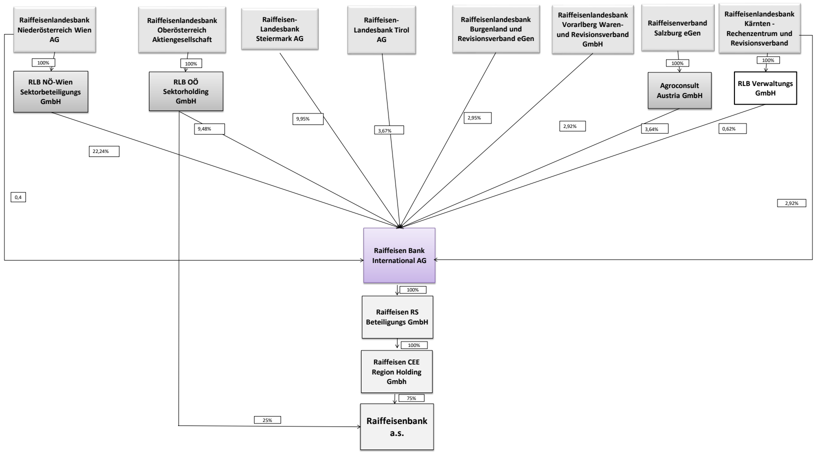
1. Structure of Relations among Related Parties

1.1. Controlling Entities



The indirectly controlling entities are:

RLB NÖ-Wien Sektorbeteiligungs GmbH*, having its registered office at Vienna, Friedrich – Wilhelm – Raiffeisen – Platz 1, 1020, Republic of Austria
Raiffeisenlandesbank Niederösterreich Wien AG*, having its registered office at Vienna, Friedrich – Wilhelm – Raiffeisen – Platz 1, 1020, Republic of Austria
Raiffeisenlandesbank Oberösterreich Aktiengesellschaft*, having its registered office at Linz, Europaplatz 1a, 4020, Republic of Austria
RLB OÖ Sektorholding GmbH*, having its registered office at Linz, Europaplatz 1a, 4020, Republic of Austria
Raiffeisen-Landesbank Steiermark AG*, having its registered office at Graz, Kaiserfeldgasse 5, 8010, Republic of Austria
Raiffeisen-Landesbank Tirol AG*, having its registered office at Innsbruck, Adamgasse 1-7, 6020, Republic of Austria
Raiffeisenlandesbank Burgenland und Revisionsverband eGen*, having its registered office at Eisenstadt, Friedrich Wilhelm Raiffeisen-Strasse 1, 7000, Republic of Austria
Raiffeisenlandesbank Vorarlberg Waren - und Revisionsverband registrierte Genossenschaft mit beschränkter Haftung*, having its registered office at Bregenz, Rheinstrasse 11, 6900, Republic of Austria
Raiffeisenverband Salzburg eGen*, having its registered office at Salzburg, Schwarzstrasse 13-15, 5020, Republic of Austria
Agroconsult Austria Gesellschaft m.b.H.*, having its registered office at Salzburg, Schwarzstrasse 13-15, 5020, Republic of Austria
Raiffeisenlandesbank Kärnten - Rechenzentrum und Revisionsverband, registrierte Genossenschaft mit beschränkter Haftung*, having its registered office at Klagenfurt, Raiffeisenplatz 1, 9020, Republic of Austria
RLB Verwaltungs GmbH*, having its registered office at Klagenfurt, Raiffeisenplatz 1, 9020, Republic of Austria
Raiffeisen Bank International AG (hereinafter also *"RBI"*), having its registered office at Am Stadtpark 9, 1030 Vienna, Republic of Austria
Raiffeisen RS Beteiligungs GmbH, having its registered office at Am Stadtpark 9, 1030 Vienna, Republic of Austria.

The directly controlling entity (the direct shareholder) is:

Raiffeisen CEE Region Holding GmbH, having its registered office at Am Stadtpark 9, 1030 Vienna, Republic of Austria.

* Referred to as "Landesbanks" – they became indirectly controlling entities based on a declaration of compliance with RBI.

1.2. Other Related Parties

Czech Republic

Raiffeisen – Leasing, s.r.o. ("RLCZ")	Prague 4, Hvězdova 1716/2b, 140 78
Raiffeisen investiční společnost a.s. ("RIS")	Prague 4, Hvězdova 1716/2b, 140 78
Raiffeisen stavební spořitelna a.s. ("RSTS")	Prague 4, Hvězdova 1716/2b, 140 78
KONEVOVA s.r.o.*	Prague 3, Koněvova 2747/99, 130 45
Equa bank a.s.**	Prague 8 - Karlín, Karolinská 661/4, 186 00
Equa Sales & Distribution s.r.o. ***	Prague 8 - Karlín, Karolinská 661/4, 186 00
AKCENTA CZ a.s. ****	Salvátorská 931/8, Staré Město, 110 00 Prague 1
AKCENTA LOGISTIC a.s. *****	Nerudova 1361/31, Pražské Předměstí, 500 02 Hradec Králové

* 100% subsidiary of RSTS
** 100% of the stock of Equa bank a.s. was acquired on the basis of an agreement to acquire shares as of 1 July 2021. The company was dissolved due to merger by amalgamation with Raiffeisenbank a.s. as of 1 January 2022.
*** The 100% share in Equa Sales & Distribution, s.r.o. was acquired on the basis of an agreement to transfer share as of 1 July 2021.
**** 30% of the stock of AKCENTA CZ a.s. was acquired on the basis of an agreement to acquire shares as of 1 June 2021, the remaining 70% of the stock was acquired by Raiffeisen Bank International AG. The acquisition of AKCENTA CZ a.s. resulted in indirect acquisition of a 30% share in Nerudova Property s.r.o., True Finance s.r.o. and AKCENTA DE GmbH.
***** 30% of the stock of AKCENTA LOGISTICS a.s. was acquired on the basis of an agreement to acquire shares as of 1 June 2021. The remaining 70% of the stock was acquired by Raiffeisen Bank International AG.

As of 30 November 2021, Raiffeisenbank a.s. declared a group arrangement where Raiffeisenbank a.s. acts as the managing entity within the meaning of Sec. 79 of the Act on Commercial Corporations and the controlled entities (RSTS, RLCZ, RIS, Equa bank a.s. and Equa Sales & Distribution s.r.o.) are subject to unified management.

Parties related indirectly through Raiffeisen - Leasing, s.r.o.

Aglaia Property, s.r.o.	Prague 4, Hvězdova 1716/2b, 140 78
ALT POHLEDY, s.r.o.	Prague 4, Hvězdova 1716/2b, 140 78
Amathia Property, s.r.o.	Prague 4, Hvězdova 1716/2b, 140 78
Ananké Property, s.r.o.	Prague 4, Hvězdova 1716/2b, 140 78
Antonínská 2, s.r.o. (formerly Daimon Property, s.r.o.)	Prague 4, Hvězdova 1716/2b, 140 78
Apaté Property, s.r.o.	Prague 4, Hvězdova 1716/2b, 140 78
Appolon Property, s.r.o.	Prague 4, Hvězdova 1716/2b, 140 78
Ares Property, s.r.o.	Prague 4, Hvězdova 1716/2b, 140 78
Argos Property, s.r.o.	Prague 4, Hvězdova 1716/2b, 140 78
Astra Property, s.r.o.	Prague 4, Hvězdova 1716/2b, 140 78
Até Property, s.r.o.	Prague 4, Hvězdova 1716/2b, 140 78
Belos Property, s.r.o. (disposed as of 4 February 2021)	Prague 7, Dukelských hrdinů 967/10, Holešovice 170 00
Beroe Property, s.r.o.	Prague 4, Hvězdova 1716/2b, 140 78
Boreas Property, s.r.o. (disposed as of 31 August 2021)	Prague 10, K vodě 3200/3, Záběhlice 106 00
Bratislavská 59, s.r.o.	Prague 4, Hvězdova 1716/2b, 140 78
Cranto Property, s.r.o.	Prague 4, Hvězdova 1716/2b, 140 78
Credibilis a.s.,	Prague 4, Hvězdova 1716/2b, 140 78
CRISTAL PALACE Property s.r.o. (disposed as of 2 March 2021)	Prague 4, Na Pankráci 1062/58, Nusle 140 00
Cymo Property, s.r.o.	Prague 4, Hvězdova 1716/2b, 140 78
Dafné Property, s.r.o.,	Prague 4, Hvězdova 1716/2b, 140 78
Déméter Property, s.r.o.	Prague 4, Hvězdova 1716/2b, 140 78
Dero Property, s.r.o.	Prague 4, Hvězdova 1716/2b, 140 78
Dike Property, s.r.o.	Prague 4, Hvězdova 1716/2b, 140 78
Dolní náměstí 34 s.r.o. (formerly FIDUROCK Projekt 18, s.r.o.)	Prague 4, Hvězdova 1716/2b, 140 78
Éós Property, s.r.o.,	Prague 4, Hvězdova 1716/2b, 140 78
Eudore Property, s.r.o.	Prague 4, Hvězdova 1716/2b, 140 78
Eunomia Property, s.r.o.,	Prague 4, Hvězdova 1716/2b, 140 78
Exit 90 SPV s.r.o.,	Prague 8, Karolinská 661/4, Karlín 186 00
Fidurock Residential, a.s.	Prague 4, Hvězdova 1716/2b, 140 78
FMZ Invest, s.r.o.	Prague 4, Hvězdova 1716/2b, 140 78
Fobos Property, s.r.o.	Prague 4, Hvězdova 1716/2b, 140 78
Foibe Property, s.r.o. (disposed as of 4 February 2021)	Prague 7, Dukelských hrdinů 967/10, Holešovice 170 00
Folos Property, s.r.o.	Prague 4, Hvězdova 1716/2b, 140 78
FVE Cihelna s.r.o.,	Prague 4, Hvězdova 1716/2b, 140 78
Gaia Property, s.r.o.	Prague 4, Hvězdova 1716/2b, 140 78
GEONE Holešovice Two s.r.o.	Prague 4, Hvězdova 1716/2b, 140 78
Grainulos s.r.o.,	Prague 4, Hvězdova 1716/2b, 140 78
GRENA REAL s.r.o.	Prague 4, Hvězdova 1716/2b, 140 78
GS55 Sazovice s.r.o.	Prague 4, Hvězdova 1716/2b, 140 78
Halie Property, s.r.o.	Prague 4, Hvězdova 1716/2b, 140 78
Harmonia Property, s.r.o.	Prague 4, Hvězdova 1716/2b, 140 78
Hébé Property, s.r.o.	Prague 4, Hvězdova 1716/2b, 140 78
Hefaistos Property, s.r.o.	Prague 4, Hvězdova 1716/2b, 140 78
Hestia Property s.r.o.	Prague 4, Hvězdova 1716/2b, 140 78
Holečkova Property, s.r.o.	Prague 4, Hvězdova 1716/2b, 140 78
Hypnos Property, s.r.o.	Prague 4, Hvězdova 1716/2b, 140 78
Chodská 12, s.r.o. (formerly FIDUROCK Projekt 20, s.r.o.)	Prague 4, Hvězdova 1716/2b, 140 78
Chronos Property, s.r.o.	Prague 4, Hvězdova 1716/2b, 140 78
Janus Property, s.r.o. (disposed in 3Q 2021)	Prague 4, Hvězdova 1716/2b, 140 78
JFD Real s.r.o.	Prague 4, Hvězdova 1716/2b, 140 78
Kaliopé Property, s.r.o.	Prague 8, Karolinská 661/4, Karlín 186 00
Kalypso Property s.r.o.	Prague 4, Hvězdova 1716/2b, 140 78
KAPMC s.r.o. (dissolved by merger with Theia Property, s.r.o. as of 1 January 2021)	Prague 4, Hvězdova 1716/2b, 140 78
Kappa Estates, s.r.o.	Prague 4, Hvězdova 1716/2b, 140 78
Kéto Property, s.r.o.	Prague 4, Hvězdova 1716/2b, 140 78
Kleió Property, s.r.o.	Prague 4, Hvězdova 1716/2b, 140 78
Křížkovského 3, s.r.o. (formerly Fidurock Project 17, s.r.o.)	Prague 4, Hvězdova 1716/2b, 140 78
Létó Property s.r.o.	Prague 4, Hvězdova 1716/2b, 140 78
Ligea Property, s.r.o.	Prague 4, Hvězdova 1716/2b, 140 78

Luna Property, s.r.o.	Prague 4, Hvězdova 1716/2b, 140 78
Médea Property, s.r.o.	Prague 4, Hvězdova 1716/2b, 140 78
Melpomené Property, s.r.o.	Prague 4, Hvězdova 1716/2b, 140 78
Merea Property, s.r.o.	Prague 4, Hvězdova 1716/2b, 140 78
Mneme Property, s.r.o.	Prague 4, Hvězdova 1716/2b, 140 78
Morfeus Property, s.r.o.	Prague 4, Hvězdova 1716/2b, 140 78
Nereus Property, s.r.o.	Prague 4, Hvězdova 1716/2b, 140 78
Nyx Property, s.r.o. (disposed as of 24 November 2021)	Prague 9, Freyova 983/25, Vysočany 190 00
Ofión Property, s.r.o.	Prague 4, Hvězdova 1716/2b, 140 78
Onyx Energy projekt II. s.r.o.	Prague 8, Karolinská 661/4, Karlín 186 00
Onyx Energy s.r.o.,	Prague 8, Karolinská 661/4, Karlín 186 00
Orchideus Property, s.r.o.	Prague 4, Hvězdova 1716/2b, 140 78
Palace Holding, s.r.o.	Prague 4, Hvězdova 1716/2b, 140 78
Photon Energie s.r.o.	Prague 4, Hvězdova 1716/2b, 140 78
Photon SPV 10 s.r.o.	Prague 8, Karolinská 661/4, Karlín 186 00
Photon SPV 3 s.r.o.	Prague 8, Karolinská 661/4, Karlín 186 00
Photon SPV 4 s.r.o.	Prague 8, Karolinská 661/4, Karlín 186 00
Photon SPV 6 s.r.o.	Prague 8, Karolinská 661/4, Karlín 186 00
Photon SPV 8 s.r.o.	Prague 8, Karolinská 661/4, Karlín 186 00
PLACHTAPARK s.r.o. (formerly Pherusa Property, s.r.o.)	Prague 4, Hvězdova 1716/2b, 140 78
Plutos Property, s.r.o. (disposed as of 26 October 2021)	Prague 5, Holečkova 366/13, Smíchov 150 00
Pontos Property, s.r.o.	Prague 4, Hvězdova 1716/2b, 140 78
Pronoe Property, s.r.o.	Prague 4, Hvězdova 1716/2b, 140 78
Provazníkova 40 s.r.o. (formerly cube ventures, s.r.o.)	Prague 4, Hvězdova 1716/2b, 140 78
Raiffeisen Broker, s.r.o.	Prague 4, Hvězdova 1716/2b, 140 00
Raiffeisen Direct Investments CZ, s.r.o	Prague 4, Hvězdova 1716/2b, 140 78
Raiffeisen FinCorp s.r.o.	Prague 4, Hvězdova 1716/2b, 140 78
RDI Czech 1 s.r.o.	Prague 4, Hvězdova 1716/2b, 140 78
RDI Czech 3 s.r.o.	Prague 4, Hvězdova 1716/2b, 140 78
RDI Czech 4 s.r.o.	Prague 4, Hvězdova 1716/2b, 140 78
RDI Czech 5 s.r.o.	Prague 4, Hvězdova 1716/2b, 140 78
RDI Czech 6 s.r.o.	Prague 4, Hvězdova 1716/2b, 140 78
RDI Management s.r.o.	Prague 4, Hvězdova 1716/2b, 140 78
RESIDENCE PARK TŘEBEŠ, s.r.o.	Prague 4, Hvězdova 1716/2b, 140 78
Rheia Property, s.r.o. (disposed as of 5 May 2021)	Zděbradská 56, Jažlovice, 251 01 Říčany
RLRE Beta Property s.r.o. (disposed as of 11 May 2021)	Prague 4, Hvězdova 1716/2b, 140 78
RLRE Carina Property, s.r.o.	Prague 4, Hvězdova 1716/2b, 140 78
RLRE Eta Property, s.r.o.	Prague 4, Hvězdova 1716/2b, 140 78
RLRE Ypsilon Property, s.r.o.	Prague 4, Hvězdova 1716/2b, 140 78
Sázavská 826 s.r.o. (formerly Theseus Property, s.r.o.)	Prague 4, Hvězdova 1716/2b, 140 78
SeEnergy PT, s.r.o.	Prague 4, Hvězdova 1716/2b, 140 78
Selene Property, s.r.o.	Prague 4, Hvězdova 1716/2b, 140 78
Sirius Property, s.r.o.	Prague 4, Hvězdova 1716/2b, 140 78
Sky Solar Distribuce s.r.o.	Prague 4, Hvězdova 1716/2b, 140 78
SPILBERK SPV delta s.r.o.	Prague 4, Hvězdova 1716/2b, 140 78
Spio Property, s.r.o.	Prague 4, Hvězdova 1716/2b, 140 78
Stará 19 s.r.o.	Prague 4, Hvězdova 1716/2b, 140 78
Strašnická realitní a.s.	Prague 4, Hvězdova 1716/2b, 140 78
Thaumas Property, s.r.o.	Prague 4, Hvězdova 1716/2b, 140 78
Theia Property, s.r.o.	Prague 4, Hvězdova 1716/2b, 140 78
Thoe Property, s.r.o.	Prague 4, Hvězdova 1716/2b, 140 78
UPC Real, s.r.o.,	Prague 4, Hvězdova 1716/2b, 140 78
Veletržní 42 s.r.o. (formerly KARAT, s.r.o.)	Prague 4, Hvězdova 1716/2b, 140 78
Viktor Property, s.r.o.	Prague 4, Hvězdova 1716/2b, 140 78
Vlhká 26 s.r.o.	Prague 4, Hvězdova 1716/2b, 140 78
Zefyros Property, s.r.o.	Prague 4, Hvězdova 1716/2b, 140 78

Other countries

Raiffeisen Bank International AG Group Network Banks

Tatra Banka, a.s.	Hodžovo námestie 3, 811 06, Bratislava, Slovak Republic
Raiffeisen Bank Zrt.	Váci út 116-118, Budapest, Hungary
Raiffeisen banka a.d.	Dorda Stanojevica 16, Novi Beograd, Serbia
Raiffeisenbank Austria d.d.	Magazinska cesta 69, Zagreb, Croatia
Raiffeisen Bank S.A.	Sky Tower Building, 246C Calea Floreasca, Bucharest, Romania
AO Raiffeisenbank	Smolenskaya-Sennaya 28, Moscow, Russian Federation
Raiffeisenbank Sh. A	European Trade Center, Bulevardi "Bajram Curri", Tirana, Albania
Priorbank JSC	31A V. Khoruzhey, 220002 Minsk, Belarus
Raiffeisen Bank d.d. Bosna i Hercegovina	Zmaja od Bosne bb 71000 Sarajevo, Bosnia and Herzegovina
Raiffeisenbank (Bulgaria) EAD	55 Nikola I. Vaptzarov Blvd., Business Center EXPO 2000, Sofia, Bulgaria
Raiffeisen Bank Kosovo J.S.C.	99 Robert Doll St. 10000, Pristina, Kosovo
Raiffeisen Bank	Vul Leskova, 9, 01011 Kyiv, Ukraine

Other entities

Centralised Raiffeisen International Services and Payments S.R.L.	Dimitre Pompei Bld. No. 9-9A, 020335, Bucharest, Romania
Regional Card Processing Centre, s.r.o.	Hodžovo námestie 3, 811 06, Bratislava, Slovak Republic
Tatra Asset Management, správ. spol., a.s.	Hodžovo námestie 3, 850 05, Bratislava, Slovak Republic
Raiffeisen Centrobank AG	Tegetthoffstrasse I, 1020, Vienna, Republic of Austria
Raiffeisen–Leasing International GmbH	Am Stadtpark 9, 1030, Vienna, Republic of Austria
Raiffeisen-Leasing Finanzierungs GmbH (formerly Raiffeisen-Leasing Bank AG)	Mooslackengasse 12, 1190, Vienna, Republic of Austria
Raiffeisen Informatik Consulting GmbH	Lillienbrunngasse 7-9, A-1020, Vienna, Republic of Austria
Raiffeisen Kapitalanlage-Gesellschaft m.b.H (Raiffeisen Kag)	Mooslackengasse 12, 1190, Vienna, Republic of Austria
Ukrainian Processing Center	Moskovsky av., 9, Kyiv, 04073, Ukraine
Raiffeisen Bausparkassen Holding GmbH	Mooslackengasse 12, 1190 Vienna, Republic of Austria

Note: The above list of "Other Entities" only discloses the entities with which Raiffeisenbank a.s. maintains active economic relations. It is not an exhaustive list of the entities controlled by the same controlling entity.

1.3. Description of Relations among Related Parties, Role of the Controlled Entity within the Relationship Structure, Method and Means of Control

The banking group of the parent company, Raiffeisen Bank International AG (RBI Group), is a leading banking group operating in the region of Central and Eastern Europe. In the individual states of the region, Raiffeisen Bank International AG renders banking services through a total of thirteen individual majority-owned legal entities holding a banking license, so called Network Banks (see above for a list of such Network Banks). Raiffeisenbank a.s. is one of such Network Banks and its role is to provide banking services to both domestic and foreign clients in the Czech Republic in line with the group's strategy.

The controlling parties exercise their influence in the controlled entity by owning a 75% share in the controlled entity's registered capital and voting rights. In addition, members of the Board of Directors of Raiffeisen Bank International AG are also members of the Supervisory Board of Raiffeisenbank a.s.

2. List of Contracts

2.1. List of Contracts with Controlling Entities

In addition to the contracts referred to above, the Bank and the controlling entities entered into other bank transactions in the course of 2021, predominantly loans and borrowings in the money market, guarantees and counter-guarantees, and fixed-term transactions, under which the Bank received or paid interest and fees.

Raiffeisen Bank International AG

Legal act	Counterparty	Date concluded	Performance / Counter-performance
Subordinated Loan Contract	Raiffeisen Bank International AG	15 September 2008	Provision of a subordinated loan / payment of contractual interest
Amendment no. 1 to the Insurance Refund Agreement	Raiffeisen Bank International AG	20 December 2010	Change of contractual terms
Master Agreement on Cooperation in Risk Management and Reporting	Raiffeisen Bank International AG	1 January 2011	Definition of terms of cooperation in Risk Management and Reporting / payment of contractual fees
4 Service Agreements related to the Master Agreement on Cooperation in Risk Management and Reporting	Raiffeisen Bank International AG	1 January 2011	Detailed description of cooperation in the areas
Service Agreement	Raiffeisen Bank International AG	3 January 2011	Agreement on the provision of defined services in selected areas / payment of contractual fee
Agreement to Open a Correspondent Loro Account	Raiffeisen Bank International AG	28 March 2011	Opening of a correspondent account / payment of contractual fees
Master IT Cooperation Agreement (note: in 2016, a new agreement relating to the same area was concluded)	Raiffeisen Bank International AG	31 October 2011	Definition of terms of cooperation in IT services / payment of contractual fees
11 Service Descriptions related to the Master IT Cooperation Agreement (replaced by new versions in 2016)	Raiffeisen Bank International AG	31 October 2011	Detailed description of cooperation in respect of specific IT applications
STEP2 Indirect Participation Contract	Raiffeisen Bank International AG	7 November 2011	Definition of the terms of use of STEP2 services
Project Contract	Raiffeisen Bank International AG	11 November 2011	Analysis of the supply of software application / payment of contractual fees
Agreement to Open a Correspondent Loro Account	Raiffeisen Bank International AG	18 November 2011	Opening of a correspondent account / payment of contractual fees
Amendment no. 2 to the Insurance Refund Agreement	Raiffeisen Bank International AG	20 December 2011	Change of contractual terms
Project Contract	Raiffeisen Bank International AG	29 December 2011	Analysis of the supply of software application / payment of contractual fees
Service Agreement	Raiffeisen Bank International AG	1 January 2012	Agreement on services provided by the majority shareholder
Master Project and Consultancy Agreement	Raiffeisen Bank International AG	23 March 2012	Consulting in project management / payment of contractual price

Legal act	Counterparty	Date concluded	Performance / Counter-performance
Amendment to partial Service Agreement related to the Master Agreement on Cooperation in Risk Management and Reporting of 1 January 2011	Raiffeisen Bank International AG	12 June 2012	Stipulation of detailed terms for Rating Model Validation and Methods
Service Level Agreement	Raiffeisen Bank International AG	25 June 2012	Definition of cooperation within the competence centre in Fixed Income / payment of contractual fees
Amendment to the Master Project and Consultancy Agreement and Service Agreement	Raiffeisen Bank International AG	30 June 2012	Change of contractual terms
Amendment to the Project Contract of 11 November 2011	Raiffeisen Bank International AG	1 July 2012	Change of contractual terms
Implementing Agreement to the Master Project Consultancy Agreement of 23 March 2012	Raiffeisen Bank International AG	27 August 2012	Detailed definition of terms of a payment system project
Master Service Agreement	Raiffeisen Bank International AG	30 September 2012	Agreement to provide defined transaction services / payment of contractual fee
Partial Service Agreement related to the Master Agreement on Cooperation in Risk Management and Reporting of 1 January 2011	Raiffeisen Bank International AG	16 October 2012	Definition of detailed contractual terms for Workout
Partial Service Agreement related to the Master Agreement on Cooperation in Risk Management and Reporting of 1 January 2011	Raiffeisen Bank International AG	7 November 2012	Definition of detailed contractual terms for Credit Management Corporate
Service Description RIAH	Raiffeisen Bank International AG	1 January 2013	Provision of RIAH services
Amendment to the Service Agreement of 2012	Raiffeisen Bank International AG	1 January 2013	Change of contractual terms
Service Description RIAH Raiffeisen International Access Hub (documentation replaced in 2016)	Raiffeisen Bank International AG	1 January 2013	New group remote access / payment of contractual fees
Risk Participation Confirmation	Raiffeisen Bank International AG	25 January 2013	Participation in credit risk / payment of contractual fees
Risk Participation Confirmation	Raiffeisen Bank International AG	31 July 2013	Participation in credit risk / payment of contractual fees
Services to Support International Operations in RBI Group	Raiffeisen Bank International AG	1 March 2013	Agreement on mutual support in Operations / payment of contractual fee
Agreement for rendering the Project FATCA between RBI and RBCZ	Raiffeisen Bank International AG	10 April 2013	Agreement on mutual cooperation in the FATCA Project / payment of contractual fees and remuneration
Service Agreement - Building a best fit Operations Target Operating Model	Raiffeisen Bank International AG	29 May 2013	Providing a service supporting international transactions in the RBI Group / payment of contractual fees
FATCA Support Services Agreement	Raiffeisen Bank International AG	20 November 2013	Norkom infrastructure use for FATCA process identification / payment of contractual fees
Transfer Agreement – Subordinate Loan Transfer	Raiffeisen Bank International AG	26 November 2013	Subordinate loan transfer from Raiffeisenbank Malta / payment of contractual interest

Legal act	Counterparty	Date concluded	Performance / Counter-performance
ISLA Global Master securities lending Agreement – schedule	Raiffeisen Bank International AG	19 December 2013	Master agreement on lending investment instruments / payment of contractual fee
Amendment to the 2012 Service Agreement	Raiffeisen Bank International AG	1 January 2014	Extension of provided services
Multichannel customer acquisition and Digital CC capability building	Raiffeisen Bank International AG	27 January 2014	Agreement on multichannel customer acquisition and Digital CC capability building / payment of agreed fees
RBCZ Lean Study Stay 2014 Cooperation Agreement	Raiffeisen Bank International AG	24 February 2014	Cooperation between the contractor and client in the Lean Study Stay 2014 training event
Amendment to International Group Marketing Agreement	Raiffeisen Bank International AG	14 March 2014	Amendment to the International Group Marketing Agreement / payment of contractual fee
Agreement for Integrated Risk Management Services and Risk Management Balance	Raiffeisen Bank International AG	26 March 2014	RBI fees / payment of contractual fees
Share Incentive Program	Raiffeisen Bank International AG	1 April 2014	Board member option scheme
Master Agreement for dealings in fund shares	Raiffeisen Bank International AG	2 April 2014	Dealings in funds managed by RCM / payment of contractual fees
Amendment No. 1 to FATCA Project Agreement	Raiffeisen Bank International AG	7 April 2014	Specification of FATCA implementation support / payment of contractual fee
Service Agreement for HO Services	Raiffeisen Bank International AG	15 April 2014	Service agreement for HO Services / payment of contractual fees
Amendment No. 1 to Master Payment Card Processing Agreement	Raiffeisen Bank International AG	9 June 2014	Personal data protection update
One amendment to Service Description RIAH following the Master IT Cooperation Agreement concluded on 31 October 2011 (or 19 April 2016)	Raiffeisen Bank International AG	14 July 2014	Amendment regulates the price for the RIAH service from 2014 on
Agreement (ASLA) - Operations Center Model	Raiffeisen Bank International AG	27 August 2014	Operations Center Model agreement / payment of contractual fees
Service Level Agreement (Running Target Operating Model)	Raiffeisen Bank International AG	14 November 2014	Rules and conditions for some kinds of transactions in the name of RBI
RDL032 Project Agreement	Raiffeisen Bank International AG	2 December 2014	Audit findings - Treasury Limits - BN-497 / payment of agreed fees
Investment certificates 2014	Raiffeisen Bank International AG	15 December 2014	Investment certificates 2014 / dividend coupon
Amendment to the 2012 Service Agreement	Raiffeisen Bank International AG	1 January 2015	Adjustment for 2015, partial changes in the field of provided services
Service Agreement for Risk Methods & Analytics	Raiffeisen Bank International AG	1 January 2015	Cooperation with RBI in the field of Risk Methods & Analytics
Service Agreement for Credit Risk Control	Raiffeisen Bank International AG	1 January 2015	Cooperation with RBI in the field of Credit Risk Control
New Limit Approval – overdraft limit	Raiffeisen Bank International AG	12 January 2015	New limit approval – overdraft limit / payment of contractual fees
Non-Disclosure Agreement	Raiffeisen Bank International AG	30 January 2015	Non-Disclosure Agreement
Market Data Distribution Agreement	Raiffeisen Bank International AG	2 March 2015	Agreement on the provision of services within Market Data / payment of contractual fees

Legal act	Counterparty	Date concluded	Performance / Counter-performance
Reimbursement Agreement	Raiffeisen Bank International AG	7 April 2015	"Rotation" programme within RBI
Agreement for rendering the Project Brain 2 (Kamakura)	Raiffeisen Bank International AG	21 April 2015	Services offered by RBI to the bank as part of the implementation of the Kamakura system / payment of contractual remuneration
Raiffeisen Bank International AG limit approval – extending the maturity of the bank guarantee	Raiffeisen Bank International AG	6 May 2015	Raiffeisen Bank International AG limit approval – extending the maturity of the bank guarantee
Amendment to Market Data Distribution Agreement	Raiffeisen Bank International AG	16 June 2015	Change of yearly fees / payment of contractual fees
Project Collateral Fields Changes	Raiffeisen Bank International AG	28 July 2015	Addition of attributes for reconciliations of Notes / payment of contractual fees
Participation Certificate	Raiffeisen Bank International AG	28 August 2015	Risk participation / payment of contractual fees
Agreement for rendering the Project CPA rollout on Nearshored OFSAA Hub	Raiffeisen Bank International AG	9 September 2015	New Pricing Engine for RBI Corp Division / payment of contractual fees
Limit approval – non-funded participation	Raiffeisen Bank International AG	16 September 2015	Limit approval – non-funded participation / payment of contractual fees
Participation Certificate	Raiffeisen Bank International AG	28 September 2015	Risk participation / payment of contractual fees
Midas Core Banking System Agreement	Raiffeisen Bank International AG	30 September 2015	Sublicensing agreement on the provision of Midas Core Banking / payment of contractual fees
Agreement to terminate the contract for automatic balance transfers	Raiffeisen Bank International AG	16 October 2015	Agreement to terminate the contract for automatic balance transfers of 20 May 2011
Limit approval – settlement limit increase	Raiffeisen Bank International AG	19 October 2015	Limit approval –settlement limit increase / payment of contractual fees
Micro Contract	Raiffeisen Bank International AG	12 November 2015	Agreement about the reimbursement of expenses related to marketing research data analysis / payment of contractual fees
FWR Contract	Raiffeisen Bank International AG	12 November 2015	Agreement about the reimbursement of expenses related to marketing research data analysis / payment of contractual fees
Limit approval – settlement limit increase	Raiffeisen Bank International AG	26 November 2015	Limit approval –settlement limit increase / payment of contractual fees
Agreement on automatic balance transfers	Raiffeisen Bank International AG	10 December 2015	Changes to mutual rights and obligations when making automatic balance between accounts administered by Raiffeisenbank a.s.
Agreement for rendering the CRS Group Program	Raiffeisen Bank International AG	16 December 2015	Mutual provision of services in the project Common Reporting Standard / payment of contractual fees
Cross Border Merchant Services Visa and Master Card Consolidated Settlement Agreement	Raiffeisen Bank International AG	1 January 2016	Service provided by the card accounting department in Olomouc for RBI

Legal act	Counterparty	Date concluded	Performance / Counter-performance
Amendment to the 2012 Service Agreement	Raiffeisen Bank International AG	1 January 2016	Update of amendments, change in supplies in the individual fields
Service Agreement for Credit Risk Control	Raiffeisen Bank International AG	1 January 2016	Update (specification) of the subject of provided services
New limit approval	Raiffeisen Bank International AG	19 January 2016	Overdraft limit
Extension of the maturity limit	Raiffeisen Bank International AG	9 February 2016	Non-funded participation (guarantee)
Participation Certificate (Lasselsberger GmbH)	Raiffeisen Bank International AG	21 March 2016	Risk participation
Limit approval	Raiffeisen Bank International AG	29 March 2016	New limit on the guarantee issued
Master IT Cooperation Agreement	Raiffeisen Bank International AG	19 April 2016	Definition of terms of cooperation in IT services / payment of contractual fees
Limit approval	Raiffeisen Bank International AG	10 May 2016	Settlement limit increase
Amendment No. 1 to the Participation Certificate (Lasselsberger GmbH)	Raiffeisen Bank International AG	25 May 2016	Amendment of terms and conditions
Participation Certificate (Globus)	Raiffeisen Bank International AG	18 July 2016	Risk participation
Agreement for rendering the Project MAD II STOR	Raiffeisen Bank International AG	8 August 2016	Implementation of a group solution for the MADII/MAR project
Service Agreement - Provision of Program Management Services (Compliance)	Raiffeisen Bank International AG	18 August 2016	Compliance advisory and information support
Service Agreement (HR Services, S/2016/00437)	Raiffeisen Bank International AG	5 September 2016	Provision of Talent Management and Succession Planning services
Service Description Fraud Propensity Tool	Raiffeisen Bank International AG	20 September 2016	Fraud Propensity Tool service provided
Service Desription Lotus Notes International Domino Hub (terminated as of 4 February 2020)	Raiffeisen Bank International AG	20 September 2016	Lotus Notes International Domino Hub service provided
Service Description TIGER Operating	Raiffeisen Bank International AG	20 September 2016	Tiger platform provided
Agreement FWR (research in the Czech Republic)	Raiffeisen Bank International AG	22 September 2016	Reimbursement of costs for processing analyses of research in the Czech Republic
Amendment No. 2 to the Participation Certificate (Lasselsberger GmbH)	Raiffeisen Bank International AG	23 September 2016	Amendment of terms and conditions
Service Description Midas Maintenance	Raiffeisen Bank International AG	27 September 2016	Midas Maintenance service provided
Amendment No. 1 to Project CRS (Agreement for rendering the CRS Group Program)	Raiffeisen Bank International AG	5 October 2016	Support for the CRS project from RBI
Agreement for rendering the Project “MiFID II – KIDs for PRIIPs”	Raiffeisen Bank International AG	31 August 2016	Implementation and integration regarding the group solution for the PRIIPS project
Agreement for rendering the Project MiFID II	Raiffeisen Bank International AG	20 December 2016	Implementation of a group solution for the MiFID II project
11 Service Descriptions related to the Master IT Cooperation Agreement	Raiffeisen Bank International AG	8 November 2016	Detailed description of cooperation in respect of specific IT applications
Amendment No. 3 to the Participation Certificate (Lasselsberger GmbH)	Raiffeisen Bank International AG	9 November 2016	Amendment of terms and conditions
Amendment No. 4 to the Participation Certificate (Lasselsberger GmbH)	Raiffeisen Bank International AG	16 November 2016	Amendment of terms and conditions

Legal act	Counterparty	Date concluded	Performance / Counter-performance
Agreement for rendering the Project RAP NWU Rollout	Raiffeisen Bank International AG	13 December 2016	Participation in the "Roll out Research Application" RBI group project
Participation Certificate (Steinhoff Möbel Holding Alpha GmbH)	Raiffeisen Bank International AG	16 December 2016	Risk participation
Service Level Agreement (AMA Service Level Agreement)	Raiffeisen Bank International AG	22 December 2016	Provision of services described in the agreement / payment of contractual fees
Subordinated Unsecured Addititonal Tier 1 Certificates	Raiffeisen Bank International AG RB Prag Beteiligungs GmbH	19 January 2017	Investment certificates 2017 / dividend coupon
Amendment of Service Agreement 2012	Raiffeisen Bank International AG	16 February 2017	Change of contractual fees
Service Description MIS Support and Maintenance	Raiffeisen Bank International AG	20 February 2017	Definition of more detailed terms of cooperation as part of the administration of and support for the MIS system
Amendment of RBCZ-2014-IT Benchmarking Study-01	Raiffeisen Bank International AG	28 February 2017	Change of contractual terms
Amendment No. 5 to the Participation Certificate (Lasselsberger GmbH)	Raiffeisen Bank International AG	13 March 2017	Change of risk participation terms
Service agreement for Integrated Risk Management	Raiffeisen Bank International AG	8 May 2017	Amendment of the existing SLA with RBI / payment of contractual fees
Amendment to International Group Marketing Agreement	Raiffeisen Bank International AG	9 May 2017	Amendment to the International Group Marketing Agreement / payment of contractual fee
Amendment No. 6 to the Participation Certificate (Lasselsberger GmbH)	Raiffeisen Bank International AG	26 June 2017	Change of risk participation terms
Appendix to Amendment of Service Agreement 2012	Raiffeisen Bank International AG	17 August 2017	Amendment to the Service Agreement, inclusion of a service from Tatra Asset Management
Amendment of Service Description CNI Maintenance	Raiffeisen Bank International AG	22 August 2017	Amendment to the valid CNI IT service agreement adjusting the annual service fee
Amendment of Service Description GCPP Solution	Raiffeisen Bank International AG	22 August 2017	Amendment to the valid GCPP IT service agreement adjusting the annual service fee from 1 January 2017 onwards
Gartner for Technical Professional Usage Agreement	Raiffeisen Bank International AG	22 August 2017	The agreement extends the use of the service from RBI for two years until 28 February 2019
Service Description Cyber Threat Intelligence Service	Raiffeisen Bank International AG	22 August 2017	A new version of the agreement, in which the allocation key for price calculation was amended (refer to Section 9.1 of the new version)
Service Description External Vulnerability Scan	Raiffeisen Bank International AG	22 August 2017	A new IT service sub-agreement falling under the valid Master Agreement S/2011/02204. The subject of the agreement includes regular vulnerability scans of systems available on-line and annual web application vulnerability scans.

Legal act	Counterparty	Date concluded	Performance / Counter-performance
Amendment of Service Description Midas Maintenance	Raiffeisen Bank International AG	22 August 2017	Amendment to the valid MIDAS Maintenance IT service agreement governing the annual service fee
Service Description MIS Support and Maintenance	Raiffeisen Bank International AG	22 August 2017	A new version of the agreement, in which the service was extended and the annual service fee for MIS support adjusted
Service Description Online Banking Security Service	Raiffeisen Bank International AG	22 August 2017	A new version of the agreement, in which the allocation key for price calculation was amended
Service Description RIAH Raiffeisen International Access Hub	Raiffeisen Bank International AG	22 August 2017	Definition of more detailed terms of cooperation as part of the administration of and support for the RIAH system
Amendment of Service Description TIGER Operating	Raiffeisen Bank International AG	22 August 2017	Amendment to the valid TIGER IT service agreement adjusting the annual service fee from 1 January 2017 onwards
Amendment No. 2 to Project CRS (amendment to Agreement No. 5/2015/00444)	Raiffeisen Bank International AG	29 August 2017	Implementation of a group CRS solution
Amendment No. 1 to the Service Agreement (S/2016/00437)	Raiffeisen Bank International AG	31 August 2017	Change of contractual terms
Amendment of Service Description Fraud Propensity Tool	Raiffeisen Bank International AG	13 September 2017	Amendment to the FPT IT service agreement, adjusting the annual fee
Cost Sharing Agreement	Raiffeisen Bank International AG	16 October 2017	Processing of a satisfaction survey in the FWR segment
FX Raiffeisen	Raiffeisen Bank International AG	13 October 2017	Agreement on the provision of an electronic trading platform / cost sharing
Amendment of Service Description Lotus Notes International Domino HUB service (terminated with the agreement as of 4 February 2020)	Raiffeisen Bank International AG	19 October 2017	Amendment to the valid LN IT service agreement, adjusting the annual fee
Amendment of Service Agreement 2012	Raiffeisen Bank International AG	5 December 2017	Amendment of the services supplied in Raiffeisen Research / payment of contractual fees
Amendment No. 7 to the Participation Certificate (Lasselsberger GmbH)	Raiffeisen Bank International AG	12 December 2017	Change of contractual terms
Custody Agreement No. S/2017/00380	Raiffeisen Bank International AG	10. January 2018	Custody contract
Banknote/precious metal trading agreement	Raiffeisen Bank International AG	1 February 2018	Adjustment of trading with banknotes and precious metals. Specification of transport responsibilities.
Statement of Work No. RBI-2018-Biometrics and Cryptography Consultancy-01	Raiffeisen Bank International AG	16 February 2018	Provision of Crypto & Biometric Competence Center Services
International Group Marketing Agreement	Raiffeisen Bank International AG	11 April 2018	Adjustment of marketing expenses
Letter of intent	Raiffeisen Bank International AG	18 April 2018	Participation in the joint project BCBS 239
Amendment of service agreement	Raiffeisen Bank International AG	10 June 2018	Provision of services under a service agreement

Legal act	Counterparty	Date concluded	Performance / Counter-performance
Service Level Agreement (GPS Operations) A Appendix 2 - Individual Agreement	Raiffeisen Bank International AG	26 June 2018	SLA - GPS operations and related data processing agreement pursuant to GDPR - Annex 2
Amendment of service agreement	Raiffeisen Bank International AG	23 July 2018	Addition of RAP maintenance and change of allocation key
FRAMEWORK SERVICE AGREEMENT In the Area of Information Technology S/2018/00280	Raiffeisen Bank International AG	27 July 2018	Master IT service agreement
Statement of Work	Raiffeisen Bank International AG	31 July 2018	SOW - project delivery to RBI group
Amendment to IT Service Description MIS Support and Maintenance	Raiffeisen Bank International AG	27 August 2018	Amendment to the current IT service contract - annual price increase
Amendment to IT Service Description Fraud Propensity Tool	Raiffeisen Bank International AG	27 August 2018	Amendment to the current IT service contract - annual price decrease
Amendment to IT Service Description Market Data Distribution	Raiffeisen Bank International AG	27 August 2018	Amendment to the current IT service contract - annual price decrease
Amendment to IT Service Description TIGER Operating	Raiffeisen Bank International AG	27 August 2018	Amendment to the current IT service contract - annual price increase
Amendment to IT Service Description GCPP Solution	Raiffeisen Bank International AG	27 August 2018	Amendment to the current IT service contract - annual price decrease
Service Level Agreement - Group Risk Controlling	Raiffeisen Bank International AG	29 August 2018	Provision of services / payment of contractual fees
Appointment of agent to accept service of process in England and Wales + Schedule 1	Raiffeisen Bank International AG	31 August 2018	Meeting the Intercontinental Exchange requirements for membership
IT Service Descripiton: RBI/RBCZ-2018-Digital Services	Raiffeisen Bank International AG	26 September 2018	Provision of PSD2 services / payment of contractual fees
Master Participation Agreement	Raiffeisen Bank International AG	1 October 2018	Master agreement on setting mutual conditions
IT Service Description PGP Tool	Raiffeisen Bank International AG	7 November 2018	Master agreement for the provision of IT services - PGP Tool
IT Service Description Corporate Network International (CNI)	Raiffeisen Bank International AG	8 November 2018	Master agreement for the provision of IT services - CNI
Amendment of IT Service Description Midas Maintenance	Raiffeisen Bank International AG	8 November 2018	Amendment to the valid MIDAS Maintenance IT service agreement governing the annual service fee
Security Service Usage Agreement	Raiffeisen Bank International AG	4 December 2018	Contract consolidates and replaces valid IT security contracts (Online Banking Security Service + External Vulnerability Scan + Cyber Threat Intelligence Service)
Subordinated loan agreement - 75. 000. 000 EUR	Raiffeisen Bank International AG	10 December 2018	Subordinated Debt Contract
IT Statement of Work No. RBCZ-2018-RAP Centralized Research Distribution-01	Raiffeisen Bank International AG	28 December 2018	Implementation of Standardized Templates ("Economic update" & "Interest rate outlook") in Raiffeisen Research Application (RAP)
Service level agreement: Research	Raiffeisen Bank International AG	4 February 2019	Supply of defined researches / payment of contractual fees

Legal act	Counterparty	Date concluded	Performance / Counter-performance
Agreement on order processing in accordance with artictle 28 GDPR + Appendix 1	Raiffeisen Bank International AG	8 February 2019	GDPR agreement
Service level agreement – GPS Operations	Raiffeisen Bank International AG	23 April 2019	Master agreement on the provision of GPS centre services / payment of contractual fees
Amendment No. 01/2019 to the Framework Service Level Agreement in the Area of IT	Raiffeisen Bank International AG	14 May 2019	Amendment No. 1 to Master agreement
IT Service Description GCPP Support and Maintenance	Raiffeisen Bank International AG	14 May 2019	Agreement stipulating the terms and conditions of GCPP service / payment of contractual fees
Amendment No. 01/2019 to the IT Service Description Fraud Propensity Tool	Raiffeisen Bank International AG	14 May 2019	Amendment No. 1 governing the Fraud Propensity Tool
Amendment No. 01/2019 to the IT Service Description RBCZ – 2016-MIS Support and Maintenance – 01	Raiffeisen Bank International AG	14 May 2019	Amendment modifying the services
Amendment No. 01/2019 of the IT Service Description RBI/RBCZ – 2018 – Digital Services	Raiffeisen Bank International AG	20 May 2019	Amendment to Master Agreement
IT Service Description T.I.G.E.R. Operating	Raiffeisen Bank International AG	22 May 2019	Service agreement / payment of contractual fees
Amendment No. 1/2019 to the Gartner for Technical Professional Usage Agreement	Raiffeisen Bank International AG	30 May 2019	Amendment governing database access
Service level agreement	Raiffeisen Bank International AG	1 June 2019	Master service agreement / payment of contractual fees
Service level agreement - Marketing	Raiffeisen Bank International AG	1 June 2019	Master service agreement / payment of contractual fees
Market Data Usage Agreement	Raiffeisen Bank International AG	14 June 2019	Agreement on contractual access to data and analyses / payment of contractual fees
Amendment No. 01/2019 to the Sublicense Agreement RBCZ-2015-SL Bank Fusion Midas-01	Raiffeisen Bank International AG	14 June 2019	Amendment No. 01/2019
Cost reimbursement agreement	Raiffeisen Bank International AG	19 June 2019	Provision of Blueprint services / payment of contractual fees
EUR 22.500.000 Subordinated loan agreement	Raiffeisen Bank International AG	24 June 2019	Subordinated Debt Contract
IT Service Description for PGP & POG	Raiffeisen Bank International AG	25 June 2019	PGP a POG service / payment of contractual fees
Security Service Usage Agreement	Raiffeisen Bank International AG	25 June 2019	Security Service Usage Agreement extension / payment of contractual fees
Framework agreement S/2019/00260	Raiffeisen Bank International AG	31 July 2019	Master agreement to replace original master agreements over time
Participation Certificate	Raiffeisen Bank International AG	28 August 2019	Risk participation
IT Service Description Midas Maintenance	Raiffeisen Bank International AG	3 September 2019	MIDAS system master agreement / payment of contractual fees
IT Service Description Archer Services	Raiffeisen Bank International AG	3 September 2019	Archer system master agreement / payment of contractual fees
Service level agreement: Contract Management System	Raiffeisen Bank International AG	6 September 2019	CMT system master agreement / payment of contractual fees
Placement Agreement	Raiffeisen Bank International AG	28 September 2019	Amendment to Master Agreement

Legal act	Counterparty	Date concluded	Performance / Counter-performance
Loro account maintenance agreement	Raiffeisen Bank International AG	30 September 2019	Account opening and maintenance agreement
Servicing Agreement	Raiffeisen Bank International AG	23 October 2019	Service agreement / payment of contractual fees
IT Project Contract – CPA Operation Optimization	Raiffeisen Bank International AG	5 November 2019	Agreement governing the CPA project / payment of contractual fees
Cost reimbursement agreement PRIIPS Trading Systems	Raiffeisen Bank International AG	5 November 2019	PRIIPS cost reimbursement / payment of contractual fees
Service level agreement: Procurement	Raiffeisen Bank International AG	6 November 2019	iProc system master agreement / payment of contractual fees
EUR 30. 000. 000 Subordinated Unsecured Additional Tier 1 Certificates with Temporary Write-down	Raiffeisen Bank International AG RLB OÖ Sektorholding GmbH	18 November 2019	Investment certificates 2019 / dividend coupon
IT Project Contract – Project COAST	Raiffeisen Bank International AG	16 December 2019	Agreement governing the COAST project / payment of contractual fees
Amendment No. 01/2019 to the cost reimbursement agreement PRIIPS Trading Systems	Raiffeisen Bank International AG	30 December 2019	Amendment / adjustment to financial performance
Project MIS Reporting Layer Implementation IT Project Contract	Raiffeisen Bank International AG	30 December 2019	Service agreement / payment of contractual fees
Statement of Work No. RBI-2020- Source Code Review Consultancy-01	Raiffeisen Bank International AG	31 December 2019	Supply of source code review from RBCZ to RBI / payment of contractual fees
Participation Certificate	Raiffeisen Bank International	30 January 2020	Risk participation
Termination Notice of Service Description: RBCZ-2017-Raiffeisen International Access HUB	Raiffeisen Bank International	4 February 2020	Termination of RBCZ-2017-Raiffeisen International Access HUB
Termination Notice of Service Description: RBCZ-2016-LOTUS NOTES DOMINO HUB	Raiffeisen Bank International AG	4 February 2020	Termination of RBCZ-2016-LOTUS NOTES DOMINO HUB
Termination Notice of Service Description: RBCZ-2017-LOTUS NOTES DOMINO HUB	Raiffeisen Bank International AG	4 February 2020	Termination of RBCZ-2017-LOTUS NOTES DOMINO HUB
Supplement to the Contact Bank Agreement	Raiffeisen Bank International AG Raiifeisen Kapitalanlage G.m. b.H	26 March 2020	Contract amendment
IT Service Description Cloud Access Security Broker	Raiffeisen Bank International AG	14 April 2020	Master agreement for Cloud Access Security Broker service / payment of contractual fees
Statement of work – Voice of Employee	Raiffeisen Bank International AG	20 May 2020	Supply of Voice of Employee service / payment of contractual fees
Amendment No. 01/2020 to the IT Service Description RBCZ-2019-PGP/POG Tool-01	Raiffeisen Bank International AG	6 June 2020	Amendment to IT Service Description / payment of contractual fees
Service level agreement – GPS Operations	Raiffeisen Bank International AG	25 June 2020	GPS system master agreement / payment of contractual fees
Service level agreement – GPS Operations	Raiffeisen Bank International AG	2 July 2020	GPS system master agreement / payment of contractual fees
Amendment No. 01/2020 to the IT Service Description RBCZ-2019-Midas Maintanance-01	Raiffeisen Bank International AG	3 July 2020	Amendment to IT Service Description / payment of contractual fees
Amendment No. 01/2020 to the IT Service Description RBCZ-2016-Fraud Propensity Tool-01	Raiffeisen Bank International AG	6 July 2020	Amendment to IT Service Description / payment of contractual fees

Legal act	Counterparty	Date concluded	Performance / Counter-performance
Amendment No. 01/2020 to the IT Service Description RBCZ-2019-TIGER Operating-01	Raiffeisen Bank International AG	6 July 2020	Amendment to IT Service Description / payment of contractual fees
Amendment No. 01/2020 to the Usage Agreement RBCZ-2019-Security Services Usage Agreement-01	Raiffeisen Bank International AG	6 July 2020	Amendment to the Usage Agreement / payment of contractual fees
Amendment No. 01/2020 to the IT Service Description RBCZ-2016-Archer Services-01	Raiffeisen Bank International AG	21 July 2020	Amendment to IT Service Description / payment of contractual fees
Amendment No. 01/2020 to the Usage Agreement RBCZ-2019-Market Data Usage Agreement-01	Raiffeisen Bank International AG	21 July 2020	Amendment to the Usage Agreement / payment of contractual fees
Service level agreement M&A	Raiffeisen Bank International AG	22 July 2020	Contract for the provision of consulting services / payment of contractual fees
Statement of work – GPS RSC implementation	Raiffeisen Bank International AG	13 August 2020	Master agreement - Learning management module implementation / payment of contractual fees
Amendment No. 01/2020 to the Framework Service Agreement In the Area of Information Technology	Raiffeisen Bank International AG	15 September 2020	Amendment to Master Agreement
IT Service Level Agreement: RBI/RBCZ-2020-Advanced Data Lake	Raiffeisen Bank International AG	17 September 2020	Master service agreement
Participation Certificate	Raiffeisen Bank International AG	5 October 2020	Risk participation
Amendment No. 01/2020 to the IT Service Description RBCZ-2019-GCPP Support and Maitenance-01	Raiffeisen Bank International AG	7 October 2020	Amendment to IT Service Description / payment of contractual fees
EUR 24. 000. 000 Subordinated Loan Agreement	Raiffeisen Bank International AG	16 November 2020	Subordinated Debt Contract
EUR 30,000,000 Subordinated Unsecured Additional Tier 1 Certificates with Temporary Write-down	Raiffeisen Bank International AG RLB OÖ Sektorholding GmbH	16 November 2020	Investment certificates 2020 / dividend coupon
Dealer Agreement	Raiffeisen Bank International AG	18 November 2020	Bond issue
Dealer Agreement	Raiffeisen Bank International AG	15 December 2020	Mortgage bond
The Sideletter to Financial Institutions, Country & Portfolio Management from 01.01.2016	Raiffeisen Bank International AG	1 January 2021	Stipulates a change in the sub-contractor
Service Level Agreement (Compliance)	Raiffeisen Bank International AG	11 January 2021	The agreement stipulates the terms and conditions of Compliance and AML services
Amendment No. 01/2021 to the IT Service Description RBCZ-2016-GCPP Solution-01	Raiffeisen Bank International AG	17 January 2021	Amendment No. 1
IT Statement of Work RBCZ-2020-Advanced Analytics – Customer 360	Raiffeisen Bank International AG	20 January 2021	Stipulates technical conditions of IT cooperation
Sideletter to SLA Group Risk Controlling	Raiffeisen Bank International AG	13 May 2021	Stipulates terms and conditions of cooperation in Risk Controlling
Subordinated Unsecured Additional Tier 1 Certificates with Temporary Write-down	Raiffeisen Bank International AG RLB OÖ Sektorholding GmbH	17 May 2021	Provision of AT1 certificates / contractual fee
Subordinated Loan Agreement	Raiffeisen Bank International AG	17 May 2021	Received T2 subordinated loan / contractual fee

Legal act	Counterparty	Date concluded	Performance / Counter-performance
Appointment of Joint Lead Managers and Joint Bookrunners	Raiffeisen Bank International AG	24 May 2021	Bond programme specifics / contractual fees
Sideletter to SLA Finacial Institutions, Country & Portfolio Management	Raiffeisen Bank International AG	25 May 2021	Stipulates terms and conditions of cooperation in Public Cloud Services
Service Legel Agreement for Cloud Enablement Service	Raiffeisen Bank International AG	1 June 2021	Stipulates terms and conditions of cooperation in Cloud Enablement Service
Subscription Agreement	Raiffeisen Bank International AG	7 June 2021	Bond programme specifics / contractual fees
Amendment No. 01/2021 to the IT Statement of Work Sancitioned Securities Monitoring Service	Raiffeisen Bank International AG	26 July 2021	Amendment No. 1
IT Statement of Work RBCZ-2021-Advanced Analytics – Customer 360	Raiffeisen Bank International AG	29 July 2021	Stipulates technical conditions of IT cooperation - Advanced Analytics
Amendment No. 01/2021 to the IT Service Description RBCZ-2020-CASB-01	Raiffeisen Bank International AG	3 August 2021	Amendment No. 1
Amendment No. 01/2021 to the IT Service Description RBCZ-2016-Fraud Propensity Tool-01	Raiffeisen Bank International AG	5 August 2021	Amendment No. 1
Amendment No. 01/2021 to the IT Service Description RBCZ-2019-PGP/POG Tool-01	Raiffeisen Bank International AG	5 August 2021	Amendment No. 1
Statement of Work RBCZ	Raiffeisen Bank International AG	6 August 2021	Stipulates digital personalization rules / contractual fee
Amendment No. 01/2021 to the IT Service Description RBCZ-2019-Midas Maintenance-01	Raiffeisen Bank International AG	24 August 2021	Amendment No. 1
Amendment No. 01/2021 to the IT Service Description RBCZ-2019-FX Raiffeisen Sub White Label (FX Raiffeisen)-01	Raiffeisen Bank International AG	30 August 2021	Amendment No. 1
MIS Hosting and Support Agreement 2021	Raiffeisen Bank International AG	10 September 2021	Agreement governing payment of contractual fees for Pricing Engine CPA for RBI's Corporate Division and for ProMIS management information system
IT Project Contract (CPA Leasing)	Raiffeisen Bank International AG	20 September 2021	Stipulates terms and conditions of IT project cooperation - Leasing
Amendment No. 01/2021 to the Service Level Agreement Contract Management System	Raiffeisen Bank International AG	20 September 2021	Amendment No. 1
Placement Agreement	Raiffeisen Bank International AG	8 October 2021	Bond programme specifics / contractual fees
Amendment No. 01/2021 to the Service Service Description IT SD RBIHO RBCZ CNI 2020	Raiffeisen Bank International AG	19 October 2021	Amendment No. 1
Security Service Usage Agreement	Raiffeisen Bank International AG	20 October 2021	Stipulates conditions of IT cooperation
Amendment No. 01/2021 to the IT Service Description RBCZ-2019-TIGER Operating-01	Raiffeisen Bank International AG	5 November 2021	Amendment No. 1
Amendment No. 01/2021 to the IT Service Description RBCZ-2018-Trading Systems – PRIIPs-01	Raiffeisen Bank International AG	5 November 2021	Amendment No. 1

Legal act	Counterparty	Date concluded	Performance / Counter-performance
IT Project Contract	Raiffeisen Bank International AG	10 November 2021	Stipulates terms and conditions of IT project cooperation / contractual fee
IT Service Description RBI Cyber Defense Center Service (RCDC)	Raiffeisen Bank International AG	18 November 2021	Stipulates terms and conditions of cooperation in Security Monitoring and Security Incident & Event Management (SIEM) / contractual fee

RLB OÖ Sektorholding GmbH

Legal act	Counterparty	Date concluded	Performance / Counter-performance
EUR 30. 000. 000 Subordinated Unsecured Additional Tier 1 Certificates with Temporary Write-down	RLB OÖ Sektorholding GmbH Raiffeisen Bank International AG	18 November 2019	Investment certificates 2019 / dividend coupon
EUR 30,000,000 Subordinated Unsecured Additional Tier 1 Certificates with Temporary Write-down	RLB OÖ Sektorholding GmbH Raiffeisen Bank International AG	16 November 2020	Investment certificates 2020 / dividend coupon
Subordinated Unsecured Additional Tier 1 Certificates with Temporary Write-down	RLB OÖ Sektorholding GmbH Raiffeisen Bank International AG	17 May 2021	Provision of AT1 certificates / contractual fee
Agreement on Referral of Client Relationships of the Privatbank business of RLB OÖ	RLB OÖ Sektorholding GmbH	5 October 2021	Assignment of Privatbank Praha credit portfolio
Agreement on Future Assignment of Receivables	RLB OÖ Sektorholding GmbH	5 October 2021	Client recommendations regarding deposit and investment products

Raiffeisen Bausparkassen Holding GmbH

Legal act	Counterparty	Date concluded	Performance / Counter-performance
Share purchase agreement	Raiffeisen Bausparkassen Holding GmbH	9 September 2020	Agreement to buy shares of Raiffeisen stavební spořitelna a.s. / payment of purchase price

Raiffeisenlandesbank Oberösterreich Aktiengesellschaft

Legal act	Counterparty	Date concluded	Performance / Counter-performance
Agreement on the terms of the temporary secondment of employees for the purpose of performing work	Raiffeisenlandesbank Oberösterreich Aktiengesellschaft	3 January 1994	Secondment of experts for the temporary performance of work in order to strengthen cooperation
Contract for the provision of consulting services	Raiffeisenlandesbank Oberösterreich Aktiengesellschaft	4 January 2002	Contract for the provision of consulting services / payment of contractual fees
Amendment No. 1 to the Agreement on the terms of the temporary secondment of employees for the purpose of performing work	Raiffeisenlandesbank Oberösterreich Aktiengesellschaft	5 January 2004	Change of contractual terms
Amendment No. 1 to Contract for the provision of consulting services	Raiffeisenlandesbank Oberösterreich Aktiengesellschaft	3 January 2005	Change of contractual terms (fee)
Amendment No. 2 to Contract for the provision of consulting services	Raiffeisenlandesbank Oberösterreich Aktiengesellschaft	4 January 2006	Change of contractual terms (fee)

Legal act	Counterparty	Date concluded	Performance / Counter-performance
Amendment No. 3 to Contract for the provision of consulting services	Raiffeisenlandesbank Oberösterreich Aktiengesellschaft	3 January 2007	Change of contractual terms (fee)
Intercreditor Agreement	Raiffeisenlandesbank Oberösterreich Aktiengesellschaft	18 May 2010	Agreement among creditors – Biocel Paskov, a.s.
Shareholder's undertaking	Raiffeisenlandesbank Oberösterreich Aktiengesellschaft	18 May 2010	Agreement among shareholders – Biocel Paskov, a.s.
MultiCash Transfer Service Level Agreement	Raiffeisenlandesbank Oberösterreich Aktiengesellschaft	16 October 2010	Communication between RBCZ and RLBOOE through the MultiCash system – receipt of client payment orders
Bank guarantee – VOG, s.r.o.	Raiffeisenlandesbank Oberösterreich Aktiengesellschaft	10 August 2012	Bank guarantee
Agreement on the agreement on the terms of the temporary secondment of employees for the purpose of performing work	Raiffeisenlandesbank Oberösterreich Aktiengesellschaft	7 November 2016	Agreement on the temporary secondment of a specific employees – Large Corp, extension for one year
Amendment No. 16 to Bank Guarantee No. 501.569 (efko cz s. r.o.)	Raiffeisenlandesbank Oberösterreich Aktiengesellschaft	1 December 2017	100% bank guarantee for an operating loan
Amendment No. 11 to Bank Guarantee No. 906.408 (ARMA BAU s.r.o.)	Raiffeisenlandesbank Oberösterreich Aktiengesellschaft	22 February 2017	100% bank guarantee for an operating loan
Amendment No. 11 to Participation Certificate No. 021006/2009 (HABAU CZ s.r.o.)	Raiffeisenlandesbank Oberösterreich Aktiengesellschaft	30 March 2017	100% risk participation
Amendment No. 16 to Participation Certificate No. 020950/2007 (Intersport ČR s.r.o.)	Raiffeisenlandesbank Oberösterreich Aktiengesellschaft	30 May 2017	100% risk participation
Amendment No. 14 to Participation Certificate No. 10 (PERAPLAS ČESKO s.r.o.)	Raiffeisenlandesbank Oberösterreich Aktiengesellschaft	8 June 2017	100% risk participation
Amendment No. 1 to NDP/0004/NCRAM/01/24313246	Raiffeisenlandesbank Oberösterreich Aktiengesellschaft	30 June 2017	Amendment No. 1 to Agrovation Kněžmost k.s. - risk participation
Agreement on the terms of the temporary secondment of employees for the purpose of performing work	Raiffeisenlandesbank Oberösterreich Aktiengesellschaft	9 October 2017	Secondment of experts for the temporary performance of work in order to strengthen cooperation
EUR 25. 000. 000 Subordinated loan agreement	Raiffeisenlandesbank Oberösterreich Aktiengesellschaft	11 December 2018	Subordinated Debt Contract
Eighteenth Amended Participation Certificate No. 020950/2007	Raiffeisenlandesbank Oberösterreich Aktiengesellschaft	7 May 2019	Contract amendment
EUR 7. 500. 000 Subordinated loan agreement	Raiffeisenlandesbank Oberösterreich Aktiengesellschaft	24 June 2019	Subordinated Debt Contract
Confidentiality agreement	Raiffeisenlandesbank Oberösterreich Aktiengesellschaft	16 January 2020	Non-Disclosure Agreement
Nineteenth Amended Participation Certificate No. 020950/2007	Raiffeisenlandesbank Oberösterreich Aktiengesellschaft	29 May 2020	Contract amendment
Fourth Amended Participation Certificate No. NDP/0004/NCRAM/01/24313246	Raiffeisenlandesbank Oberösterreich Aktiengesellschaft	29 June 2020	Amendment No. 4 to agreement

Legal act	Counterparty	Date concluded	Performance / Counter-performance
EUR 8. 000. 000 Subordinated loan agreement	Raiffeisenlandesbank Oberösterreich Aktiengesellschaft	18 November 2020	Subordinated Debt Contract
Änderung Nr. 19 zu Kreditbesicherungsgarantie Nr. 501.569	Raiffeisenlandesbank Oberösterreich Aktiengesellschaft	31 December 2020	Contract amendment
Subordinated Loan Agreement	Raiffeisenlandesbank Oberösterreich Aktiengesellschaft	20 May 2021	Subordinated Debt Agreement
The Fifth Amended Participation Certificate No. NDP/0004/NCRAM/01/24313246	Raiffeisenlandesbank Oberösterreich Aktiengesellschaft	30 June 2021	Amendment No. 5 to agreement
Twenty-first Amended Participation Certificate No. 020950/2007	Raiffeisenlandesbank Oberösterreich Aktiengesellschaft	7 September 2021	Amendment No. 21 to agreement

In the reporting period, the controlled entity received or provided no other performance or counter-performance in the interest or at the instigation of the controlling entity or entities controlled by the controlling entity outside the scope of performance or counter- performance, which is customary within the controlled entity's relations with the controlling entity as the shareholder of the controlled entity.

2.2. List of Contracts with Other Related Parties

In the 2021 reporting period, Raiffeisenbank a.s. had relations with the following related parties:

Raiffeisen stavební spořitelna a.s.

Legal act	Counterparty	Date concluded	Performance / Counter-performance
Account opening request	Raiffeisen stavební spořitelna a.s.	15 December 1993	Opening an account
Current account opening and maintenance agreement	Raiffeisen stavební spořitelna a.s.	13 June 2000	Opening and maintenance of a current account
Current investment account opening agreement	Raiffeisen stavební spořitelna a.s.	2 October 2001	Opening of a current investment account
Agreement to issue a payment card	Raiffeisen stavební spořitelna a.s.	11 December 2002	Payment card issue and maintenance
Agreement to mediate purchase and sale of securities, settlement of securities transactions and management of securities + Annexes 1-5	Raiffeisen stavební spořitelna a.s.	10 April 2007	Acting as intermediary in purchase and sale of securities, settlement of securities transactions and management of securities
Confidentiality and personal data processing agreement	Raiffeisen stavební spořitelna a.s.	29 September 2011	Non-Disclosure Agreement
Treasury Master Agreement	Raiffeisen stavební spořitelna a.s.	29 February 2012	Agreement on rights and obligations related to transactions in the financial market
Amendment No. 1 to the Agreement to mediate purchase and sale of securities, settlement of securities transactions and management of securities of 10 April 2007	Raiffeisen stavební spořitelna a.s.	25 September 2013	Change of contractual terms
Direct Banking Service Agreement	Raiffeisen stavební spořitelna a.s.	15 November 2013	Agreement on direct banking services / payment of contractual fees
Agreement to Provide X-business Internet Banking Services	Raiffeisen stavební spořitelna a.s.	3 February 2015	X-business internet banking / payment of contractual fees
Agreement to issue a debit card	Raiffeisen stavební spořitelna a.s.	18 January 2017	Payment card issue and maintenance

Legal act	Counterparty	Date concluded	Performance / Counter-performance
Sales representation agreement	Raiffeisen stavební spořitelna a.s.	24 September 2018	Sales representation agreement
Annex 1 "Product Specifications and Specific Conditions for its Offering - Personal Account" to the Sales representation agreement of 24 September 2018	Raiffeisen stavební spořitelna a.s.	24 September 2018	Change of contractual terms
Tip brokerage agreement	Raiffeisen stavební spořitelna a.s.	10 October 2018	Brokerage agreement
Call centre service agreement	Raiffeisen stavební spořitelna a.s.	12 November 2018	Provision of call centre services
Agreement to issue a debit card	Raiffeisen stavební spořitelna a.s.	26 November 2018	Request to issue a debit card
Amendment No. 1 to the Sales representation agreement of 24 September 2018	Raiffeisen stavební spořitelna a.s.	31 January 2019	Amendment to the sales representation agreement / contractual fee
Amendment No. 1 to the Tip brokerage agreement of 10 October 2018	Raiffeisen stavební spořitelna a.s.	30 April 2019	Amendment No. 1 to the Tip brokerage agreement
Amendment No. 2 to the Sales representation agreement of 24 September 2018	Raiffeisen stavební spořitelna a.s.	13 May 2019	Amendment to the sales representation agreement / contractual fee
Amendment No. 3 to the Sales representation agreement of 24 September 2018	Raiffeisen stavební spořitelna a.s.	14 May 2019	Amendment to the Sales representation agreement
Agreement to issue a debit card	Raiffeisen stavební spořitelna a.s.	17 July 2019	Payment card issue and maintenance
Amendment No. 4 to the Sales representation agreement of 24 September 2018	Raiffeisen stavební spořitelna a.s.	24 October 2019	Amendment to the sales representation agreement / contractual fee
Amendment No. 2 to the Tip brokerage agreement of 10 October 2018	Raiffeisen stavební spořitelna	18 November 2019	Amendment No. 2 to the Tip brokerage agreement
Agreement to issue a debit card	Raiffeisen stavební spořitelna a.s.	17 December 2019	Request to issue a debit card
Amendment No. 5 to the Sales representation agreement of 24 September 2018	Raiffeisen stavební spořitelna a.s.	3 January 2020	Amendment to the sales representation agreement / contractual fee
Amendment No. 6 to the Sales representation agreement of 24 September 2018	Raiffeisen stavební spořitelna a.s.	28 February 2020	Amendment to the sales representation agreement / contractual fee
Amendment No. 7 to the Sales representation agreement of 24 September 2018	Raiffeisen stavební spořitelna a.s.	18 March 2020	Amendment to the sales representation agreement / contractual fee
Agreement to issue a debit card	Raiffeisen stavební spořitelna a.s.	26 June 2020	Payment card issue and maintenance
Agreement to issue a debit card	Raiffeisen stavební spořitelna a.s.	10 July 2020	Payment card issue and maintenance
Agreement to issue a debit card	Raiffeisen stavební spořitelna a.s.	10 July 2020	Payment card issue and maintenance
Cooperation agreement S/2020/00099	Raiffeisen stavební spořitelna a.s.	5 August 2020	Cooperation agreement - call centre / contractual fee
Amendment No. 8 to the Sales representation agreement of 24 September 2018	Raiffeisen stavební spořitelna a.s.	20 August 2020	Amendment to the sales representation agreement / contractual fee
Cooperation agreement S/2020/00191	Raiffeisen stavební spořitelna a.s.	15 October 2020	Cooperation agreement - call centre / contractual fee
Non-Disclosure Agreement CDR10722	Raiffeisen stavební spořitelna a.s.	21 October 2020	Confidentiality Agreement
Confidentiality Agreement CDR11028	Raiffeisen stavební spořitelna a.s.	23 November 2020	Confidentiality Agreement
Personal Data Processing Agreement CDR11031	Raiffeisen stavební spořitelna a.s.	23 November 2020	Personal Data Processing Agreement

Legal act	Counterparty	Date concluded	Performance / Counter-performance
Amendment No. 4 to Tip brokerage agreement No. 37700019 of 10 October 2018	Raiffeisen stavební spořitelna a.s.	31 January 2021	Stipulates application of new conditions for awarding commission / contractual commission
Agreement on cooperation in the provision of information about active RSTS products to clients	Raiffeisen stavební spořitelna a.s.	15 February 2021	Enabled granting/withdrawing of online consent to data transfers / contractual sanctions for breaches
Master Agreement on Financial Market Trading	Raiffeisen stavební spořitelna a.s.	25 February 2021	Stipulates conditions under which the contracting parties may conclude financial transactions
Sales representation agreement	Raiffeisen stavební spořitelna a.s.	9 March 2021	Stipulates terms and conditions of financial product sales representation / contractual commission
Cooperation agreement	Raiffeisen stavební spořitelna a.s.	30 March 2021	Stipulates conditions of mutual assistance / contractual sanctions for breaches
Cooperation agreement	Raiffeisen stavební spořitelna a.s.	14 April 2021	Stipulation of terms and conditions of cooperation in the provision of information about active RSTS products to clients
Framework agreement on data protection and transfers	Raiffeisen stavební spořitelna a.s.	26 April 2021	Stipulates rules applicable to protection, transfers and treatment of data / contractual sanctions for breaches
Master service agreement	Raiffeisen stavební spořitelna a.s.	26 April 2021	Stipulates terms and conditions of mutual cooperation / contractual fee
Sales representation agreement CDR17260	Raiffeisen stavební spořitelna a.s.	28 April 2021	Stipulates terms and conditions of sales representation / contractual fee
Agreement on sublease of business premises	Raiffeisen stavební spořitelna a.s.	28 April 2021	Stipulates terms and conditions of sublease of non-residential premises / contractual fee
Agreement to provide services for OVS and archiving activities	Raiffeisen stavební spořitelna a.s.	29 April 2021	Stipulates terms and conditions of using OVS and archive services / contractual fee
Agreement for Risk Controlling services	Raiffeisen stavební spořitelna a.s.	29 April 2021	Stipulates terms and conditions of using Risk Controlling services / contractual fee
Agreement for debt collection services	Raiffeisen stavební spořitelna a.s.	29 April 2021	Stipulates terms and conditions of using debt collection services / contractual fee
Agreement for services of complex loan processing functions (Back Office)	Raiffeisen stavební spořitelna a.s.	29 April 2021	Stipulates terms and conditions of using Back Office services / contractual fee
Agreement to provide services for contact centre activities	Raiffeisen stavební spořitelna a.s.	29 April 2021	Stipulates terms and conditions of using contact centre services / contractual fee
Agreement to provide services for complex loan processing and underwriting functions including credit risk management (Retail risk)	Raiffeisen stavební spořitelna a.s.	29 April 2021	Stipulates terms and conditions of using Retail risk services / contractual fee

Legal act	Counterparty	Date concluded	Performance / Counter-performance
Agreement on sublease of business premises and lease of movables	Raiffeisen stavební spořitelna a.s.	29 April 2021	Stipulates terms and conditions of sublease of non-residential premises and lease of movables / contractual fee
Cooperation agreement for joint use of RB appraiser services	Raiffeisen stavební spořitelna a.s.	30 April 2021	Stipulates terms and conditions of using RB appraiser services / contractual fee
Agreement on sublease of non-residential premises and payment for services related to their use and preparation	Raiffeisen stavební spořitelna a.s.	20 May 2021	Stipulates terms and conditions of sublease of non-residential premises / contractual fee
Agreement for Internal Audit services	Raiffeisen stavební spořitelna a.s.	25 May 2021	Stipulates terms and conditions of using Internal Audit services / contractual fee
Service agreement (Marketing)	Raiffeisen stavební spořitelna a.s.	31 May 2021	Agreement for marketing services / contractual fee
Agreement for information security and BCM services	Raiffeisen stavební spořitelna a.s.	31 May 2021	Stipulates terms and conditions of using information security and BCM services / contractual fee
Agreement for CRM services	Raiffeisen stavební spořitelna a.s.	31 May 2021	Stipulates terms and conditions of using CRM services
Agreement for human resources agenda and management services	Raiffeisen stavební spořitelna a.s.	17 June 2021	Stipulates terms and conditions of using HR services / contractual fee
Agreement for early debt collection services	Raiffeisen stavební spořitelna a.s.	23 June 2021	Stipulates terms and conditions of cooperation in provision of early debt collection services / contractual fee
Amendment No. 1 to Agreement on sublease of non-residential premises and payment for services related to their use and preparation	Raiffeisen stavební spořitelna a.s.	30 June 2021	Amendment No. 1 to the Agreement on sublease of non-residential premises of 20 May 2021 / contractual fee
Agreement to provide services for selected compliance activities	Raiffeisen stavební spořitelna a.s.	30 June 2021	Stipulates terms and conditions of provided compliance activities / contractual fee
Agreement to issue a debit card	Raiffeisen stavební spořitelna a.s.	7 July 2021	Issue of RBCZ payment card
Cooperation agreement	Raiffeisen stavební spořitelna a.s.	20 July 2021	Stipulates terms and conditions of mutual cooperation
Cooperation agreement - risk acceptance	Raiffeisen stavební spořitelna a.s.	22 July 2021	Stipulates conditions of cooperation in risk acceptance
Agreement to issue a debit card	Raiffeisen stavební spořitelna a.s.	4 August 2021	Issue of RBCZ payment card
Agreement to provide IT services (OIT)	Raiffeisen stavební spořitelna a.s.	31 August 2021	Stipulates terms and conditions of using OIT services / contractual fee
Agreement to provide Analysis and Application Development services	Raiffeisen stavební spořitelna a.s.	31 August 2021	Stipulates terms and conditions of using AAD services / contractual fee
Agreement on cooperation and processing of personal data	Raiffeisen stavební spořitelna a.s. Equa bank a.s.	31 August 2021	Stipulates terms and conditions of cooperation in offering and selling bank products / contractual commission

Legal act	Counterparty	Date concluded	Performance / Counter-performance
Agreement on assignment of Agreement for record management services	Raiffeisen stavební spořitelna a.s.	20 October 2021	Stipulates terms and conditions for free assignment of the Agreement with the assigned entity
Agreement to accede to insurance	Raiffeisen stavební spořitelna a.s.	8 December 2021	Stipulates terms and conditions for acceding to insurance
Term deposit	Raiffeisen stavební spořitelna a.s.	21 December 2021	Proof of realized term deposit
Subordinated Loan Agreement	Raiffeisen stavební spořitelna a.s.	22 December 2021	Provision of subordinated loan / payment of contractual interest

KONEVOVA s.r.o.

Legal act	Counterparty	Date concluded	Performance / Counter-performance
Current account opening and maintenance agreement	KONEVOVA s.r.o.	3 December 1996	Maintenance of a current account in CZK / payment of contractual fees

In 2015, Raiffeisanbank a.s. connected accounts to the X-business installation for the following companies: KONEVOVA s.r.o. and Raiffeisen stavební spořitelna a.s. No changes were made in 2021.

Raiffeisen – Leasing, s.r.o.

Legal act	Counterparty	Date concluded	Performance / Counter-performance
Contract for the Sublease of Non-Residential Premises	Raiffeisen – Leasing, s.r.o.	28 August 2008	Sublease of non-residential premises / payment of rent
Amendment no. 1 to the Contract on the Sublease of Non-Residential Premises of 28 August 2008	Raiffeisen – Leasing, s.r.o.	15 June 2009	Change of contractual terms
Amendment no. 2 to the Contract on the Sublease of Non-Residential Premises of 28 August 2008	Raiffeisen – Leasing, s.r.o.	1 December 2009	Change of contractual terms
Cooperation agreement	Raiffeisen – Leasing, s.r.o.	13 December 2010	Definition of mutual cooperation in the provision of payment cards / payment of contractual commission
Amendment no. 3 to the Contract on the Sublease of Non-Residential Premises of 28 August 2008	Raiffeisen – Leasing, s.r.o.	28 March 2011	Change of contractual terms
Loan agreement	Raiffeisen – Leasing, s.r.o.	28 March 2011	Provision of a loan / payment of contractual interest
Agreement on automatic balance transfers	Raiffeisen – Leasing, s.r.o.	28 April 2011	Cash pooling
Risk Management Cooperation Agreement	Raiffeisen – Leasing, s.r.o.	11 July 2011	Provision of credit risk analyses / payment of fees and costs according to the contract
Account agreement	Raiffeisen – Leasing, s.r.o.	21 July 2011	Agreement to open special accounts for clients of Raiffeisen-Leasing, s.r.o.
Account agreement	Raiffeisen – Leasing, s.r.o.	8 August 2011	Agreement to open special accounts for clients of Raiffeisen-Leasing, s.r.o.
Account agreement	Raiffeisen – Leasing, s.r.o.	11 July 2011	Agreement to open special accounts for clients of Raiffeisen-Leasing, s.r.o.

Legal act	Counterparty	Date concluded	Performance / Counter-performance
Treasury Master Agreement	Raiffeisen – Leasing, s.r.o.	20 February 2012	Agreement on rights and obligations related to transactions in the financial market
Personal Data Processing and Confidentiality Agreement	Raiffeisen – Leasing, s.r.o.	1 March 2012	Agreement on the processing of personal data and confidentiality as part of mutual business cooperation
Amendment No. 1 to the Risk Management Cooperation Contract of 11 July 2011	Raiffeisen – Leasing, s.r.o.	13 April 2012	Change of contractual terms
Amendment no. 4 to the Contract on the Sublease of Non-Residential Premises of 28 August 2008	Raiffeisen – Leasing, s.r.o.	29 June 2012	Change of contractual terms
Agreement on Cooperation in Client Data Exchange	Raiffeisen – Leasing, s.r.o.	6 August 2012	Stipulation of rights and obligations in exchanging data for the purpose of business cooperation
Agreement on FTP Access	Raiffeisen – Leasing, s.r.o.	6 August 2012	Agreement on the use of a server for mutual exchange of data
Loan Contract No. 110157/2012/01	Raiffeisen – Leasing, s.r.o.	27 September 2012	Provision of a credit limit / payment of contractual interest
Amendment No. 1 to Loan Contract No. 110157/2012/01 of 27 September 2012	Raiffeisen – Leasing, s.r.o.	16 November 2012	Change of contractual terms
Amendment No. 1 to the Agreement on Cooperation in Client Data Exchange S/2012/02973	Raiffeisen – Leasing, s.r.o.	27 March 2013	Stipulation of rights and obligations of contracting parties in exchanging information
Non-exclusive sales representation agreement	Raiffeisen – Leasing, s.r.o.	18 April 2013	Stipulation of rights and obligations under non-exclusive sales representation / payment of contractual commissions
Amendment no. 5 to the Contract on the Sublease of Non-Residential Premises	Raiffeisen – Leasing, s.r.o.	28 June 2013	Change of contractual terms / payment of rent
Agreement on Cooperation and Provision of Information Systems and Technology Services	Raiffeisen – Leasing, s.r.o.	14 February 2014	Provision of information systems and technology services / payment of agreed remuneration
Amendment No. 6 to the Contract on the Sublease of Non-Residential Premises	Raiffeisen – Leasing, s.r.o.	11 February 2014	Amendment No. 6 to the Contract on the Sublease of Non-Residential Premises
Amendment no. 7 to the Contract on the Sublease of Non-Residential Premises	Raiffeisen – Leasing, s.r.o.	24 November 2014	Amendment no. 7 to the Contract on the Sublease of Non-Residential Premises
Master service agreement	Raiffeisen - Leasing, s.r.o.	14 January 2015	Provision of payroll accounting and registry services / payment of contractual fees
Amendment No. 12 to Loan Contract No. 110157/2012/01 of 27 September 2012	Raiffeisen - Leasing, s.r.o.	21 April 2015	Provision of a credit limit / payment of contractual interest
Agreement on risk participation and the provision of a special-purpose loan	Raiffeisen - Leasing, s.r.o.	15 May 2015	Agreement on risk participation and the provision of a special-purpose loan / payment of instalments and the participation share
Amendment No. 13 to Loan Contract No. 110157/2012/01	Raiffeisen - Leasing, s.r.o.	22 June 2015	Provision of a credit limit / payment of contractual interest

Legal act	Counterparty	Date concluded	Performance / Counter-performance
Escrow Account Contract	Raiffeisen - Leasing, s.r.o.	24 June 2015	Opening and maintenance of an escrow account
Amendment No. 1 to Escrow Account Contract	Raiffeisen - Leasing, s.r.o.	14 July 2015	Opening and maintenance of an escrow account
Limit approval – review of the loan and treasury line including its extension and increase	Raiffeisen - Leasing, s.r.o.	27 July 2015	Limit approval – review of the loan and treasury line including its extension and increase
Amendment No. 15 to Loan Contract No. 110157/2012/01	Raiffeisen - Leasing, s.r.o.	29 July 2015	Provision of a credit limit / payment of contractual interest
Amendment No. 14 to Loan Contract No. 110157/2012/01	Raiffeisen - Leasing, s.r.o.	31 July 2015	Provision of a credit limit / payment of contractual interest
Amendment No. 16 to Loan Contract No. 110157/2012/01	Raiffeisen - Leasing, s.r.o.	17 August 2015	Provision of a credit limit / payment of contractual interest
Contract on the opening and maintenance of account No. 5170012066 (EUR)	Raiffeisen - Leasing, s.r.o.	24 August 2015	Account opening and maintenance
Master Agreement – RB car fleet management	Raiffeisen - Leasing, s.r.o.	30 September 2015	RB car fleet management / payment of contractual fees
Amendment No. 17 to Loan Contract No. 110157/2012/01	Raiffeisen - Leasing, s.r.o.	30 September 2015	Provision of a credit limit / payment of contractual interest
Amendment No. 1 to the Non-exclusive sales representation agreement	Raiffeisen - Leasing, s.r.o.	29 October 2015	Sales representation / payment of contractual commissions
Contract on the opening and maintenance of account No. 5170012293 (EUR)	Raiffeisen - Leasing, s.r.o.	26 November 2015	Account opening and maintenance
Master agreement on risk participation and the provision of special-purpose loans	Raiffeisen - Leasing, s.r.o.	30 November 2015	Risk participation
Agreement on Cooperation in Compliance, Fraud Risk Management, Information Security and Physical Security	Raiffeisen - Leasing, s.r.o.	28 December 2015	Cooperation in the area of Compliance & Security / payment of contractual remuneration
Liability participation agreement S/2016/00211	Raiffeisen - Leasing, s.r.o.	4 January 2016	Participation in the liability of CEEC Research, s.r.o. / payment of the contractual amount
Agreement on Communication via the JIRA Application	Raiffeisen - Leasing, s.r.o.	21 March 2016	Inserting comments on audit tasks in the Follow Up Internal Audit Application in JIRA
Agreement on Confidentiality and Protection of Personal Data	Raiffeisen - Leasing, s.r.o.	25 November 2016	Personal Data Processing and Confidentiality Agreement and agreement on certain other arrangements
Amendment No. 18 to Loan Contract No. 110157/2012/01	Raiffeisen - Leasing, s.r.o.	29 April 2016	Provision of a credit limit / payment of contractual interest
Amendment No. 19 to Loan Contract No. 110157/2012/01	Raiffeisen - Leasing, s.r.o.	6 June 2016	Provision of a credit limit / payment of contractual interest
Amendment No. 20 to Loan Contract No. 110157/2012/01	Raiffeisen - Leasing, s.r.o.	17 June 2016	Provision of a credit limit / payment of contractual interest
Amendment No. 21 to Loan Contract No. 110157/2012/01	Raiffeisen - Leasing, s.r.o.	29 July 2016	Provision of a credit limit / payment of contractual interest
Risk Participation Agreement Reg. No. PD/61467863/01/2016	Raiffeisen - Leasing, s.r.o.	23 June 2016	Risk participation / payment of contractual interest
Lease Contract No. 5019000614 – 5019000626	Raiffeisen - Leasing, s.r.o.	1 March 2016	Provision of lease / payment of contractual interest

Legal act	Counterparty	Date concluded	Performance / Counter-performance
Lease Contract No. 5019000533	Raiffeisen - Leasing, s.r.o.	1 March 2016	Provision of lease / payment of contractual interest
Lease Contract No. 5019000500	Raiffeisen - Leasing, s.r.o.	1 March 2016	Provision of lease / payment of contractual interest
Lease Contract No. 5019000613	Raiffeisen - Leasing, s.r.o.	13 April 2016	Provision of lease / payment of contractual interest
Lease Contract No. 5019000612	Raiffeisen - Leasing, s.r.o.	14 April 2016	Provision of lease / payment of contractual interest
Lease Contract No. 5019000627 – 5019000630	Raiffeisen - Leasing, s.r.o.	15 April 2016	Provision of lease / payment of contractual interest
Lease Contract No. 5019001265 – 5019001267	Raiffeisen - Leasing, s.r.o.	17 October 2016	Provision of lease / payment of contractual interest
Lease Contract No. 5019001256 – 5019001264	Raiffeisen - Leasing, s.r.o.	23 September 2016	Provision of lease / payment of contractual interest
Lease Contract No. 5019001274	Raiffeisen - Leasing, s.r.o.	23 September 2016	Provision of lease / payment of contractual interest
Sub-license agreement	Raiffeisen - Leasing, s.r.o.	9 September 2016	Definition of the right to registered trademarks / payment of a contractual fee
Amendment No.1 to the Liability Participation Agreement	Raiffeisen - Leasing, s.r.o.	7 November 2016	Extension of the contractual relationship for 2017
Amendment no. 8 to the Contract on the Sublease of Non-Residential Premises	Raiffeisen - Leasing, s.r.o.	16 December 2016	Change of the subject of the sublease / change of rent
Amendment No. 2 to the Risk Management Cooperation Contract of 11 July 2011	Raiffeisen - Leasing, s.r.o.	22 December 2016	Amendment to Appendix No. 1 to the Contract
Confidentiality Agreement in Czech/English	Raiffeisen - Leasing, s.r.o.	31 January 2017	Rules governing the disclosure, use and protection of confidential information
Amendment No. 2 to the Non-exclusive sales representation agreement	Raiffeisen - Leasing, s.r.o.	15 February 2017	Sales representation / payment of contractual commissions
Contract for the provision of outsourced internal audit services	Raiffeisen - Leasing, s.r.o.	23 February 2017	Provision of the internal audit function for a subsidiary / payment of a contractual fee
Agreement on risk participation and the provision of a special-purpose loan (SEVEROTISK, s.r.o.)	Raiffeisen - Leasing, s.r.o.	11 August 2017	Risk participation / payment of contractual interest
Agreement on risk participation and the provision of a special-purpose loan No. NDP/0001//01/29058481	Raiffeisen - Leasing, s.r.o.	17 August 2017	Lease participation of the client – FRAIKIN ČESKÁ REPUBLIKA, S.R.O. / payment of contractual interest
Electronic Banking Agreement	Raiffeisen - Leasing, s.r.o.	25 August 2017	Installation of the international e-Banking system (MultiCash 3.2) / payment of contractual fees
Amendment No.2 to the Liability Participation Agreement	Raiffeisen - Leasing, s.r.o.	1 December 2017	Extension of the contractual relationship for 2018
Amendment No. 1 to the Master agreement on risk participation and the provision of special-purpose loans	Raiffeisen - Leasing, s.r.o.	12 December 2017	Change of contractual terms
Lease Contract No. 5019002624	Raiffeisen - Leasing, s.r.o.	20 December 2017	Provision of lease / payment of contractual interest
Lease Contract No. 5019002625	Raiffeisen - Leasing, s.r.o.	20 December 2017	Provision of lease / payment of contractual interest
Lease Contract No. 5019002626	Raiffeisen - Leasing, s.r.o.	20 December 2017	Provision of lease / payment of contractual interest

Legal act	Counterparty	Date concluded	Performance / Counter-performance
Agreement on risk participation and the provision of a special-purpose loan (BENTELER Automotive Klášťěrec, s.r.o.)	Raiffeisen - Leasing, s.r.o.	28 December 2017	Risk participation / payment of contractual interest
Amendment No. 1 to the Agreement on risk participation and the provision of a special-purpose loan	Raiffeisen - Leasing, s.r.o.	25 January 2018	Change of contractual terms
Lease Contract No. 5019002659	Raiffeisen - Leasing, s.r.o.	25 January 2018	Provision of lease / payment of contractual interest
Lease Contract No. 5019002660	Raiffeisen - Leasing, s.r.o.	25 January 2018	Provision of lease / payment of contractual interest
Lease Contract No. 5019002661	Raiffeisen - Leasing, s.r.o.	25 January 2018	Provision of lease / payment of contractual interest
Lease Contract No. 5019002662	Raiffeisen - Leasing, s.r.o.	25 January 2018	Provision of lease / payment of contractual interest
Lease Contract No. 5019002663	Raiffeisen - Leasing, s.r.o.	25 January 2018	Provision of lease / payment of contractual interest
Agreement on risk participation and the provision of a special-purpose loan	Raiffeisen - Leasing, s.r.o.	1 February 2018	Risk participation / payment of contractual interest
Agreement on risk participation and the provision of a special-purpose loan	Raiffeisen - Leasing, s.r.o.	27 March 2018	Risk participation / payment of contractual interest
Master service agreement and Annexes 1-9	Raiffeisen - Leasing, s.r.o.	28 March 2018	Outsourcing some RLCZ services to RBCZ
Amendment No. 3 to the Non-exclusive sales representation agreement	Raiffeisen - Leasing, s.r.o.	3 April 2018	Change of contractual terms
Lease Contract No. 5019002671	Raiffeisen - Leasing, s.r.o.	30 April 2018	Provision of lease / payment of contractual interest
Lease Contract No. 5019002672	Raiffeisen - Leasing, s.r.o.	30 April 2018	Provision of lease / payment of contractual interest
Lease Contract No. 5019002666	Raiffeisen - Leasing, s.r.o.	30 April 2018	Provision of lease / payment of contractual interest
Lease Contract No. 5019002955	Raiffeisen - Leasing, s.r.o.	11 May 2018	Provision of lease / payment of contractual interest
Lease Contract No. 5019003006	Raiffeisen - Leasing, s.r.o.	15 May 2018	Provision of lease / payment of contractual interest
Lease Contract No. 5019002669	Raiffeisen - Leasing, s.r.o.	15 May 2018	Provision of lease / payment of contractual interest
Lease Contract No. 5019002907	Raiffeisen - Leasing, s.r.o.	29 May 2018	Provision of lease / payment of contractual interest
Amendment no. 9 to the Contract on the Sublease of Non-Residential Premises of 28 August 2008	Raiffeisen – Leasing, s.r.o.	1 July 2018	Sublease of non-residential premises
Agreement on risk participation and the provision of a special-purpose loan No. 7108001799	Raiffeisen - Leasing, s.r.o.	11 July 2018	Risk participation / payment of contractual interest
Agreement on risk participation and the provision of a special-purpose loan No. 7108001800	Raiffeisen - Leasing, s.r.o.	11 July 2018	Risk participation / payment of contractual interest
Agreement on risk participation and the provision of a special-purpose loan No. 7108001801	Raiffeisen - Leasing, s.r.o.	12 July 2018	Risk participation / payment of contractual interest
Lease Contract No. 5019002952	Raiffeisen - Leasing, s.r.o.	20 July 2018	Provision of lease / payment of contractual interest

Legal act	Counterparty	Date concluded	Performance / Counter-performance
Amendment No. 1 to the Agreement on risk participation and the provision of a special-purpose loan No. 7108001800	Raiffeisen - Leasing, s.r.o.	27 July 2018	Change of contractual terms
Lease Contract No. 5019003260	Raiffeisen - Leasing, s.r.o.	28 August 2018	Provision of lease / payment of contractual interest
Lease Contract No. 5019003355	Raiffeisen - Leasing, s.r.o.	28 August 2018	Provision of lease / payment of contractual interest
Lease Contract No. 5019003354	Raiffeisen - Leasing, s.r.o.	28 August 2018	Provision of lease / payment of contractual interest
Lease Contract No. 5019003352	Raiffeisen - Leasing, s.r.o.	28 August 2018	Provision of lease / payment of contractual interest
Lease Contract No. 5019003351	Raiffeisen - Leasing, s.r.o.	28 August 2018	Provision of lease / payment of contractual interest
Lease Contract No. 5019002900	Raiffeisen - Leasing, s.r.o.	28 August 2018	Provision of lease / payment of contractual interest
Amendment No. 2 to the Agreement on risk participation and the provision of a special-purpose loan	Raiffeisen - Leasing, s.r.o.	19 September 2018	Change of contractual terms
Amendment No. 4 to the Non-exclusive sales representation agreement	Raiffeisen - Leasing, s.r.o.	1 October 2018	Change of contractual terms
Lease Contract No. 5019003393	Raiffeisen - Leasing, s.r.o.	1 October 2018	Provision of lease / payment of contractual interest
Lease Contract No. 5019003394	Raiffeisen - Leasing, s.r.o.	1 October 2018	Provision of lease / payment of contractual interest
Amendment No. 25 to Loan Contract No. 110157/2012/01	Raiffeisen - Leasing, s.r.o.	18 October 2018	Provision of a credit limit / payment of contractual interest
Lease Contract No. 5019003395	Raiffeisen - Leasing, s.r.o.	1 November 2018	Provision of lease / payment of contractual interest
Lease Contract No. 5019003396	Raiffeisen - Leasing, s.r.o.	1 November 2018	Provision of lease / payment of contractual interest
Lease Contract No. 5019003259	Raiffeisen - Leasing, s.r.o.	1 November 2018	Provision of lease / payment of contractual interest
Amendment No. 26 to Loan Contract No. 110157/2012/01	Raiffeisen - Leasing, s.r.o.	5 November 2018	Provision of a credit limit / payment of contractual interest
Amendment No. 2 to the Agreement on risk participation and the provision of a special-purpose loan No. 7108001800	Raiffeisen - Leasing, s.r.o.	21 November 2018	Change of contractual terms
Annex 10 to the Master service agreement	Raiffeisen - Leasing, s.r.o.	7 December 2018	Treasury services
Lease Contract No. 5019003613	Raiffeisen - Leasing, s.r.o.	11 December 2018	Provision of lease / payment of contractual interest
Lease Contract No. 5019003618	Raiffeisen - Leasing, s.r.o.	12 December 2018	Provision of lease / payment of contractual interest
Lease Contract No. 5019003586	Raiffeisen - Leasing, s.r.o.	13 December 2018	Provision of lease / payment of contractual interest
Personal Data Processing Agreement	Raiffeisen - Leasing, s.r.o.	14 December 2018	Personal Data Processing Agreement
Personal Data Processing Agreement	Raiffeisen - Leasing, s.r.o.	14 December 2018	Personal Data Processing Agreement
Amendment No. 27 to Loan Contract No. 110157/2012/01	Raiffeisen - Leasing, s.r.o.	17 December 2018	Provision of a credit limit / payment of contractual interest
Annex 11 to the Master service agreement - Market risk management services	Raiffeisen - Leasing, s.r.o.	1 January 2019	Annex 11 - Service specifications / payment of contractual fees

Legal act	Counterparty	Date concluded	Performance / Counter-performance
Lease Contract No. 5019003687	Raiffeisen - Leasing, s.r.o.	2 January 2019	Provision of lease / payment of contractual interest
Lease Contract No. 5019003731	Raiffeisen - Leasing, s.r.o.	17 January 2019	Provision of lease / payment of contractual interest
Amendment No. 2 to the Master agreement on risk participation and the provision of special-purpose loans, reg. No. PD/01/2015/61467863	Raiffeisen - Leasing, s.r.o.	28 January 2019	Change of contractual terms
Lease Contract No. 5019003842	Raiffeisen - Leasing, s.r.o.	26 February 2019	Provision of lease / payment of contractual interest
Lease Contract No. 5019003846	Raiffeisen - Leasing, s.r.o.	26 February 2019	Provision of lease / payment of contractual interest
Lease Contract No. 5019003845	Raiffeisen - Leasing, s.r.o.	26 February 2019	Provision of lease / payment of contractual interest
Lease Contract No. 5019003844	Raiffeisen - Leasing, s.r.o.	26 February 2019	Provision of lease / payment of contractual interest
Lease Contract No. 5019003843	Raiffeisen - Leasing, s.r.o.	26 February 2019	Provision of lease / payment of contractual interest
Amendment No. 3 to the Agreement on risk participation and the provision of a special-purpose loan	Raiffeisen - Leasing, s.r.o.	8 April 2019	Amendment No. 3
Amendment to the Master Financial Market Trading Agreement CMA/0001/APR405/02/6146786 3	Raiffeisen - Leasing, s.r.o.	17 April 2019	Amendment to the Master agreement - amendment to special provisions
Lease Contract No. 5019004078	Raiffeisen - Leasing, s.r.o.	2 May 2019	Provision of lease / payment of contractual interest
Lease Contract No. 5019004065	Raiffeisen - Leasing, s.r.o.	2 May 2019	Provision of lease / payment of contractual interest
Amendment No. 28 to Loan Contract No. 110157/2012/01	Raiffeisen - Leasing, s.r.o.	14 May 2019	Amendment to Loan Contract
Annex 12 to the Master service agreement - Client centre services	Raiffeisen - Leasing, s.r.o.	23 May 2019	Annex 1 - Service specifications / payment of contractual fees
Account opening and maintenance agreement No. 5170013966	Raiffeisen - Leasing, s.r.o.	10 June 2019	Account opening and maintenance
Account opening and maintenance agreement No. 5170013974	Raiffeisen - Leasing, s.r.o.	10 June 2019	Account opening and maintenance
Annex 13 to the Master service agreement - Operation risk management services	Raiffeisen - Leasing, s.r.o.	13 June 2019	Annex 13 - Service specifications / payment of contractual fees
Amendment No. 4 to the Agreement on risk participation and the provision of a special-purpose loan	Raiffeisen - Leasing, s.r.o.	13 June 2019	Amendment No. 4
Lease Contract No. 5019004191	Raiffeisen - Leasing, s.r.o.	17 June 2019	Provision of lease / payment of contractual interest
Lease Contract No. 5019004197	Raiffeisen - Leasing, s.r.o.	12 July 2019	Provision of lease / payment of contractual interest
Account opening and maintenance agreement No. 5170014029	Raiffeisen - Leasing, s.r.o.	15 July 2019	Account opening and maintenance
Agreement on risk participation and the provision of a special-purpose loan LS/7008005192	Raiffeisen - Leasing, s.r.o.	21 August 2019	Risk participation and special-purpose loan
Lease Contract No. 5019004369	Raiffeisen - Leasing, s.r.o.	22 August 2019	Provision of lease / payment of contractual interest

Legal act	Counterparty	Date concluded	Performance / Counter-performance
Lease Contract No. 5019004538	Raiffeisen - Leasing, s.r.o.	24 September 2019	Provision of lease / payment of contractual interest
Amendment No. 1 to Lease Contract No. 5019000419	Raiffeisen - Leasing, s.r.o.	26 September 2019	Lease contract amendment
Amendment No. 1 to Lease Contract No. 5019000393	Raiffeisen - Leasing, s.r.o.	26 September 2019	Lease contract amendment
Amendment No. 1 to Lease Contract No. 5019003006	Raiffeisen - Leasing, s.r.o.	26 September 2019	Lease contract amendment
Amendment No. 1 to Lease Contract No. 5019000395	Raiffeisen - Leasing, s.r.o.	26 September 2019	Lease contract amendment
Amendment No. 1 to Lease Contract No. 5019003586	Raiffeisen - Leasing, s.r.o.	26 September 2019	Lease contract amendment
Amendment No. 1 to Lease Contract No. 5019003613	Raiffeisen - Leasing, s.r.o.	26 September 2019	Lease contract amendment
Amendment No. 1 to Lease Contract No. 5019002663	Raiffeisen - Leasing, s.r.o.	26 September 2019	Lease contract amendment
Amendment No. 1 to Lease Contract No. 5019000405	Raiffeisen - Leasing, s.r.o.	26 September 2019	Lease contract amendment
Amendment No. 1 to Lease Contract No. 5019000402	Raiffeisen - Leasing, s.r.o.	26 September 2019	Lease contract amendment
Amendment No. 1 to Lease Contract No. 5019000401	Raiffeisen - Leasing, s.r.o.	26 September 2019	Lease contract amendment
Amendment No. 1 to Lease Contract No. 5019000396	Raiffeisen - Leasing, s.r.o.	26 September 2019	Lease contract amendment
Amendment No. 1 to Lease Contract No. 5019000398	Raiffeisen - Leasing, s.r.o.	26 September 2019	Lease contract amendment
Amendment No. 1 to Lease Contract No. 5019002594	Raiffeisen - Leasing, s.r.o.	26 September 2019	Lease contract amendment
Amendment No. 5 to the Agreement on risk participation and the provision of a special-purpose loan	Raiffeisen - Leasing, s.r.o.	27 September 2019	Amendment No. 5 to the Agreement on risk participation and the provision of a special-purpose loan
Lease Contract No. 5019004490	Raiffeisen - Leasing, s.r.o.	1 October 2019	Provision of lease / payment of contractual interest
Lease Contract No. 5019004491	Raiffeisen - Leasing, s.r.o.	1 October 2019	Provision of lease / payment of contractual interest
Lease Contract No. 5019004492	Raiffeisen - Leasing, s.r.o.	1 October 2019	Provision of lease / payment of contractual interest
Lease Contract No. 5019004539	Raiffeisen - Leasing, s.r.o.	7 October 2019	Provision of lease / payment of contractual interest
Lease Contract No. 5019004244	Raiffeisen - Leasing, s.r.o.	11 October 2019	Provision of lease / payment of contractual interest
Lease Contract No. 5019004245	Raiffeisen - Leasing, s.r.o.	11 October 2019	Provision of lease / payment of contractual interest
Lease Contract No. 5019004243	Raiffeisen - Leasing, s.r.o.	11 October 2019	Provision of lease / payment of contractual interest
Lease Contract No. 5019004370	Raiffeisen - Leasing, s.r.o.	11 October 2019	Provision of lease / payment of contractual interest
Lease Contract No. 5019004241	Raiffeisen - Leasing, s.r.o.	11 October 2019	Provision of lease / payment of contractual interest
Lease Contract No. 5019004242	Raiffeisen - Leasing, s.r.o.	11 October 2019	Provision of lease / payment of contractual interest
Lease Contract No. 5019004246	Raiffeisen - Leasing, s.r.o.	16 October 2019	Provision of lease / payment of contractual interest
Lease Contract No. 5019004247	Raiffeisen - Leasing, s.r.o.	21 October 2019	Provision of lease / payment of contractual interest
Lease Contract No. 5019004248	Raiffeisen - Leasing, s.r.o.	21 October 2019	Provision of lease / payment of contractual interest
Lease Contract No. 5019004249	Raiffeisen - Leasing, s.r.o.	21 October 2019	Provision of lease / payment of contractual interest
Lease Contract No. 5019004250	Raiffeisen - Leasing, s.r.o.	21 October 2019	Provision of lease / payment of contractual interest
Lease Contract No. 5019004258	Raiffeisen - Leasing, s.r.o.	21 October 2019	Provision of lease / payment of contractual interest

Legal act	Counterparty	Date concluded	Performance / Counter-performance
Account opening and maintenance agreement No. 5170014037	Raiffeisen - Leasing, s.r.o.	23 October 2019	Account opening and maintenance
Lease Contract No. 5019004259	Raiffeisen - Leasing, s.r.o.	23 October 2019	Provision of lease / payment of contractual interest
Lease Contract No. 5019004251	Raiffeisen - Leasing, s.r.o.	23 October 2019	Provision of lease / payment of contractual interest
Lease Contract No. 5019004252	Raiffeisen - Leasing, s.r.o.	23 October 2019	Provision of lease / payment of contractual interest
Lease Contract No. 5019004264	Raiffeisen - Leasing, s.r.o.	24 October 2019	Provision of lease / payment of contractual interest
Lease Contract No. 5019004261	Raiffeisen - Leasing, s.r.o.	24 October 2019	Provision of lease / payment of contractual interest
Lease Contract No. 5019004260	Raiffeisen - Leasing, s.r.o.	24 October 2019	Provision of lease / payment of contractual interest
Lease Contract No. 5019004253	Raiffeisen - Leasing, s.r.o.	24 October 2019	Provision of lease / payment of contractual interest
Lease Contract No. 5019004254	Raiffeisen - Leasing, s.r.o.	25 October 2019	Provision of lease / payment of contractual interest
Lease Contract No. 5019004262	Raiffeisen - Leasing, s.r.o.	25 October 2019	Provision of lease / payment of contractual interest
Lease Contract No. 5019004263	Raiffeisen - Leasing, s.r.o.	25 October 2019	Provision of lease / payment of contractual interest
Lease Contract No. 5019004265	Raiffeisen - Leasing, s.r.o.	29 October 2019	Provision of a lease/payment of contractual interest
Agreement on risk participation and the provision of a special-purpose loan	Raiffeisen - Leasing, s.r.o.	29 October 2019	Risk participation and provision of a special-purpose loan
Lease Contract No. 5019004266	Raiffeisen - Leasing, s.r.o.	4 November 2019	Provision of lease / payment of contractual interest
Lease Contract No. 5019004267	Raiffeisen - Leasing, s.r.o.	4 November 2019	Provision of lease / payment of contractual interest
Lease Contract No. 5019004268	Raiffeisen - Leasing, s.r.o.	4 November 2019	Provision of lease / payment of contractual interest
Lease Contract No. 5019004255	Raiffeisen - Leasing, s.r.o.	4 November 2019	Provision of lease / payment of contractual interest
Lease Contract No. 5019004607	Raiffeisen - Leasing, s.r.o.	6 November 2019	Provision of lease / payment of contractual interest
Lease Contract No. 5019004636	Raiffeisen - Leasing, s.r.o.	6 November 2019	Provision of lease / payment of contractual interest
Lease Contract No. 5019004256	Raiffeisen - Leasing, s.r.o.	8 November 2019	Provision of lease / payment of contractual interest
Annex 14 to the Master agreement on personal data protection services	. Raiffeisen - Leasing, s.r.o.	14 November 2019	Data Protection Officer / payment of fixed fee
Lease Contract No. 5019004375	Raiffeisen - Leasing, s.r.o.	19 November 2019	Provision of lease / payment of contractual interest
Lease Contract No. 5019004371	Raiffeisen - Leasing, s.r.o.	19 November 2019	Provision of lease / payment of contractual interest
Lease Contract No. 5019004372	Raiffeisen - Leasing, s.r.o.	19 November 2019	Provision of lease / payment of contractual interest
Lease Contract No. 5019004373	Raiffeisen - Leasing, s.r.o.	19 November 2019	Provision of lease / payment of contractual interest
Lease Contract No. 5019004374	Raiffeisen - Leasing, s.r.o.	19 November 2019	Provision of lease / payment of contractual interest
Lease Contract No. 5019004269	Raiffeisen - Leasing, s.r.o.	19 November 2019	Provision of lease / payment of contractual interest
Lease Contract No. 5019004270	Raiffeisen - Leasing, s.r.o.	19 November 2019	Provision of lease / payment of contractual interest
Lease Contract No. 5019004257	Raiffeisen - Leasing, s.r.o.	19 November 2019	Provision of lease / payment of contractual interest
Agreement to discharge liability No. 5170012007	Raiffeisen - Leasing, s.r.o.	22 November 2019	Agreement to close account

Legal act	Counterparty	Date concluded	Performance / Counter-performance
Amendment No. 1 to the Master service agreement S/2017/00498	Raiffeisen - Leasing, s.r.o.	26 November 2019	Amendment No. 1 to Master agreement
Agreement on risk participation and the provision of a special-purpose loan	Raiffeisen - Leasing, s.r.o.	26 November 2019	Trilateral agreement with Raiffeisen FinCorp, s.r.o. on risk participation and provision of a special-purpose loan
Lease Contract No. 5019004600	Raiffeisen - Leasing, s.r.o.	12 December 2019	Provision of lease / payment of contractual interest
Lease Contract No. 5019004635	Raiffeisen - Leasing, s.r.o.	12 December 2019	Provision of lease / payment of contractual interest
Lease Contract No. 5019004650	Raiffeisen - Leasing, s.r.o.	12 December 2019	Provision of lease / payment of contractual interest
Lease Contract No. 5019004272	Raiffeisen - Leasing, s.r.o.	12 December 2019	Provision of lease / payment of contractual interest
Lease Contract No. 5019004652	Raiffeisen - Leasing, s.r.o.	12 December 2019	Provision of lease / payment of contractual interest
Lease Contract No. 5019004271	Raiffeisen - Leasing, s.r.o.	12 December 2019	Provision of lease / payment of contractual interest
Lease Contract No. 5019004386	Raiffeisen - Leasing, s.r.o.	12 December 2019	Provision of lease / payment of contractual interest
Lease Contract No. 5019004425	Raiffeisen - Leasing, s.r.o.	12 December 2019	Provision of lease / payment of contractual interest
Agreement on risk participation and the provision of a special-purpose loan	Raiffeisen - Leasing, s.r.o.	23 December 2019	Risk participation and provision of a special-purpose loan
Agreement on risk participation and the provision of a special-purpose loan	Raiffeisen - Leasing, s.r.o.	23 December 2019	Risk participation and provision of a special-purpose loan
Lease Contract No. 5019004649	Raiffeisen - Leasing, s.r.o.	8 January 2020	Provision of lease / payment of contractual interest
Lease Contract No. 5019004692	Raiffeisen - Leasing, s.r.o.	20 January 2020	Provision of lease / payment of contractual interest
Lease Contract No. 5019004694	Raiffeisen - Leasing, s.r.o.	20 January 2020	Provision of lease / payment of contractual interest
Lease Contract No. 5019004695	Raiffeisen - Leasing, s.r.o.	20 January 2020	Provision of lease / payment of contractual interest
Lease Contract No. 5019004696	Raiffeisen - Leasing, s.r.o.	20 January 2020	Provision of lease / payment of contractual interest
Lease Contract No. 5019004697	Raiffeisen - Leasing, s.r.o.	20 January 2020	Provision of lease / payment of contractual interest
Lease Contract No.5019004698	Raiffeisen - Leasing, s.r.o.	20 January 2020	Provision of lease / payment of contractual interest
Lease Contract No. 501900469	Raiffeisen - Leasing, s.r.o.	20 January 2020	Provision of lease / payment of contractual interest
Lease Contract No. 5019004608	Raiffeisen - Leasing, s.r.o.	20 January 2020	Provision of lease / payment of contractual interest
Lease Contract No. 5019004609	Raiffeisen - Leasing, s.r.o.	20 January 2020	Provision of lease / payment of contractual interest
Lease Contract No. 5019004610	Raiffeisen - Leasing, s.r.o.	20 January 2020	Provision of lease / payment of contractual interest
Lease Contract No. 5019004611	Raiffeisen - Leasing, s.r.o.	20 January 2020	Provision of lease / payment of contractual interest
Lease Contract No. 5019004612	Raiffeisen - Leasing, s.r.o.	20 January 2020	Provision of lease / payment of contractual interest
Lease Contract No. 5019004613	Raiffeisen - Leasing, s.r.o.	20 January 2020	Provision of lease / payment of contractual interest
Lease Contract No. 5019004614	Raiffeisen - Leasing, s.r.o.	20 January 2020	Provision of lease / payment of contractual interest
Lease Contract No. 5019004615	Raiffeisen - Leasing, s.r.o.	20 January 2020	Provision of lease / payment of contractual interest
Lease Contract No. 5019004616	Raiffeisen - Leasing, s.r.o.	20 January 2020	Provision of lease / payment of contractual interest

Legal act	Counterparty	Date concluded	Performance / Counter-performance
Lease Contract No. 5019004617	Raiffeisen - Leasing, s.r.o.	20 January 2020	Provision of lease / payment of contractual interest
Lease Contract No. 5019004689	Raiffeisen - Leasing, s.r.o.	20 January 2020	Provision of lease / payment of contractual interest
Lease Contract No. 5019004690	Raiffeisen - Leasing, s.r.o.	20 January 2020	Provision of lease / payment of contractual interest
Lease Contract No. 5019004691	Raiffeisen - Leasing, s.r.o.	20 January 2020	Provision of lease / payment of contractual interest
Lease Contract No. 5019004693	Raiffeisen - Leasing, s.r.o.	20 January 2020	Provision of lease / payment of contractual interest
Lease Contract No. 5019004700	Raiffeisen - Leasing, s.r.o.	20 January 2020	Provision of lease / payment of contractual interest
Amendment No. 1 to Lease Contract No. 5019003355	Raiffeisen - Leasing, s.r.o.	24 January 2020	Lease contract amendment
Amendment No. 1 to Lease Contract No. 5019003354	Raiffeisen - Leasing, s.r.o.	24 January 2020	Lease contract amendment
Amendment No. 1 to Lease Contract No. 5019003352	Raiffeisen - Leasing, s.r.o.	24 January 2020	Lease contract amendment
Amendment No. 1 to Lease Contract No. 5019003351	Raiffeisen - Leasing, s.r.o.	24 January 2020	Lease contract amendment
Amendment No. 1 to Lease Contract No. 5019003731	Raiffeisen - Leasing, s.r.o.	24 January 2020	Lease contract amendment
Amendment No. 1 to Lease Contract No. 5019004065	Raiffeisen - Leasing, s.r.o.	24 January 2020	Lease contract amendment
Amendment No. 1 to Lease Contract No. 5019004191	Raiffeisen - Leasing, s.r.o.	24 January 2020	Lease contract amendment
Amendment No. 1 to Lease Contract No. 5019004267	Raiffeisen - Leasing, s.r.o.	24 January 2020	Lease contract amendment
Amendment No. 1 to Lease Contract No. 5019002624	Raiffeisen - Leasing, s.r.o.	24 January 2020	Lease contract amendment
Amendment No. 1 to Lease Contract No. 5019002955	Raiffeisen - Leasing, s.r.o.	24 January 2020	Lease contract amendment
Amendment No. 1 to Lease Contract No. 5019002672	Raiffeisen - Leasing, s.r.o.	24 January 2020	Lease contract amendment
Amendment No. 1 to Lease Contract No. 5019002671	Raiffeisen - Leasing, s.r.o.	24 January 2020	Lease contract amendment
Amendment No. 1 to Lease Contract No. 5019002484	Raiffeisen - Leasing, s.r.o.	24 January 2020	Lease contract amendment
Amendment No. 1 to Lease Contract No. 5019002625	Raiffeisen - Leasing, s.r.o.	24 January 2020	Lease contract amendment
Amendment No. 1 to Lease Contract No. 5019002482	Raiffeisen - Leasing, s.r.o.	24 January 2020	Lease contract amendment
Amendment No. 1 to Lease Contract No. 5019002481	Raiffeisen - Leasing, s.r.o.	24 January 2020	Lease contract amendment
Amendment No. 1 to Lease Contract No. 5019002478	Raiffeisen - Leasing, s.r.o.	24 January 2020	Lease contract amendment
Amendment No. 1 to Lease Contract No. 5019000646	Raiffeisen - Leasing, s.r.o.	24 January 2020	Lease contract amendment
Amendment No. 1 to Lease Contract No. 5019002669	Raiffeisen - Leasing, s.r.o.	24 January 2020	Lease contract amendment
Lease Contract No. 5019004701	Raiffeisen - Leasing, s.r.o.	6 February 2020	Provision of lease / payment of contractual interest
Lease Contract No. 5019004702	Raiffeisen - Leasing, s.r.o.	6 February 2020	Provision of lease / payment of contractual interest
Lease Contract No. 5019004703	Raiffeisen - Leasing, s.r.o.	6 February 2020	Provision of lease / payment of contractual interest
Lease Contract No. 5019004704	Raiffeisen - Leasing, s.r.o.	6 February 2020	Provision of lease / payment of contractual interest
Lease Contract No. 5019004705	Raiffeisen - Leasing, s.r.o.	6 February 2020	Provision of lease / payment of contractual interest
Lease Contract No. 5019004706	Raiffeisen - Leasing, s.r.o.	6 February 2020	Provision of lease / payment of contractual interest
Lease Contract No. 5019004707	Raiffeisen - Leasing, s.r.o.	6 February 2020	Provision of lease / payment of contractual interest

Legal act	Counterparty	Date concluded	Performance / Counter-performance
Lease Contract No. 5019004708	Raiffeisen - Leasing, s.r.o.	6 February 2020	Provision of lease / payment of contractual interest
Lease Contract No. 5019004709	Raiffeisen - Leasing, s.r.o.	6 February 2020	Provision of lease / payment of contractual interest
Lease Contract No. 5019005106	Raiffeisen - Leasing, s.r.o.	14 February 2020	Provision of lease / payment of contractual interest
Lease Contract No. 5019005107	Raiffeisen - Leasing, s.r.o.	14 February 2020	Provision of lease / payment of contractual interest
Lease Contract No. 5019005108	Raiffeisen - Leasing, s.r.o.	14 February 2020	Provision of lease / payment of contractual interest
Lease Contract No. 5019005109	Raiffeisen - Leasing, s.r.o.	14 February 2020	Provision of lease / payment of contractual interest
Lease Contract No. 5019005110	Raiffeisen - Leasing, s.r.o.	14 February 2020	Provision of lease / payment of contractual interest
Lease Contract No. 5019005111	Raiffeisen - Leasing, s.r.o.	14 February 2020	Provision of lease / payment of contractual interest
Lease Contract No. 5019005112	Raiffeisen - Leasing, s.r.o.	14 February 2020	Provision of lease / payment of contractual interest
Lease Contract No. 5019005095	Raiffeisen - Leasing, s.r.o.	14 February 2020	Provision of lease / payment of contractual interest
Lease Contract No. 5019005136	Raiffeisen - Leasing, s.r.o.	14 February 2020	Provision of lease / payment of contractual interest
Lease Contract No. 5019005096	Raiffeisen - Leasing, s.r.o.	14 February 2020	Provision of lease / payment of contractual interest
Lease Contract No. 5019005097	Raiffeisen - Leasing, s.r.o.	14 February 2020	Provision of lease / payment of contractual interest
Lease Contract No. 5019005098	Raiffeisen - Leasing, s.r.o.	14 February 2020	Provision of lease / payment of contractual interest
Lease Contract No. 5019005099	Raiffeisen - Leasing, s.r.o.	14 February 2020	Provision of lease / payment of contractual interest
Lease Contract No. 5019005100	Raiffeisen - Leasing, s.r.o.	14 February 2020	Provision of lease / payment of contractual interest
Lease Contract No. 5019005101	Raiffeisen - Leasing, s.r.o.	14 February 2020	Provision of lease / payment of contractual interest
Lease Contract No. 5019005102	Raiffeisen - Leasing, s.r.o.	14 February 2020	Provision of lease / payment of contractual interest
Lease Contract No. 5019005103	Raiffeisen - Leasing, s.r.o.	14 February 2020	Provision of lease / payment of contractual interest
Lease Contract No. 5019005104	Raiffeisen - Leasing, s.r.o.	14 February 2020	Provision of lease / payment of contractual interest
Lease Contract No. 5019005105	Raiffeisen - Leasing, s.r.o.	14 February 2020	Provision of lease / payment of contractual interest
Lease Contract No. 5019005113	Raiffeisen - Leasing, s.r.o.	14 February 2020	Provision of lease / payment of contractual interest
Lease Contract No. 5019005114	Raiffeisen - Leasing, s.r.o.	14 February 2020	Provision of lease / payment of contractual interest
Lease Contract No. 5019005115	Raiffeisen - Leasing, s.r.o.	14 February 2020	Provision of lease / payment of contractual interest
Lease Contract No. 5019005116	Raiffeisen - Leasing, s.r.o.	14 February 2020	Provision of lease / payment of contractual interest
Lease Contract No. 5019005117	Raiffeisen - Leasing, s.r.o.	14 February 2020	Provision of lease / payment of contractual interest
Lease Contract No. 5019005118	Raiffeisen - Leasing, s.r.o.	14 February 2020	Provision of lease / payment of contractual interest
Lease Contract No. 5019005119	Raiffeisen - Leasing, s.r.o.	14 February 2020	Provision of lease / payment of contractual interest
Lease Contract No. 5019005120	Raiffeisen - Leasing, s.r.o.	14 February 2020	Provision of lease / payment of contractual interest
Lease Contract No. 5019005121	Raiffeisen - Leasing, s.r.o.	14 February 2020	Provision of lease / payment of contractual interest
Lease Contract No. 5019005122	Raiffeisen - Leasing, s.r.o.	14 February 2020	Provision of lease / payment of contractual interest
Lease Contract No. 5019005123	Raiffeisen - Leasing, s.r.o.	14 February 2020	Provision of lease / payment of contractual interest

Legal act	Counterparty	Date concluded	Performance / Counter-performance
Lease Contract No. 5019005124	Raiffeisen - Leasing, s.r.o.	14 February 2020	Provision of lease / payment of contractual interest
Lease Contract No. 5019005125	Raiffeisen - Leasing, s.r.o.	14 February 2020	Provision of lease / payment of contractual interest
Lease Contract No. 5019005126	Raiffeisen - Leasing, s.r.o.	14 February 2020	Provision of lease / payment of contractual interest
Lease Contract No. 5019005127	Raiffeisen - Leasing, s.r.o.	14 February 2020	Provision of lease / payment of contractual interest
Lease Contract No. 5019005128	Raiffeisen - Leasing, s.r.o.	14 February 2020	Provision of lease / payment of contractual interest
Lease Contract No. 5019005129	Raiffeisen - Leasing, s.r.o.	14 February 2020	Provision of lease / payment of contractual interest
Lease Contract No. 5019005130	Raiffeisen - Leasing, s.r.o.	14 February 2020	Provision of lease / payment of contractual interest
Lease Contract No. 5019005131	Raiffeisen - Leasing, s.r.o.	14 February 2020	Provision of lease / payment of contractual interest
Lease Contract No. 5019005132	Raiffeisen - Leasing, s.r.o.	14 February 2020	Provision of lease / payment of contractual interest
Lease Contract No. 5019005133	Raiffeisen - Leasing, s.r.o.	14 February 2020	Provision of lease / payment of contractual interest
Lease Contract No. 5019005134	Raiffeisen - Leasing, s.r.o.	14 February 2020	Provision of lease / payment of contractual interest
Lease Contract No. 5019005135	Raiffeisen - Leasing, s.r.o.	14 February 2020	Provision of lease / payment of contractual interest
Agreement to Provide X-business Internet Banking Services No. 600090	Raiffeisen - Leasing, s.r.o.	18 March 2020	Stipulates terms and conditions for providing internet banking services
Annex 7 to Master Service Agreement between Raiffeisenbank a.s. and Raiffeisen – Leasing a.s.	Raiffeisen - Leasing, s.r.o.	31 March 2020	Annex to the Master Agreement
Agreement on risk participation and the provision of a special-purpose loan, reg. No. 7168000018	Raiffeisen - Leasing, s.r.o.	8 April 2020	Agreement on risk participation and the provision of a special-purpose loan / payment of instalments and the participation share
Agreement on risk participation and the provision of a special-purpose loan, reg. No. 7168000037	Raiffeisen - Leasing, s.r.o.	11 May 2020	Agreement on risk participation and the provision of a special-purpose loan / payment of instalments and the participation share
Agreement on risk participation and the provision of a special-purpose loan, reg. No. 7168000038	Raiffeisen - Leasing, s.r.o.	11 May 2020	Agreement on risk participation and the provision of a special-purpose loan / payment of instalments and the participation share
Agreement on risk participation and the provision of a special-purpose loan, reg. No. 7168000052	Raiffeisen - Leasing, s.r.o.	11 May 2020	Agreement on risk participation and the provision of a special-purpose loan / payment of instalments and the participation share
Amendment No. 3 to the Master service agreement S/2017/00498	Raiffeisen - Leasing, s.r.o.	12 May 2020	Amendment to Master Agreement
Lease Contract No. 5019004920	Raiffeisen - Leasing, s.r.o.	9 June 2020	Provision of lease / payment of contractual interest
Lease Contract No. 5019004921	Raiffeisen - Leasing, s.r.o.	10 June 2020	Provision of lease / payment of contractual interest
Lease Contract No. 5019004924	Raiffeisen - Leasing, s.r.o.	10 June 2020	Provision of lease / payment of contractual interest
Lease Contract No. 5019004925	Raiffeisen - Leasing, s.r.o.	10 June 2020	Provision of lease / payment of contractual interest
Lease Contract No. 5019004923	Raiffeisen - Leasing, s.r.o.	18 June 2020	Provision of lease / payment of contractual interest

Legal act	Counterparty	Date concluded	Performance / Counter-performance
Lease Contract No. 5019004926	Raiffeisen - Leasing, s.r.o.	19 June 2020	Provision of lease / payment of contractual interest
Amendment No. 2 to the Agreement on Cooperation in Client Data Exchange S/2012/02973	Raiffeisen - Leasing, s.r.o.	24 June 2020	Amendment to the Cooperation agreement
Amendment No. 2 to the Master service agreement S/2017/00498	Raiffeisen - Leasing, s.r.o.	7 July 2020	Amendment to Master Agreement
Lease Contract No. 5019004922	Raiffeisen - Leasing, s.r.o.	21 July 2020	Provision of lease / payment of contractual interest
Amendment No. 1 to Lease Contract No. 5019003846	Raiffeisen - Leasing, s.r.o.	31 August 2020	Lease contract amendment
Amendment No. 1 to Lease Contract No. 5019002360	Raiffeisen - Leasing, s.r.o.	31 August 2020	Lease contract amendment
Amendment No. 1 to Lease Contract No. 5019002365	Raiffeisen - Leasing, s.r.o.	31 August 2020	Lease contract amendment
Amendment No. 1 to Lease Contract No. 5019002362	Raiffeisen - Leasing, s.r.o.	31 August 2020	Lease contract amendment
Amendment No. 1 to Lease Contract No. 5019002418	Raiffeisen - Leasing, s.r.o.	31 August 2020	Lease contract amendment
Amendment No. 1 to Lease Contract No. 5019002419	Raiffeisen - Leasing, s.r.o.	31 August 2020	Lease contract amendment
Amendment No. 10 to the Contract on the Sublease of Non-Residential Premises	Raiffeisen - Leasing, s.r.o.	8 September 2020	Amendment to the Sublease agreement
Annex 15 to Master Service Agreement between Raiffeisenbank a.s. and Raiffeisen – Leasing s.r.o.	Raiffeisen - Leasing, s.r.o.	26 November 2020	Annex to the Master Agreement
Amendment No. 1 to the Agreement on risk participation and the provision of a special-purpose loan reg. No. 7008005192	Raiffeisen - Leasing, s.r.o.	12 February 2021	Amendment No. 1 to the Agreement| (Leo Expres)
Amendment No. 5 to the Non-exclusive sales representation agreement	Raiffeisen - Leasing, s.r.o.	2 March 2021	Amendment modifies Articles I.11, I.12 and I.13 of the Agreement
Agreement to terminate Agreement to Provide X-business Internet Banking Services No. 600090 of 18 March 2020	Raiffeisen - Leasing, s.r.o.	10 March 2021	Termination of agreement of 18 March 2020
Amendment No. 1 to the Agreement on risk participation and the provision of a special-purpose loan	Raiffeisen - Leasing, s.r.o.	7 April 2021	Amendment No. 1 to the Agreement (Gaudí Group)
Amendment No. 6 to the Non-exclusive sales representation agreement	Raiffeisen - Leasing, s.r.o.	21 April 2021	Amendment modifies the Article on commission amount
Amendment No. 1 to the Agreement on risk participation and the provision of a special-purpose loan	Raiffeisen - Leasing, s.r.o. Raiffeisen FinCorp, s.r.o.	3 May 2021	Amendment No. 1 to the Agreement (Farářství 3 (formerly KAPMC, now Theia Property)
Cooperation agreement	Raiffeisen - Leasing, s.r.o.	12 May 2021	Stipulates terms and conditions of mutual cooperation / contractual fee
Agreement on risk participation and the provision of a special-purpose loan, reg. No. 7104001204	Raiffeisen - Leasing, s.r.o.	12 May 2021	Agreement on risk participation and the provision of a special-purpose loan / payment of instalments and the participation share

Legal act	Counterparty	Date concluded	Performance / Counter-performance
Annex 3 to the Master service agreement between RBCZ and RLCZ	Raiffeisen - Leasing, s.r.o.	13 May 2021	Specifies details of information security and BCM services
Amendment No. 2 to the Agreement on risk participation and the provision of a special-purpose loan	Raiffeisen - Leasing, s.r.o.	17 June 2021	Amendment No. 2 to the Agreement (Tevarial Hold a.s.)
Amendment No. 2 to the Agreement on risk participation and the provision of a special-purpose loan	Raiffeisen - Leasing, s.r.o.	17 June 2021	Amendment No. 2 to the Agreement (Gaudí Group)
Agreement to forward information in mutual cooperation CDR13474	Raiffeisen - Leasing, s.r.o.	30 June 2021	Forwarding of data from data warehouses
Amendment No. 1 to the Agreement on risk participation and the provision of a special-purpose loan	Raiffeisen - Leasing, s.r.o. Raiffeisen FinCorp, s.r.o.	30 June 2021	Amendment No. 1 to the Agreement (Smilova (Theia Property)
Amendment No. 32 to Loan Contract No. 110157/2012/01	Raiffeisen - Leasing, s.r.o.	19 July 2021	Provision of a credit limit / payment of contractual interest
Framework agreement on data protection and transfers CDR19980	Raiffeisen - Leasing, s.r.o.	4 August 2021	Stipulates binding rules for data protection and transfers
Special agreement No. 16 CDR19980	Raiffeisen - Leasing, s.r.o.	23 August 2021	Specifies details of transfers and protection of data specified in Annex 14 to the Framework agreement
Agreement on risk participation and the provision of a special-purpose loan, reg. No. 7000800006	Raiffeisen - Leasing, s.r.o.	19 November 2021	Agreement on risk participation and the provision of a special-purpose loan / payment of instalments and the participation share
Agreement on risk participation and the provision of a special-purpose loan, reg. No. 7000800001	Raiffeisen - Leasing, s.r.o.	19 November 2021	Agreement on risk participation and the provision of a special-purpose loan / payment of instalments and the participation share
Agreement on risk participation and the provision of a special-purpose loan, reg. No. 7000800002	Raiffeisen - Leasing, s.r.o.	19 November 2021	Agreement on risk participation and the provision of a special-purpose loan / payment of instalments and the participation share
Agreement on risk participation and the provision of a special-purpose loan, reg. No. 7000800003	Raiffeisen - Leasing, s.r.o.	19 November 2021	Agreement on risk participation and the provision of a special-purpose loan / payment of instalments and the participation share
Agreement on risk participation and the provision of a special-purpose loan, reg. No. 7000800004	Raiffeisen - Leasing, s.r.o.	30 November 2021	Agreement on risk participation and the provision of a special-purpose loan / payment of instalments and the participation share
Agreement to accede to insurance (UNIQA pojišťovna)	Raiffeisen - Leasing, s.r.o.	8 December 2021	Stipulates terms and conditions for acceding to insurance
Special agreement No. 6 CDR19980	Raiffeisen - Leasing, s.r.o.	15 December 2021	Specifies details of Compliance and Financial Crime Management data transfers and protection
Special agreement No. 13 CDR19980	Raiffeisen - Leasing, s.r.o.	27 December 2021	Specifies details for client centre data transfers and protection

Legal act	Counterparty	Date concluded	Performance / Counter-performance
Special agreement No. 4 CDR19980	Raiffeisen - Leasing, s.r.o.	29 December 2021	Specifies details for internal audit data transfers and protection
Special agreement No. 9 CDR19980	Raiffeisen - Leasing, s.r.o.	29 December 2021	Specifies details for filing data transfers and protection

Raiffeisen Direct Investments CZ s.r.o.

Legal act	Counterparty	Date concluded	Performance / Counter-performance
Agreement to accede to insurance	Raiffeisen Direct Investments CZ s.r.o. UNIQA pojišťovna, a.s.	8 December 2021	Stipulates terms and conditions for acceding to insurance

As of 31 December 2021, Raiffeisenbank a.s. was related to a total of 105 companies (see the list in Chapter 2) indirectly through Raiffeisen-Leasing, s.r.o., with which it concluded contracts for the opening and maintenance of a current account. On the basis of such contracts, it received standard contractual fees from and paid standard contractual interest to the companies. Also, Raiffeisenbank a.s. concluded contracts for the use of electronic banking, or authorisation to use electronic banking, with these companies, based on which it received standard contractual fees from the above companies. The bank has also concluded loan or lease contracts with some of the above companies, based on which it received current interest. Furthermore, Raiffeisenbank a.s. has several Treasury Master Agreements with these companies, the subject-matter of which is the provision of trades concluded on the money and capital markets and payment of contractual fees.

Raiffeisenbank a.s. also provides the Multicash platform to the above companies.

In 2021, Raiffeisenbank a.s. connected accounts to the Multicash installation for the following companies:

Amathia Property, s.r.o., Bratislavská 59 s.r.o., Cymo Property, s.r.o., Eudore Property, s.r.o., FMZ Invest s.r.o., Ianira Property, s.r.o., Mneme Property, s.r.o., PLACHTAPARK s.r.o., Pronoe Property, s.r.o., Raiffeisen Broker, s.r.o., SPILBERK SPV delta s.r.o., Thoe Property, s.r.o.

Raiffeisen FinCorp, s.r.o.

Legal act	Counterparty	Date concluded	Performance / Counter-performance
Master agreement on banking loan products, reg. No. 114429/2014/01	Raiffeisen FinCorp, s.r.o.	29 October 2014	Master agreement on the provision of a credit limit / payment of contractual interest
Amendment No. 1 to the Master agreement on banking loan products, reg. No. 114429/2014/01	Raiffeisen FinCorp, s.r.o.	11 December 2014	Provision of a credit limit / payment of contractual interest
Treasury Master Agreement	Raiffeisen FinCorp, s.r.o.	26 February 2015	Agreement on rights and obligations related to transactions in the financial market
Amendment to Treasury master agreement	Raiffeisen FinCorp, s.r.o.	26 February 2015	Agreement on rights and obligations related to transactions in the financial market
Amendment No. 2 to the Master agreement on banking loan products	Raiffeisen FinCorp, s.r.o.	31 March 2015	Provision of a credit limit / payment of contractual interest
Guarantor's statement	Raiffeisen FinCorp, s.r.o.	11 May 2015	Security to a liability
Amendment No. 3 to the Master agreement on banking loan products	Raiffeisen FinCorp, s.r.o.	22 June 2015	Provision of a credit limit / payment of contractual interest
Amendment No. 1 to the Guarantor's statement	Raiffeisen FinCorp, s.r.o.	22 June 2015	Security to a liability
Amendment No. 4 to the Master agreement on banking loan products	Raiffeisen FinCorp, s.r.o.	31 July 2015	Provision of a credit limit / payment of contractual interest

Legal act	Counterparty	Date concluded	Performance / Counter-performance
Amendment No. 5 to the Master agreement on banking loan products	Raiffeisen FinCorp, s.r.o.	17 August 2015	Amendment to Annex 2 of the Agreement
Amendment No. 6 to the Master agreement on banking loan products	Raiffeisen FinCorp, s.r.o.	29 April 2016	Amended Article VIII, paragraph 5 of the Agreement
Amendment No. 7 to the Master agreement on banking loan products	Raiffeisen FinCorp, s.r.o.	31 May 2016	Amended Article I, paragraph 6 of the Agreement
Amendment No. 8 to the Master agreement on banking loan products	Raiffeisen FinCorp, s.r.o.	29 July 2016	Provision of a credit limit of up to 4,000,000,000 CZK
Amendment No. 2 to the Guarantor's statement	Raiffeisen FinCorp, s.r.o.	29 July 2016	Change of contractual terms
Limit approval	Raiffeisen FinCorp, s.r.o.	16 February 2016	Review of the loan and treasury line including its extension and increase
Approval of limit for Raiffeisen FinCorp and Raiffeisen-Leasing	Raiffeisen FinCorp, s.r.o.	26 July 2016	Review of the loan and treasury line including its extension and increase
Amendment No. 9 to the Master agreement on banking loan products	Raiffeisen FinCorp, s.r.o.	12 June 2017	Provision of a credit limit / payment of contractual interest
Master Agreement on Financial Market Trading CMA/0001/APR405/02/2790336 2	Raiffeisen FinCorp, s.r.o.	27 December 2017	Agreement on Financial Market Trading
Arrangement to the Master service agreement	Raiffeisen FinCorp, s.r.o.	28 March 2018	Outsourcing some services to RBCZ
Amendment No. 10 to the Master agreement on banking loan products	Raiffeisen FinCorp, s.r.o.	18 October 2018	Provision of a credit limit / payment of contractual interest
Amendment No. 11 to the Master agreement on banking loan products	Raiffeisen FinCorp, s.r.o.	17 December 2018	Amended Article III, paragraphs 3, 4, 5 of the Agreement
Agreement to terminate the contractual relationship under Master agreement reg. No. 114429/2014/01	Raiffeisen FinCorp, s.r.o.	30 April 2019	Agreement to terminate the contractual relationship
Amendment No. 4 to loan agreement relating to E-Gate	Raiffeisen FinCorp, s.r.o. PPF Gate a.s. Komerční banka, a.s.	21 April 2021	Amendment No. 4 to facility agreement
Amendment No. 1 to the Agreement on risk participation and the provision of a special-purpose loan	Raiffeisen FinCorp, s.r.o. Raiffeisen - Leasing, s.r.o.	3 May 2021	Amendment No. 1 to the Agreement Farářství 3 (formerly KAPMC, now Theia Property)
Amendment No. 1 to the Agreement on risk participation and the provision of a special-purpose loan	Raiffeisen FinCorp, s.r.o. Raiffeisen - Leasing, s.r.o.	30 June 2021	Amendment No. 1 to the Agreement (Smilova (Theia Property)

As at 31 December 2021, Raiffeisenbank a.s. concluded Agreements to Open and Administer Current Accounts with Raiffeisen FinCorp, s.r.o. Based on these agreements it accepted regular contractual fees from the above company and paid regular contractual interest.

During 2021, the Bank had the following contracts and agreements in place with the aforementioned companies: contracts for the maintenance of a current account (based on which it received standard contractual fees), and lease and loan agreements (including hedging documentation) for the purpose of financing the acquisition of fixed assets.

Raiffeisen investiční společnost a.s.

Legal act	Counterparty	Date concluded	Performance / Counter-performance
Master RIS service agreement S/2013/00482	Raiffeisen investiční společnost a.s.	1 January 2013	Provision of RIS services / payment of contractual remunerations and fees
Current account opening and maintenance agreement No. 5170010300/5500	Raiffeisen investiční společnost a.s.	23 January 2013	Maintenance of current account No. 5170010300/5500
Agreement on Cooperation in Preparation of Tax Returns for VAT Group	Raiffeisen investiční společnost a.s.	14 February 2013	Stipulation of mutual rights and obligations of VAT group members
Contract for the Sublease of Non-Residential Premises	Raiffeisen investiční společnost a.s.	29 March 2013	Contract for the Sublease of Non-Residential Premises / payment of rent
Confidentiality Agreement	Raiffeisen investiční společnost a.s.	17 June 2013	Confidentiality Agreement
Amendment No. 1 to the Contract on the Sublease of Non-Residential Premises	Raiffeisen investiční společnost a.s.	1 January 2014	Amendment to the Contract for the Sublease of Non-Residential Premises / payment of rent
Amendment No. 1 to the Agreement on Cooperation in Preparation of Tax Returns for VAT Group	Raiffeisen investiční společnost a.s.	13 May 2014	Administration of contact details
Agreement on Certain Issues Related to Management of Qualifying Investors' Fund	Raiffeisen investiční společnost a.s.	18 July 2014	Cooperation, compulsory disclosure in management of Leonardo, open-end mutual fund
Investment Instrument Brokerage Agreement	Raiffeisen investiční společnost a.s.	5 December 2014	Brokerage of purchases and sales of investment instruments / payment of contractual fee
Amendment No. 1 to the Master service agreement S/2013/00482	Raiffeisen investiční společnost a.s.	16 March 2015	The amendment amends existing Annex 2, part 1 / payment of contractual fee
Amendment No. 1 to the Electronic Banking Agreement	Raiffeisen investiční společnost a.s.	21 April 2015	Amended paragraph 6.8. of the Agreement
Agreement to Provide Outsourcing Services in RIS Risk Management	Raiffeisen investiční společnost a.s.	30 July 2015	Agreement to Provide Outsourcing Services in RIS Risk Management / payment of contractual fee
Compliance Cooperation Agreement	Raiffeisen investiční společnost a.s.	3 December 2015	Stipulation of the conditions of RB cooperation in Compliance and FRM / payment of contractual remuneration
Amendment No. 2 to the Master service agreement S/2013/00482	Raiffeisen investiční společnost a.s.	1 January 2016	The amendment updates Annexes 1 through 8 of the Agreement
Amendment No. 2 to the Agreement on Cooperation in Preparation of Tax Returns for VAT Group	Raiffeisen investiční společnost a.s.	11 May 2016	Added obligation to submit data for controlling reports
Confidentiality Agreement	Raiffeisen investiční společnost a.s.	19 May 2016	Subject of the Agreement are rights and obligations of RB and RIS
Sub-license agreement S/2016/00440	Raiffeisen investiční společnost a.s.	1 September 2016	Sub-License agreement on registered trademarks
Contract for the provision of outsourced internal audit services to Raiffeisen investiční společnost a.s.	Raiffeisen investiční společnost a.s.	22 September 2016	Outsourcing of internal audit services
Amendment No. 2 to the Contract on the Sublease of Non-Residential Premises	Raiffeisen investiční společnost a.s.	11 November 2016	Change of the subject of the sublease / change of rent

Legal act	Counterparty	Date concluded	Performance / Counter-performance
Amendment No. 3 to the Master service agreement S/2013/00482	Raiffeisen investiční společnost a.s.	1 January 2017	The amendment updates Annex 2
Amendment No. 3 to the Contract on the Sublease of Non-Residential Premises	Raiffeisen investiční společnost a.s.	1 January 2017	Amendment to the Contract for the Sublease of Non-Residential Premises / payment of rent
Sub-license agreement S/2016/00665	Raiffeisen investiční společnost a.s.	9 January 2017	License for using the rights to the ASPI system service / payment of the contractual fee
Master Agreement on Financial Market Trading	Raiffeisen investiční společnost a.s.	28 February 2017	Agreement on rights and obligations related to transactions in the financial market / payment of the contractual fee
Amendment No. 1 to the Compliance Cooperation Contract S/2015/3649	Raiffeisen investiční společnost a.s.	20 June 2017	The amendments adds other services provided by RB to RIS and amends the authorised persons
Agreement on Provision of Information Systems and Technology Services S/2017/00499	Raiffeisen investiční společnost a.s.	18 January 2018	Contract for the provision of IT services for RIS / payment of contractual remuneration
Contract on the Registration and Settlement of Trades S/2017/00492	Raiffeisen investiční společnost a.s.	22 January 2018	The contract governs the rights and obligations of the parties relating to the settlement of units between RBCZ and RIS
Distribution agreement S/2017/00476	Raiffeisen investiční společnost a.s.	13 March 2018	New RIS mutual fund distribution agreement
Personal Data Processing and Transfer Agreement (Controller-Controller)	Raiffeisen investiční společnost a.s.	25 May 2018	Cooperation and personal data transfers between controllers (RB/RIS)
Agreement to Provide Outsourcing Services in RIS Risk Management, Amendment No. 1	Raiffeisen investiční společnost a.s.	25 May 2018	Amendment to the Agreement to Provide Outsourcing Services in RIS Risk Management
Confidentiality Agreement, Amendment No. 1	Raiffeisen investiční společnost a.s.	25 May 2018	Amendment to the Confidentiality Agreement
Personal Data Processing Agreement S/2018/3808	Raiffeisen investiční společnost a.s.	25 May 2018	Personal Data Processing Agreement
Amendment to the Investment Instrument Brokerage Agreement	Raiffeisen investiční společnost a.s.	29 May 2018	Change of fee for acceptance of Order
Distribution agreement S/2017/00476, Amendment No. 1	Raiffeisen investiční společnost a.s.	1 June 2018	Amendment to the Distribution agreement
Contract for the provision of outsourced internal audit services to RIS, Amendment No. 1	Raiffeisen investiční společnost a.s.	5 June 2018	Amendment to the Contract for the provision of outsourced internal audit services
Amendment No. 4 to the Contract on the Sublease of Non-Residential Premises	Raiffeisen investiční společnost a.s.	29 June 2018	Amendment of rent
Amendment No. 1 to the Agreement on Provision of Information Systems and Technology Services S/2018/0340	Raiffeisen investiční společnost a.s.	23 May 2019	Annex 1, 2, 4 updated
Amendment No. 1 to the Personal Data Processing and Transfer Agreement	Raiffeisen investiční společnost a.s.	31 July 2019	Annex 1 updated

Legal act	Counterparty	Date concluded	Performance / Counter-performance
Agreement on access to Capital Markets Comliance Value Stream service via the Compliance Cockpit IT system	Raiffeisen investiční společnost a.s.	1 August 2019	RB authorization to use CMC via IT system / contractual fee
Agreement to pay fee for the asset management investment service	Raiffeisen investiční společnost a.s.	1 September 2019	Provision of investment service / payment of contractual fees
Distribution agreement S/2017/00476, Amendment No. 2	Raiffeisen investiční společnost a.s.	31 October 2019	Amendment to the Distribution agreement
Amendment to the Master Financial Market Trading Agreement SMA/01/29146739	Raiffeisen investiční společnost a.s.	14 November 2019	Change in customer category
Change in authorization rights - changed signature specimen (current account opening and maintenance agreement)	Raiffeisen investiční společnost a.s.	3 December 2019	Changed - added signatures to the signature specimen
Agreement to discharge liability - Current account opening and maintenance agreement 5170010685/5500	Raiffeisen investiční společnost a.s.	14 February 2020	Discharge of liability, closing of current account
Annex 6, Change in authorization (signing) rights - Current account opening and maintenance agreement 5170010300/5500	Raiffeisen investiční společnost a.s.	26 February 2020	Update of signing rights to the current account
Annex 7, Authorization for electronic account access via X-business internet banking (REF HP1)	Raiffeisen investiční společnost a.s.	12 June 2020	Annex 7 to Agreement No. 600108 - REF HP1 accounts (1091102495/5500 and 5170013683/5500)
Agreement to Provide X-business Internet Banking Services (Agreement 600108)	Raiffeisen investiční společnost a.s.	12 June 2020	Agreement to Provide X-business Internet Banking Services (Agreement 600108)
Annex 6, Change in signing rights - Current account opening and maintenance agreement 5170010300/5500	Raiffeisen investiční společnost a.s.	9 July 2020	Removal of signing rights
Annex 6, Change in signing rights - Current account opening and maintenance agreement 5170010300/5500	Raiffeisen investiční společnost a.s.	9 July 2020	Issue of a new PEK and added users to current account 5170010300/5500
Amendment No. 2 to the Personal Data Processing and Transfer Agreement, Personal Data Processing Agreement	Raiffeisen investiční společnost a.s.	1 September 2020	Amendment to the existing agreement
Amendment No. 5 to the Contract on the Sublease of Non-Residential Premises	Raiffeisen investiční společnost a.s.	1 October 2020	Change of the subject of the sublease / change of rent
Agreement to terminate Electronic Banking Agreement No. 3.200.001.471/100 of 17 December 2014	Raiffeisen investiční společnost a.s.	23 October 2020	Agreement to terminate the agreement
Amendment No. 2 to the Agreement on Provision of Information Systems and Technology Services S/2017/00499	Raiffeisen investiční společnost a.s.	26 November 2020	Amendment No. 2 to the Agreement on the provision of IS and IT services
Amendment No. 3 - Distribution agreement S/2017/00476	Raiffeisen investiční společnost a.s.	1 January 2021	Amendment No. 3 – amended Article 2.1.1 and Annex 1
Amendment No. 3 to the Agreement on the provision of IS and IT services	Raiffeisen investiční společnost a.s.	1 January 2021	Amended Annexes 1 and 4 to the Agreement

Legal act	Counterparty	Date concluded	Performance / Counter-performance
New PEK issued, users added (Agreement to Provide X-business Internet Banking Services (Agreement 600108))	Raiffeisen investiční společnost a.s.	12 May 2021	Issue of a new PEK and added users to current account 5170010300/5500 and 1091102495/5500
Amendment No. 2 to the Investment Instrument Brokerage Agreement	Raiffeisen investiční společnost a.s.	29 June 2021	Change of fee for acceptance of Order - stocks and ETF
Updated signing authorizations - (Agreement to Provide X-business Internet Banking Services (Agreement 600108))	Raiffeisen investiční společnost a.s.	14 July 2021	Removal of existing Electronic signature holder - all accounts
Authorization for electronic access to Accounts via X-business internet banking - (Agreement to Provide X-business Internet Banking Services (Agreement 600108))	Raiffeisen investiční společnost a.s.	14 July 2021	Opening of internet banking system services for Client (Park Porubka)
Direct Banking Service Agreement	Raiffeisen investiční společnost a.s.	20 July 2021	Modification of Direct banking services provided to Client
Record of set up access rights to account No. 5170010300/5500	Raiffeisen investiční společnost a.s.	20 July 2021	List of persons with access rights
Distribution agreement - Amendment No. 4	Raiffeisen investiční společnost a.s.	1 October 2021	Amendment No. 4 to existing Distribution agreement - amount of distributor's fee / contractual fee
Authorization for electronic access to Accounts via X-business internet banking - (Agreement to Provide X-business Internet Banking Services (Agreement 600108))	Raiffeisen investiční společnost a.s.	26 October 2021	Opening of internet banking system services for Client (DCH Real)
Agreement to accede to insurance (UNIQA pojišťovna)	Raiffeisen investiční společnost a.s.	8 December 2021	Stipulates terms and conditions for acceding to insurance

Equa bank a. s.

Legal act	Counterparty	Date concluded	Performance / Counter-performance
Current account opening and maintenance agreement	Equa bank a.s.	14 July 2011	Stipulates terms and conditions of current account opening and maintenance
Electronic Banking Agreement	Equa bank a.s.	27 July 2011	Stipulates terms and conditions of electronic banking use
Agreement to protect confidential information	Equa bank a.s.	6 February 2012	Stipulates terms and conditions of protection of confidential information
Current account opening and maintenance agreement	Equa bank a.s.	5 September 2013	Stipulates terms and conditions of current account opening and maintenance
Personal Data Processing Agreement (employees)	Equa bank a.s.	14 June 2021	Stipulates principles for personal data processing
Amended Personal Data Processing Agreement (client)	Equa bank a.s.	25 August 2021	Stipulates terms and conditions of personal data processing
Agreement on cooperation and processing of personal data	Equa bank a.s. Raiffeisen stavební spořitelna a.s.	31 August 2021	Stipulates terms and conditions of cooperation in offering and selling bank products / contractual commission

Legal act	Counterparty	Date concluded	Performance / Counter-performance
Confidentiality Agreement	Equa bank a.s.	16 September 2021	Stipulates terms and conditions of confidentiality
Amendment No. 1 to the Personal Data Processing Agreement	Equa bank a.s.	27 October 2021	Amended Annex 1 - Categories of personal data
Master Agreement on Financial Market Trading	Equa bank a.s.	4 November 2021	Stipulates terms and conditions of trading on financial market

AKCENTA CZ a.s.

Legal act	Counterparty	Date concluded	Performance / Counter-performance
Agreement to Provide X-business Internet Banking Services	AKCENTA CZ a.s.	22 March 2019	Stipulates terms and conditions for accessing internet banking services and support
Master Agreement on Financial Market Trading No. CMA/0001/APR405/01/2516368 0	AKCENTA CZ a.s.	17 September 2019	Stipulates terms and conditions of cooperation and financial market trading
Electronic Banking Agreement	AKCENTA CZ a.s.	9 October 2019	Stipulates terms and conditions of electronic banking use and support
Amendment to the Master Financial Market Trading Agreement No. CMA/0001/APR405/01/2516368 0 of 17 September 2019	AKCENTA CZ a.s.	1 September 2021	Amendment to Master Agreement

Raiffeisen Property Management, s.r.o.

Legal act	Counterparty	Date concluded	Performance / Counter-performance
Current account opening and maintenance agreement	Raiffeisen Property Management, s.r.o. (formerly Raiffeisen Property Invest, s.r.o.)	12 May 1997	Maintenance of a current account / payment of contractual fees
Current account opening and maintenance agreement	Raiffeisen Property Management, s.r.o. (formerly Raiffeisen Property Invest, s.r.o.)	16 December 2008	Maintenance of a current account / payment of contractual fees

Raiffeisen Bank Zrt.

Legal act	Counterparty	Date concluded	Performance / Counter-performance
Agreement to Open a Nostro Account	Raiffeisen Bank Zrt.	2 August 2001	Maintenance of a nostro account / payment of contractual fees
Agreement to Open and Maintain a Securities Account	Raiffeisen Bank Zrt.	11 July 2005	Definition of conditions of maintenance of RBCZ's securities account in Hungary / payment of contractual fees
ISDA Master Agreement	Raiffeisen Bank Zrt.	29 April 2011	Master Agreement stipulating mutual terms and conditions of money market trading
Schedule to the ISDA Master Agreement	Raiffeisen Bank Zrt.	29 April 2011	Definition of detailed terms and conditions of money market trading
Approval of a new Money Market limit	Raiffeisen Bank Zrt.	22 March 2016	New limit approval
Global Master Repurchase Agreement + Annexes	Raiffeisen Bank Zrt.	3 April 2019	Treasury REPO operations agreement

Legal act	Counterparty	Date concluded	Performance / Counter-performance
Loro Account Agreement	Raiffeisen Bank Zrt.	15 November 2019	Account opening and maintenance agreement

Raiffeisen banka a.d.

Legal act	Counterparty	Date concluded	Performance / Counter-performance
Loan agreement	Raiffeisen banka a.d.	21 December 2004	Provision of a loan / payment of contractual interest
Amendment No. 1 to Loan Contract of 21 December 2004	Raiffeisen banka a.d.	30 March 2005	Stipulation of contractual relations until 30 April 2005
Loan agreement	Raiffeisen banka a.d.	14 June 2005	Provision of a loan / payment of contractual interest

Raiffeisenbank Austria d. d.

Legal act	Counterparty	Date concluded	Performance / Counter-performance
Agreement to Open a Nostro Account	Raiffeisenbank Austria d. d.	21 May 2001	Maintenance of a nostro account / payment of contractual fees
ISDA Master Agreement	Raiffeisenbank Austria d. d.	8 June 2011	Master Agreement stipulating mutual terms and conditions of money market trading
Schedule to the ISDA Master Agreement	Raiffeisenbank Austria d.d.	8 June 2011	Definition of detailed terms and conditions of money market trading
Agreement to Open a Correspondent Account	Raiffeisenbank Austria d.d.	18 May 2011	Maintenance of a correspondent account / payment of contractual fees
Overdraft nostro limit increase	Raiffeisenbank Austria d.d.	30 September 2015	Overdraft nostro limit increase / payment of contractual fees

Tatra Banka, a.s.

Legal act	Counterparty	Date concluded	Performance / Counter-performance
Risk Participation Agreement	Tatra Banka, a.s.	18 May 2005	Participation in credit risk / payment of contractual fees
Risk Participation Agreement	Tatra Banka, a.s.	18 August 2005	Participation in credit risk / payment of contractual fees
Risk Participation Agreement	Tatra Banka, a.s.	16 November 2005	Participation in credit risk / payment of contractual fees
Contract for Pledge on Government Bonds	Tatra Banka, a.s.	19 May 2005	Establishment of security interest over bonds
Amendment No. 1 to the Contract for Pledge on Government Bonds of 19 May 2005	Tatra Banka, a.s.	16 November 2005	Stipulation of rights and obligations
Syndicated investment loan agreement	Tatra Banka, a.s.	12 December 2005	Provision of a loan / payment of contractual interest
Risk Participation Confirmation	Tatra Banka, a.s.	30 October 2006	Participation in credit risk / payment of contractual fees
Risk Participation Confirmation	Tatra Banka, a.s.	30 October 2006	Participation in credit risk / payment of contractual fees
Risk Participation Confirmation	Tatra Banka, a.s.	30 October 2006	Participation in credit risk / payment of contractual fees
Risk Participation Confirmation	Tatra Banka, a.s.	7 December 2006	Participation in credit risk / payment of contractual fees
Risk Participation Confirmation	Tatra Banka, a.s.	18 December 2006	Participation in credit risk / payment of contractual fees
Risk Participation Confirmation	Tatra Banka, a.s.	21 December 2006	Participation in credit risk / payment of contractual fees

Legal act	Counterparty	Date concluded	Performance / Counter-performance
Risk Participation Confirmation	Tatra Banka, a.s.	21 December 2006	Participation in credit risk / payment of contractual fees
Risk Participation Confirmation	Tatra Banka, a.s.	30 October 2007	Participation in credit risk / payment of contractual fees
Risk Participation Confirmation	Tatra Banka, a.s.	22 November 2007	Participation in credit risk / payment of contractual fees
Risk Participation Confirmation	Tatra Banka, a.s.	27 February 2008	Participation in credit risk / payment of contractual fees
Risk Participation Confirmation	Tatra Banka, a.s.	8 December 2008	Participation in credit risk / payment of contractual fees
Risk Participation Confirmation	Tatra Banka, a.s.	19 December 2008	Participation in credit risk / payment of contractual fees
Risk Participation Confirmation	Tatra Banka, a.s.	19 December 2008	Participation in credit risk / payment of contractual fees
Risk Participation Confirmation	Tatra Banka, a.s.	26 August 2008	Participation in credit risk / payment of contractual fees
Amendment No. 5 to the Agreement on Shared Use of Banker's Almanac On-line of 15 June 2004	Tatra Banka, a.s.	8 June 2009	Prolongation of the agreement
Amendment No. 6 to the Agreement on Shared Use of Banker's Almanac On-line of 15 June 2004	Tatra Banka, a.s.	16 December 2009	Agreement on joint order
Confidentiality Agreement	Tatra Banka, a.s.	4 May 2010	Agreement on confidentiality as part of potential mutual cooperation
Cooperation agreement	Tatra Banka, a.s.	1 August 2010	Agreement on conditions for transfer of information and access to premises
Agreement on Communication via the JIRA Application	Tatra Banka, a.s.	6 October 2010	Agreement to allow for mutual communication through a shared application
ISDA Master Agreement	Tatra Banka, a.s.	5 October 2011	Master Agreement stipulating mutual terms and conditions of money market trading
Schedule to the ISDA Master Agreement	Tatra Banka, a.s.	5 October 2011	Definition of detailed terms and conditions of money market trading
Risk Participation Confirmation	Tatra Banka, a.s.	5 February 2013	Participation in credit risk / payment of contractual fees
Risk Participation Confirmation	Tatra Banka, a.s.	26 September 2013	Participation in credit risk / payment of contractual fees
Amendment No. 7 to the Agreement on Shared Use of Banker's Almanac On-line of 15 June 2004	Tatra Banka, a.s.	19 December 2013	Amendment No. 7 to the Agreement on Shared Use of Banker's Almanac / payment of contractual remuneration
Risk Participation Confirmation	Tatra Banka, a.s.	20 December 2013	Participation in credit risk / payment of contractual fees
Amendment No. 8 to the Agreement on Shared Use of Banker's Almanac On-line	Tatra Banka, a.s.	29 April 2014	Amendment No. 8 to the Agreement on Shared Use of Banker's Almanac On-line / payment of contractual remuneration
Amendment No. 9 to the Agreement on Shared Use of Banker's Almanac On-line	Tatra Banka, a.s.	25 July 2014	Amendment No. 9 to the Agreement on Shared Use of Banker's Almanac On-line
Agreement to Provide Information Technology Services	Tatra Banka, a.s.	1 May 2015	Provision of IT Services / payment of contractual remuneration
Agreement to Provide Confidential Information	Tatra Banka, a.s.	21 May 2015	Provision of confidential information

Legal act	Counterparty	Date concluded	Performance / Counter-performance
Agreement on Communication via the Citrix application	Tatra Banka, a.s.	3 June 2015	Communication agreement
Agreement on Communication via the Sharepoint application	Tatra Banka, a.s.	3 June 2015	Communication agreement
Sublicensing Agreement on the Use of Finance Planning for Premium Banking Programs	Tatra Banka, a.s.	30 September 2015	Use of premium banking programs / payment of contractual remuneration
Limit increase – funded participation	Tatra Banka, a.s.	19 October 2015	Limit increase – funded participation / payment of contractual fees
Limit approval – non-funded participation	Tatra Banka, a.s.	9 December 2015	Limit approval – non-funded participation / payment of contractual fees
Amendment No. 10 to the Agreement on Shared Use of Banker's Almanac On-line	Tatra Banka, a.s.	15 December 2015	Amendment No. 10 to the Agreement on Shared Use of Banker's Almanac On-line
Master agreement (employee rotation between RBCZ and TBSK)	Tatra Banka, a.s.	20 July 2016	Conditions of the so called Rotation Programme between RBCZ and TBSK
Agreement on Cooperation in Mergers & Acquisitions	Tatra Banka, a.s.	29 September 2016	Mergers & Acquisitions services / payment of contractual fees
IT Service Agreement between Raiffeisenbank a.s. and Tatra banka, a.s.	Tatra Banka, a.s.	31 October 2016	Provision of services of a SOC supervision centre
Participation Certificate (Penta - VLM)	Tatra Banka, a.s.	13 January 2016	Risk participation
Amendment No. 11 to the Agreement on Shared Use of Banker's Almanac On-line	Tatra Banka, a.s.	21 August 2017	Amendment No. 11 to the Agreement on Shared Use of Banker's Almanac On-line
Amendment No. 1 to the Agreement on Cooperation in Mergers & Acquisitions	Tatra Banka, a.s.	27 September 2017	Change of terms – extension of the contract validity
Contract for the provision of the AS400 platform administration services	Tatra Banka, a.s.	23 October 2017	AS400 platform administration and provision of services / payment of contractual fees
Amendment No. 12 to the Agreement on Shared Use of Banker's Almanac On-line	Tatra Banka, a.s.	31 January 2018	Amendment No. 12 to the Agreement on Shared Use of Banker's Almanac On-line
Confidential Information Exchange Agreement	Tatra Banka, a.s.	22 August 2018	Confidential Information Exchange Agreement
Participation Certificate	Tatra Banka, a.s.	21 September 2018	Risk participation
Amendment No. 13 to the Agreement on Shared Use of Banker's Almanac On-line	Tatra Banka, a.s.	11 December 2018	Amendment No. 13 to the Agreement on Shared Use of Banker's Almanac On-line
Amendment No. 1 to the Contract for the provision of the AS400 platform administration services	Tatra Banka, a.s.	6 May 2019	Amendment No. 1 to the platform administration service agreement
Amendment No. 14 to the Agreement on Shared Use of Banker's Almanac On-line	Tatra Banka, a.s.	15 November 2019	Amendment No. 14 to the Agreement on Shared Use of Banker's Almanac On-line
Amendment Agreement – ISDA Master Agreement of 5 October 2011	Tatra Banka, a.s.	26 February 2021	Definition of detailed terms and conditions of money market trading
Amendment No. 1 to IT Service Agreement between Raiffeisenbank a.s. and Tatra banka, a.s.	Tatra Banka, a.s.	10 March 2021	Amended Annex 4, point 1.2
Participation Certificate No. 2/08602506	Tatra Banka, a.s.	21 October 2021	Risk participation
Participation Certificate No. 1/08602506	Tatra Banka, a.s.	21 October 2021	Risk participation

Tatra Asset Management, správ. spol., a.s.

Legal act	Counterparty	Date concluded	Performance / Counter-performance
Agreement on Communication via the Sharepoint Portal application	Tatra Asset Management, správ. spol., a.s.	15 July 2012	Agreement to allow for mutual communication through a shared application

Regional Card Processing Centre, s.r.o.

Legal act	Counterparty	Date concluded	Performance / Counter-performance
Master Agreement to Provide Payment Card Processing	Regional Card Processing Centre, s.r.o.	1 January 2011	Provision of payment card processing / payment of contractual fee
Amendment No. 1 to the Framework Agreement on Payment Card Processing Services of 2011	Regional Card Processing Centre, s.r.o.	9 June 2014	Amendment to the agreement changing the data processing and storing method
Statement of Work	Regional Card Processing Centre, s.r.o.	12 November 2015	Contract defining the extent of work, schedule, price and acceptance criteria of RPC deliveries for a project
Agreement on Communication via the JIRA Application	Regional Card Processing Centre, s.r.o.	9 May 2016	JIRA contract for application access
Statement of Work	Regional Card Processing Centre, s.r.o.	30 November 2016	New interface between Wincor Nixdorf and RPC for the authorisation of ONUS transactions
Amendment No. 2 to the Framework Agreement on Payment Card Processing Services of 2011, S/2009/00199	Regional Card Processing Centre, s.r.o.	2 March 2018	Change of contractual terms
Amendment No. 3 to the Framework Agreement on Payment Card Processing Services of 2011, S/2009/00199	Regional Card Processing Centre, s.r.o.	30 May 2018	Change of contractual terms
Agreement on order processing in accordance with article 28 GDPR	Regional Card Processing Centre, s.r.o.	5 June 2018	Agreement on data processing in compliance with GDPR
Statement of Work	Regional Card Processing Centre, s.r.o.	30 November 2019	Implementation of NFC mobile payments / payment of contractual remuneration
Amendment No. 4 to Framework Agreement on Payment Cards Processing Services S/2009/00199	Regional Card Processing Centre, s.r.o.	25 September 2020	Change of contractual terms
Side Letter Single Resolution Mechanism (SRM)	Regional Card Processing Centre, s.r.o.	29 June 2021	Stipulates conditions of SRM cooperation
Statement of Work	Regional Card Processing Centre, s.r.o.	30 November 2021	Implementation of RaiPay Group Solution 2021 / contractual fee

Raiffeisen Bank S.A.

Legal act	Counterparty	Date concluded	Performance / Counter-performance
Agreement to Open a Nostro Account	Raiffeisen Bank S.A.	19 August 2005	Maintenance of a nostro account / payment of contractual fees
Master Participation Agreement	Raiffeisen Bank S.A.	1 July 2019	Master agreement on setting mutual conditions
Participation Certificate	Raiffeisen Bank S.A.	8 July 2019	Risk participation
Global Master Repurchase Agreement	Raiffeisen Bank S.A.	18 January 2021	Repurchase agreement

Raiffeisen Centrobank AG

Legal act	Counterparty	Date concluded	Performance / Counter-performance
Agreement to Open and Maintain a Current and Correspondent Account	Raiffeisen Centrobank AG	23 October 2007	Opening and maintenance of a current and correspondent account / payment of contractual fees
Distribution Agreement	Raiffeisen Centrobank AG	27 June 2012	Agreement on joint distribution of structured products / payment of contractual commission
Amendment No. 1 to the Distribution Agreement of 27 June 2012	Raiffeisen Centrobank AG	9 October 2012	Change of contractual terms
Amendment No. 2 to the Distribution Agreement	Raiffeisen Centrobank AG	9 October 2012	Change of contractual terms
Cost Sharing Agreement	Raiffeisen Centrobank AG	9 October 2012	Agreement on sharing costs of joint distribution
ISDA 2002 Master Agreement	Raiffeisen Centrobank AG	23 April 2014	ISDA Master Agreement (International Swaps and Derivatives Association)
ISDA Schedule to the 2002 Master Agreement	Raiffeisen Centrobank AG	23 April 2014	ISDA Master Agreement plan
ISDA Credit Support Annex to the Schedule to the 2002 Master Agreement	Raiffeisen Centrobank AG	23 April 2014	Amendment to the ISDA Master Agreement
New limit approval	Raiffeisen Centrobank AG	29 March 2016	Money Market limit for treasury operations
Agreement on opening and maintenance of an account	Raiffeisen Centrobank AG	14 December 2021	Opening and maintenance of a current account

Raiffeisen – Leasing International GmbH

Legal act	Counterparty	Date concluded	Performance / Counter-performance
Creditor Agreement	Raiffeisen – Leasing International GmbH	10 March 2005	Agreement on joint steps towards debtors
Syndicate Agreement	Raiffeisen – Leasing International GmbH	3 May 2004	Agreement on cooperation in Corporate Governance
Amendment to the Creditor Agreement of 10 March 2005	Raiffeisen-Leasing International GmbH/ RLRE Kappa Property, s.r.o./ RLRE Lambda Property s.r.o.	24 June 2005	Amendment to the contractual relationships
Agreement on Joint Refinancing	Raiffeisen-Leasing International GmbH/ RLRE Kappa Property, s.r.o./ RLRE Lambda Property s.r.o.	21 October 2005	Agreement on participation in loan refinancing
Escrow Account Contract	Raiffeisen-Leasing International GmbH/ RLRE Kappa Property, s.r.o./ RLRE Lambda Property s.r.o.	24 October 2005	Opening of an account with specific conditions of disposal of funds

Legal act	Counterparty	Date concluded	Performance / Counter-performance
Creditor Agreement	Raiffeisen-Leasing International GmbH/ RLRE Kappa Property, s.r.o./ RLRE Lambda Property, s.r.o.	29 December 2004	Agreement on joint future steps
Escrow Account Contract	Raiffeisen-Leasing International GmbH/ RLRE Kappa Property, s.r.o./ RLRE Lambda Property s.r.o.	29 December 2004	Opening of an account with specific conditions of disposal of funds
Agreement on the Transfer of an Equity Investment	Raiffeisen – Leasing International GmbH	3 October 2017	Transfer of a 50% equity investment in Raiffeisen – Leasing, s.r.o. / payment of the purchase price

Raiffeisen – Leasing Finanzirungs GmbH (formerly Raiffeisen – Leasing Bank AG)

Legal act	Counterparty	Date concluded	Performance / Counter-performance
Contract for the Establishment of Pledge on Receivables from Deposits	Raiffeisen-Leasing Bank AG	27 January 2005	Establishment of security interest over receivables from deposits

Centralised Raiffeisen International Services and Payments S.R.L. (CRISP)

Legal act	Counterparty	Date concluded	Performance / Counter-performance
Cooperation framework agreement	Centralised Raiffeisen International Services and Payments S.R.L.	18 June 2007	SWIFT access settings / payment of contractual fees
Agreement on Data Processing and Protection	Centralised Raiffeisen International Services and Payments S.R.L.	18 June 2007	Agreement on the handling and protection of data
Annex No. 3 to Cooperation Framework Agreement	Centralised Raiffeisen International Services and Payments S.R.L.	8 February 2008	Cooperation in the FiSa group programme determining fees for screening of transactions for sanctioned parties
Annex No. 4a to Cooperation Framework Agreement	Centralised Raiffeisen International Services and Payments S.R.L.	12 August 2009	Specification of services for the use of a common platform for international payments
Confidentiality Agreement	Centralised Raiffeisen International Services and Payments S.R.L.	20 January 2010	Agreement on confidentiality as part of potential mutual cooperation
Annex No. 5 to Cooperation Framework Agreement	Centralised Raiffeisen International Services and Payments S.R.L.	27 August 2010	Specification of services for the use of a common platform for international payments
Annex No. 4 to Cooperation Framework Agreement	Centralised Raiffeisen International Services and Payments S.R.L.	12 November 2010	Specification of services for the use of a common platform for international payments
Amendment No. 1 to Annex No. 4 to Cooperation Framework Agreement	Centralised Raiffeisen International Services and Payments S.R.L.	6 December 2012	Specification of services for the use of a common platform for international payments
Amendment No. 2 to Annex 4 to Cooperation Framework Agreement	Centralised Raiffeisen International Services and Payments S.R.L.	18 August 2014	Amendment to the Framework Agreement, stipulating times guaranteed by CRISP for cases of SWIFT service downtime
Amendment No. 2 to Annex 2 to Cooperation Framework Agreement	Centralised Raiffeisen International Services and Payments S.R.L	18 August 2014	Amendment to the Framework Agreement, stipulating times guaranteed by CRISP for cases of SWIFT service downtime
Annex 6 to the Cooperation agreement	Centralised Raiffeisen International Services and Payments S.R.L	8 January 2015	iReg hosting and support – Fatca Reporting Support Services
Chapter 11 of Annex 6 to the Cooperation agreement	Centralised Raiffeisen International Services and Payments S.R.L	8 January 2015	iReg hosting and support – Fatca Reporting Support Services

Legal act	Counterparty	Date concluded	Performance / Counter-performance
Annex 7 to the Framework agreement	Centralised Raiffeisen International Services and Payments S.R.L	2 December 2016	Provision of services in the field of MAD II/MAR
Service Decription, Enclosure No. 8 CRS Reporting Support Services	Centralised Raiffeisen International Services and Payments S.R.L	27 February 2017	Service agreement on a group solution for creating a file for the multilateral exchange of CRS information - iReg
Annex 8 to Framework Agreement	Centralised Raiffeisen International Services and Payments S.R.L	27 February 2017	More detailed description of CRS Reporting and Security measures
Chapter 10 of Annex 8 to Framework Agreement	Centralised Raiffeisen International Services and Payments S.R.L	27 February 2017	More detailed description of CRS Reporting and Security measures
Agreement on order processing in accordance with article 28 GDPR	Centralised Raiffeisen International Services and Payments S.R.L	14 June 2018	Agreement with the provider or payment and Compliance services to comply with the obligations arising from GDPR
Addendum No. 2 to Framework Service Level Agreement dated 18 June 2007	Centralised Raiffeisen International Services and Payments S.R.L	29 June 2018	Addendum to Framework Cooperation Agreement
Addendum 1 to Enclosure No. 7 Compliance Cockpit Support Services	Centralised Raiffeisen International Services and Payments S.R.L	6 September 2018	Addendum to Compliance Cockpit Support Services Agreement
Addendum 7 to Enclosure No. 2 to Framework Agreement	Centralised Raiffeisen International Services and Payments S.R.L	31 January 2019	Addendum to Framework Cooperation Agreement
Addendum No. 4 to Enclosure No. 4 to Framework Agreement	Centralised Raiffeisen International Services and Payments S.R.L	31 January 2019	Addendum to Framework Cooperation Agreement
Non-Disclosure agreement S/2019/00051	Centralised Raiffeisen International Services and Payments S.R.L	15 February 2019	Protection of sensitive data on the contractor's part
Enclosure No. 9 to Framework Service Level Agreement	Centralised Raiffeisen International Services and Payments S.R.L	10 June 2019	Addendum to Framework Cooperation Agreement
Addendum 8 to Enclosure No. 2 to Framework Agreement on Centralised Raiffeisen International Services & Payments	Centralised Raiffeisen International Services and Payments S.R.L	3 February 2020	Addendum to Framework Cooperation Agreement
Addendum 2 to Enclosure No. 6 to Framework Agreement on Centralised Raiffeisen International Services & Payments	Centralised Raiffeisen International Services and Payments S.R.L	3 February 2020	Addendum to Framework Cooperation Agreement
Addendum 5 to Enclosure No. 5 to Framework Agreement on Centralised Raiffeisen International Services & Payments	Centralised Raiffeisen International Services and Payments S.R.L	3 February 2020	Addendum to Framework Cooperation Agreement
Addendum 3 to Framework Service Level Agreement	Centralised Raiffeisen International Services and Payments S.R.L	29 June 2020	Addendum to Framework Cooperation Agreement
Letter of Intent – Participation Confirmation	Centralised Raiffeisen International Services and Payments S.R.L	28 July 2020	Participation in a joint project
Addendum 4 to Frame Service Level Agreement	Centralised Raiffeisen International Services and Payments S.R.L	29 March 2021	Addendum to Framework Cooperation Agreement
Addendum 9 to Enclose No. 2	Centralised Raiffeisen International Services and Payments S.R.L	8 September 2021	Addendum to Framework Cooperation Agreement

AO Raiffeisenbank (formerly ZAO Raiffeisenbank)

Legal act	Counterparty	Date concluded	Performance / Counter-performance
Correspondent Account Agreement	AO Raiffeisenbank	3 September 2008	Maintenance of a correspondent account / payment of contractual fees
ISDA Master Agreement	AO Raiffeisenbank	8 September 2011	Master Agreement stipulating mutual terms and conditions of money market trading
Schedule to the ISDA Master Agreement	AO Raiffeisenbank	8 September 2011	Definition of detailed terms and conditions of money market trading

Raiffeisen Informatik Consulting GmbH (R-IT)

Legal act	Counterparty	Date concluded	Performance / Counter-performance
Purchase Agreement for Oracle Cap-Limit Licence and Maintenance Services	Raiffeisen Informatik Consulting GmbH	8 September 2010	Provision of licenses / payment of contractual fees
Amendment No. 1 to the Purchase Agreement for Oracle Cap-Limit Licence and Maintenance Services	Raiffeisen Informatik Consulting GmbH	1 June 2011	Change of contractual obligations
Agreement on the Implementation, Operation and Support of ITSM Box	Raiffeisen Informatik Consulting GmbH	10 April 2015	Agreement on the Implementation, Operation and Support of ITSM Box / payment of contractual fees
Offer ITSM changes pricing	Raiffeisen Informatik Consulting GmbH	10 October 2016	Change requirements for the ITSM box application
Letter of intent Contract and SLA Signing Confirmation Service Title: Nearshored OFSAA Hub (NOAH) infrastructure service	Raiffeisen Informatik Consulting GmbH	5 January 2017	Billing of the NOAH Platform CZ service
Offer RI553703-2016 V1.0 RBCZ, CR17 - Manage SLA in CMDB	Raiffeisen Informatik Consulting GmbH	11 May 2017	Change requirements for the ITSM box application
Offer RI551313CZ-2016 V3.2 - NOAH - OFSA Platform CZ	Raiffeisen Informatik Consulting GmbH	31 October 2017	Provision of NOAH Platform CZ service / payment of contractual fees
Framework service agreement in the area of Information Technology	Raiffeisen Informatik Consulting GmbH	20 January 2020	Framework agreement on cooperation in IT / payment of contractual fees
IT Service Description Secure file transfer	Raiffeisen Informatik Consulting GmbH	4 February 2020	IT service agreement / payment of contractual fees
IT Service Description Lotus Notes Domino Hub	Raiffeisen Informatik Consulting GmbH	4 February 2020	IT service agreement / payment of contractual fees
IT Service Description Remote System Access	Raiffeisen Informatik Consulting GmbH	6 February 2020	IT service agreement / payment of contractual fees
IT Service Description Cloud Authentication	Raiffeisen Informatik Consulting GmbH	6 February 2020	IT service agreement / payment of contractual fees
IT Service Description Cloud Directory	Raiffeisen Informatik Consulting GmbH	6 February 2020	IT service agreement / payment of contractual fees
IT Service Description Identity Federation	Raiffeisen Informatik Consulting GmbH	6 February 2020	IT service agreement / payment of contractual fees
Confidentiality Statement for Microsoft Volume Licensing Contracts	Raiffeisen Informatik Consulting GmbH	22 May 2020	Confidentiality Agreement
Exhibit 2 to the Service Description – Remote System Acccess	Raiffeisen Informatik Consulting GmbH	18 June 2020	Amendment to the agreement / changed payment of contractual fees
Exhibit 2 to the Service Description - Secure file transfer	Raiffeisen Informatik Consulting GmbH	18 June 2020	Amendment to the agreement / changed payment of contractual fees

Legal act	Counterparty	Date concluded	Performance / Counter-performance
Exhibit 2 to the Service Description – Cloud Authentication	Raiffeisen Informatik Consulting GmbH	18 June 2020	Amendment to the agreement / changed payment of contractual fees
Exhibit 2 to the Service Description – Identity Federation	Raiffeisen Informatik Consulting GmbH	18 June 2020	Amendment to the agreement / changed payment of contractual fees
Service Description MS Office 365 Collaboration Service	Raiffeisen Informatik Consulting GmbH	20 October 2020	Service agreement / payment of contractual fees

RB International Finance (USA) LLC

Legal act	Counterparty	Date concluded	Performance / Counter-performance
Risk Participation Confirmation	RB International Finance (USA) LLC	26 February 2013	Participation in credit risk / payment of contractual fees
Limit approval – maturity extension	RB International Finance (USA) LLC	30 September 2015	Limit approval – maturity extension / payment of contractual fees

Raiffeisen Kapitalanlage-Gesellschaft m.b.H (Raiffeisen Kag)

Legal act	Counterparty	Date concluded	Performance / Counter-performance
Amendment to the Distribution Agreement	Raiffeisen Kapitalanlage-Gesellschaft m.b.H	20 April 2011	Changes in Appendix 3
Management Agreement (Raiffeisen Czech Click Fund II)	Raiffeisen Kapitalanlage-Gesellschaft m.b.H	24 November 2011	Agreement to appoint an investment manager and to stipulate rights and obligations in management of the fund in question
Amendment to the Distribution Agreement	Raiffeisen Kapitalanlage-Gesellschaft m.b.H	1 July 2013	Changes in Appendix 3
Amendment to the Distribution Agreement	Raiffeisen Kapitalanlage-Gesellschaft m.b.H	1 January 2016	Transfer of non-registered funds to a separate category
Addendum to the Distribution Agreement: MIFID II harmonization	Raiffeisen Kapitalanlage-Gesellschaft m.b.H	4 December 2017	Contract amendment
Supplement to the Contact Bank Agreement	Raiffeisen Kapitalanlage G.m.b.H Raiffeisen Bank International AG	26 March 2020	Contract amendment
Amendment of the Distribution Agreement	Raiffeisen Kapitalanlage-Gesellschaft m.b.H	1 July 2021	Contract amendment
Distribution Agreement – Cancellation of Subscription Fee	Raiffeisen Kapitalanlage-Gesellschaft m.b.H	21 April 2021	Cancellation of distribution fee

Ukrainian Processing Center

Legal act	Counterparty	Date concluded	Performance / Counter-performance
Master Agreement - 3D Secure Payment Cards	Ukrainian Processing Center	26 March 2014	Master agreement – 3D Secure payment cards / payment of contractual fees
Price sheet	Ukrainian Processing Center	29 April 2014	Price sheet to the Framework Agreement / payment of contractual fees
Enclosure No. 5 to Framework Agreement	Ukrainian Processing Center	7 May 2014	Enclosure No. 5 to the Framework agreement stipulating the contractual terms and conditions
Amended Enclosure No. 5 to the Framework Agreement	Ukrainian Processing Center	13 May 2014	Amended Annex No. 5 to the Framework agreement stipulating the contractual terms and conditions

Legal act	Counterparty	Date concluded	Performance / Counter-performance
Framework Service Level Agreement	Ukrainian Processing Center	23 May 2014	Framework agreement / payment of contractual fees
Enclosure No. 5 to Framework Service Level Agreement on PRJSC	Ukrainian Processing Center	23 May 2014	Annex No. 5 to the Framework agreement stipulating the contractual terms and conditions
Addendum to Enclosure No. 5 to Framework Service Level Agreement on PRJSC	Ukrainian Processing Center	23 May 2014	Amended Enclosure No. 5 to the Framework agreement stipulating the contractual terms and conditions
Addendum 1 to Framework Service Level Agreement	Ukrainian Processing Center	11 June 2014	Amendment No. 1 to Framework agreement
Amendment No. 2 to Framework agreement	Ukrainian Processing Center	9 August 2017	Change of contractual terms
Amended Enclosure No. 5 to the Framework Agreement	Ukrainian Processing Center	28 August 2017	Amended Enclosure No. 5 to the Framework agreement stipulating the contractual terms and conditions
Amendment No. 3 to Framework agreement	Ukrainian Processing Center	14 June 2018	Change of contractual terms
Standard Contractual Clauses (Processors)	Ukrainian Processing Center	30 April 2019	GDPR Agreement between RBCZ and UPC for personal data transfers
Addendum No. 4 to Framework Service Level Agreement between Raiffeisenbank a.s. and UPC dated May 1, 2014	Ukrainian Processing Center	1 January 2020	Enclosure No. 4 to the Framework agreement stipulating the contractual terms and conditions
Addendum No. 5 to the Frame Service Level Agreement between Raiffeisenbank a.s. and UPC dated May 1, 2014	Ukrainian Processing Center	25 March 2021	Enclosure No. 5 to the Framework agreement stipulating the contractual terms and conditions
Side Letter Single Resolution Mechanism (SRM)	Ukrainian Processing Center	20 July 2021	Stipulates conditions of SRM cooperation
Addendum No. 6 to the Frame Service Level Agreement between Raiffeisenbank a.s. and UPC dated May 1, 2014	Ukrainian Processing Center	26 October 2021	Enclosure No. 4 to the Framework agreement stipulating the contractual terms and conditions

Raiffeisenbank Sh. A

Legal act	Counterparty	Date concluded	Performance / Counter-performance
Limit approval	Raiffeisenbank Sh. A	9 December 2015	Limit approval / payment of contractual interest

STRABAG SE

Legal act	Counterparty	Date concluded	Performance / Counter-performance
Agreement on the Arrangement for Services Related to Keeping Records on Investment Instruments No. HS/0001/01/FN88983h	STRABAG SE	7 September 2016	CDCP services mediation/ remuneration according to the pricelist in Appendix no. 4 to the Agreement
Agreement on Opening and Maintaining Current Investment Account BIUS/0001//02/FN 88983 h	STRABAG SE	7 September 2016	Maintaining of Current Investment Account / payment of contractual fee

In addition to contracts concluded in 2021 referred to above, the Bank and other related parties entered into other transactions in the reporting period, particularly loans and borrowings in the money market and fixed-term transactions, under which the Bank received or paid interest and fees.

3. List of Other Legal Acts

3.1 List of Other Legal Acts with Controlling Entities

Raiffeisen CEE Region Holding GmbH, RLB OÖ Sektorholding GmbH

Legal act	Counterparty	Date concluded	Performance / Counter-performance
Resolution of Regular General Meeting of Raiffeisenbank a.s. – distribution of profits for 2020	Raiffeisen CEE Region Holding GmbH RLB OÖ Sektorholding GmbH	27 April 2021	Payment of coupons under unsecured AT1 capital investment certificates based on decision of the regular general meeting
Resolution of Regular General Meeting of Raiffeisenbank a.s. – registered capital increase	Raiffeisen CEE Region Holding GmbH RLB OÖ Sektorholding GmbH	27 April 2021	Increase of the registered capital, subscription and payment of issue of shares of Raiffeisenbank a.s.

3.2 List of Other Legal Acts with Other Related Parties

Raiffeisen – Leasing, s.r.o.

Legal act	Counterparty	Date concluded	Performance / Counter-performance
Resolution of the sole member on payment of dividends	Raiffeisenbank a.s.	23 November 2021	Acceptance of dividends based on resolution of the sole member

Raiffeisen investiční společnost a.s.

Legal act	Counterparty	Date concluded	Performance / Counter-performance
Resolution of the sole shareholder on payment of dividends	Raiffeisenbank a.s.	11 May 2021	Acceptance of dividends based on resolution of the sole shareholder
Resolution of the sole shareholder on payment of dividends	Raiffeisenbank a.s.	16 November 2021	Acceptance of dividends based on resolution of the sole shareholder

Raiffeisen stavební spořitelna a.s.

Legal act	Counterparty	Date concluded	Performance / Counter-performance
Resolution of the sole shareholder on payment of dividends	Raiffeisenbank a.s.	20 April 2021	Acceptance of dividends based on resolution of the sole shareholder

3.3. Overview of actions made at the initiative or in the interest of the controlling party or entities controlled by it, if such actions applied to assets exceeding 10% of the controlled entity's equity

Raiffeisenbank a.s. concluded an agreement under which it acquired 100% of the stock of Equa bank a.s. as of 1 July 2021.
Raiffeisenbank a.s. increased the registered capital by 4.4 billion CZK by issuing and subscribing for new shares as of 12 May 2021.
Raiffeisenbank a.s. issued senior non-preferred EUR bonds worth 350 million EUR in total as of 9 June 2021.

4. List of Other Factual Measures

4.1 List of Measures Adopted at the Initiative of Controlling Entities

None.

General Limits

The Bank has approved general limits for transactions with related parties that apply to current and term deposits, loans, repurchase transactions, treasury shares, letters of credit, provided and received guarantees at request or to the benefit of the controlling party or other parties controlled by the same controlling entity.

4.2 List of Measures Adopted in the Interest of Other Related Parties

None.

5. Closing Statement of the Board of Directors of Raiffeisenbank a.s.

We hereby represent that to our best knowledge, the Report on Related Parties of Raiffeisenbank a.s. prepared in accordance with Section 82 of the Act on Commercial Corporations for the reporting period from 1 January 2021 to 31 December 2021 includes all of the below, concluded or effected in the reporting period and known to us as at the date of signing of this report:

- contracts and agreements between the related parties,
- performance and counter-performance provided to related parties,
- other legal acts made in the interest of these parties,
- all other factual measures adopted or made in the interest or at the initiative of these parties.

In identifying other related parties, the Board of Directors of Raiffeisenbank a.s. used information provided by Raiffeisen Bank International AG and other controlling entities.

Furthermore, we represent that we are not aware of any detriment to assets caused as a result of contracts, other legal acts and other factual measures concluded, made or adopted by the Bank in the reporting period from 1 January 2021 to 31 December 2021.

The Board of Directors of Raiffeisenbank a.s. represents that as part of evaluation of the benefits and detriments, the Board is not aware of any material detriments arising out of the relations among the related parties, and in the Board's opinion, benefits arising out of these relations prevail, in particular benefits arising out of common synergies within the group, such as in sharing knowledge and capacities (technical, staff) during major regulatory projects, and benefits related to the knowledge of the group's background and the use of the same systems, processes etc. Furthermore, the Board of Directors of Raiffeisenbank a.s. represents that it is not aware of any material risks ensuing for Raiffeisenbank a.s. as the controlled entity.

In Prague, on 12 April 2022

Igor Vida	Tomáš Jelínek
Chairman of the Board of Directors and CEO	*Member of the Board of Directors*

Persons Responsible for the Annual Report

We hereby declare that, to the best of our knowledge, the annual report and the consolidated annual report provide a true and accurate picture of the financial situation, business activities, and financial results of the issuer and its consolidated group for the previous accounting period and of the outlook for the future development of the financial position, business activities and financial results.

In Prague, on 21 April 2022

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

Kamila Makhmudova
Member of the Board of Directors
Raiffeisenbank a.s.

Raiffeisen Bank International at a glance

Raiffeisen Bank International (RBI) regards Austria, where it is a leading corporate and investment bank, as well as Central and Eastern Europe (CEE) as its home market. Subsidiary banks cover 13 markets across the region. In addition, the Group comprises numerous other financial service providers that are active in areas such as leasing, asset management and M&A.

In total, around 46,000 RBI employees serve 19 million customers from around 1,800 business outlets, the vast majority of which are in CEE. At year-end 2021, RBI's total assets was approximately € 192 billion.

RBI AG shares have been listed on the Vienna Stock Exchange since 2005. The regional Raiffeisen banks hold approximately 58.8 per cent of RBI shares with the remaining 41.2 per cent in free float.

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Raiffeisen banka a.d.
Djordja Stanojevica 16
11070 Novi Beograd
Tel: +381-11-32 021 00
SWIFT/BIC: RZBSRSBG
www.raiffeisenbank.rs

Slovakia

Tatra banka, a.s.
Hodžovo námestie 3
81106 Bratislava 1
Tel: +421-2-59 19-1000
SWIFT/BIC: TATRSKBX
www.tatrabanka.sk

Ukraine

Raiffeisen Bank Aval JSC
Vul Leskova 9
01011 Kiev
Tel: +38-044-490 8888
SWIFT/BIC: AVALUAUK
www.aval.ua

Leasing companies

Austria

Raiffeisen-Leasing Gesellschaft m.b.H.
Mooslackengasse 12
1190 Vienna
Tel: +43-1-71 601-0
www.raiffeisen-leasing.at

Albania

Raiffeisen Leasing Sh.a.
Rruga *"Tish Daija"*
Kompleksi *"Haxhiu"* Godina 1
Kati 7-te
1000 Tirana
Tel: +355-4-22 749 20
www.raiffeisen-leasing.al

Belarus

"Raiffeisen-Leasing" JLLC
V. Khoruzhey 31-A
220002 Minsk
Tel: +375-17-28 9-9394
www.rl.by

Bosnia and Herzegovina

Raiffeisen Leasing d.o.o. Sarajevo
Zmaja od Bosne bb.
71000 Sarajevo
Tel: +387-33-254 340
www.rlbh.ba

Bulgaria

Raiffeisen Leasing Bulgaria OOD
32A Cherni Vrah Blvd. Fl.6
1407 Sofia
Tel: +359-2-49 191 91
www.rlbg.bg

Croatia

Raiffeisen Leasing d.o.o.
Magazinska cesta 69
10000 Zagreb
Tel: +385-1-65 9-5000
www.raiffeisen-leasing.hr

Czech Republic

Raiffeisen-Leasing s.r.o.
Hvězdova 1716/2b
14078 Prague 4
Tel: +420-2-215 116 11
www.rl.cz

Hungary

Raiffeisen Corporate Lízing Zrt.
Váci út 116-118
1133 Budapest
Tel: +36-1-477 8709
www.raiffeisenlizing.hu

Kosovo

Raiffeisen Leasing Kosovo LLC
Rr. UCK p.n. 222
10000 Pristina
Tel: +383-38-222 222-340
www.raiffeisenleasing-kosovo.com

Romania

Raiffeisen Leasing IFN S.A.
Calea Floreasca 246 D
014476 Bucharest
Tel: +40-21-36 532 96
www.raiffeisen-leasing.ro

Russia

OOO Raiffeisen-Leasing
Smolenskaya-Sennaya Sq. 28
119121 Moscow
Tel: +7-495-72 1-9980
www.raiffeisen-leasing.ru

Serbia

Raiffeisen Leasing d.o.o.
Djordja Stanojevica 16
11070 Novi Beograd
Tel: +381-11-220 7400
www.raiffeisen-leasing.rs

Slovakia

Tatra-Leasing s.r.o.
Hodžovo námestie 3
811 06 Bratislava
Tel: +421-2-5919-5919
www.tatraleasing.sk

Slovenia

Raiffeisen Leasing d.o.o.
Letališka cesta 29a
1000 Ljubljana
Tel: +386-8-281-6200
www.raiffeisen-leasing.si

Ukraine

LLC Raiffeisen Leasing Aval
Stepan Bandera Av. 9
Build. 6 Office 6-201
04073 Kiev
Tel: +38-044-590 24 90
www.rla.com.ua

Branches and representative offices – Europe

France

RBI Representative Office Paris
9-11 Avenue Franklin D. Roosevelt
75008 Paris
Tel: +33-1-45 612 700

Germany

RBI Frankfurt Branch
Wiesenhüttenplatz 26
60 329 Frankfurt
Tel: +49-69-29 921 924

Poland

RBI Poland Branch
Ul. Grzybowska 78
00-844 Warsaw
Tel: +48-22-578 56 00

Sweden

RBI Representative Office
Nordic Countries
Drottninggatan 89, 14th Floor
11360 Stockholm
Tel: +46-8-440 5086

UK

RBI London Branch
Tower 42, Leaf C, 9th Floor
25 Old Broad Street
London EC2N 1HQ
Tel: +44-20-79 33-8000

Branches and representative offices – Asia

China

RBI Beijing Branch
Unit 700 (7th Floor), Building No. 6
Jianguomenwai Dajie 21
100020 Beijing
Tel: +86-10-65 32-3388

India

RBI Representative Office Mumbai
501, Kamla Hub, Gulmohar Road, Juhu
Mumbai – 400049
Tel: +91-22-26 230 657

Korea

RBI Representative Office Korea
#1809 Le Meilleur Jongno Town
24 Jongno 1ga
Seoul 110-888
Tel: +82-2-72 5-7951

Singapore

RBI Singapore Branch
50 Raffles Place
#31-03 Singapore Land Tower
Singapore 048623
Tel: +65-63 05-6000

Vietnam

RBI Representative Office
Ho-Chi-Minh-City
35 Nguyen Hue Str.,
Harbour View Tower
Room 601A, 6th Floor, Dist 1
Ho-Chi-Minh-City
Tel: +84-8-38 214 718,
+84-8-38 214 719

Selected specialist companies

Austria

Kathrein Privatbank Aktiengesellschaft
Wipplingerstraße 25
1010 Vienna
Tel: +43-1-53 451-300
www.kathrein.at

Raiffeisen Bausparkasse Gesellschaft m.b.H.
Mooslackengasse 12
1190 Vienna
Tel: +43-1-54 646-0
www.bausparen.at

Raiffeisen Centrobank AG
Am Stadtpark 9
1030 Vienna
Tel: +43-1-51 520-0
www.rcb.at

Raiffeisen Factor Bank AG
Mooslackengasse 12
1190 Vienna
Tel: +43-1-21 974-57
www.raiffeisen-factorbank.at

Raiffeisen Kapitalanlage-Gesellschaft m.b.H.
Mooslackengasse 12
1190 Vienna
Tel: +43-1-71 170-0
www.rcm.at

Raiffeisen Wohnbaubank Aktiengesellschaft
Mooslackengasse 12
1190 Vienna
Tel: +43-1-71 707-0
www.raiffeisen-wohnbaubank.at

Valida Holding AG
Mooslackengasse 12
1190 Vienna
Tel: +43-1-31 648-0
www.valida.at

Raiffeisen Financial Group in the Czech Republic

Raiffeisen investiční společnost

Raiffeisen investiční společnost (RIS) manages open-end mutual funds created for Raiffeisenbank clients. RIS funds include a full range of investment opportunities for all types of investors depending on their risk profile, and at the end of the year, the assets of the managed funds reached almost CZK 35 billion. Within several years, RIS has become a respected regional asset manager in Central Europe.

The most popular funds of 2021 were once again three funds – Strategie – for the three most common types of clients and Raiffeisen Sustainable Development Fund, to which unit holders invested more than half of the total volume. For clients of our private bank Friedrich Wilhelm Raiffeisen, Qualified Investor Funds are very popular.

The company has registered capital of CZK 40 million, which is divided into 40 book-entry registered shares with a nominal value of CZK 1,000,000 each. RIS's 100% shareholder is Raiffeisenbank a.s.

Raiffeisen investiční společnost a.s.
Hvězdova 1716/2b
140 78 Prague 4
www.rfis.cz

Raiffeisen stavební spořitelna (RSTS) provides building savings in the Czech Republic, as well as advantageous loans for reconstruction, renovations, and housing. It entered the Czech market in 1993 as the first building society, still under the name AR stavební spořitelna. Since 1998, RSTS has been a part of the strong Raiffeisen financial group. The company's merger with HYPO stavební spořitelna in 2008 was important for its future development. With this step, RSTS strengthened its position on the building savings market. In 2020, Raiffeisenbank a.s. became the 100% owner of the building society. This integration will make it possible to offer clients ever better services and provide them with the best customer experience.

Raiffeisen stavební spořitelna's marketing activities in 2021 were affected by the coronavirus pandemic and the restrictions brought about by this situation. Nevertheless, the representatives of the building society managed to organise the TOP Star gala evening at the Ambassador Hotel in Prague, where brokerage companies and their dealers were awarded for the sale of Raiffeisen stavební spořitelna's products. This event can be included among the important events of the year. In 2021, Raiffeisen stavební spořitelna was also successful in the Zlatá koruna competition, where the expert panel of judges awarded the company 3rd place in the Building Savings category.

With respect to communication with clients, Raiffeisen stavební spořitelna focused mainly on online activities and further development of social networks, where it followed the latest trends and used several new formats when creating content. A significant achievement in the second half of the year was the launch of the new communication concept "Samozřejmě", which was reflected in all of the company's communication channels.

In 2021, Raiffeisen stavební spořitelna's clients began to benefit from RSTS's merger with Raiffeisenbank, primarily in the area of products and services. An example is a package of building savings and a current account with a favourable interest rate and a bonus in the form of a financial reward, which was unparalleled on the market up to that time, and Raiffeisen stavební spořitelna was the first to introduce such a benefit on the market.

Raiffeisen stavební spořitelna a.s.
Hvězdova 1716/2b
140 78 Prague 4
www.rsts.cz

Raiffeisen - Leasing, s.r.o. is an established provider of non-bank financing and other services that helps its clients with respect to modernisation, strategic investments, and sustainable growth. Raiffeisen-Leasing, s.r.o. is a 100% subsidiary of Raiffeisenbank a.s. and a member of the important Raiffeisen financial group.

Raiffeisen-Leasing offers a wide range of financial and related services that are being constantly developed. It offers companies a unique range of investment financing and finances private vehicles, commercial vehicles and trucks, buses, machinery, equipment, or technology. It finances automobiles and motorcycles for private individuals. Raiffeisen-Leasing offers advisory services relating to subsidies. In addition to standard items, Raiffeisen-Leasing successfully finances even specific assets, such as aircraft, locomotives, and real estate.

Raiffeisen-Leasing is one of most successful leasing companies in the Czech Republic when it come to the financing of freight transport equipment, machinery, aircraft, rail technology, IT, and handling equipment.

Thanks to its unique knowledge in the area of real estate financing, the company participates in the construction and reconstruction of hotels, shopping centres, residential quarters, and other attractive projects. An equally important part of Raiffeisen-Leasing's activities is its development activities. According to data published by the Czech Leasing and Financial Association, Raiffeisen-Leasing has been ranked first in non-bank real estate financing for many years, both in the volume of new business cases and in the total volume of the real estate portfolio.

Raiffeisen-Leasing also offers a wide range of insurance products. A detailed overview of all products and services offered is available at www.rl.cz.

In 2021, leasing activities, the same as the economy as a whole, were still affected by the ongoing coronavirus pandemic. However, together with clients and partners, the company has successfully found ways to adapt to the new situation and, in particular, to use the new conditions as an opportunity. As a result, the level of investment has returned to pre-pandemic levels.

The total volume of new investments financed by Raiffeisen-Leasing rose to CZK 11.3 billion in 2021. In absolute numbers, this is the highest volume of financing since the establishment of Raiffeisen-Leasing and a year-on-year increase of 41%. The total value of the company's assets as at 31 December 2021 according to the separate financial statements prepared in accordance with IFRS standards amounted to CZK 24.9 billion. Raiffeisen - Leasing 's profit after tax according to IFRS in 2021 totalled CZK 459 million. This data was not audited as of the date of publication of this consolidated annual report.

From the very beginning, the company has maintained its stable role as a reliable and responsible financial partner. It strives to make the most of its synergy with the parent company Raiffeisenbank for the benefit of its clients, thus offering clients an effective network of banking and leasing products and services.

Through its activities, Raiffeisen-Leasing follows the strategy of the Raiffeisen group and supports the group's corporate values. Part of the company's basic philosophy is social responsibility, which is reflected in our activities at many levels, from effective organisation and management to CSR activities.

Raiffeisen-Leasing holds a licence from the CNB, which entitles the company to provide consumer loans. Raiffeisen-Leasing has been a member of the Czech Leasing and Financial Association for many years.

In 2022, Raiffeisen-Leasing plans to respond to energy and industry developments and will expand on its services in the area of commercial photovoltaic power plants.

Raiffeisen - Leasing, s.r.o.
Hvězdova 1716/2b
140 78 Prague 4
www.rl.cz

Equa bank
Raiffeisenbank a.s.

Despite the continuing economic downturn associated with the COVID pandemic, 2021 was a successful year for Equa bank. As in previous years, the bank has grown in most of the key segments, continuing to strengthen its market leadership in modern, digital, and client-friendly banking.

At the end of 2021, Equa bank's balance sheet total was CZK 73.7 billion. In 2021, the number of clients continued to increase, and by the end of 2021, it had reached 519,000. The company reported a profit of CZK 553 million according to the separate financial statements prepared in accordance with IFRS standards. This data was not audited as of the date of publication of this consolidated annual report.

2021 was the last year of Equa bank's successful existence. On 6 February 2021, Equa Group Limited, the sole shareholder of Equa bank a.s. and the sole shareholder of Equa Sales & Distribution s.r.o., concluded with Raiffeisenbank a.s. an agreement on the sale of 100% of the shares of Equa bank a.s. and a 100% stake in Equa Sales & Distribution s.r.o. The final settlement of the transaction took place on 1 July 2021 when Raiffeisenbank a.s. paid the agreed purchase price and thus became the sole shareholder of Equa bank a.s. From July 2021, the two banks commenced certain joint activities. As at 1 January 2022, there was a merger between Raiffeisenbank as the successor company and Equa bank as the merging company. However, *"Equa bank"* remains one of Raiffeisenbank's brands for the time being.

In practice, nothing had changed for clients throughout 2021. All Equa bank products and services continued to be provided without changes. In addition, all branches, bankers, and the client centre were fully accessible to all clients and business partners.

Equa bank
Hvězdova 1716/2b
140 78 Prague 4
www.equabank.cz

UNIQA

UNIQA pojišťovna, a.s. commenced its operations on the Czech insurance market in 1993. UNIQA pojišťovna, a.s. is not owned by Raiffeisenbank a.s. Its parent company is the international concern UNIQA Insurance Group with its headquarters in Vienna. With its 40 subsidiaries, UNIQA operated last year in 18 countries in Europe and served 15.5 million clients. In February 2020, the acquisition of AXA was announced in the Czech Republic, Slovakia, and Poland, which was confirmed by the closing in October 2020. Hence the UNIQA group is now one of the five strongest insurance brands in the CEE region and acquired an additional 5 million clients. With the integration of AXA into the UNIQA family in the three mentioned countries, the group's prescribed premiums increased by another approximately EUR 800 million annually.

UNIQA in the Czech Republic and Slovakia completed its legal merger in the summer of 2021. The original insurance company thus became a Czech-Slovak financial group, also covering investments and pensions through its specialised companies under the UNIQA brand; AXA left the Czech and Slovak markets. Currently, UNIQA has about 2.6 million customers on the Czech and Slovak markets.

UNIQA pojišťovna holds a universal insurance licence allowing the company to carry out business in the area of both life and non-life insurance. Currently, UNIQA offers all types of insurance products covering the insurance needs of all private and corporate clients.

UNIQA pojišťovna currently ranks fifth on the Czech insurance market. Thanks to the integration with AXA, UNIQA acquired an additional 800,000 clients on the Czech market and significantly strengthened insurance premium sales.

Last year, UNIQA provided its services at approximately 130 business locations throughout the Czech Republic and, of course, at Raiffeisenbank and RSTS branches. Due to the continuing COVID pandemic and long-term restrictive measures, UNIQA continues to offer all of its comprehensive distance services already implemented, which covered all areas at the time of the closing, such as arranging products, contract management, and handling claims. The service was available to customers without restrictions thanks to a number of measures, especially those relating to digitising processes and simplifying terms for clients.

UNIQA pojišťovna has closely cooperated with the Raiffeisen group for many years. In the form of a preferred partnership, this cooperation has also successfully expanded in other European countries where both brands are active on the financial market. Insurance is an integral part of financial services, and hence UNIQA pojišťovna has prepared optimal products for this purpose, such as leasing, credit, and mortgage transactions.

New for 2021 was the accident insurance Opora, which is optional for all clients who have a personal account at Raiffeisenbank. Clients could arrange this insurance starting in October 2021 in two variations: for an individual or for the family. Opora provides clients with protection in the event of death due to an accident, permanent consequences of an injury, and for a reasonable period of treatment for an accident and hospitalisation in the event of an accident in the form of daily contributions. In less than three months during 2021, 3,473 clients arranged Opora.

The unique insurance product *"Bodyguard"* introduced to the market in 2020 was arranged by 33,341 customers last year. The product covers cases of unauthorised transactions and theft or loss of personal belongings. The insurance protects against the misuse of Internet banking, mobile banking, and all payment cards that the client has at Raiffeisenbank in any form (payment cards, apps on watches or mobile phones). As a part of this insurance, personal belongings may be, for example, keys, ID cards, laptops, mobile phones, watches, as well as wedding rings, transport passes, prescription drugs, or glasses, and many other things. The indemnity limit for such an unpleasant insurance event is up to CZK 50,000.

In 2021, UNIQA continued its successful cooperation in the sale of the life insurance products DOMINO Invest and DOMINO Risk at the Raiffeisenbank branch offices. Bankers concluded 2,630 insurance policies with their clients. Total annual prescribed premiums from both life insurance products reached CZK 207.2 million.

In addition, UNIQA continued to successfully arrange insurance policies for the insurance product Domov VARIANT at the branch offices and mortgage centres. Last year, Raiffeisenbank bankers concluded a total of 9,199 new insurance policies. The total annual prescribed premiums from retail property insurance reached CZK 129.5 million.

For entrepreneurs, high-quality business risk insurance offered with a business account is a part of the product portfolio. Perfekt insurance from UNIQA covers to a large extent the assets and liabilities of entrepreneurs, including a wide range of assistance services, unique on the Czech market for this client segment. Insurance premiums for Perfekt amounted to CZK 17 million in 2021.

Two products from UNIQA relating to repayment insurance were successfully sold last year with credit products: mortgage repayment insurance and consumer loan repayment insurance. The first of these was even awarded by the analysts Scott & Rose in the survey Insurance Product of the Year 2021, the same as the previous year. Total prescribed premiums for these two innovative products reached CZK 49.3 million.

Starting in 2020, the drawn-down amounts on a client's credit cards could be secured with a similar type of insurance used for credit products.

A standard product for Raiffeisenbank clients is advantageous travel insurance on debit and credit cards for themselves and their families.

The total prescribed premiums from the portfolio of all valid UNIQA insurance policies arranged by Raiffeisenbank bankers amounted to CZK 622 million last year.

UNIQA pojišťovna, a.s.
Evropská 810/136
160 00 Prague 6
www.uniqa.cz

Raiffeisenbank's branches

Branch Office	Address	Phone
Beroun	Husovo náměstí 45, 266 01, Beroun	+420 311 600 027
Blansko	Rožmitálova 12, 678 01 Blansko	+420 515 209 854
Brandýs nad Labem, Masarykovo nám.	Masarykovo nám. čp. 22/13 , 250 01, Brandýs nad Labem	+420 311 699 199
Brno - Campus Netroufalky	Netroufalky 770, 625 00, Brno	+420 518 700 711
Brno - Česká	Česká 12, 602 00, Brno	+420 517 545 001
Brno - Masarykova	Masarykova 30, 602 00, Brno	+420 532 196 811
Brno - Hradecká Globus	Hradecká 408/40, 621 00, Brno - Ivanovice	+420 549 122 411
Brno - Jánská	Jánská 1/3, 602 00, Brno	+420 542 221 370
Brno - Královo Pole	Palackého třída 76, 612 00, Brno	+420 581 853 475
Brno - Olympia	Olympia U Dálnice 777, 664 42, Brno	+420 547 243 868
Břeclav	Jana Palacha 2921/3 , 690 02 Břeclav	+420 518 306 836
Česká Lípa	Náměstí T.G.M 193, 470 01, Česká Lípa	+420 487 881 811
České Budějovice - Milady Horákové	M.Horákové 1498, 370 05, České Budějovice	+420 385 790 111
České Budějovice - Nám. Přemysla Otakara	Náměstí Přemysla Otakara II. 13, 370 63, České Budějovice	+420 386 707 411
České Budějovice - Pražská, IGY	Pražská 1247/24, OC IGY, 370 01, České Budějovice	+420 383 709 091
Český Krumlov	Náměstí Svornosti 15, 381 01, Český Krumlov	+420 380 712 705
Děčín	Myslbekova 80/3, 405 01, Děčín	+420 412 432 085
Domažlice	Msgre.B.Staška 68, 344 01, Domažlice	+420 379 775 917
Frýdek - Místek - J.V.Sládka	J.V.Sládka 84, 738 01, Frýdek-Místek	+420 558 440 910
Havířov	Hlavní třída 438/73, 736 01, Havířov - Město	+420 596 808 311
Havlíčkův Brod	Havlíčkovo nám. čp.175, 580 01 Havlíčkův Brod	+420 565 300 666
Hodonín	Národní třída 18a, 695 01, Hodonín	+420 518 399 811
Hradec Králové - S.K.Neumanna	S.K.Neumanna 487, 500 02, Hradec Králové	+420 493 334 111
Hradec Králové - V Kopečku	V Kopečku 75, 500 03, Hradec Králové	+420 495 069 666
Cheb	Májová 16, 350 02, Cheb	+420 354 433 629
Chomutov	Žižkovo nám. 120, 430 01, Chomutov	+420 474 930 900
Jablonec nad Nisou	Komenského 8, 466 01, Jablonec nad Nisou	+420 483 737 141
Jihlava - Masarykovo náměstí	Masarykovo náměstí 35, 586 01, Jihlava	+420 567 578 911
Jindřichův Hradec	náměstí Míru čp. 166, 377 01 Jindřichův Hradec	+420 380 300 590
Karlovy Vary - Krále Jiřího	Krále Jiřího 39, 360 01, Karlovy Vary	+420 353 167 770
Karviná - Masarykovo nám.	Masarykovo nám. 28/15, 733 01, Karviná	+420 597 497 711
Kladno	Osvobozených politických vězňů 656, , 272 01, Kladno	+420 312 709 413
Klatovy, Náměstí Míru	Náměstí Míru168/1, 339 01, Klatovy	+420 376 541 811
Kolín	Kutnohorská 43, 280 02, Kolín	+420 321 338 982
Krnov, Hlavní náměstí	Hlavní náměstí 97/36, 794 01, Krnov	+420 554 601 111
Kroměříž, Vodní	Vodní 59, 767 01, Kroměříž	+420 573 301 811
Liberec - České Mládeže, OC NISA	České mládeže 456, OC NISA, 463 12 , Liberec	+420 482 711 730
Liberec - Na Rybníčku	Na Rybníčku 1, 460 01, Liberec 3	+420 488 100 011
Litoměřice	Mírové náměstí čp, 9/1, 412 01 Litoměřice	+420 412 359 630
Mělník, náměstí Karla IV.	náměstí Karla IV. 183/17, 27601, Mělník	+420 315 650 139
Mladá Boleslav - Bondy centrum	Bondy Centrum, tř. Václava Klementa č.p. 1459, 293 01, Mladá Boleslav	+420 326 509 611
Mladá Boleslav - TGM	T.G.Masaryka 1009, 293 01, Mladá Boleslav	+420 326 700 981
Most	Budovatelů 1996/4, 434 01, Most	+420 476 140 216
Náchod, Karlovo náměstí	Karlovo náměstí 84, 547 01, Náchod	+420 491 405 757
Nový Jičín	5. května čp. 20, 741 01 Nový Jičín	+420 553 608 171
Olomouc - Nám. Národních Hrdinů	nám. Národních hrdinů 1, 779 00, Olomouc	+420 585 206 911
Olomouc – OC Šantovka	Polská 1 , 779 00, Olomouc	+420 583 452 011
Opava - Horní náměstí	Horní náměstí 32, 746 01, Opava	+420 553 759 311
Ostrava - Nová Karolina	Jantarová 3344/4, Forum Nová Karolina, 702 00, Ostrava	+420 596 664 171
Ostrava - 28. října, Nová Karolina PARK	28.října 3348/65, 702 00, Ostrava	+420 597 011 541
Ostrava Dlouhá	Dlouhá 3, 702 00, Ostrava	+420 596 111 863
Ostrava Tesco	TESCO, Sjízdná 5554, 722 00, Ostrava	+420 596 966 432
Ostrava, Rudná, Avion Shopping Park	Rudná 114/3114 - Avion Shopping Park, 700 30, Ostrava	+420 558 944 011

Branch Office	Address	Phone
Pardubice - třída Míru	třída Míru 420, 530 02, Pardubice	+420 466 610 016
Pardubice - K Polabinám	K Polabinám 1893-4, 530 02, Pardubice	+420 466 512 197
Písek	Velké náměstí 116, 397 01, Písek	+420 382 759 111
Plzeň - Americká 1	Americká 1, 301 00, Plzeň	+420 377 236 582
Plzeň - Bedřicha Smetany	Bedřicha Smetany 11, 301 00, Plzeň	+420 374 334 800
Plzeň - Olympia	Olympia, Písecká 972/1, 326 00, Plzeň Černice	+420 377 222 156
Praha - Anděl	Zlatý Anděl, Nádražní 23, 150 00, Praha 5	+420 251 510 444
Praha - Bělehradská	Bělehradská 100/18, 120 00, Praha 2	+420 221 511 281
Praha - Budějovická	Olbrachtova 2006/9, 140 21, Praha 4	+420 234 401 026
Praha - City Tower (Hvězdova)	Hvězdova 1716/2B, 140 78, Praha 4	+420 234 405 130
Praha - Dejvická	Dejvická 11, 160 00, Praha 6	+420 233 089 711
Praha - Eden Vršovická	OC Eden, Vršovická 1527/68b, 100 00, Praha 10	+420 225 282 911
Praha - Chlumecká	Chlumecká 765/6, 198 00, Praha 9	+420 281 008 111
Praha - Jalta	Václavské náměstí 43, 110 00, Praha 1	+420 222 115 590
Praha - Jandova (OSN)	Jandova 135/2, 190 00, Praha 9	+420 225 545 511
Praha - Karlovo náměstí	Karlovo náměstí 10, 120 00, Praha 2	+420 224 900 711
Praha - Komunardů	Komunardů 21/1045, 170 00, Praha 7	+420 225 020 380
Praha - Ládví	Kyselova 1658, 182 00, Praha 8 - Ládví	+420 283 880 342
Praha - Lidická	Lidická 42, 150 00, Praha 5-Smíchov	+420 251 010 811
Praha - Milady Horákové	Milady Horákové 10, 170 00, Praha 7	+420 233 028 022
Praha - Na Pankráci Gemini	Na Pankráci 1724, 140 78, Praha 4	+420 234 261 211
Praha - Europark	Nákupní 389/3, 102 00, Praha 10	+420 234 093 011
Praha - Národní	Národní 9/1010, 110 00, Praha 1	+420 221 411 922
Praha - Nitranská	Nitranská 988/19, vstup z ulice Vinohradská, 130 00, Praha 3	+420 296 338 011
Praha - Novodvorská	Novoplaza Novodvorská 1800/136, 142 00, Praha 4	+420 241 406 914
Praha - Palladium	náměstí Republiky 1, 110 00, Praha 1	+420 225 376 503
Praha - Park Hostivař	Interspar Švehlova 32/1392, 102 00, Praha 10	+420 272 656 215
Praha - Petržílkova	Petržílkova 2706/30, 158 00, Praha 5	+420 296 334 011
Praha - Thámova	Thámova 118/17, 186 00, Praha 8	+420 234 720 911
Praha - Václavské náměstí, Astra	Václavské náměstí 773/4, 110 00, Praha 1	+420 234 093 311
Praha - Veselská Letňany	OC Letňany, Veselská 663, 199 00, Praha 9 - Letňany	+420 234 261 047
Praha - Vodičkova	Vodičkova 38, 110 00, Praha 1	+420 221 141 261
Praha - Zenklova	Zenklova 22/340, 180 00, Praha 8	+420 225 983 511
Praha - Zličín	Řevnická 1/121, 150 00, Praha 5	+420 234 720 101
Prostějov	Hlaváčkovo nám.3, 796 01, Prostějov	+420 582 400 800
Přerov	Komenského 758/11, 750 02, Přerov	+420 587 800 911
Příbram, Zahradnická	Zahradnická 70, 26101, Příbram 3	+420 318 646 194
Říčany, Masarykovo náměstí	Masarykovo náměstí 155, 251 01, Říčany	+420 323 209 011
Strakonice, Velké náměstí	Velké náměstí 141, 386 01, Strakonice	+420 380 777 265
Svitavy	náměstí Míru čp. 132/68, 568 02 Svitavy	+420 461 352 017
Šumperk	Hlavní třída 15, 787 01, Šumperk	+420 583 219 734
Tábor, Bílkova	Bílkova 960, 390 02, Tábor	+420 381 201 611
Teplice, nám. Svobody, GALERIE	Nám. Svobody 3316, 415 01, Teplice	+420 417 534 703
Trutnov, Horská	Horská 97, Trutnov, 541 01, Trutnov	+420 498 501 801
Třebíč, Jejkovská brána	Jejkovská brána 36/1, 674 01, Třebíč	+ 420 568 891 236
Třinec	Náměstí Svobody 528, 739 61, Třinec	+420 558 944 911
Uherské Hradiště, Obchodní	Obchodní ul. 1508, 686 01, Uherské hradiště	+420 576 000 401
Ústí nad Labem - Forum, Bílinská	Bílínská 3490/6, 400 01, Ústí n. L.	+420 478 050 111
Ústí nad Labem - Pařížská	Pařížská 20, 400 01, Ústí nad Labem	+420 477 101 701
Vyškov	Masarykovo náměstí 46/34 ,682 01, Vyškov	+420 517 302 550
Vsetín	Dolní náměstí čp. 429, 755 01 Vsetín	+420 571 425 136
Zlín – Areál SVIT	J. A. Bati 5648, 760 01, Zlín	+420 577 008 016
Zlín - Nám. Míru	nám. Míru 9, 760 01, Zlín	+420 577 011 124
Znojmo	Masarykovo náměstí 325/3, 669 02, Znojmo	+420 515 209 711
Žďár nad Sázavou	Nám. Republiky 42, 591 01, Žďár nad Sázavou	+420 566 652 715

Mortgage centers

City	Address	Phone
Brno	Česká 12, 602 00, Brno	+420 517 545 026
Brno/Olympia	U Dálnice 777, 664 42, Brno	+420 547 243 868
Brno/Hodonín	Národní třida 18a, 695 01, Hodonín	+420 518 399 818
Brno/Znojmo	Masarykovo nám. 325/3, 669 02, Znojmo	+420 515 209 716
České Budějovice	náměstí Přemysla Otakara II. 13, 370 63, České Budějovice	+420 386 707 457
České Budějovice/Tábor	Bilkova 960, 390 02, Tábor	+420 381 201 614
Hradec Králové	V Kopečku 75, 500 03, Hradec Králové	+420 495 069 677
Jihlava	Masarykovo náměstí 35, 586 01, Jihlava	+420 567 578 920
Karlovy Vary	Krále Jiřího 39, 360 01, Karlovy Vary	+420 353 167 719
Liberec	Na Rybníčku 1, 460 01, Liberec	+420 488 100 040
Olomouc	nám. Národních hrdinů 1, 779 00, Olomouc	+420 582 800 415
Ostrava	Dlouhá 3, 702 00, Ostrava	+420 595 131 431
Ostrava/Opava	Horni nám. 32, 746 01, Opava	+420 553 759 312
Ostrava/Frýdek-Místek	J. V. Sládka 84, 738 01, Frýdek-Místek	+420 558 440 920
Pardubice	K Polabinám 1893/4, 530 02, Pardubice	+420 467 002 505
Plzeň	Americká 1, 301 00, Plzeň	+420 379 305 569
Praha – Budějovicka	Olbrachtova 2006/9, 140 21, Praha 4	+420 225 471 668
Praha – Karlovo nám.	Karlovo náměstí 10, 120 00, Praha 2	+420 222 925 855
Praha – Jandova	Jandova 135/2, 190 00, Praha 9	+420 225 545 516
Praha – ASTRA	Václavské náměstí 773/4, 110 00, Praha 1	+420 225 374 059
Ústi nad Labem	Pařížská 20, 400 01, Ústí nad Labem	+420 477 101 723
Most	Budovatelů 1996/4, 434 01, Most	+420 476 140 212
Zlín	J. A. Bati 5648, 760 01 Zlín	+420 577 008 017

Friedrich Wilhelm Raiffeisen branches

City	Address	Phone
Brno – Česká	Česká 12, 602 00, Brno	+420 517 545 046
Olomouc – Horní lán	Horní lán 1328/6, 779 00, Olomouc	+420 585 206 931
Ostrava – Dlouhá	Dlouhá 3, 702 00, Ostrava	+420 596 128 866
Pardubice – třida Míru t	třída Míru 92, 530 02, Pardubice	+420 461 313 343
Plzeň – Bedřicha Smetany	Bedřicha Smetany 11, 301 00, Plzeň	+420 374 334 828
Praha – City Tower (Hvězdova)	Hvězdova 1716/2B, 140 78, Praha 4	+420 234 405 058
Praha – Na Příkopě	Na Příkopě 1047/17, 110 00 Praha 1	+420 233 063 280

Corporate centers

City	Address
Brno – Česká	Česká 12, 602 00, Brno
Brno – Jánská	Jánská 1/3, 602 00, Brno
České Budějovice	náměstí Přemysla Otakara II. 13, 370 63, České Budějovice
Hradec Králové – V Kopečku	V Kopečku 75, 500 03, Hradec Králové
Chomutov	Žižkovo nám. 120, 430 01, Chomutov
Jihlava – Masarykovo náměstí	Masarykovo náměstí 35, 586 01, Jihlava
Karlovy Vary – Krále Jiřího	Krále Jiřího 39, 360 01, Karlovy Vary
Kolín	Kutnohorská 43, 280 02, Kolín
Liberec – Na Rybníčku	Na Rybníčku 1, 460 01, Liberec 3
Mladá Boleslav – TGM	T. G. Masaryka 1009, 293 01, Mladá Boleslav
Olomouc – Národní dům	8. května 464/21, 779 00, Olomouc
Ostrava – Dlouhá	Dlouhá 3, 702 00, Ostrava
Pardubice – třída Míru	třída Míru 92, 530 02, Pardubice
Plzeň – Bedřicha Smetany	Bedřicha Smetany 11, 301 00, Plzeň
Praha – Budějovická	Olbrachtova 2006/9, 140 21, Praha 4
Praha – City Tower (Hvězdova)	Hvězdova 1716/2B, 140 78, Praha 4
Praha – Karlovo náměstí	Karlovo náměstí 10, 120 00, Praha 2
Praha – Národní	Národní 9/1010, 110 00, Praha 1
Tábor – Bílkova	Bílkova 960, 390 02, Tábor
Trutnov – Horská	Horská 97, Trutnov, 541 01, Trutnov
Ústí nad Labem – Velká Hradební	Velká Hradební 3385/9, 400 01, Ústí nad Labem
Zlín – Potoky	Potoky 552, 760 01, Zlín
Žďár nad Sázavou	nám. Republiky 42, 591 01, Žďár nad Sázavou

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