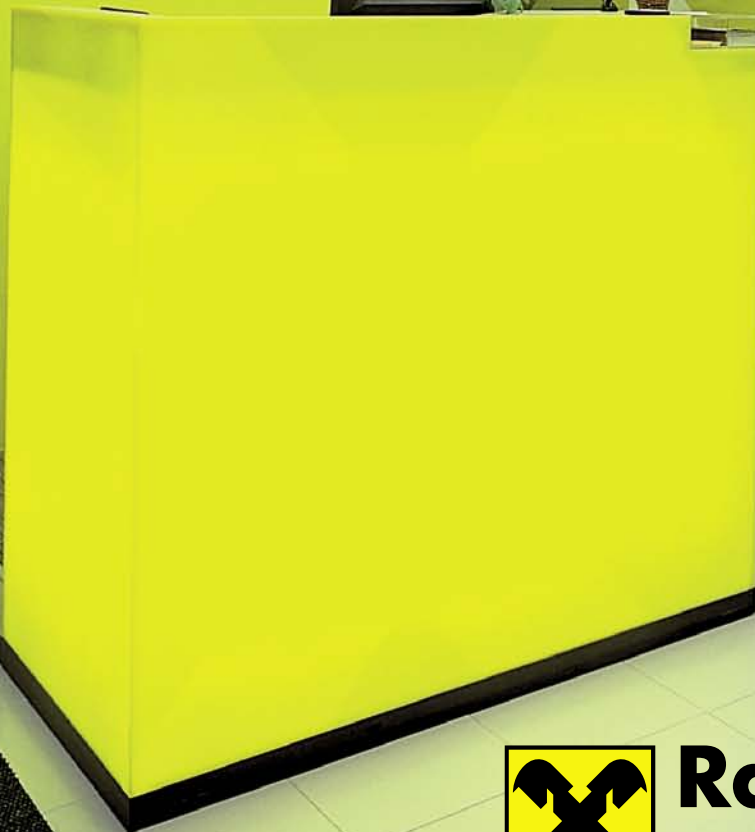


Annual Report 2010



Vítejte



Banker

vyzve vás

Banker



**Raiffeisen
BANK**

Client inspired banking

Annual Report

2010



Client inspired banking

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Survey of Key Data

in accordance with the IFRS/IAS

in TCZK	2010	2009	Change
Income Statement			
Net interest income after provisioning	4,800,835	4,538,699	5.8%
Net commission income	1,866,137	1,589,033	17.4%
Trading profit	540,709	839,310	(35.6)%
General administrative expenses	(4,983,530)	(4,577,985)	8.9%
Profit before tax	2,319,712	2,522,408	(8.0)%
Profit after tax	1,822,450	1,985,777	(8.2)%
Earnings per share	2.78	3.03	(8.1)%
Balance Sheet			
Loans and advances to banks	6,787,339	23,803,475	(71.5)%
Loans and advances to customers	152,663,083	142,816,370	6.9%
Deposits from banks	20,694,201	25,037,385	(17.3)%
Deposits from customers	125,936,145	130,092,679	(3.2)%
Equity	13,958,452	13,158,998	6.1%
Balance-sheet total	185,858,281	193,213,455	(3.8)%
Regulatory information			
Risk-weighted assets, incl. market risk	122,169,363	117,818,025	3.7%
Total own funds	14,196,342	14,162,933	0.2%
Total own funds requirement	9,773,549	9,425,442	3.7%
Excess cover ratio	45.3%	50.3%	(5) PB
Core capital ratio (Tier 1), banking book	8.5%	8.5%	0 PB
Core capital ratio (Tier 1), incl. market risk	8.5%	8.5%	0 PB
Own funds ratio	10.5%	11.0%	(0.5) PB
Performance			
Return on equity (ROE) before tax*	16.6%	19.2%	(2.6) PB
Return on equity (ROE) after tax*	13.1%	15.1%	(2) PB
Cost/income ratio	52.7%	52.5%	0.2 PB
Return on assets (ROA) before tax	1.2%	1.3%	(0.1) PB
Net provisioning ratio	1.2%	0.9%	0.3 PB
Risk/earnings ratio	23.7%	20.1%	3.6 PB
Resources			
Number of staff	2,836	2,590	0.6%
Business outlets	105	104	1.0%

* 2009 data were recalculated according to valid and effective Decree No. 123/2007 Coll., stipulating the prudential rules for banks, credit unions and investment firms

Introducing Raiffeisenbank

Raiffeisenbank a.s. is an important banking institution that provides a wide range of banking services to private and corporate clientele in the Czech Republic. Raiffeisenbank is a member of the Austrian Raiffeisen Financial Group that also offers products and services in the Czech Republic in the area of building savings (Raiffeisen stavební spořitelna), insurance (UNIQA pojišťovna) and leasing (Raiffeisen-Leasing, Raiffeisen-Leasing Real Estate). In 2008, Raiffeisenbank successfully merged with eBanka, a.s., which has been operating on the Czech market since 1998. From this time, eBanka has focused on quality Internet banking services.

Raiffeisenbank serves clients at more than 100 branch offices and client centres throughout the Czech Republic. The total assets of the bank exceed CZK 186 billion, and the bank's core capital is CZK 6.564 billion. The bank employs more than 2500 employees.

The bank's wide range of quality services have been awarded both in the Czech Republic and abroad. In 2010, Raiffeisenbank was named the "Most Dynamic Bank of the Year" in the Fincentrum Bank of the Year competition for the fourth time in the last five years. eKonto defended its position as best account for the third time in a row, and Raiffeisenbank came in third place in the main category. In the Zlata koruna competition, the bank took first place in the categories of direct banking, corporate loans and corporate accounts.

Raiffeisenbank's majority shareholder is Raiffeisen Bank International AG (RBI), which resulted from the October 2010 merger between Raiffeisen International Bank-Holding AG and the principal business areas of its majority shareholder, Raiffeisen Zentralbank Österreich AG (RZB). Raiffeisen Bank International AG (RBI) regards both Austria, where it is a leading corporate and investment bank, and Central and Eastern Europe (CEE) as its home market. RBI is a fully-consolidated subsidiary of RZB, which indirectly owns around 78.5 per cent of the common stock; the remainder is in free float, with RBI's shares listed on the Vienna Stock Exchange.

Raiffeisen Group, as well as the individual banks in their respective markets, regularly receive "The Best Bank in Central and Eastern Europe" awards from prestigious magazines as Euromoney, Global Finance or The Banker.

From the very beginning, Raiffeisenbank has offered its services with emphasis on the particular needs of clients in the various regions. Besides its business activities, Raiffeisenbank is also involved in a number of community service activities related to culture, education and charity, reflecting Raiffeisen's 140-year tradition.

Important Events in 2010

January

First partial liberalisation of the rules for mortgages. Since the beginning of the year, Raiffeisenbank provides mortgages for 90 per cent of the value of real estate. During the year, interest rates have been reduced several times. This is all reflected in increased interest in mortgages. In 2010, Raiffeisenbank provides mortgages for CZK 14 billion, which is a year-on-year increase of 40 per cent.

March

Simplifying the lending process for medium-size firms with annual turnovers from CZK 30 to 250 million. Besides shortening the time needed for processing applications, the main objective of the change is also to provide clients who do not show signs of increased credit risk with better access to standard loans.

April

Announcement relating to accelerated expansion of the bank. The long-term objective is to be the best bank in the Czech Republic for this segment. Therefore, the first step is expanding the distribution network and increasing the number of employees for serving these clients. As a result, the bank will open approximately 50 branches by the end of 2011. The focus will primarily be on premium clients. These business sites will have their own design and will operate under the brand Raiffeisen Premium Banking. The bank will hire several hundred new employees for serving these clients.



May

Raiffeisenbank agrees with the Czech branch of Citibank to purchase its portfolio of consumer loans amounting to about three quarters of a billion Czech crowns. Mario Drosc, member of the Board of Directors of Raiffeisenbank, comments, "We are constantly searching for opportunities for further growth. In a period of gradual economic recovery, we want to start up our lending again. Purchasing the portfolio of consumer loans perfectly corresponds to these goals".

June

Success in the Zlatá koruna competition: Raiffeisenbank receives first place for the best products in the categories of business accounts, business loans and direct banking.

July

Several fees that clients considered to be sensitive in nature are cancelled in the new price list. Among others, the bank cancels the fee for deposits on accounts or the fee for premature payments on consumer loans.

August

The new credit card, Premium Banking, is one of the most advantageous on the Czech market. The card which is geared to premium clients has an advantageous interest rate of 17 per cent p.a. and a higher limit. It can be acquired free of charge, and there is a loyalty programme associated with it.

September

New alternatives for pension savings. The pension reform and the need to save for retirement becomes a hot topic. For people who do not want to rely on the government after retirement, Raiffeisenbank prepares a new life-cycle fund. The fund offers the possibility of higher yields than ordinary savings products, a high potential of growth in the first phase of the investment cycle, and stability at the close of the cycle.

October

Raiffeisenbank officially announces its intention to create a new IT system, in which it will invest more than a billion Czech crowns over a three-year period. The main supplier of the new banking system will be the Indian company Infosys with its product Finacle. The entire project will be completed with its launch at the beginning of 2012.





November

Additional success in the prestigious Bank of the Year awards. For the fourth time in the last five years, Raiffeisenbank was named the Most Dynamic Bank in the Czech Republic. eKonto was awarded for the third time in a row as the best account in the Czech Republic. In the main category of Bank of the Year, Raiffeisenbank ended in third place, the same as in the new category Bank without Barriers.

December

eKonto is the only account in the Czech Republic where the bank actually pays clients for account maintenance. The bonus clients receive is also charitable in nature. Clients may donate the 20 crowns to one of four charitable organisations. In such a case, the bank sends the money to the selected charitable organisation. Thanks to its clients, the bank has exceeded the million crown threshold sent via eKonto for charity. Raiffeisenbank was awarded for the charitable aspect of eKonto in the Top Filantrop competition in the category of Most Responsible Partnership with Clients.

CEO's Statement

For all practical purposes, 2010 had developed according to our expectations. We knew that we had another demanding year with challenging macroeconomic conditions in front of us. We also believed that the first good news on domestic economic recovery could appear. Our assumptions were confirmed. From a business perspective, we had fared relatively well. We recorded year-on-year growth in all of the key indicators. In the same manner, the development of net profit, according to our expectations, was influenced by a rise in non-performing loans, and the associated creation of provisions, especially in the household sector.

However, we were well prepared for a demanding year, and in the persisting adverse conditions, we continued in our strategy. More than ever before, we focused on additional expansion and the establishment of new branches designed especially for premium clients. We managed to resume moderate growth in lending for the corporate sector as well as for mortgages.

In 2011, we will focus even more on premium and private clients by opening new business locations. We will continue to expand the branch network, and in the corporate sector, we would like to take even more advantage of the rising demand for loans. We will also complete the preparations for our new IT system.

A wide range of awards had confirmed the bank's strong position and its successful struggle with the crisis.



Awards in 2010

Raiffeisenbank is regularly one of the most awarded financial institutions in the Czech Republic. In the prestigious Fitcentrum award for the Bank of the Year, the bank was awarded for the fourth time in the last five years the Most Dynamic Bank of the Year. For the third year in a row, the eKonto bank account was awarded the title Best Account of the Year. Raiffeisenbank upheld its position in the main category. After winning first place in 2008, the bank received third place in 2010. Raiffeisenbank also received third place in the new category Barrier-Free Bank, where the handicapped assessed the conduct and accessibility of individual banks.

As customary, Raiffeisenbank was successful in the Zlatá koruna competition. The bank's Internet banking again defended its title as having the best Internet banking services on the local market. In addition, the Business eKonto and business loans were designated as the best products. Together with additional second and third places, Raiffeisenbank was the most successful bank of the year.

I am also very pleased with our assessment in the Top Filantrop competition, where we were the winners in the category Most Reliable Relations with Clients. The bank's eKonto along with its charitable programme was also awarded.

Corporate Banking

Economic stagnation – year two

2010 was another demanding year in corporate banking. The low level of economic activity for firms continued from last year and was accompanied by further economic decline or stagnation, especially in the construction, service and trade sectors. The banking market was characterised by a lack of long-term resources in particular and their persistently high prices during the current situation of elevated credit risk for financed companies. However, signs of economic recovery had begun to appear, particularly in export oriented industrial firms, which was the basis for additional positive development in the economy and the banking market in 2010.

Trade results

With respect to financing for our clients, there was a year-on-year rise of more than 5 per cent in the volume of lending. Therefore, the bank's market share in the corporate sector exceeded 9 per cent for the first time. The decline in economic activity, which affected the area of operational financing most in 2009, came to a halt in 2010. For manufacturing firms in particular, this turned into a rise in demand for this type of financing. Demand for investment loans remained relatively low as a result of the continued decline in investment activity and the economical measures taken by our clients. The trade financing segment had managed to hold its position from the past five years, and structured financing recorded favourable results.

In the first half of the year, one of the driving forces was the cooperation with the Czech-Moravian Guarantee and Development Bank related to providing guarantees in a simplified manner. This, in particular, allowed our clients to acquire supplementary operational loans for supplies. Subsequently in the second half of the year, there was a recovery in demand for financing receivables and a slight increase in demand for investment loans.

In 2010, we focused on optimising our lending processes with the aim of satisfying the ordinary demands of clients more effectively and in a more expeditious manner and also having sufficient capacity for individual solutions to complex cases. We substantially revised the lending process in the segment of small and medium-sized enterprises in order to speed up the process and so that comprehensive financing would be offered to clients in the amounts and structures that they desired. The results of these activities will be seen in the following year.

In the area of deposits, the bank confirmed its good reputation and trustworthiness with clients. The low interest rates along with the prudence of firms in using foreign resources led to a significant decline on the corporate deposit market in the first quarter of 2010. The same as with lending, we managed to cope with the initial losses in volume at a faster pace than the competition, which again led to a slight increase in our market share.

Consultation services for subsidies

Currently, Raiffeisenbank provides subsidy applicants with comprehensive services, from investment related consultation, searching for suitable subsidy titles and a preliminary assessment of assumptions for acquiring subsidies, assistance in processing applications, up to pre-financing or co-financing of projects that have been awarded subsidies.

Flexibility of the new conditions brings excellent results

A decline in the volume of new transactions, caused by a reduction in the trading activities of our clients, was reflected in the relatively low year-on-year increase in revenues. Despite the worsened market environment, we were very successful in managing the credit portfolio and, in turn, minimising losses from non-performing loans, which ultimately positively influenced our profits.



Private Individuals

Charity connected with eKonto brings in its first million

Interest in our flagship account eKonto was also on the rise in 2010. We opened tens of thousands of new accounts. eKonto is the only account in the Czech Republic where the bank pays clients for account maintenance. In addition, the account bonus received by clients has a charitable feature. Clients may opt to donate this bonus to selected charitable organisations. In this fashion, the bank has already provided more than a million Czech koruna to charitable projects. We have even been awarded for the charitable aspect of eKonto in the Top Filantrop competition.

Increased interest in loans

In comparison with 2009, we have registered an increase in demand for loans. This increase was felt primarily in mortgages where many clients reacted to the positive economic situation and no longer postponed such an important investment decision. Along with the rise in mortgages, interest rates were reduced several times and new products were introduced, such as the offset mortgage, where clients pay interest only on the part of the loan that exceeds the funds on their savings accounts. All of this led to an increase of 40 per cent in the volume of new mortgages to CZK 14 billion. Despite the strong growth rate, overall sales are still significantly lower than in the record years 2008 and 2009. A slight recovery was also seen for interest in consumer loans.



Purchase of consumer loan portfolio

Raiffeisenbank had agreed with the Czech branch of Citibank to purchase its portfolio of consumer loans for approximately three quarters of a billion Czech koruna. We are constantly searching for opportunities for further growth. In a period of gradual economic recovery, we would also like to reinstate our lending process. The purchase of a consumer loan portfolio corresponds perfectly to these aims.

Life cycle fund as an alternative to pension savings

The Czech Republic urgently needs to reform its pension system. In addition, the younger generation of Czechs – i.e. from birth up to people in their 40s – should start saving for their retirement. The investment topic of the future is security for old age. Currently, there are 105 senior citizens to 100 children. At the end of the 2030s, this relation will be 200 to 100. Moreover, the number of persons older than 65 years will double during the next 60 years.

For people who do not want to rely on the state when they retire, we have prepared a new life cycle fund. The fund offers the possibility of higher yields than ordinary savings products, a high potential of growth in the first phase of the investment cycle and stability at the end of the cycle. The fund is geared to long-term investors. Regular investment in the fund starts at CZK 500 per month.

Raiffeisenbank with its client inspired banking policy cancels sensitive fees

We also listened to our clients in 2010 and respected their wishes. In this respect, the main change to the new price list was to cancel the fee for deposits to private accounts, which until now was CZK 10. Clients clearly expressed that they disliked of this fee. Additional positive news included cancellation of the fee for advanced payments on Quick Loan or the fee for changing settings on accounts and account statements via Internet banking.

Goals for 2011

We will continue to focus on clients with higher incomes, businesses and large firms. We would like to offer these key groups the best services on the market, and we anticipate an additional increase in our market shares for products geared to these clients. Nevertheless, we do not only want to acquire new clients, but also to improve the quality of the service provided, which will in turn, increase their satisfaction. In addition, we would like to accelerate the growth in this segment. Hence, we expect to see more expansion and to open branch offices. We will continue to focus primarily on towns with a population of more than 50,000. In relation to the increase in the number of branch offices, we also expect to recruit new employees to serve premium clients. Further, we would like to focus more on the service for private clients.



Our outlook for 2011 is very similar to that of last year. We believe that the domestic economy will gradually recover. Nevertheless, uncertainty will remain, especially in the household sector, relating to a higher rate of unemployment. Therefore, we expect the volume of non-performing loans for households to still increase in 2011, and the effective recovery of debts will remain one of our main priorities.

On the other hand, intend to continue to increase secure lending in the corporate sector. We have simplified the lending process for medium-sized firms. In addition, we plan to offer Czech companies the possibility of acquiring capital through the subscription of shares. We have become the exclusive representative of the Polish stock exchange New Connect, which makes it possible for even small companies to acquire capital. In the long-term, we intend to substantially strengthen our position in corporate lending.

Work on the new IT system will be completed in 2011. We are designing a completely new IT system that will allow us in the future to offer clients new services while preserving the existing ones. In 2011, we will focus primarily on the final testing of the system and detailed operational preparations that will permit the smooth launch of the system in 2012.

Client satisfaction continues to be a key concern for us. In relation to our slogan, "Client inspired banking", we will continue developing our network and improving services so that our customers will continue to be the most satisfied on the Czech market.

Acknowledgement and Thanks to our Clients, Employees and Shareholders

In a time of strong economic growth, it is very easy to acquire new clients and to build long-term relationships with them. The quality of such a relationship is demonstrated in particular during hard times. Developments in 2010 have convinced us that we have succeeded in building relationships with our clients based on mutual trust. It is a great honour for us to have the most satisfied clients on the market.

Client satisfaction at Raiffeisenbank has remained stable with the highest values according to the TRIM index. A reputable index measuring the satisfaction and loyalty of clients. According to this index, we are not only the best in the Czech Republic, but we are also the only Czech bank to rank among the top 10 per cent of banks in all of Europe. Hence, I thank our clients for our successful cooperation, their trust and loyalty. This year as well, we will do our best to uphold the trust of our clients and to continue being a dependable and stable partner.



We would not have attained rapid growth and all of the success on the Czech market without the support of our shareholders. Raiffeisenbank is a member of one of the strongest banking groups in Central and Eastern Europe. The strength and stability of the Raiffeisen Bank International Group also allows us to grow in the Czech Republic.

However, most of the thanks go to our employees. The nature of our work means that we work primarily with numbers and money, that we are forced to work more with our heads than our hearts. However, more than with numbers and money, we work with people. And here it is important to open our hearts. I thank all of my colleagues for another exciting and successful year that I had the privilege of spending with them.

A handwritten signature in blue ink, which appears to read 'Lubor Žalman'.

Lubor Žalman
Chairman of the Board of Directors
Raiffeisenbank a.s.

Corporate Social Responsibility Report

Raiffeisenbank a.s. is a dynamic and developing bank, and one of the most important Czech financial institutions. As such, it does not only want to provide its clients with quality and unique services, but it is also aware of its social responsibility.

The traditional emblem and trademark of the Raiffeisen Group is the Giebelkreuz – crossed horse heads. For hundreds of years, the Giebelkreuz has adorned the facades of buildings throughout Europe and is a symbol of protection for families gathered under one roof against evil and life-threatening situations. Raiffeisenbank is also a symbol of security and stability for its clients.

The activities of Raiffeisenbank in the area of corporate social responsibility can be divided into four basic groups:

- 1) Charity donations connected with the eKonto account
- 2) Social responsibility projects for employees
- 3) Sponsorship
- 4) The Herbert Stepic charity organisation

1) Raiffeisenbank offers the eKonto account to its clients

We provide each month a bonus of CZK 20 for account management to clients who fulfil the eKonto loyalty terms. This amount is just a gesture of our client oriented stance. For this reason, we decided to connect this action with charities – clients have the opportunity to donate this amount to a charity organisation. The bank cooperates with four large charity organisations (Konto Bariéry, the Czech Red Cross, Help the Children and the Herbert Stepic CEE Charity) – via Internet banking, clients may choose which charity they would like to donate to, and the bank will send this amount to the account of the selected charity.

In December 2010, the overall amount sent via eKonto to charity exceeded the first million crowns. Raiffeisenbank was also awarded first prize for this activity in the Top Filantrop competition in the category of Responsible Relations with Clients. We would like to thank all of our clients who allowed the bank to donate to the charity projects in this manner.



Czech Red Cross

The Czech Red Cross is an independent, non-governmental organisation operating throughout the Czech Republic. Among other things, the Czech Red Cross operates social service centres, geriatrics centres, canteens for retired citizens and underprivileged citizens, clothing centres, nursing homes and hospices for senior citizens and handicapped citizens, asylums for mothers with children, residences for the homeless, etc.

The organisation also focuses on first aid training and administration, non-remunerated blood donation, humanitarian activities or healthcare.

www.cervenyriz.eu

Konto Bariéry

The Charta 77 project – Konto BARIÉRY – is the first and thus far only charitable collection in which tens of thousands of donors have been participating for 18 years with their regular monthly donations in order to achieve and finance the Konto BARIÉRY programme.

During its 18 years of existence, Konto BARIÉRY has allocated more than CZK 230 million, supported thousands of projects geared to improving the lives of handicapped citizens and fully integrating them into society. The government pitches in where this assistance is not sufficient. Its assistance focuses less on standard assistance, such as rehabilitation and compensation aids, barrier-free residences, schools and other public buildings and more and more on projects relating to employment and integration into society.

www.kontobariery.cz

Help the Children

Long-term charity project organised by Czech Television and the Civil Society Development Foundation, associated with a nationwide public charity collection. The collection has raised and allocated more than CZK 150 million during the twelve years of its existence from the autumn of 1998 to mid-May 2010.

During these twelve years, financial resources for approximately a thousand projects by public non-profit organisations have been provided to help children. The spring media campaign ends on Easter Monday every year with a live telethon broadcast on Czech TV.

The main objectives of the project are:

- increasing the quality of life for children
- creating equal opportunities for all children and various children's groups
- supporting the rights of children to live with a family or in a foster family environment

www.pomoztedetem.cz

H.Stepic CEE charity

The CEO of Raiffeisen International, Herbert Stepic, founded his own charity organisation, Herbert Stepic CEE Charity, which helps children, youth and young women in the less developed countries of Central and Eastern Europe.

<http://www.stepicceecharity.org/Home/tabid/36/language/en-US/Default.aspx>

2) Raiffeisenbank would also like to involve its employees in charitable projects

In the pilot project, employees of the bank donated blood for research on children's diabetes.

The charitable activities of Raiffeisenbank's employees were developed to the full extent in 2009 and continued in 2010. The bank organised volunteer days for its employees in 2010. Employees could participate in various charitable activities in all regions of the Czech Republic, from cleaning and painting in various organisations to specialised consulting services, e.g. in the area of communications.



In addition, the bank has cooperated for some time with the children's asylum home Klokánek. Cooperation with Klokánek also continued this year at Christmas, and the employees of Raiffeisenbank took on the role of Santa Claus (baby Jesus in the Czech Republic). The children from Klokánek hung their wishes on the Tree of Wishes at Raiffeisenbank's headquarters, and the employees fulfilled the children's wishes. Overall, the children received more than 80 gifts.

We plan to continue involving our employees in volunteer projects in the future, and we would like to involve even more of our colleagues.

3) Sponsorship

In line with the tradition of the Raiffeisen name reaching back to the middle of the 19th century, we were involved last year in a number of community service activities. Although we mainly focus on education and charity, we also support cultural and sports programmes and health projects.

Already in 2009, Raiffeisenbank became the banking partner for the Help the Children project. In addition, the bank is one of the largest sponsors of the association. The amount provided last year exceeded CZK 800,000. The most prominent public charity collection in the Czech Republic is Help the Children. For many years, the charity collection has been helping disadvantaged children and children in need throughout the Czech Republic.

The bank is continually involved in a wide range of projects contributing several millions of Czech crowns every year. In particular, we contribute to the following:

Charity:

Civil Society Development Foundation

Support of the Civil Society Development Foundation, utilised only in accordance with the objectives of the public charity collection Help the Children.

Ostrava-Opava Region Diocese Charity, Rural Co-existence

For supporting social aims, specifically for the support of activities associated with the project "Rural Co-existence" implemented by the Ostrava-Opava Region Diocese Charity.

Záře Civil Association – Association for persons with locomotive and communication disorders

Support for people with locomotive and communication disorders.

Studio OÁZA – Cultural centre for the mentally handicapped

Support for mentally handicapped people.

Villa Vallila Civil Association

Support for people with difficulties living in natural family environments, providing them with the needed support for integrating them into an ordinary environment in the work and social areas and for promoting the new types of residential social services carried out by Villa Vallila.

Zajíček na koni Civil Association

Support for the health and psychological state of the handicapped and otherwise disadvantaged children.

Education:**Junior Achievement**

Support of practical economic education programmes at basic and secondary schools during the 2008/2009 school year – main sponsor of the competition for the best student organisation.

Special Assistance School Ružínovská

Assistance in arranging courses for mentally handicapped children and children with multiple handicaps.

PORG – gymnázium a základní škola, o.p.s.

Social objectives associated with education (support of students from socially weak families), purchase of classroom aids, textbooks or other investment to improve education (in accordance with the preamble of the Study Foundation of Pavel Hlavinka).

Culture:**Austrian Embassy**

Support for organising the celebration of the Austrian national holiday.

Duha Jeseníky Association

Supporting the project for saving the church in Pelhřimov.

4) Herbert Stepic Charity

The CEO of Raiffeisen International, Herbert Stepic, founded his own charity organisation, Herbert Stepic CEE Charity, which helps children, youth and young women in the less developed countries of Central and Eastern Europe.

Why did Herbert Stepic decide to create this foundation?

“I have been very blessed and had many opportunities available to me. Not only do I owe my professional career and many successes to Central and Eastern Europe, I also enjoy very much staying in the region. This corner of the world has greatly enriched my life. Therefore, on the occasion of my 60th birthday, I made it my goal to give something back to the region and the people who live in it and founded the H. Stepic CEE.”

The aim of the foundation is to help children, adolescents and young women in Central and Eastern Europe who require assistance. The projects focus on creating new opportunities for these people, with us supporting and accompanying them on their way towards finding employment.

Our work should give hope, alleviate social suffering and ideally – in keeping with a central Raiffeisen principle – help them to help themselves.

We want to initiate projects in the countries of Central and Eastern Europe where we sense the greatest need for assistance, and in which Raiffeisen is represented. For instance, the foundation supported last year the construction of social housing projects in Bosnia or Ukraine. In addition, it financed the supply of flour to Moldavia or the creation of a network of terrain workers in Serbia. All of the projects and other information can be found on the foundation’s website:

<http://www.stepicceecharity.org/Home/tabid/36/language/en-US/Default.aspx>

Statutory and Supervisory Bodies

Board of Directors

Chairman of the Board of Directors

Lubor Žalman

born 22 January 1966

residing at: Pod Šibeničkami 778, 251 64 Mníchovice

Chairman of the Board of Directors and Chief Executive Officer of Raiffeisenbank a.s. since 4 May 2004. From 2003 to 2004, he worked at Home Credit International as project manager, and from 1999 to 2002, at McKinsey & Company as Senior Associate, later as Engagement Manager. Between 1991 and 1998, he served in executive positions at Komerční banka.

Chairman of the Assets and Liabilities Committee

Chairman of the Credit Committee

Chairman of the Real Estate Investment Committee

Deputy Chairman of the Board of Directors

Mário Drosc

born 13 December 1968

residing at: Irská 796/5, 162 00 Prague 6

Member of the Board of Directors and Deputy CEO of Raiffeisenbank a.s. responsible for the business part of the bank. He joined the bank as Board Member responsible for retail banking in September 2006. He came to Raiffeisenbank from Slovakian VÚB where he was a board member responsible for Retail Banking. Prior to this, he also worked in Komerční banka and as a consultant at McKinsey.

Chairman of the Pricing and Interest Committee

Members of the Board of Directors

Rudolf Rabiňák

born 21 February 1958

residing at: K Tuchoměřicům 146, 164 00 Prague 6

Member of the Board of Directors of Raiffeisenbank a.s. and responsible for Corporate Banking since April 2001. Prior to this position, Mr. Rabiňák worked nine years at Citibank a.s.

Jan Kubín

born 19 January 1973

residing at: Na Rovnosti 14A/2742, 130 00 Prague 3

Member of the Board of Directors of Raiffeisenbank since July 2007 and responsible for Operation and Support Services. He has worked at Raiffeisenbank since 2004, at which time he took over the position of Financial Director. Prior to working at Raiffeisenbank, he worked six years as a consultant and project manager at McKinsey and Company.

Martin Kolouch

born 11 May 1972

residing at: Högerova 15, 152 00 Prague 5

Member of the Board of Directors of Raiffeisenbank and responsible for IT and Organisation. He has been working at former eBanka since 2002. From August 2006 to 31 December 2006, he was the Chairman of the Board of Directors of eBanka. Prior to this, he worked at Komerční banka and Deloitte & Touche.

Chairman of the Project Committee

Alexandr Borecký

born 22 April 1967

residing at: Na Žvahově 400/26, 152 00 Prague 5

Member of the Board of Directors of Raiffeisenbank and responsible for Risk Management. He has worked at eBanka since 2002 and is a member of the Board of Directors of Raiffeisenbank since 1 January 2007. From 1993 to 2002, he worked at Komerční banka as the Deputy Director of the Corporate Transaction Approval Division and as the Director of the Special Activities Department.

Chairman of the Credit Risk Management Committee

Chairman of the Non-performing Loans Committee

Chairman of the Operational Risk Management Committee

Supervisory Board

Chairman of the Supervisory Board

Herbert Stepic

Born 31 December 1946
residing at: Hertlgasse 1, 1160 Vienna, Austria

Members of the Supervisory Board

Dkfm. Rainer Franz

Born 17 March 1943
Residing at: Westbahnstrasse 21, 1130 Vienna, Austria

Mag. Reinhard Karl

Born 2 November 1964
Residing at: Steckhovengasse 7/2, 1130 Vienna, Austria

Dr. Kurt Hütter

Born 10 January 1949
Residing at: Johannes-Kepler-Str. 8, 4210 Gallneukirchen, Austria

Dr. Kurt Bruckner

Born 4 February 1955
Residing at: Pressgasse 31/31, 1040 Vienna, Austria

Mag. Klement Haller

Born 5 May 1965
Residing at: Castellezgasse 29/19, 1020 Vienna, Austria

Josef Malíř

Born 31 August 1952
Residing at: Všešary 3

Jan Horáček

Born 15 September 1953
Residing at: Bazovského 1128, Prague 6

Milena Syrovátková

Born 21 March 1956
Residing at: Tůmova 40, Brno

Audit Committee

Herbert Stepic – Chairman

Rainer Franz

Andrea Vlasek

Valid as of 31 December 2010

Chairman of the Supervisory Board Statement



Ladies and Gentlemen,

Although most banking executives remember 2009 as an incredibly intensive year, 2010 raised the bar again for intensity. This time, however, the bulk of our efforts were internal, as we were working on a major reorganisation of our Group. Raiffeisen International, the former parent company of Raiffeisenbank a.s., was merged with the principal business areas of Raiffeisen Zentralbank (RZB) to form Raiffeisen Bank International (RBI), which was entered in the commercial register in October. One of the goals of the merger was to combine the dense network of Raiffeisen

International in CEE with RZB's product development expertise in the field of corporate and investment banking, thereby generating added value for both our customers and shareholders. In addition, RBI now benefits from even better refinancing opportunities – where Raiffeisen International previously accessed the equities market and RZB used the debt market, the new RBI can now access both.

2010 was also the year in which our home market Central and Eastern Europe (CEE) showed the first signs of improvement, after the outflow of liquidity at year-end 2008 and the resulting economic downturn. The sharp declines in growth in 2009 were replaced by a return to real gains in economic performance. Besides the growing stabilisation in CEE, economists expect that these markets will return to a higher level of growth than in the eurozone. We expect economic growth in CEE to be around 2 percentage points greater than in the western European economies. The driving force behind this trend is the continuing high potential for catching up in the region, which should re-emerge in the long term as Europe's growth zone. Despite the merger and resulting expansion of our area of activity, CEE will continue to be the central focus of our strategy.

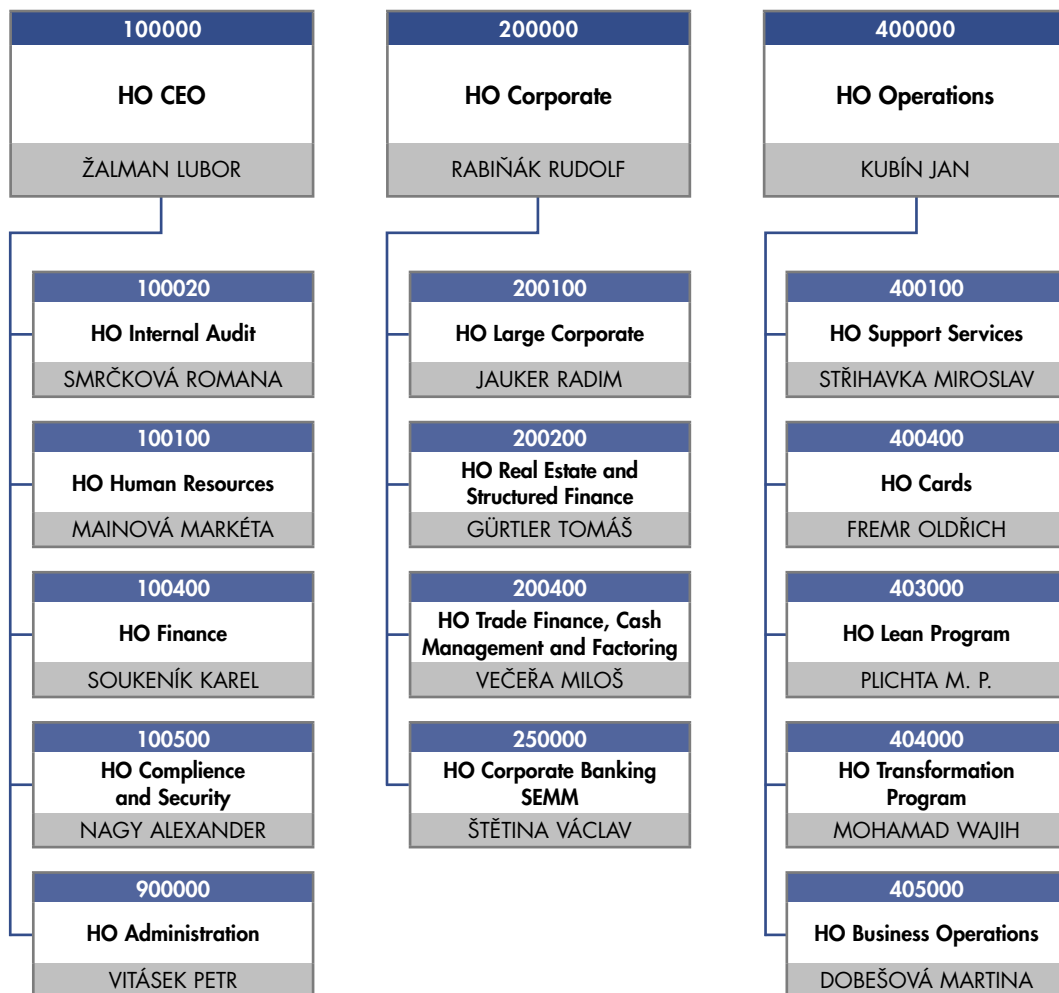
Our results for 2010 show that we took the right countermeasures during the crisis. Despite the continuing slight rise in nonperforming loans, which we expect to finally peak in the course of 2011, the RBI Group achieved a consolidated profit of EUR 1.1 billion. This represents growth of 141 per cent on the previous year, which is strong performance even by international comparison. The emerging economic recovery, the measures initiated in the current year to improve our efficiency and competitiveness as well as the trust shown by our customers and shareholders give me confidence for our whole group in 2011.

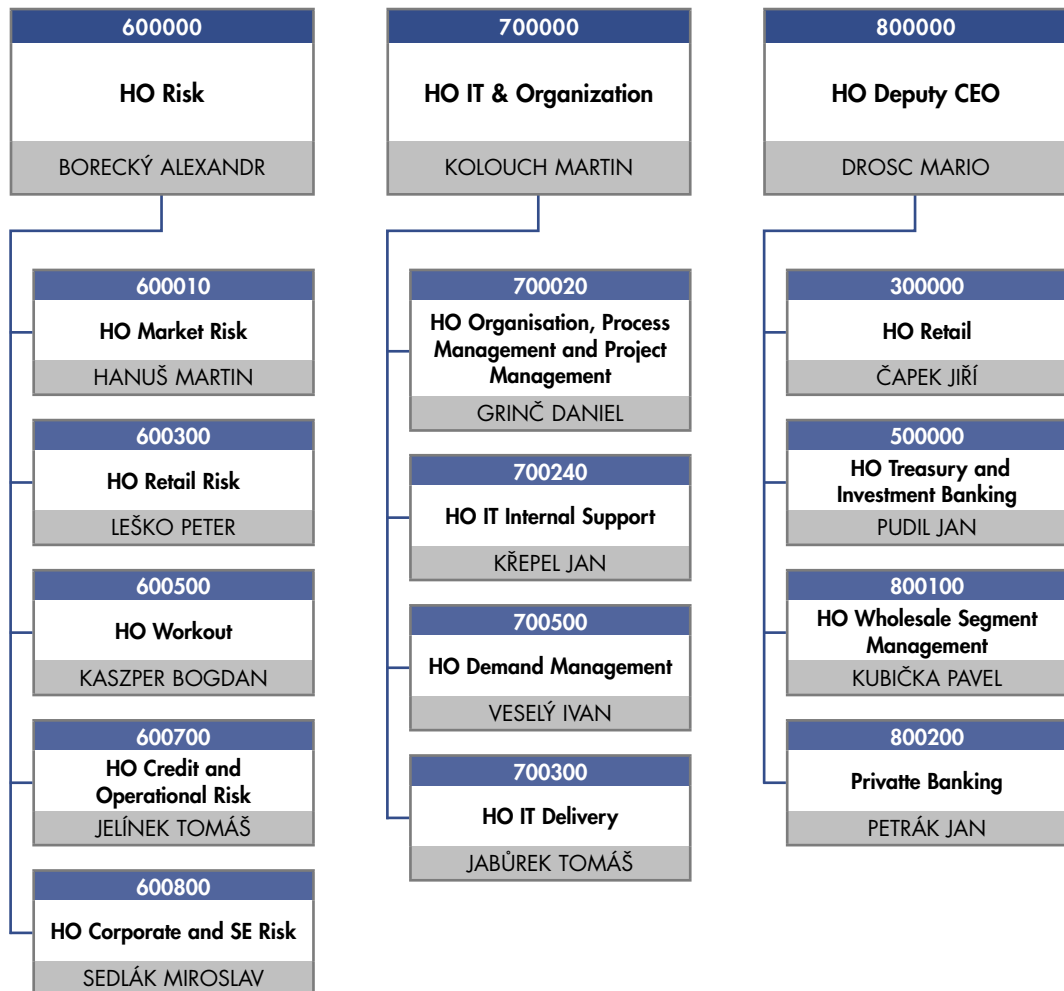
Herbert Stepic
CEO of RBI
Chairman of the Supervisory Board of Raiffeisenbank a.s.

Report of the Supervisory Board of Raiffeisenbank a.s.

- 1) The Supervisory Board carried out its tasks in accordance with Sections 197–200 of the Commercial Code, as amended, the Articles of Association of Raiffeisenbank a.s., and its 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 International Accounting Standards.
- 3) The financial statements were audited by "Deloitte Audit s r. o.". In the opinion of the auditor, the financial statements accurately reflect in all material respects the financial position, assets and liabilities, and equity of Raiffeisenbank a.s. as of 31 December 2010 and the results of its operations for the year International Accounting Reporting Standards as adopted by the EU.
- 4) The Supervisory Board examined the financial statements and the Report on Related Party Transactions 2010, including the proposed allocation of earnings, accepted the results of the audit of the financial statements for 2010, and recommended that the General Meeting approve them.

Organisational Chart





Valid as of 31 December 2010

Economic Development in the Czech Republic

2010 – A Year of Industrial and Economic Recovery

In 2010, the Czech economy experienced renewed economic growth. Economic recovery had already begun in the third quarter of 2009, and had accelerated during 2010. Hence, the economy had registered growth exceeding two per cent for all of 2010. Economic growth was influenced in particular by industrial export. However, investment had also gradually started to accelerate during the year, as well as household consumption, though at a slow pace. These were supported by rapid growth of employment in industry during the first half of the year when orders had rapidly increased for industrial enterprises, especially export oriented firms. Industrial production at that time had increased in year-on-year terms with double digit growth, and annual growth for new industrial orders exceeded 20 per cent. From a macroeconomic standpoint, this process brought rapid stability to the labour market when the registered unemployment rate dropped from about 10 per cent at the beginning of 2010 to a level of near 8.5 per cent during the second half of the year.

Return of the Inflation Rate to the CNB's Inflation Target

The consumer price index during 2010 continually increased from a rate of around 0.5 of a per cent (in year-on-year terms) to the CNB's targeted 2 per cent, which was reached in September. No domestic inflationary pressure was present in the economy in 2010, and therefore, the CNB's key interest rate could remain at a record low for the entire year – initially 1 per cent, and then from May, even as low as 0.75 of a per cent. Practically all of the inflation was caused by an increase in import prices or administrative measures (deregulation, indirect taxes).

	2007	2008	2009	2010
GDP per capita, PPS	19,948	20,145	18,960	19,222*
GDP, % change	6.1	2.3	-4.0	2.2
Industrial output, % yoy	9.0	0.4	-13.4	10.5
ILO general rate of unemployment, % avg	5.3	4.4	6.7	7.3
CPI, % change, avg	2.8	6.3	1.0	1.5
Trade balance, % of GDP	2.5	1.8	4.1	3.3
Current account balance, % of GDP	-3.2	-0.6	-1.0	-3.8
Net foreign direct investment, % of GDP	5.1	1.0	0.7	2.6
Budget balance, % of GDP	-0.7	-2.7	-5.8	-5.4*
Public debt, % of GDP	28.9	30.0	35.3	39.7*
Official FX reserves, EUR bn eop	23.7	26.6	28.8	32.0
Import cover, months	2.9	3.2	4.6	4.0

Sources: Czech Statistical Office, Czech National Bank; *estimate Raiffeisen RESEARCH

Consolidation of Public Budgets

In 2009, the public finance deficit reached 5.8 per cent of GDP, the highest rate in many years. In 2010, it was reduced to 5.4 per cent. This reduction in the public finance deficit was due in particular to renewed economic growth. The slight restriction in public expenditures had also played a role. Tax collection had slightly increased year on year. However, it had not reached the level planned in the state budget. In comparison with the previous year, the overall tax burden remained virtually unchanged at a level of around 35 per cent of GDP. The level of public indebtedness had once again sharply increased year-on-year and approached 40 per cent of GDP. Fiscal restriction in the future will be essential and will already have a significant effect on the Czech economy in 2011.

An Improved Outlook for the Czech Republic's Rating and Development of the Government Bond Market

The financial markets and rating agencies welcomed the significantly restrictive 2011 state budget passed at the end of 2010. Following the announcement of the government's budgetary plans, all of the main rating agencies changed their rating outlook for the Czech Republic's foreign exchange obligations from neutral to positive. As a result, an increase in the rating of these obligations can be expected in the foreseeable future, which is very significant at this particular time. The ratings for many countries in Europe and around the world were actually reduced during 2010. The improvement in the Czech Republic's outlook rating was a very unusual development in 2010 from an international perspective, and this contributed to low yields on Czech government bonds. The bond markets evaluated the risk of the Czech government in 2010 as very low, and the value of Czech government bonds had remained high. The yields on 10-year government bonds were in a range of 3.60 to 4.40 per cent and the spread in contrast with German bunds did not exceed 100 base points for most of the year. In view of the bond crisis in Eurozone countries and substantial turbulence on the bond markets, these are exceptional results.

External Balance of the Czech Economy and the Exchange Rate of the Czech koruna

In 2010, the Czech economy maintained a very favourable external balance. The trade surplus continued to be high. Despite a rise in fuel imports and their prices, the current account balance slightly worsened year on year. However, the deficit was still very low. In 2010, foreign direct investment and portfolio investment substantially increased, and as a result, the balance of payments financial account ended once again with a surplus which exceeded the current account deficit. Thus the Czech Republic's foreign exchange reserves continued to increase dynamically.

A favourable assessment of Czech public finances by international financial markets and the stable and positive external balance were reflected in the strength of the Czech koruna. The currency weathered well all of the turbulence on the financial markets, of which there was an abundance in 2010, and closed the year with an exchange rate of CZK 25.06/EUR. In contrast to the CZK 26.30/EUR exchange rate at the beginning of January 2010, this meant strengthening of the koruna exchange rate by 4.7 per cent. The average CZK/EUR exchange rate in 2010 was CZK 25.17/EUR, which means a rise of 3.5 per cent in comparison with 2009. This assessment corresponds to the rate of the long-term appreciation trend of the Czech koruna vis-à-vis the euro.



doc. Ing. Pavel Mertlík, CSc.
Chief Economist

Raiffeisenbank's Market Position

Banks entered 2010 prepared for the wide-ranging effects of the economic crisis which could slow down the development of their business activities. Thus, the main strategy of banks was to apply measures that allowed them to confront this situation. Banks focused on optimising internal processes with the goal of minimising costs, on thoroughly securing loan transactions in order to avoid losses from default on these loans in the future, and on strengthening the appeal of deposit products in order to secure a strong and stable resource base. After assessing recent developments, it can be said that the Czech banking sector has fared well.

Raiffeisenbank was also exposed to the global effects of the weakening crisis. Despite the generally low activity on the credit market, Raiffeisenbank has attained top results in this area, which demonstrates its ability to cope in an environment of strong competition and to provide clients with attractive, high-quality products and services.

The total volume of assets decreased by 3.7 per cent, which was reflected in a slight decline in Raiffeisenbank's market share to 4.3 per cent. Nevertheless, the bank remained the fifth strongest entity on the Czech banking market. The already mentioned success in active lending indicates an almost 7 per cent rise in the rate of total lending and an increase in the market share to 7.0 per cent. On the deposit side, the bank did not achieve the market growth rate, and its share dropped to 4.5 per cent.

Business clients are now traditionally the strongest segment for Raiffeisenbank. Their share in total deposits exceeded 50 per cent and was more than 52 per cent for total loans granted by the bank. The total volume of deposits entrusted to the bank declined in 2010 by 5.1 per cent, which reflected the drop in the market share to 5.4 per cent. As mentioned already, the bank had achieved extraordinarily positive results for lending. Raiffeisenbank granted 7.5 per cent more loans than in the previous year, which led to an increase in its market share to 6.7 per cent. In the case of non-financial institutions, the bank's market share reached 8.9 per cent thanks to a 4.7 per cent increase in the growth rate, as opposed to the market with a decrease of 0.3 of a per cent.

Raiffeisenbank also attained long-term positive results for private clients, and the segment's share in the bank's deposits and loans has risen in recent years. Nonetheless, there was a decline in deposits of 0.8 of a per cent due to the impact of the economic crisis on clients' personal finances. This caused a slight decline of 0.2 of a percentage point in the bank's market share to 3.8 per cent. On the contrary, the bank's growth in lending exceeded that of the market, and it strengthened its market position to 7.4 per cent. Mortgages make up almost 75 per cent of private client loans. The bank granted 6.8 per cent more mortgages than in the previous year, and now manages 8.8 per cent of all mortgages. In consumer lending, the bank also attained superb results, and thanks to its almost 15 per cent growth, increased its market share to 8.6 per cent.

In addition, Raiffeisenbank devotes special attention to its small business clients. In 2010, this segment withdrew almost 7 per cent of the deposited funds on their accounts, and as a result, the bank's market share dropped slightly to 4.8 per cent. In spite of this, the bank has remained a reliable and trustworthy partner to its clients and has supported them with its active lending policy. The total volume of lending rose by 9.4 per cent, and thus the bank's market share reached 6.0 per cent.

Raiffeisenbank's market position:

	Market share 2010	Market share 2009	Growth 2010/2009
Total assets	4.30%	4.59%	-3.7%
Total deposits	4.50%	4.80%	-3.2%
– non-term	5.79%	5.95%	6.3%
– term	2.73%	3.41%	-23.2%
– Legal entities	5.41%	5.81%	-5.1%
– non-financial corporations	7.51%	7.51%	3.7%
– Private Individuals	3.78%	4.00%	-0.8%
– Professionals	4.80%	5.08%	-6.8%
Total loans	7.00%	6.77%	7.0%
– mortgages	7.15%	7.21%	6.4%
– consumer loans	8.46%	7.86%	15.0%
– Legal entities	6.67%	6.38%	5.5%
– non-financial corporations	8.91%	8.48%	4.7%
– Private Individuals	7.45%	7.35%	8.5%
– mortgages	8.81%	9.00%	6.8%
– consumer loans	8.63%	8.03%	15.0%
– Professionals	6.03%	5.22%	9.4%

Source: CNB reports and methodology

Independent Auditor's Report to the Shareholders of Raiffeisenbank, a.s.



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www.deloitte.cz

Registered at the Municipal Court in
Prague, Section C, File 24349
IČ: 49620592
DIČ: CZ49620592

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

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

Report on the Unconsolidated Financial Statements

Based upon our audit, we issued the following audit report dated 25 February 2011 on the financial statements which are included in this annual report on pages 28 to 88:

"We have audited the accompanying financial statements of Raiffeisenbank a.s., which comprise the statement of financial position as at 31 December 2010, and the statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Statutory Body's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of Raiffeisenbank a.s. as at 31 December 2010, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU."

Report on the Consolidated Financial Statements

Based upon our audit, we issued the following audit report dated 31 March 2011 on the consolidated financial statements which are included in this annual report on pages 90 to 156:

"We have audited the accompanying consolidated financial statements of Raiffeisenbank a.s., which comprise the statement of financial position as at 31 December 2010, and the statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Statutory Body's Responsibility for the Consolidated Financial Statements

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

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee, and its network of member firms, each of which is a legally separate and independent entity. Please see www.deloitte.com/cz/about for a detailed description of the legal structure of Deloitte Touche Tohmatsu Limited and its member firms.

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the financial position of Raiffeisenbank a.s. as at 31 December 2010, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU."

Report on the Related Party Transactions Report

We have also reviewed the factual accuracy of the information included in the related party transactions report of Raiffeisenbank a.s. for the year ended 31 December 2010 which is included in this annual report on pages 182 to 196. 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 2010 contains material factual misstatements.

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

Report on the Annual Report

We have also audited the annual report of the Company as of 31 December 2010 for consistency with the financial statements referred to above. This annual report is the responsibility of the Company's Statutory Body. Our responsibility is to express an opinion on the consistency of the annual report and the financial statements based on our audit.

We conducted our audit in accordance with International Standards on Auditing and the related application guidelines issued by the Chamber of Auditors of the Czech Republic. Those standards require that the auditor plan and perform the audit to obtain reasonable assurance about whether the information included in the annual report describing matters that are also presented in the financial statements is, in all material respects, consistent with the relevant financial statements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the information included in the annual report of the Company is consistent, in all material respects, with the financial statements referred to above.

In Prague on 28 April 2011

Audit firm:

Deloitte Audit s.r.o.
certificate no. 79



Statutory auditor:

Diana Rádlová
certificate no. 2045



Raiffeisenbank a.s.

Unconsolidated Financial Statements Prepared in Accordance with International Financial Reporting Standards as Adopted by the European Union for the Year Ended 31 December 2010.

Components of the Financial Statements:

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

These financial statements were prepared by the Bank and approved by the Board of Directors on 25 February 2011.

Statutory body of the reporting entity:



Lubor Žalman
Chairman of the Board of Directors
and Chief Executive Officer



Jan Kubín
Member of the Board of Directors
and Executive Director

Statement of Comprehensive Income

For the Year Ended 31 December 2010

CZK thousand	Note	2010	2009
Interest income and similar income	5	9,108,607	9,101,533
Interest expense and similar expense	5	(2,064,982)	(2,808,971)
Net interest income		7,043,625	6,292,562
Change in provisions for credit risks	6	(2,242,790)	(1,753,863)
Net interest income after provisions for credit risks		4,800,835	4,538,699
Fee and commission income	7	2,518,312	2,301,249
Fee and commission expense	7	(652,175)	(712,216)
Net fee and commission income		1,866,137	1,589,033
Net profit on financial operations	8	540,709	839,310
Dividend income	9	30,782	22,906
Other operating income, net	10	64,779	110,445
General administrative expenses	11	(4,983,530)	(4,577,985)
Profit before tax		2,319,712	2,522,408
Income tax expense	13	(497,262)	(536,631)
Net profit for the year attributable to the Bank's shareholders		1,822,450	1,985,777
Other comprehensive income			
Gains/(losses) from remeasurement of securities available for sale		(1,229)	3,122
Tax on profit associated with components of other comprehensive income		233	(593)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		1,821,454	1,988,306

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

Statement of Financial Position

As of 31 December 2010

CZK thousand	Note	2010	2009
Assets			
Cash and balances with central banks	14	3,444,656	5,259,969
Loans and advances to financial institutions	15	6,787,339	23,803,475
Loans and advances to customers	16	152,663,083	142,816,370
Provisions for loans and advances to customers	17	(5,714,375)	(5,067,907)
Positive fair value of financial derivative transactions	33	1,083,516	1,892,957
Securities held to maturity	18	14,483,575	14,875,729
Securities at fair value through profit or loss	18	8,762,652	6,087,786
Securities available for sale	18	535,983	524,428
Equity investments	19	132,737	81,237
Intangible fixed assets	20	1,540,523	986,978
Property and equipment	21	989,449	751,422
Deferred tax asset	22	219,342	36,067
Other assets	23	929,801	1,164,944
Total assets		185,858,281	193,213,455
Liabilities and equity			
Amounts owed to financial institutions	24	20,694,201	25,037,385
Amounts owed to customers	25	125,936,145	130,092,679
Negative fair value of financial derivative transactions	33	1,656,380	2,112,152
Debt securities issued	26	16,263,756	15,814,134
Income tax liability	13	250,063	216,785
Provisions	27	299,308	244,801
Subordinated loan	28	3,968,706	4,191,063
Other liabilities	29	2,831,270	2,345,458
Total liabilities		171,899,829	180,054,457
Equity			
Share capital	30	6,564,000	6,564,000
Statutory reserve fund		347,083	247,794
Gains and losses from revaluation		221,960	222,956
Retained earnings		5,002,959	4,138,471
Profit for the period		1,822,450	1,985,777
Total equity		13,958,452	13,158,998
Total liabilities and equity		185,858,281	193,213,455

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

Statement of Changes in Equity

For the Year Ended 31 December 2010

CZK thousand	Share capital	Statutory reserve fund	Gains and losses from revaluation	Retained earnings	Profit for the period	Total equity
At 1 January 2009	6,564,000	177,754	220,427	3,242,221	1,400,790	11,605 192
Dividends	-	-	-	-	(434,500)	(434,500)
Allocation to reserve funds	-	70,040	-	-	(70,040)	-
Allocation to retained earnings	-	-	-	896,250	(896,250)	-
Net profit for the period	-	-	-	-	1,985,777	1,985,777
Other comprehensive income, net	-	-	2,529	-	-	2,529
Comprehensive income for the period	-	-	2,529	-	1,985,777	1,988,306
At 31 December 2009	6,564,000	247,794	222,956	4,138,471	1,985,777	13,158,998
Dividends	-	-	-	-	(1,022,000)	(1,022,000)
Allocation to reserve funds	-	99,289	-	-	(99,289)	-
Allocation to retained earnings	-	-	-	864,488	(864,488)	-
Net profit for the period	-	-	-	-	1,822,450	1,822,450
Other comprehensive income, net	-	-	(996)	-	-	(996)
Comprehensive income for the period	-	-	(996)	-	1,822,450	1,821,454
At 31 December 2010	6,564,000	347,083	221,960	5,002,959	1,822,450	13,958,452

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

Cash Flow Statement

For the Year Ended 31 December 2010

CZK thousand	2010	2009
Profit before tax	2,319,712	2,522,408
Adjustments for non-cash transactions		
Creation of provisions for credit risks	2,242,790	1,753,863
Depreciation and amortisation	474,583	364,911
Creation of other provisions	35,505	90,114
Change in fair values of financial derivatives	353,669	2,658,447
Unrealised loss/(gain) on revaluation of securities	(70,211)	(78,091)
Dividends received	(30,782)	(22,906)
Gain on the sale of tangible and intangible assets	(5,854)	(10,558)
Revaluation of foreign currency positions	(1,363,151)	(697,248)
Other non-cash changes	(445,068)	542,336
Operating profit before changes in operating assets and liabilities	3,511,193	7,123,276
Cash flows from operating activities		
(Increase)/decrease in operating assets		
Minimum reserve deposits with the CNB	1,540,169	(1,261,930)
Loans and advances to financial institutions	17,013,958	3,238,759
Loans and advances to customers	(9,892,894)	(3,999,118)
Securities at fair value through profit or loss and securities available for sale	(2,616,210)	(2,225,707)
Other assets	235,143	2,177,430
Increase/(decrease) in operating liabilities		
Amounts owed to financial institutions	(4,339,404)	(2,290,077)
Amounts owed to customers	(4,082,935)	17,678,135
Other liabilities	485,812	202,822
Net cash flow from operating activities before income tax	1,854,832	20,643,590
Income taxes paid	(672,311)	(327,851)
Net cash flow from operating activities	1,182,521	20,315,739
Cash flows from investing activities		
Purchase of equity investments	(51,500)	(210)
Purchase of property and equipment and intangible assets	(1,467,371)	(1,119,022)
Income from the sale of fixed assets	6,190	11,463
Net decrease/(increase) in securities held to maturity	505,006	(14,790,784)
Dividends received	30,782	22,906
Net cash flow from investing activities	(976,893)	(15,875,647)
Cash flows from financing activities		
Dividends paid	(1,022,000)	(434,500)
Bonds in issue	449,622	(4,083,457)
Subordinated debt	(1,962)	(60,104)
Net cash flow from financing activities	(574,340)	(4,578,061)
Net increase/(decrease) in cash and cash equivalents	(368,712)	(137,968)
Cash and cash equivalents at the beginning of the year (Note 31)	3,584,820	3,722,788
Cash and cash equivalents at the end of the year (Note 31)	3,216,108	3,584,820

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

Notes to the Financial Statements

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1. CORPORATE DETAILS

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

During the year ended 31 December 2010, Raiffeisen International Bank-Holding AG and the former parent company of the Bank, Raiffeisen Zentralbank Österreich AG, merged into Raiffeisen Bank International AG. Since 11 October 2010, the Austrian Raiffeisen banking group, in which the Bank is included, has been controlled by Raiffeisen Bank International AG.

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

- Acceptance of deposits from the general public;
- Provision of credit;
- Investing in securities on its own account;
- Finance leasing – at present, the Bank does not carry out this activity directly;
- Payments and clearing;
- Issuance of payment facilities;
- Issuance of guarantees;
- Opening of letters of credit;
- Collection services;
- Provision of investment services:
 - Principal investment services under Section 4 (2) (a) – (h) of Act No. 256/2004 Coll., as amended;
 - Additional investment services under Section 4 (3) (a) – (f) of Act No. 256/2004 Coll., as amended;
- Issuance of mortgage bonds;
- Financial brokerage;
- 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; and
- Activities directly relating to the activities listed in the bank licence.

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 since 30 July 2005.

During the year ended 31 December 2010, the performance or provision of the Bank's activities and services were not restricted or suspended by the Czech National Bank.

2. BASIS OF PREPARATION

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

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

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

These financial statements have been prepared under the cost convention as modified by the remeasurement to fair value of financial assets and liabilities at fair value through profit or loss (including all financial derivatives), available-for-sale securities through equity.

As disclosed in Note 37, the Bank creates provisions for impairment of loans and receivables where there is objective evidence that, as a result of past events, the estimated future cash-flows are negatively impacted. These provisions are based on the Bank's historical and current experience as well as judgments of the Bank's management regarding the estimated future cash flows and represent the best estimate of loan impairment as of the balance sheet date.

The amounts recognised as provisions for liabilities are based on the management's judgments and represent the best estimate of expenditure required to settle a liability of uncertain timing or amount. Refer to Note 27 for more detailed disclosures of provisions for liabilities.

In connection with the current economic environment, management has considered all relevant factors which could have an effect on the valuation of assets and liabilities in these financial statements, liquidity, funding of the Bank's operations and other effects, if any, on the financial statements. All such impacts, if any, have been reflected in these financial statements. Management of the Bank continues to monitor the current economic situation.

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

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Interest Expense and Interest Income

Interest income and expense are recognised in the statement of comprehensive income lines *“Interest income and similar income”* and *“Interest expense and similar expense”* when earned or incurred, on an accrual basis. The Bank accounts for the accruals of interest using the effective interest rate method. The effective interest rate method is an approach to calculating the amortised cost of a financial asset or financial liability using the effective interest rate. The effective interest rate is used to discount the nominal value of future cash flows to the present value at the maturity date.

(b) Fees and Commissions

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

(c) Dividends

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

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

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

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

(e) Taxation

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

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

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

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

(f) Financial Assets and Liabilities***Dates of Recognition and Derecognition of Financial Instruments from the Bank's Statement of Financial Position***

All financial assets with normal delivery terms are recognised using settlement date accounting.

The settlement (collection) date is the day on which the financial instrument is delivered (cash payment). When settlement date accounting is applied, the financial asset is recognised on the day of receipt of a financial instrument (sending of cash) and derecognised on the day of its provision (collection of cash). However, if a portfolio of financial assets remeasured at fair value is involved, the acquired financial asset is revalued reflecting changes in its fair value from the purchase trade date to the sale trade date according to the categorisation into an individual portfolio, accrued interest on debt financial assets is recognised from the purchase settlement date to the sale settlement date.

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

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

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

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

- Loans and receivables;
- Financial assets and liabilities at fair value through profit or loss;
- Financial assets available for sale;
- Financial assets held to maturity; and
- Other financial assets and liabilities

Loans and Receivables

Loans originated by the Bank in the form of directly advancing funding to the client are considered provided loans and are stated at amortised cost. The amortised cost is the cost minus principal repayments, plus accrued interest, plus or minus amortisation of discount or premium. The amortised cost is calculated using the effective interest rate method. An integral part of the effective interest rate are premium, discounts, fees and related transaction costs. All loans and advances are recognised when cash is advanced to borrowers (or banks). Accrued interest income is included in the carrying amount these loans.

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

Provisions are recognised individually in respect of specific classified loans where a debtor's default was identified or on a portfolio basis for not yet identified losses which may be present based on portfolio (similar individually unimpaired loans) performance with similar characteristics in terms of credit risk. The level of individual provisions is established by comparing the carrying amount of the loan and the present value of future expected cash flows using the effective interest rate.

The level of portfolio provisions is determined on the basis of the anticipated recovery rates of the portfolio as of the financial statements date. The anticipated cash flows from individual portfolios of similar loans are estimated on the basis of previous experience. If the Bank does not report multiple similar loans, the portfolio approach is not applied. Portfolio provisions are recognised for the loans and receivables of all market segments.

The amount of provisions, after write-offs, is charged to the statement of comprehensive income line "*Change in provisions for credit risks*". Additional details can be found in Note 37 b.

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

Restructuring of Loans and Receivables from Customers

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

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

Securities

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

Securities at Fair Value through Profit or Loss

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

Changes in the fair values of securities held for trading as well as securities measured at fair value through profit or loss are recognised in the statement of comprehensive income as "*Net profit on financial operations*". Interest income on debt securities held for trading as well as securities measured at fair value through profit or loss are included in "*Interest income and similar income*" in the statement of comprehensive income.

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

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

Securities Available for Sale

Securities available for sale are securities held by the Bank for an indefinite period of time that are available for sale as liquidity requirements arise or market conditions change.

Securities available for sale are carried at cost and subsequently remeasured at fair value, with the exception of securities for which the fair value cannot be reliably determined in accordance with IAS 39 which are stated at cost. Changes in the fair values of available for sale securities are recognised in equity as *"Gains or losses from revaluation"*, with the exception of their impairment and interest income and foreign exchange differences on debt securities. When realised, the relevant revaluation gains or losses are taken to the statement of comprehensive income as *"Net profit on financial operations"*. Interest income on coupons, amortisation of discounts or premiums, and dividends are included in *"Interest income and similar income"*. Foreign exchange differences are reported within *"Net profit on financial operations"*.

Securities Held to Maturity

Investments held to maturity are financial assets with fixed or determinable payments and fixed maturities that the Bank has the positive intent and ability to hold to maturity.

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

Repurchase Agreements

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

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

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

Debt Securities Issued

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

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

Financial Derivative Instruments

In the normal course of business, the Bank enters into contracts for derivative financial instruments. Financial derivatives include foreign currency and interest rate swaps, 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 both its trading and hedging activities.

Financial derivative instruments entered into for trading or hedging purposes are initially recognised at cost (including transaction costs) in the statement of financial position and are subsequently remeasured and stated at fair value. Fair values are reported in the statement of financial position as "*Positive fair value of financial derivative transactions*" and "*Negative fair value of financial derivative transactions*". Realised and unrealised gains and losses are recognised in the statement of comprehensive income line "*Net profit on financial operations*", the only exception being unrealised gains and losses on cash flow hedges which are recognised in equity. Fair values of derivatives are based upon quoted market prices or pricing models which take into account current market and contractual prices of the underlying instruments, as well as the time value and yield curve or volatility factors underlying the positions.

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

A predominant portion of the Bank's derivative transactions, while providing economic hedges, do not qualify for hedge accounting under the rules of IAS 39 and are therefore treated as derivatives held for trading with the related fair value gains and losses, as it the case with trading derivatives, reported in the statement of comprehensive income line "*Net profit on financial operations*".

Subordinated Loan

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

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

(g) Equity Investments

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

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

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

(h) Property and Equipment and Intangible Fixed Assets

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

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

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

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

	Depreciation period	Depreciation rate
Software	4 years	25 %
Buildings	30 years	3.33 %
Other (cars, furniture and fixtures, office equipment and computers)	5–10 years	10–20 %

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

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

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

Intangible assets with a cost greater than CZK 10,000 and lower than CZK 60,000 (category of low value intangible fixed assets) are amortised over 36 months and tangible assets with a cost greater than CZK 10,000 and lower than CZK 40,000 are depreciated over 36 or 48 months according to the type of low value tangible fixed assets.

Low value tangible and intangible fixed assets with a cost lower than CZK 10,000 are expensed in the period of acquisition.

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

The Bank's assets are regularly tested for impairment.

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

(i) Provisions

The Bank recognises a provision when, and only when:

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

Provisions for Guarantees and Other Off Balance Sheet Credit Related Commitments

The Bank records potential commitments arising from issued guarantees, binding credit commitments (undrawn portion), confirmed open letters of credit, etc. as part of off-balance sheet assets. Provisions are made for estimated losses on these commitments on a portfolio basis. Changes in these provisions are recognised in "*Change in provisions for credit risks*".

Other Provisions

The recognition of other provisions (for outstanding vacation days, legal disputes, stabilisation, restructuring, credit card loyalty system) is recorded in "*General administrative expenses*".

(j) Transactions with Securities Undertaken on behalf of Clients

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

(k) Segment Reporting

With effect from 1 January 2009, the Bank began reporting information in accordance with IFRS 8 Operating Segments. IFRS 8 requires that operating segments be identified on the basis of internal reports about the Bank's components whose operating results are regularly reviewed by the Bank's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance.

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

Information on reportable operating segments of the Bank is disclosed in Note 35.

(l) Foreign Currency Translation

Transactions denominated in foreign currencies are recorded in the local currency at official exchange rates as announced by the CNB on the date of transaction. Assets and liabilities denominated in foreign currencies are translated into the local currency at the CNB's exchange rate prevailing at the financial statements date. Realised and unrealised gains and losses on foreign exchange are recognised in the statement of comprehensive income in "*Net profit on financial operations*", with the exception of foreign exchange rate differences on equity investments denominated in foreign currencies which are reported at the historical exchange rate, foreign exchange rate differences on equity securities included in the available-for-sale portfolio which are reported as a component of a change in the fair value and foreign exchange rate differences on derivatives entered into with a view to hedging currency risk associated with assets or liabilities whose foreign exchange rate differences are not reported in the statement of comprehensive income.

(m) Cash and Cash Equivalents

The Bank considers cash and deposits with the CNB, treasury bills with a residual maturity of three months or less, nostro accounts with financial institutions and loro accounts with financial institutions to be cash equivalents. For the purposes of determining cash and cash equivalents, the minimum reserve deposit with the CNB is not included as a cash equivalent due to restrictions on its availability.

4. CHANGES IN ACCOUNTING POLICIES IN 2010

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

In the year ended 31 December 2010, the Bank did not start to use standards and interpretations the use of which would have a significant impact on the financial statements.

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

- IAS 1 – Presentation of Financial Statements – revised standard (effective 1 January 2011);
- IAS 7 – Statement of Cash Flows - revised standard (effective 1 January 2010);
- IAS 27 – Consolidated and Separate Financial Statements - revised standard (effective 1 July 2010);
- IFRS 1 – First-time Adoption of International Financial Reporting Standards – restructured standard (effective 1 January 2009);
- IFRS 2 – Share-based payment – restructured standard (effective 1 January 2009);
- IFRS 3 – Business Combinations (effective 1 July 2009);
- IFRS 5 – Non-current Assets Held for Sale and Discontinued Operations – revised standard (effective 1 January 2010);
- IAS 39 – Financial Instruments: Recognition and Measurement – restructured standard (effective 1 January 2009);
- IFRIC 17 – Distributions of Non-cash Assets to Owners (effective 1 July 2009); and
- IFRIC 18 – Transfers of Assets from Customers (effective 1 July 2009).

(c) Standards and interpretations that were issued, but have not been applied yet

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

- IFRS 1 – First-time Adoption of International Financial Reporting Standards - revised standard (effective 1 July 2010);
- IFRS 7 – Financial Instruments: Disclosures - revised standard (effective 1 July 2011);
- IFRS 9 – Financial Instruments (from 2010) (effective 1 January 2013);
- IAS 24 – Related Party Disclosures (amended in 2009) (effective 1 January 2011);
- IAS 32 – Classification of Rights Issues - revised standard, classification of rights issues (effective 1 February 2010);
- IFRIC 14 – revised standard, Minimum Funding Requirements (effective 1 January 2011); and
- IFRIC 19 – revised standard, Extinguishing Financial Liabilities with Equity Instruments (effective 1 July 2010).

These standards are not yet effective as of the reporting date. Endorsement by the EU is expected by the time the standards and interpretations become effective.

Management of the Bank considers that the impact of adopting the standards and interpretations that will become effective after 1 January 2011 will not have a material impact on the financial statements for the year ending 31 December 2011, including comparative information.

5. NET INTEREST INCOME

CZK thousand	2010	2009
Interest income arising from		
Loans and advances to financial institutions	145,139	298,014
Loans and advances to customers	8,338,983	8,260,915
of which: default interest on impaired assets	159,327	122,030
Fixed income securities	624,485	542,604
Total	9,108,607	9,101,533
Interest expense arising from		
Deposits from financial institutions	(351,466)	(624,008)
Deposits from customers	(1,144,874)	(1,527,114)
Securities issued	(476,890)	(519,942)
Subordinated liabilities	(91,752)	(137,907)
Total interest expense and similar expense	(2,064,982)	(2,808,971)
Net interest income	7,043,625	6,292,562

6. CHANGES IN PROVISIONS FOR CREDIT RISKS

CZK thousand	2010	2009
Changes in loan loss provisions		
Charge for provisions	(4,522,934)	(3,182,377)
Release of provisions	2,320,542	1,356,362
Use of provisions	1,530,605	227,638
Loss from assigned and written off receivables	(1,552,733)	(238,385)
of which: direct write-off of receivables	(22,128)	(10,808)
Recoveries	732	766
Total changes in loan loss provisions	(2,223,788)	(1,835,996)
Provisions for off balance sheet credit risk exposures		
Charge for provisions	(30,683)	(16,681)
Release of provisions	11,681	98,814
Total change in provisions for off-balance sheet risks	(19,002)	82,133
Change in provisions for credit risks	(2,242,790)	(1,753,863)

The year-on-year increase in provisioning predominantly includes the retail segment (42% of total provisioning) and the corporate segment (34% of total provisioning).

The loss from assigned and written-off receivables significantly increased year-on-year due to the assignment of two significant loan receivables in the corporate segment.

The release of provisions for off-balance sheet risks in 2009 related to the release of the provision against a client in the corporate segment (CZK 73,700 thousand).

7. NET FEE AND COMMISSION INCOME

CZK thousand	2010	2009
Fee and commission income arising from		
Payment transactions	1,659,070	1,536,251
Provided loans and guarantees	629,649	544,434
Securities transactions	91,509	59,731
Financial operations	22,215	37,720
Other banking services	115,869	123,113
Total fee and commission income	2,518,312	2,301,249
Fee and commission expense arising from		
Payment transactions	(503,188)	(517,730)
Receiving of loans and guarantees	(49,889)	(114,762)
Securities transactions	(10,461)	(10,754)
Securitisation	(49,043)	(41,905)
Financial operations	(5,509)	(5,176)
Mediation of the sale of the Bank's products	(14,266)	(5,376)
Other banking services	(19,819)	(16,513)
Total fee and commission expense	(652,175)	(712,216)
Net fee and commission income	1,866,137	1,589,033

8. NET PROFIT ON FINANCIAL OPERATIONS

CZK thousand	2010	2009
Interest rate derivatives	(456,127)	(121,833)
Equity derivatives	9,062	(3,851)
Profit/loss from foreign currency transactions	888,767	731,331
of which: Customer foreign currency result	857,571	684,470
FX swap P/L (hedging)	(114,442)	(191,439)
FX proprietary P/L (trading)	145,638	238,300
Profit/loss from transactions with securities	99,007	233,663
of which: Portfolio of securities available for sale	-	144,515
Portfolio of securities held for trading	2,515	11,109
Portfolio of securities at fair value through profit or loss	101,060	76,376
Own issue	(4,568)	1,663
Total	540,709	839,310

The "FX swap P/L (hedging)" line item reflects the impact of hedging foreign currency liquidity. This is not hedging in terms of IAS 39 Financial Instruments: Recognition and Measurement, as the Bank does not comply with the hedge accounting criteria. "FX proprietary P/L (trading)" reflects the impact arising from trading on the Bank's own account.

9. DIVIDEND INCOME

"Income from other shares and participation interest" amounted to CZK 30,782 thousand (2009: CZK 22,906 thousand) and predominantly includes the dividends from Raiffeisen stavební spořitelna a.s. (2010: CZK 30,000 thousand, 2009: CZK 25,000 thousand).

In the years ended 31 December 2010 and 2009, the Bank recorded no dividend income from associates.

10. OTHER OPERATING INCOME

CZK thousand	2010	2009
Change in operating provisions	(12,821)	51,258
Gain from disposal of in-/tangible fixed assets	430	8,090
Other operating income	77,170	51,097
Total	64,779	110,445

The negative balance of "Change in operating provisions" in 2010 results from the increased provisioning against operating receivables (eg receivables from payment transactions, operating prepayments, receivables from issued invoices, etc.) The positive balance in 2009 was predominantly due to the release of the provision for legal disputes.

"Other operating income" predominantly includes income from the lease of the Bank's assets of CZK 48,507 thousand (2009: CZK 38,944 thousand).

11. GENERAL ADMINISTRATIVE EXPENSES

CZK thousand	2010	2009
Payroll costs (Note 12)	(2,619,554)	(2,457,735)
Operating expenses:	(1,828,600)	(1,702,937)
Rental, repairs and other office management expenses	(516,322)	(451,060)
Advertising costs	(273,025)	(256,237)
Costs of legal and advisory services	(292,724)	(287,714)
of which: Audit	(9,147)	(8,287)
Tax advisory	(3,252)	(2,127)
Other advisory	(840)	(1,977)
IT support costs	(207,374)	(188,248)
Telecommunication, postal and other services	(162,518)	(167,195)
Deposit and transaction insurance	(150,873)	(107,000)
Training costs	(49,430)	(37,154)
Travel costs	(24,424)	(27,716)
Fuel	(20,383)	(28,955)
Security costs	(52,582)	(29,408)
Office equipment	(38,438)	(36,537)
Other administrative expenses	(40,507)	(85,713)
Depreciation and amortisation of fixed assets (Notes 20 and 21)	(474,582)	(364,911)
Other operating expenses	(60,794)	(52,402)
Total	(4,983,530)	(4,577,985)

"Deposit and transaction insurance" includes the costs of the payment to the Deposit Insurance Fund. Given the change in the methodology for calculating deposit insurance payments, the contribution of the Bank to the Deposit Insurance Fund increased in 2010.

12. PAYROLL COSTS

CZK thousand	2010	2009
Wages and salaries	(1,977,718)	(1,854,437)
Social security and health insurance	(552,675)	(524,691)
Other staff costs	(89,161)	(78,607)
Total	(2,619,554)	(2,457,735)
Of which wages and salaries paid to:		
Members of the Board of Directors	(151,218)	(54,702)
Members of the Supervisory Board	(6,971)	(8,868)
Other members of management	(73,420)	(179,924)
Total	(231,609)	(243,494)

The average number of the Bank's employees as of 31 December 2010 and 2009 was as follows:

	2010	2009
Employees	2,836	2,590
Members of the Board of Directors	6	7
Members of the Supervisory Board	9	9
Other members of management	27	57

The increase in the number of employees is due to the increase in the number of branches and initiation of new projects. The financial arrangements between the Bank and members of the Board of Directors and Supervisory Board are disclosed in Notes 38b and 38c.

13. INCOME TAX

(a) Income Tax Expense

CZK thousand	2010	2009
Current income tax payable	(685,000)	(534,000)
Tax overpayment from the previous period	4,697	7,023
Deferred income tax credit/(charge)	183,041	(9,654)
Total income tax	(497,262)	(536,631)

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

CZK thousand	2010	2009
Pre-tax profit (general tax base)	2,319,640	2,521,753
Pre-tax profit (separate tax base)	72	655
Total pre-tax profit	2,319,712	2,522,408
Tax calculated at the tax rate for the general tax base – 19% (2009: 20%)	(440,731)	(504,350)
Tax calculated at the tax rate for the separate tax base (rate of 15%)	(11)	(98)
Non-taxable income	278,504	209,202
Non-tax deductible expenses	(522,877)	(238,861)
Tax relief and credit	115	107
Tax liability for the period	(685,000)	(534,000)
Tax overpayment/(underpayment) from the previous period, use of tax relief and credit, including tax refunds and additional assessments from previous years	4,697	7,023
Deferred tax	183,041	(9,654)
Total income tax	(497,262)	(536,631)
Effective tax rate	21.44%	21.27%

The increase in the non-tax deductible expenses in 2010 is due to the exceeded limit for the recognition of tax deductible provisions for loan receivables.

The movement in "Deferred tax" is due to a significant year-on-year increase in unpaid loan interest, refer to Note 22.

(b) Income Tax Liability

CZK thousand	2010	2009
<i>Tax calculated at the tax rate for the general tax base – 19 % (2009: 20%)</i>	(684,989)	(533,902)
<i>Tax calculated at the tax rate for the separate tax base (rate of 15%)</i>	(11)	(98)
Tax liability for the period	(685,000)	(534,000)
<i>Additional current income tax assessment for previous years</i>	-	-
<i>Advances paid for current income tax</i>	434,937	317,215
Total income tax liability	(250,063)	(216,785)

For additional details on the deferred tax, refer to Note 22.

14. CASH AND BALANCES WITH CENTRAL BANKS

CZK thousand	2010	2009
<i>Cash on hand and other cash equivalents</i>	2,558,096	2,876,602
<i>Balances with central banks</i>	218,554	175,192
<i>Statutory minimum reserves maintained with the CNB</i>	668,006	2,208,175
Total	3,444,656	5,259,969

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

For the information on cash and cash equivalents reported in the cash flow statement, refer to Note 31.

15. LOANS AND ADVANCES TO FINANCIAL INSTITUTIONS

CZK thousand	2010	2009
<i>Placements with financial institutions</i>	439,458	533,026
<i>Term deposits with banks</i>	2,835,825	6,624,344
<i>Loans and other advances to financial institutions</i>	3,512,056	16,646,105
Total	6,787,339	23,803,475

"Loans and other advances to financial institutions" includes reverse repurchase transactions. As part of the reverse repurchase transactions, the Bank provided loans in the aggregate amount of CZK 3,140,858 thousand (2009: CZK 16,253,939 thousand).

16. LOANS AND ADVANCES TO CUSTOMERS

(a) Classification of Loans and Advances to Customers

CZK thousand	2010	2009
Overdrafts	7,174,998	9,153,233
Term loans	79,973,006	72,767,033
Mortgage loans	64,322,567	58,975,198
Other	1,192,512	1,920,906
Total	152,663,083	142,816,370

In 2010, the Bank restructured loans and advances to customers in the aggregate amount of CZK 1,941,644 thousand (2009: CZK 692,317 thousand).

In May 2010, the Bank purchased the portfolio of consumer loans and credit card loans, which were not collateralised, from Citibank Europe in the amount of CZK 730 million. As of 31 December 2010, the fair value of receivables maintained in the accounting books and records is CZK 422 million.

(b) Repurchase and reverse repurchase transactions

As of 31 December 2010 and 2009, the Bank reported no repurchase transactions with customers. The Bank advanced loans in the aggregate amount of CZK 47,240 thousand (2009: CZK 10,944 thousand) under reverse repurchase transactions.

(c) Analysis of Loans Provided to Customers by Sector

CZK thousand	2010	2009
Government sector	385,915	620,755
Loans to corporate entities	76,079,524	71,554,456
Loans to private individuals	71,862,270	66,314,326
Small and medium size enterprises (SME)	4,277,352	4,070,484
Other	58,022	256,349
Total	152,663,083	142,816,370

Although the mortgages saw a lower growth rate in 2010, the increase in "Loans to private individuals" is predominantly due to the increased volume of mortgages.

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

CZK thousand	2010	2009
Czech Republic	147,130,207	137,027,480
Slovakia	1,301,166	1,240,852
Other EU member countries	2,737,473	3,084,254
Other (Canada, USA, Ukraine, United Arab Emirates etc.)	1,494,237	1,463,784
Total	152,663,083	142,816,370

(e) Aging Analysis of Loans Provided to Customers

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

CZK thousand <i>Overdue in days</i>	<i>Overdue loans and receivables</i>		<i>Collateral</i>	
	2010	2009	2010	2009
0 – 30	1,943,283	1,646,943	2,779,747	1,670,640
31 – 90	18,751	47,621	18,661	65,973
91 – 180	5,751	18,375	9,177	72,975
181 – 360	4,834	10,225	1,622	66,475
1 year – 5 years	12,390	6,765	29,712	18,791

The increase in the "0 – 30" category is principally due to the increase in the past due loans which are fully collateralised. The exposures in the categories exceeding 90 days overdue are also sufficiently covered by the collateral.

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

CZK thousand	<i>Before due date</i>	<i>Less than 1 month</i>	<i>1 month to 3 months</i>	<i>3 months to 6 months</i>	<i>6 months to 1 year</i>	<i>Over 1 year</i>	<i>Total</i>
2010							
Amounts due from customers							
- without default	133,881,620	-	-	-	-	-	133,881,620
- with default	3,685,827	7,600,130	1,310,191	1,289,077	1,796,046	3,100,192	18,781,463
Gross	137,567,447	7,600,130	1,310,191	1,289,077	1,796,046	3,100,192	152,663,083
Provisions	(1,249,015)	(226,872)	(235,013)	(518,664)	(1,023,629)	(2,461,182)	(5,714,375)
Net	136,318,432	7,373,258	1,075,178	770,413	772,417	639,010	146,948,708
2009							
Amounts due from customers							
- without default	128,682,740	-	-	-	-	-	128,682,740
- with default	2,908,100	4,864,933	2,032,335	740,446	1,257,350	2,330,466	14,133,630
Gross	131,590,840	4,864,933	2,032,335	740,446	1,257,350	2,330,466	142,816,370
Provisions	(1,202,072)	(327,188)	(481,350)	(364,978)	(705,191)	(1,987,128)	(5,067,907)
Net	130,388,768	4,537,745	1,550,985	375,468	552,159	343,338	137,748,463

The amounts due from customers "without default" in the table above are amounts due that are past their due dates and the individual provision is zero. Other amounts due from customers are reported within "with default".

(g) Securitisation

There were no new securitisation type transactions in the year ended 31 December 2010. Since March 2006, the Bank has carried out a synthetic securitisation of the Corporate Banking loans portfolio. The entire transaction will mature in 2016. At the end of 2010, the loan portfolio included in this securitisation amounted to CZK 4,837 million (2009: CZK 5,081 million).

(h) Syndicated Loans

Pursuant to concluded syndicated loan agreements, the Bank acted as the arranger of syndicated loans in the original amount of aggregate credit limits of CZK 4,313,756 thousand as of 31 December 2010 (2009: CZK 7,431,576 thousand), of which the proportion of the Bank amounted to CZK 1,800,478 thousand (2009: CZK 3,819,701 thousand) and the proportion of other syndicate members amounted to CZK 2,513,278 thousand (2009: CZK 3,611,875 thousand).

As of 31 December 2010, the aggregate amount of outstanding receivables under the syndicated loan facilities was CZK 3,737,775 thousand (2009: CZK 5,416,498 thousand), of which the proportion of the Bank was CZK 1,490,205 thousand (2009: CZK 2,843,355 thousand) and the proportion of other syndicate members was CZK 2,247,570 thousand (2009: CZK 2,573,143 thousand).

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

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

2010	Cash collateral	State guarantees	Bank guarantee	Real estate	Company guarantee	Personal and bill guarantee	Other collateral	Movable assets	Uncollateralised	Total
Agriculture, Hunting, Forestry and Fishing	49	25,475	93,051	130,438	149,010	247,503	92,047	144,632	43,776	925,981
Mining and Quarrying	-	-	12,804	2,832	6,294	3,904	-	8,682	-	34,516
Manufacturing	47,197	239,794	1,859,213	2,149,144	1,307,791	3,519,901	1,595,352	3,196,666	2,682,198	16,597,256
Electricity, Gas and Water Supply	190,569	-	14,390	881,819	160,643	1,215,219	482,343	1,619,006	705,871	5,269,860
Construction	2,197	136,248	558,624	666,786	59,089	679,059	67,580	701,118	157,434	3,028,135
Wholesale and Retail Trade; Repair of Motor Vehicles, Motorcycles and Personal and Household Goods	19,332	150,569	1,389,082	1,726,332	1,173,968	2,537,119	469,502	2,826,743	2,860,282	13,152,929
Hotels and Restaurants	42,199	-	11,612	2,904,718	4,687	408,700	13,000	56,136	104,310	3,545,362
Transport, Storage and Communication	82	-	35,294	162,817	188,331	419,757	172,400	665,709	598,712	2,243,102
Financial Intermediation	100,293	-	1,515,275	39,737	-	64,149	-	120,210	215,122	2,054,786
Real Estate	512,131	-	1,678,810	15,990,676	710,542	5,131,695	1,123,470	1,054,127	4,394,376	30,595,827
Public Administration and Defence; Compulsory Social Security	1,148	1,587,948	-	100,572	-	39,328	-	240,985	44	1,970,025
Education	-	-	-	12,120	-	8,323	-	464	34,883	55,790
Health and Social Work	13,322	77,666	19,615	130,170	18,250	134,918	7,089	40,956	12,766	454,752
Other Community, Social and Personal Service Activities	1,711	-	12,583	395,170	175,665	120,862	10,323	103,045	53,133	872,492
Private Households with Employed Persons	6,396	-	5,042	60,172,000	57,551	1,661,180	3,827,414	1,019	6,131,668	71,862,270
Total	936,626	2,217,700	7,205,395	85,465,331	4,011,821	16,191,617	7,860,520	10,779,498	17,994,575	152,663,083

2009	Cash collateral	State guarantees	Bank guarantee	Real estate	Company guarantee	Personal and bill guarantee	Other collateral	Movable assets	Uncollateralised	Total
Agriculture, Hunting, Forestry and Fishing	420	34,569	115,334	169,110	246,530	256,555	124,903	183,598	17,393	1,148,412
Mining and Quarrying	-	-	-	2,501	5,558	3,412	-	7,850	-	19,321
Manufacturing	21,765	178,684	1,978,787	2,578,811	1,204,601	3,320,996	1,337,808	3,383,117	1,869,337	15,873,906
Electricity, Gas and Water Supply	136,526	-	57,387	159,014	15,018	296,735	406,207	445,088	806,309	2,322,284
Construction	14,638	125,702	163,111	419,323	141,768	914,983	59,632	570,340	163,019	2,572,516
Wholesale and Retail Trade; Repair of Motor Vehicles, Motorcycles and Personal and Household Goods	163,127	92,108	1,246,383	1,636,736	1,635,101	2,470,879	628,024	2,509,086	1,246,767	11,628,211
Hotels and Restaurants	45,117	-	71,038	3,293,116	34,192	603,251	84,427	114,506	295,050	4,540,697
Transport, Storage and Communication	68	-	38,422	191,004	58,269	432,300	650,125	384,464	71,626	1,826,278
Financial Intermediation	398,880	-	1,428,238	76,092	394,187	103,124	12,566	120,364	5,288	2,538,739
Real Estate	498,040	-	2,468,466	14,025,932	1,419,649	4,258,659	1,206,620	1,326,441	1,526,143	26,729,950
Public Administration and Defence; Compulsory Social Security	1,232	675,213	-	148,355	-	47,028	-	424,247	281	1,296,356
Education	-	-	-	12,891	-	9,987	6,953	-	17,232	47,063
Health and Social Work	33,613	133,634	35,715	127,932	329	109,966	379	62,475	10,240	514,283
Other Community, Social and Personal Service Activities	1,069	-	22,260	442,267	116,063	509,109	21,532	44,887	106,069	1,263,256
Private Households with Employed Persons	-	-	397	54,865,558	78,254	2,354,187	4,316,248	3,039	8,877,415	70,495,098
Total	1,314,495	1,239,910	7,625,538	78,148,642	5,349,519	15,691,171	8,855,424	9,579,502	15,012,169	142,816,370

17. PROVISIONS FOR PROVIDED LOANS AND RECEIVABLES

CZK thousand	2010	2009
Balance at 1 January	(5,067,907)	(3,480,631)
Charge for provisions	(4,522,934)	(3,182,377)
Release of provisions	2,320,542	1,356,362
Usage of provisions for the write-off and assignment of receivables	1,530,605	227,638
FX gains from provisions denominated in a foreign currency	25,319	11,101
Balance at 31 December	(5,714,375)	(5,067,907)

18. SECURITIES

(a) Portfolio Classification of Securities according to the Bank's Intent

<i>CZK thousand</i>	2010	2009
Securities held to maturity (debt securities)	14,483,575	14,875,729
Securities at fair value through profit or loss	8,762,652	6,087,786
of which: Securities held for trading	1,112,195	723,290
- Debt securities	1,112,140	719,813
- Shares and participation certificates	55	3,477
of which: Securities not intended for trading	7,650,457	5,364,496
- Debt securities	7,252,396	5,086,091
- Shares and participation certificates	398,061	278,405
Securities available for sale (shares and participation certificates)	535,983	524,428
Total	23,782,210	21,487,943

"Securities held to maturity" includes bonds of the Czech Republic.

"Securities at fair value through profit or loss" includes government bonds of CZK 6,539,859 thousand (2009: CZK 4,849,849 thousand) which may be used for refinancing with central banks.

"Securities available for sale" includes the Bank's investment in Raiffeisen stavební spořitelna a.s. in the aggregate amount of CZK 516,106 thousand (2009: CZK 516,106 thousand) and other minority investments of the Bank in 2010.

The remeasurement of securities available for sale for 2010 and 2009 amounted to CZK (996) thousand and CZK 2,529 thousand, respectively, and is included in the comprehensive income for the period.

(b) Securities Pledged as Collateral

As of 31 December 2010, the Bank concluded no repurchase transaction and provided no securities pledged as collateral. As of 31 December 2009, the Bank concluded the repurchase transactions with the Czech National Bank and pledged CZ0001002331, government bond VAR/16 (maturity on 4 March 2010) as collateral. The nominal value of these pledged securities is CZK 3,000,000 thousand.

19. EQUITY INVESTMENTS

(a) Equity Investments

CZK thousand	2010	2009
Balance at 1 January	81,237	81,027
Acquisition of equity investments	51,500	210
Balance at 31 December	132,737	81,237

"Acquisitions of equity investments" includes the purchase of equity investments in CCRB a.s. (a 49% equity investment) and DEBITUM dluhová agentura a.s. (a 50% equity investment) in 2010 and the purchase of the equity investment in Transaction System Servis s.r.o. in 2009 (the 100% equity investment).

(b) Subsidiaries (Equity Investments with Controlling Influence)

CZK thousand

Name	Registered office	Equity	Of which Share capital	Share of Share capital	Share of voting power	Carrying amount
Czech Real Estate Fund B.V.	Amsterdam, Naritaweg 165	65,712	451	20%	20%	55,839
Transaction System Servis s.r.o.	Praha 4, Hvězdova 1716/2b	183	200	100%	100%	210
Total at 31 December 2010						56,049
Czech Real Estate Fund B.V.	Amsterdam, Naritaweg 165	71,201	476	20%	20%	55,839
Transaction System Servis s.r.o.	Praha 4, Hvězdova 1716/2b	194	200	100%	100%	210
Total at 31 December 2009						56,049

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

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

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

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

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

- Development of the banking system

(c) Associates (Equity Investments with Substantial Influence)

CZK thousand

Name	Registered office	Equity	Of which Share capital	Share of Share capital	Share of voting power	Carrying amount
CCRB a.s.	Prague 1, V Celnici 1031/4	100,707	100,000	49%	49%	49,000
Total at 31 December 2010						49,000

As of 31 December 2009, the Bank did not hold investments in any associates.

CCRB a.s. – principal activities:

– Purchase and recovery of receivables

The other shareholders having a share in the equity and voting powers in CCRB a.s. are CASPER CONSULTING a.s. (50%) and an individual (1%).

(d) Joint Ventures

CZK thousand

Name	Registered office	Equity	Of which Share capital	Share of Share capital	Share of voting power	Carrying amount
Raiffeisen-Leasing, s.r.o.	Praha 4, Hvězdova 1716/2b	129,936	50,000	50%	50%	25,188
DEBITUM dluhová agentura a.s.	Praha 1, Olivova 2096/4	4,073	5,000	50%	50%	2,500
Total at 31 December 2010						27,688
Raiffeisen-Leasing, s.r.o.	Praha 4, Hvězdova 1716/2b	142,326	50,000	50%	50%	25,188
Total at 31 December 2010						25,188

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

- Lease of movable and immovable assets;
- Real estate agent;
- Purchase of goods for resale and sale with the exception of goods listed in the Appendix to Act No. 455/91 Coll., and goods eliminated thereunder;
- Agency activities related to sale and services;
- Book-keeping;
- Provision of loans and credits from own resources; and
- Provision of software.

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

DEBITUM dluhová agentura a.s. – principal activities:

- Administration of receivables

The other shareholder having a share in the equity and voting powers in DEBITUM dluhová agentura a.s. is CASPER CONSULTING a.s.

20. INTANGIBLE FIXED ASSETS

CZK thousand	Software	Intangible assets under construction	Total
Cost			
1 January 2009	1,321,948	195,271	1,517,219
Additions	152,342	421,688	574,030
Other changes (transfers)	176,741	(176,741)	-
31 December 2009	1,651,031	440,218	2,091,249
Additions	104,297	759,133	863,430
Disposals	-	(8,866)	(8,866)
Other changes (transfers)	163,250	(163,250)	0
31 December 2010	1,918,578	1,027,235	2,945,813
Accumulated amortisation and provisions			
1 January 2009	(888,238)	-	(888,238)
Additions – annual amortisation charges	(216,033)	-	(216,033)
Other changes (transfers)	-	-	-
31 December 2009	(1,104,271)	-	(1,104,271)
Additions – annual amortisation charges	(301,019)	-	(301,019)
31 December 2010	(1,405,290)	-	(1,405,290)
Net book value			
31 December 2009	546,760	440,218	986,978
31 December 2010	513,288	1,027,235	1,540,523

The year-on-year increase in intangible assets under construction in 2010 relates to the development of a new banking system and other applications supporting the new banking system and the initiation of a series of new projects supporting the management of processes and increase in business activities. Internal costs (primarily staff costs and lease costs) which are required to generate these assets are capitalised.

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

21. PROPERTY AND EQUIPMENT

(a) Movements in Property and Equipment

CZK thousand	Land, buildings, technical improvements on buildings	Furniture and fixtures	Machinery and equipment	Tangible assets under construction	Total
Cost					
1 January 2009	523,488	369,021	1,039,369	219,382	2,151,260
Additions	55,231	25,320	194,295	95,002	369,848
Disposals	(36)	(8,478)	(69,166)	(134,453)	(212,133)
Other changes (transfers)	3,419	(165,287)	137,728	(365)	(24,505)
31 December 2009	582,102	220,576	1,302,226	179,566	2,284,470
Additions	50,005	39,547	82,310	254,563	426,425
Disposals	(248)	(13,545)	(287,887)	(10,166)	(311,846)
Other changes (transfers)	36,872	8,411	81,514	(126,797)	0
31 December 2010	668,731	254,989	1,178,163	297,166	2,399,049
Accumulated depreciation and provisions					
1 January 2009	(279,271)	(300,024)	(900,350)	-	(1,479,645)
Additions	(41,262)	(14,099)	(95,067)	-	(150,428)
Disposals	56	7,334	65,496	-	72,886
Other changes (transfers)	(757)	143,760	(118,864)	-	24,139
31 December 2009	(321,234)	(163,029)	(1,048,785)	-	(1,533,048)
Additions	(47,473)	(17,663)	(108,427)	-	(173,563)
Disposals	248	12,874	283,889	-	297,011
31 December 2010	(368,459)	(167,818)	(873,323)	-	(1,409,600)
Net book value					
31 December 2009	260,868	57,547	253,441	179,566	751,422
31 December 2010	300,272	87,171	304,840	297,166	989,449

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

In the year ended 31 December 2009, the Bank recognised a provision against risk prepayments for the proprietary performance in the amount of CZK 1,500 thousand which was released during 2010.

(b) Property and Equipment Acquired under Finance Leases

The Bank recorded no property and equipment under finance leases in the years ended 31 December 2010 and 2009.

22. DEFERRED TAX ASSET/LIABILITY

Deferred tax is calculated from all temporary differences under the liability method using the principal income tax rate of 19 percent (the tax rate of 2011).

Deferred income tax assets are as follows:

CZK thousand	2010	2009
<i>Unpaid interest on loans of non-residents</i>	300,142	64,821
<i>Unpaid social security and health insurance</i>	19,685	13,050
<i>Outstanding vacation days</i>	12,236	10,595
<i>Other provisions</i>	42,544	34,398
Total deferred tax asset	374,607	122,864

Deferred income tax liabilities are as follows:

CZK thousand	2010	2009
<i>Differences between accounting and tax carrying amounts of tangible and intangible assets</i>	(154,905)	(86,204)
<i>Change in the balance for the period against equity from revaluation of securities available for sales</i>	(360)	(593)
Total deferred tax liability	(155,265)	(86,797)

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

CZK thousand	2010	2009
<i>Balance at 1 January</i>	122,864	71,944
<i>Movement for the year - income/(expense)</i>	251,743	50,920
Total deferred tax asset	374,607	122,864
<i>Balance at 1 January</i>	(86,797)	(25,630)
<i>Movement for the year - income/(expense)</i>	(68,701)	(60,574)
<i>Movement for the year - equity</i>	233	(593)
Total deferred tax liability	(155,265)	(86,797)
Net deferred tax asset/(liability)	219,342	36,067

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

CZK thousand	2010	2009
Basis for deferred tax asset/(liability)	1,154,434	192,950
Deferred tax asset/(liability)	219,342	36,067
Recognition of a year-on-year difference due to the change of tax rate	-	(418)
Recognition of a year-on-year difference due to temporary differences in profit or loss	183,041	(9,236)
Recognition of a year-on-year difference due to temporary differences in equity	233	(593)
Total year-on-year difference for recognition	183,274	(10,247)

23. OTHER ASSETS

CZK thousand	2010	2009
Indirect tax assets	2,322	380
Receivables arising from non-banking activities	488,772	519,089
Deferred expenses and accrued income	20,175	16,562
Receivables from securities trading	140,609	67
Settlement of cash transactions with other banks	59,750	505,384
Other	218,173	123,462
Total	929,801	1,164,944

24. AMOUNTS OWED TO FINANCIAL INSTITUTIONS

CZK thousand	2010	2009
Repayable on demand	672,896	999,516
Term deposits of banks	20,021,305	24,037,869
Within 3 months	4,217,063	6,297,597
From 3 months to 1 year	5,016,961	1,847,495
From 1 to 5 years	10,787,281	15,892,777
Total	20,694,201	25,037,385

"Term deposits at banks – from 1 to 5 years" for the year ended 31 December 2010 includes the deposit from Raiffeisen Bank International AG in the amount of CZK 10,034,300 thousand (2009: CZK 15,892,777 thousand).

As of 31 December 2009, the Bank received a loan in the repurchase transaction of CZK 2,905,480 thousand. The loan received in this repurchase transaction was collateralised by governmental bonds of CZK 2,845,523 thousand and a cash deposit of CZK 39,600 thousand. As of 31 December 2010, the Bank received no loan in the repurchase transaction.

25. AMOUNTS OWED TO CUSTOMERS

(a) Analysis of Amounts Owed to Customers by Type

CZK thousand	2010	2009
Repayable on demand	93,623,521	87,897,510
Term deposits with maturity	32,312,624	42,088,134
Other	-	107,035
Total	125,936,145	130,092,679

(b) Analysis of Amounts Owed to Customers by Sector

CZK thousand	2010	2009
Public sector	5,769,288	10,776,350
Deposits from corporate clients	49,079,722	48,159,299
Deposits to private individuals	58,148,881	58,450,557
Small and medium size enterprises (SME)	12,150,357	11,700,940
Other	787,897	1,005,533
Total	125,936,145	130,092,679

26. DEBT SECURITIES ISSUED

(a) Analysis of Issued Debt Securities by Type

CZK thousand	2010	2009
Deposit certificates and deposit bills of exchange	4,688,941	5,645,986
Bonds in issue	1,175,830	650,428
Mortgage bonds	10,398,985	9,517,720
Total	16,263,756	15,814,134

The decrease in "Deposit certificates and deposit bills of exchange" is predominantly due to the outflow of short-term deposit bills from corporate clients.

(b) Analysis of Mortgage Bonds

CZK thousand

Date of issue	Maturity	ISIN	Currency	Nominal value		Net carrying value	
				2010	2009	2010	2009
23.3.2005	23.3.2010	CZ0002000482	CZK	-	498,350	-	517,687
29.11.2005	29.11.2010	CZ0002000557	CZK	-	500,000	-	505,831
21.11.2005	21.11.2010	CZ0002000698	CZK	-	339,850	-	344,876
24.5.2006	24.5.2011	CZ0002000805	CZK	397,510	402,770	410,471	420,295
4.10.2006	4.10.2011	CZ0002000888	CZK	963,000	933,000	979,637	954,566
16.2.2007	16.2.2012	CZ0002000946	CZK	1,295,000	1,274,710	1,367,565	1,361,785
12.9.2007	12.9.2012	CZ0002001175	CZK	2,000,000	1,819,600	2,061,228	1,886,598
14.11.2007	14.11.2014	CZ0002001316	CZK	500,000	500,000	517,660	521,395
12.12.2007	12.12.2012	CZ0002001662	CZK	382,700	10,000	401,085	10,155
12.12.2007	12.12.2017	CZ0002001670	CZK	1,517,800	1,517,800	1,571,391	1,581,502
12.12.2007	12.12.2017	CZ0002001696	CZK	500,000	500,000	543,035	549,278
12.12.2007	12.12.2022	CZ0002001704	CZK	-	-	-	-
20.12.2007	20.12.2017	CZ0002001928	CZK	157,500	157,500	170,369	172,834
26.11.2008	26.11.2013	CZ0002002058	CZK	522,230	61,250	534,876	61,989
10.12.2008	10.12.2011	CZ0002002066	CZK	124,200	40,000	126,497	40,921
18.2.2009	18.2.2012	CZ0002002074	CZK	249,600	248,150	256,282	254,702
28.8.2009	28.8.2012	CZ0002002108	CZK	250,000	249,160	252,752	251,726
8.10.2009	8.10.2014	CZ0002002124	EUR	-	-	-	-
14.10.2009	14.10.2012	CZ0002002140	CZK	250,000	81,060	251,760	81,580
16.11.2010	16.11.2013	CZ0002002249	CZK	960,000	-	954,377	-
Total				10,069,540	9,133,200	10,398,985	9,517,720

27. PROVISIONS

CZK thousand	Provisions for legal disputes	Provisions for off balance sheet credit risk exposures	Provision for outstanding vacation days	Provision for restructuring	Other provisions	Total
1 January 2009	71,827	98,814	55,833	-	124,366	350,840
Charge for provisions	116	16,681	55,765	2,170	106,810	181,542
Use of provisions	(562)	-	(55,833)	-	(57,625)	(114,020)
Release of redundant provisions	(69,095)	(98,814)	-	-	(5,618)	(173,527)
Foreign exchange rate differences	-	-	-	-	(34)	(34)
31 December 2009	2,286	16,681	55,765	2,170	167,899	244,801
Charge for provisions	5,500	30,684	64,400	-	97,361	197,945
Use of provisions	(1,601)	-	(55,765)	(532)	(68,168)	(126,066)
Release of redundant provisions	-	(11,681)	-	(1,638)	(3,559)	(16,878)
Foreign exchange rate differences	-	-	-	-	(494)	(494)
31 December 2010	6,185	35,684	64,400	-	193,039	299,308

"Other provisions" predominantly included the provision for the integration bonus in 2009 and the provision for the three-year bonus in 2010.

28. SUBORDINATED LOAN

CZK thousand	2010	2009
Raiffeisen Bank International AG (Raiffeisen Zentralbank Österreich before the merger)	1,228,986	1,297,830
Raiffeisenlandesbank Oberösterreich	983,322	1,038,418
Raiffeisenlandesbank Niederösterreich	725,007	765,641
Raiffeisen Malta Bank Plc	1,031,391	1,089,174
Total	3,968,706	4,191,063

In the years ended 31 December 2010 and 2009, the Bank received no new subordinated loan. The year-on-year decrease is due to foreign currency movements.

29. OTHER LIABILITIES

CZK thousand	2010	2009
<i>Liabilities arising from non-banking activities</i>	545,865	473,350
<i>Estimated payables for bonuses</i>	628,768	648,732
<i>Accrued expenses</i>	20	245
<i>Deferred income</i>	62,329	38,369
<i>Liabilities from securities trading</i>	141,482	1,763
<i>Settlement and suspense clearing account</i>	579,585	662,127
<i>Other</i>	873,221	520,872
Total	2,831,270	2,345,458

30. SHARE CAPITAL

In the year ended 31 December 2010, there were no changes in the share capital of the Bank, in its paid amount or the number of issued shares. There were no changes in the shareholder structure. The aggregate nominal value of all the shares was fully paid. All shares are book-entered, registered, they are not listed and their nominal value is CZK 10,000.

The shareholder structure as of 31 December 2010:

Name	Registered office	Number of ordinary shares	Nominal value (CZK thousand)	Ownership percentage (in %)
Raiffeisen Bank International AG	Austria	334,764	3,347,640	51
RB Prag Beteiligungs GmbH	Austria	164,100	1,641,000	25
Raiffeisenlandesbank Niederösterreich – Wien AG	Austria	157,536	1,575,360	24
Total		656,400	6,564,000	100

The following distribution of the profit for the year ended 31 December 2009 was approved in 2010:

2009 net profit after tax	1,985,777
Approved distribution:	
Transfer to statutory reserve funds	99,289
Allocation to retained earnings	1,886,488
of which dividends to shareholders	1,022,000
of which Raiffeisen Bank International AG	521,220
RB Prag Beteiligungs GmbH	255,500
Raiffeisenlandesbank Niederösterreich – Wien AG	245,280

31. CASH AND CASH EQUIVALENTS

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

CZK thousand	2010	2009
Cash and balances with central banks (Note 14)	3,444,656	5,259,969
Statutory minimum reserves (Note 14)	(668,006)	(2,208,175)
Placements in other financial institutions (Note 15)	439,458	533,026
Total cash and cash equivalents	3,216,108	3,584,820

32. OFF BALANCE SHEET COMPONENTS – CREDIT EXPOSURE

(a) Legal disputes

The Bank conducted a review of legal proceedings outstanding against it as of 31 December 2010. Pursuant to the review of significant litigation matters in terms of the risk of potential losses and the probability of payment, the Bank recognised provisions (Note 27) for these litigations in the aggregate amount CZK 6,185 thousand (2009: CZK 2,286 thousand).

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

CZK thousand	2010	2009
Banks		
Provided commitments (irrevocable)	-	205,546
Guarantee issued	24,065	41,369
Letters of credit issued	3,268	7,105
Total	27,333	254,020
Customers		
Provided commitments (irrevocable)	18,788,604	18,524,865
Guarantee issued	13,197,127	10,733,680
Letters of credit issued	489,256	1,045,593
Total	32,474,987	30,304,138
Total	32,502,320	30,558,158

In 2009, the Bank provided irrevocable commitments to banks in the aggregate amount of CZK 205,546 thousand of which the most significant were commitments to Raiffeisen Zentralbank Österreich (CZK 47,045 thousand), Raiffeisenlandesbank Oberösterreich (CZK 46,656 thousand) and Tatra banka (CZK 31,104 thousand). In 2010, the Bank provided no irrevocable commitments to banks.

(c) Refinancing Agreements

As of 31 December 2009, the Bank was provided with a stand-by credit line facility of CZK 13,232,500 thousand (EUR 500,000 thousand) by Eastern European Invest GmbH. This contract was discontinued in early 2010.

33. OFF BALANCE SHEET COMPONENTS – FINANCIAL INSTRUMENTS

(a) Analysis of Derivative Financial Instruments – Contractual Amounts

CZK thousand	Contractual amounts	
	2010	2009
Trading instruments		
Cross currency swaps	76,215	-
Currency forwards and swaps	42,871,773	38,946,103
Interest rate swaps (IRS)	38,470,807	41,523,624
Forward rate agreements (FRA)	6,000,000	40,000,000
Option contracts (purchase)	5,302,989	9,231,297
Option contracts (sale)	5,278,243	9,154,693
Total trading instruments	98,000,027	138,855,717
Financial derivatives - total contractual amount	98,000,027	138,855,717

The Bank reported no hedging instruments in 2010 and 2009.

(b) Analysis of Derivative Financial Instruments – Fair Value

CZK thousand	Fair value in 2010		Fair value in 2009	
	Positive	Negative	Positive	Negative
Trading instruments				
Cross currency swaps	1,077	(999)	-	-
Currency forwards and swaps	565,389	(416,907)	780,507	(358,082)
Interest rate swaps (IRS)	341,687	(1,068,301)	413,862	(1,049,239)
Forward rate agreements (FRA)	619	(93)	118,085	(127,729)
Option contracts (purchase)	174,744	-	580,503	-
Option contracts (sale)	-	(170,080)	-	(577,102)
Total trading instruments	1,083,516	(1,656,380)	1,892,957	(2,112,152)
Financial derivatives - total fair value	1,083,516	(1,656,380)	1,892,957	(2,112,152)

The Bank reported no hedging instruments in 2010 and 2009.

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

CZK thousand	Up to 1 year	From 1 to 5 years	Over 5 years	Total
At 31 December 2009				
Trading instruments				
Cross currency swaps	-	76,215	-	76,215
Currency forwards and swaps	41,383,402	1,488,372	-	42,871,774
Interest rate swaps (IRS)	8,636,751	24,481,707	5,352,348	38,470,806
Forward rate agreements (FRA)	6,000,000	-	-	6,000,000
Option contracts (purchase)	3,586,202	1,716,787	-	5,302,989
Option contracts (sale)	3,583,586	1,694,657	-	5,278,243
Total trading instruments	63,189,941	29,457,738	5,352,348	98,000,027
Total financial derivatives	63,189,941	29,457,738	5,352,348	98,000,027
At 31 December 2010				
Trading instruments				
Currency forwards and swaps	36,412,881	2,533,222	-	38,946,103
Interest rate swaps (IRS)	14,845,942	22,132,029	4,545,654	41,523,625
Forward rate agreements (FRA)	40,000,000	-	-	40,000,000
Option contracts (purchase)	6,169,242	3,062,055	-	9,231,297
Option contracts (sale)	6,149,878	3,004,815	-	9,154,693
Total trading instruments	103,577,943	30,732,121	4,545,654	138,855,718
Total financial derivatives	103,577,943	30,732,121	4,545,654	138,855,718

The Bank reported no hedging instruments in 2010 and 2009.

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

CZK thousand	Future Cash Inflows			Future Cash Outflows		
	Up to 1 year	From 1 to 5 years	Over 5 years	Up to 1 year	From 1 to 5 years	Over 5 years
31 December 2010						
Trading instruments						
Interest rate swaps (IRS)	42,268	232,465	66,954	(130,290)	(695,281)	(242,730)
Forward rate agreements (FRA)	619	-	-	(93)	-	-
Total trading instruments	42,887	232,465	66,954	(130,383)	(695,281)	(242,730)
Financial derivatives – total contractual payments	42,887	232,465	66,954	(130,383)	(695,281)	(242,730)

CZK thousand	Future Cash Inflows			Future Cash Outflows		
	Up to 1 year	From 1 to 5 years	Over 5 years	Up to 1 year	From 1 to 5 years	Over 5 years
31 December 2009						
Trading instruments						
Interest rate swaps (IRS)	41,827	313,893	58,142	(318,663)	(579,320)	(151,221)
Forward rate agreements (FRA)	118,085	-	-	(127,729)	-	-
Total trading instruments	159,912	313,893	58,142	(446,392)	(579,320)	(151,221)
Financial derivatives – total contractual payments	159,912	313,893	58,142	(446,392)	(579,320)	(151,221)

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

CZK thousand	Future Cash Inflows			Future Cash Outflows		
	Up to 1 year	From 1 to 5 years	Over 5 years	Up to 1 year	From 1 to 5 years	Over 5 years
31 December 2010						
Trading instruments						
Cross currency swaps	-	76,215	-	-	(76,215)	-
Currency forwards and swaps	41,383,402	1,488,372	-	(41,243,084)	(1,495,496)	-
Option contracts (purchase)	3,586,202	1,716,787	-	(3,591,276)	(1,490,672)	-
Option contracts (sale)	3,591,276	1,490,672	-	(3,583,586)	(1,694,657)	-
Total trading instruments	48,560,880	4,772,046	-	(48,417,946)	(4,757,040)	-
Financial derivatives – total contractual payments	48,560,880	4,772,046	-	(48,417,946)	(4,757,040)	-

CZK thousand	Future Cash Inflows			Future Cash Outflows		
	Up to 1 year	From 1 to 5 years	Over 5 years	Up to 1 year	From 1 to 5 years	Over 5 years
31 December 2009						
Trading instruments						
Currency forwards and swaps	36,474,956	2,471,147	-	(36,127,408)	(2,458,248)	-
Option contracts (purchase)	6,169,242	3,062,055	-	(5,185,994)	(2,846,979)	-
Option contracts (sale)	5,672,419	2,846,979	-	(6,149,878)	(3,004,815)	-
Total trading instruments	48,316,617	8,380,181	-	(47,463,280)	(8,310,042)	-
Financial derivatives – total contractual payments	48,316,617	8,380,181	-	(47,463,280)	(8,310,042)	-

34. OTHER OFF BALANCE SHEET ASSETS

(a) Assets Provided for Management, Administration and Custody

In the years ended 31 December 2010 and 2009, the Bank provided no assets for management, administration and custody.

(b) Assets Accepted for Management, Administration and Custody

CZK thousand	2010	2009
Assets accepted for management	3,523,179	3,103,460
Assets accepted for administration	10,435,620	8,088,888
Assets accepted for custody	50	50
Total	13,958,849	11,192,398

35. SEGMENT ANALYSIS

Segments

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

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

Operating segments are represented as follows:

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

The Corporate banking segment involves transactions with corporate clients with an annual turnover exceeding CZK 250 million, public sector and financial institutions.

The SME banking segment entails all medium-sized entities and individuals – businessmen with an annual turnover of up to CZK 250 million.

The Retail banking segment generally includes all private individuals including VIP clients and own employees.

The Treasury segment includes interbank transactions and securities.

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

The Bank monitors amounts of net interest income and net fee and commission income, net profit/(loss) from financial operations, movements in provisions and other operating expenses by segment. Other profit and loss items are not monitored by segment.

The Bank does not monitor total assets and total liabilities by segment.

The Bank has no client, or a group of related parties, whose income from transactions with the Bank would account for more than 10 percent of total income of the Bank.

The Bank has no client, or a group of related parties, whose income from transactions with the Bank would account for more than 10 percent of total income of the Bank.

Profit and loss items by segment (2010)

CZK thousand	Corporate entities	Small and medium-size enterprises	Retail clients	Treasury	Other	Total
31 December 2010						
Net interest income	1,808,440	1,496,294	3,122,932	217,926	274,980	6,920,572
Net fee and interest income	718,723	1,053,522	991,582	8,214	14	2,772,055
Net profit/(loss) from financial operations	1,422	-	-	(293,200)	80,403	(211,375)
Movements in provisions	(729,978)	(534,064)	(978,748)	-	-	(2,242,790)
Other operating expenses	(914,516)	(1,230,341)	(2,429,380)	(201,239)	(143,274)	(4,918,750)
Pre-tax profit	884,091	785,411	706,386	(268,299)	212,123	2,319,712
Income tax	-	-	-	-	(497,262)	(497,262)
Profit after tax	884,091	785,411	706,386	(268,299)	(285,139)	1,822,450

Profit and loss items by segment (2009)

CZK thousand	Corporate entities	Small and medium-size enterprises	Retail clients	Treasury	Other	Total
31 December 2009						
Net interest income	1,940,925	1,421,670	2,798,224	(263,658)	360,733	6,257,894
Net fee and interest income	694,527	900,776	823,568	20,840	(84,950)	2,354,761
Net profit/(loss) from financial operations	(25,710)	-	-	(56,981)	213,847	131,156
Movements in provisions	(843,746)	(455,717)	(528,099)	-	-	(1,827,562)
Other operating expenses	(747,427)	(1,207,497)	(1,990,674)	(212,429)	(309,514)	(4,467,541)
Pre-tax profit	1,018,569	659,232	1,103,019	(512,228)	180,116	2,448,708
Income tax	-	-	-	-	(536,631)	(536,631)
Profit after tax	1,018,569	659,232	1,103,019	(512,228)	(356,515)	1,912,077
Reconciliation to the Statement of comprehensive income						
Provision	73,700	-	-	-	-	73,700
Reconciled profit after tax	1,092,269	659,232	1,103,019	(512,228)	(356,515)	1,985,777

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

The difference in *"Net interest income"* arises from the different presentation of the dividend income, income and expenses from commissions from foreign currency transactions, expense fees of synthetic securitisation and interest income from transactions with securities.

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

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

"Other operating expenses" includes *"Other operating income, net"* and *"General administrative 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.

The profit after tax presented in the 2009 segment analysis differs from the profit after tax in the statement of comprehensive income by CZK 73,700 thousand which represents a provision against a guarantee issued to a client from the corporate banking segment which was included in the financial statements for the year ended 31 December 2008, but was presented in the segment analysis as an event of 2009.

36. FINANCIAL INSTRUMENTS – MARKET RISK

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

(a) Trading

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

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

The Bank manages risks associated with its trading activities on the level of individual risks and types of financial instruments. The key risk management tools are the limits for individual transaction volumes and individual position volumes, stop loss limits and Value at Risk (VaR) limits. The quantitative methods applied to market risk management are described in "Risk Management Methods" in Note 36 (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 36 (d).

Liquidity Risk

Liquidity risk arises from the type of funding of the Bank's activities and the management of its positions. 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 Bank has access to diversified sources of funding, which comprise deposits and other savings, issued securities, loans accepted including subordinated loans, and also the Bank's equity. This diversification makes the Bank flexible and reduces its dependency on one source of funding. The Bank regularly evaluates its liquidity exposures, in particular by monitoring the changes in the structure of financing and comparing these changes with the Bank's liquidity risk management strategy, which is approved by the Bank's Board of Directors. As part of its liquidity risk management strategy, the Bank also holds a portion of its assets in highly liquid funds, such as government treasury bills and similar bonds and repurchase transactions with the Czech National Bank. The Bank uses internal statistical models for diversification of the maturity of client deposits. These models are reassessed on a regular basis.

The following table shows the remaining maturity of contractual cash flows arising from financial liabilities. Contractual cash flows from derivatives are analysed in the tables in Notes 33 (d) and 33 (e).

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

CZK thousand	Total contractual liability	Up to 3 months	3 - 12 months	1 - 5 years	Over 5 years
2010					
Amounts owed to financial institutions	21,367,353	4,891,182	5,877,742	10,598,429	-
Amounts owed to customers	127,257,964	114,971,243	5,347,648	3,490,586	3,448,487
Debt securities issued	17,550,990	3,340,497	3,151,291	8,652,382	2,406,820
Subordinated loan	4,245,189	47,439	49,171	4,148,579	-
Other liabilities	2,831,454	2,831,454	-	-	-
Provided loan commitments to banks and customers (irrevocable)	18,788,606	18,788,606	-	-	-
2009					
Amounts owed to financial institutions	25,907,506	6,604,288	1,892,395	16,669,300	741,523
Amounts owed to customers	130,476,226	117,026,652	10,178,323	3,237,480	33,771
Debt securities issued	17,202,963	5,060,283	2,255,388	7,363,737	2,523,555
Subordinated loan	4,505,269	7,560	46,312	2,960,542	1,490,855
Other liabilities	2,345,642	2,345,642	-	-	-
Provided loan commitments to banks and customers (irrevocable)	18,730,411	18,730,411	-	-	-

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 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 36 (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 Bank's interest rate risk management activities are aimed at optimising the Bank's net interest income in accordance with its strategy approved by the Board of Directors. In managing the interest rate risk, the Bank uses (as in the case of liquidity management) statistical models for distribution of those items where it is unable to determine the exact moment of repricing of interest rates or liquidity maturity (for example on current accounts). The Bank mostly uses interest rate derivatives to manage the mismatch between the rate-sensitivity of assets and liabilities. These derivative transactions are entered into in accordance with the asset and liability management strategy as approved by the Board of Directors of the Bank.

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

Equity Risk

Equity risk is the risk of fluctuations of the prices of equity instruments held in the Bank's portfolio and financial derivatives related to these instruments. This risk predominantly arises from trading with equity instruments although a portion of equity exposure is also attributable to non-trading activities of the Bank. Equity risk is managed by trading limits. The equity risk management methods are described in "Risk Management Methods" in Note 36 (d).

(c) Fair values of financial assets and liabilities

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

i) Cash and balances with central banks

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

ii) Loans and advances to financial institutions

Carrying amounts of loans and advances to financial institutions due within 180 days in principle approximate their fair values. Fair values of other loans and advances to financial institutions are estimated using discounted cash flows based on common rates in similar types of investments (market rates adjusted by the credit risk). Fair values of default loans of financial institutions are estimated on the basis of discounted cash flows, fair values of loss loans are equal to their collateral values.

iii) Loans and advances to customers

Fair values of loans with variable interest rate which are frequently remeasured and the change of the credit risk is insignificant in principle approximate their carrying amounts. Fair values of loans with fixed interest rate are estimated based on discounted cash flows using the interest rate common in loans with similar conditions and due dates and provided to debtors with similar risk rating. Fair values of default loans are estimated based on discounted cash flows including the potential collateral realisation.

iv) Securities held to maturity

Fair values of securities carried in the held to maturity portfolio are estimated based on discounted cash flows using the interest rate common as of the balance sheet date.

v) Amounts owed to financial institutions and customers

Fair values reported in respect of loans on request match amounts payable on demand (i.e. their carrying amounts) at the balance sheet date. Carrying amounts of term deposits with variable rate are principally equal to their fair values as of the balance sheet date. Fair values of deposits with fixed interest rate are estimated based on discounting of cash flows using market interest rates. Amounts owed to financial institutions and customers with fixed interest rate represent only an insignificant part of the total carrying amount. For this reason, the fair value of total amounts owed to financial institutions and customers does not significantly differ from the carrying amount as of the balance sheet date.

vi) Debt securities issued

Fair values of debt securities issued by the Bank are determined on the basis of updated market prices. If market prices are not available, fair values are estimates of the Bank.

vii) Subordinated loan

Fair values of the subordinated loan are estimated based on discounting cash flows using market interest rates and reflecting liquid costs of the Bank.

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

CZK thousand	2010		2009	
	Carrying amount	Fair value	Carrying amount	Fair value
Assets				
Cash and balances with central banks	3,444,656	3,444,656	5,259,969	5,259,969
Loans and advances to financial institutions	6,787,339	6,786,344	23,803,475	23,804,455
Loans and advances to customers	152,663,083	154,108,092	137,748,463	138,302,761
Securities held to maturity	14,483,575	14,665,000	14,875,729	14,998,935
Liabilities				
Amounts owed to financial institutions	20,694,201	20,733,693	25,037,385	25,073,570
Amounts owed to customers	125,936,145	126,284,085	130,092,679	130,121,352
Debt securities issued	16,263,756	15,671,166	15,814,134	15,796,101
Subordinated loan	3,968,706	3,974,940	4,191,063	4,198,048

Financial instruments at fair value

CZK thousand	Fair value at 31 Dec 2010		Fair value at 31 Dec 2009	
	Fair value according to the price quoted on the active market	Fair value derived from market data	Fair value according to the price quoted on the active market	Fair value derived from market data
Positive fair values of financial derivative instruments	-	1,083,516	-	1,892,957
Securities at fair value through profit or loss	8,762,652	-	5,963,523	124,264
Securities available for sale	-	6,877	-	8,322
Total	8,762,652	1,090,393	5,963,523	2,025,543

CZK thousand	Fair value at 31 Dec 2010		Fair value at 31 Dec 2009	
	Fair value according to the price quoted on the active market	Fair value derived from market data	Fair value according to the price quoted on the active market	Fair value derived from market data
Negative fair values of financial derivative instruments	-	1,656,380	-	2,112,152
Total	-	1,656,380	-	2,112,152

Part of the securities available for sale not included in the above table are measured at cost due to the impossibility to reliably determine their fair value.

The Bank holds no financial instruments that would be measured using techniques based on input information not based on data identifiable on the market.

(d) Risk Management Methods

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

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

CZK thousand	At 31 December 2010	Average in 2010	At 31 December 2009	Average in 2009
Total market risk VaR	16,533	16,601	11,378	13,121

Interest Rate Risk

The Bank monitors interest rate risk of the banking book and the trading book separately, at the level of individual currencies. The interest rate position is monitored based on a gap analysis method, in combination with the sensitivity of the overall position to the shift in the interest rate curve (BPV). The gap analysis is based on the net position of notional values presented in a yearly equivalent (that is, the position converted to the risk of the yearly interest rate instrument using a duration coefficient). The BPV technique (basis point value) involves determining the change of the present value of the portfolio when interest rates shift by one basis point (0.01 percent). These techniques are complemented by monitoring interest rate risks using Value at Risk.

CZK thousand	At 31 December 2010	Average in 2010	At 31 December 2009	Average in 2009
Total interest rate risk VaR	16,800	16,454	11,359	12,890
Interest rate risk VaR – banking book	17,181	16,705	11,246	12,700
Interest rate risk VaR – trading book	824	1,171	241	1,135

Currency Risk

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

CZK thousand	At 31 December 2010	Average in 2010	At 31 December 2009	Average in 2009
Currency risk VaR	1,316	1,424	388	1,388

Equity Risk

Market risks arising from the Bank's equity trading activities are managed using the Value at Risk method. Value at Risk represents the potential loss arising from an adverse movement on the market within a certain time period with a certain confidence level.

CZK thousand	At 31 December 2010	Average in 2010	At 31 December 2009	Average in 2009
Equity risk VaR	1	115	39	341

Stress Testing

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

Operational Risk

In accordance with Basel II, operational risk is defined as the risk of loss arising from the inappropriateness or failure of internal processes, human errors or failures of systems or the risk of loss arising from external events. The Bank monitors, tracks and assesses these risks on a regular basis and undertakes measures aimed at minimising these risks. The Bank applies the standardised approach to calculating capital adequacy, it intends to implement the advanced (AMA) approach in the future.

The basic principal is the responsibility of each employee for the identification and escalation of the operational risk which is within his/her responsibility 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 collection of data on losses caused by operational risks, risk self-assessment and key risk indicators.

The objective of collecting data on operational risk events is not just to accumulate information but predominantly to analyse the causes of such events. More serious cases are presented to and discussed by the Operational Risk Management Committee. Through the Operational Risk Management Committee, the Bank also proposes 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.

Risk self-assessment is designed to identify areas with a high operational risk within the Bank. Results impact priorities in the focus of the Operational Risk Department in the Bank. The assessment is performed on an annual basis and also serves to estimate anticipated losses on operational risk.

In respect of areas with an identified significant risk the Bank has implemented a set of key risk indicators. As part of further procedures, the Bank plans to implement a set of key risk indicators, particularly for segments where high risk is involved, which will serve as an early warning system and criteria for evaluating operational risk exposure. When using the key risk indicators, the Bank continues to share results in the Raiffeisen group.

Capital Management

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

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

37. FINANCIAL INSTRUMENTS – CREDIT RISK

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

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

(a) Assessment and Classification of Receivables

The Bank assesses its receivables in accordance with the principles determined by the CNB's Regulation dated 15 May 2007 on the rules of prudent business of banks, savings and lending associations and securities traders (Collection of Laws No. 123/2007), as amended, and also in accordance with IFRS and IAS 39 standards and internal regulations.

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

The classification is performed on a monthly basis, with the key criteria being:

- Number of days past maturity;
- Financial position of the debtor – client/transaction rating;
- Restructuring of the repayment schedule;
- Declaration of bankruptcy;
- Other individually assessed events relating to the anticipated customer's compliance with contractual obligations

(b) Provisioning for Receivables

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

The Bank applies the portfolio approach in respect of individually assessed receivables where no impairment was noted individually. In this case, the Bank also determines impairment of the portfolio of similar individually unimpaired loans. If the Bank does not have multiple similar loans in the particular portfolio, the portfolio approach is not applied.

The Bank applies the portfolio approach to all receivables. Selected receivables in the SME and CORP segments are provisioned on an individual basis. Problematic receivables are dealt with by the Workout division and significant (in terms of volume) loans are assessed by the Problem Loan Committee.

Provisions are recognised by reference to the assessment of all available information, including the estimated collateral value and the anticipated length of the recovery process.

The level of individual provisions is determined based on the expert cash flow. The value of the future cash flows of retail receivables is estimated on the basis of the historical behaviour of similar receivables and historical success of the recovery process. The value of the future cash flows of other receivables is derived from the anticipated repayment schedule of the loan established either on the basis of the data entered in the banking system ('contractual cash flow') or on the basis of an expert assessment of the current financial health of the client (including the cash flows arising from a possible realisation of collateral, repayment of the outstanding balance using the proceeds from the bankruptcy or gains on the sale of receivables).

During the year ended 31 December 2010, the Bank started implementing a new model of portfolio provisioning for non-retail receivables. The change was implemented for clients in corporate clients segment, SME and project financing. Portfolio provisions are calculated based on an anticipated development of the loan portfolio.

The Bank determines provisions for receivables on a monthly basis.

(c) Evaluation of Collateral

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

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

In arriving at the realisable value of collateral, the Bank refers to estimates of usual prices supervised by a specialised department of the Bank or internal assessments prepared by this department 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 and correction coefficients depending on the type and quality of the collateral, usually on an annual basis.

(d) Credit Risk Measurement Methods

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

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

(e) Concentration of Credit Risk

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

The credit risk concentration analysis by sectors/industry and concentration by geographical areas is provided in Notes 16 (c) and 16 (d).

(f) Recovery of Receivables

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

(g) Securitisation

In 2006, the Bank undertook a synthetic securitisation of its loan portfolio from the Corporate Banking. The substance of the transaction involves transferring part of the credit risk to the investor which is Kreditanstalt für Wiederaufbau (KfW).

The Bank entered into the securitisation transaction jointly with Raiffeisen Bank Polska S.A. and the process was coordinated by Raiffeisen International Bank-Holding AG. Kreditanstalt für Wiederaufbau (KfW), with the involvement of European Investment Fund. Dresdner Bank AG acted as the arranger and Clifford Chance acted as the legal counsel. The rating of the loan portfolio was established by Moody's. The entire transaction will mature in 2016 and its original volume is EUR 450 million, of which EUR 183 million and EUR 267 million relate to the Bank and Raiffeisen Bank Polska S.A., respectively, in March 2006. At the end of 2010, the Bank's portion amounted to EUR 193 million.

(h) Portfolio Quality

The rating which represents the portfolio quality is an internal rating used by the Raiffeisen Group in the interval from 1 to 5, where 1 represents excellent credit standing and 5 represents default. The rating in the interval from 6.1 to 6.5 is used for project financing where 6.1 represents excellent credit standing and 6.5 represents default.

CZK thousand

Rating	Rating	2010	2009
Excellent credit rating	1.0	1,468,737	1,376,590
Very good credit rating	1.5	4,286,805	3,895,519
Good credit rating	2.0	5,909,712	5,532,895
Healthy credit rating	2.5	9,064,983	6,248,017
Acceptable credit rating	3.0	13,118,247	13,316,149
Limit credit rating	3.5	9,305,869	8,848,488
Weak credit rating	4.0	4,620,038	6,765,473
Very weak credit rating /monitored	4.5	2,128,698	3,050,073
Default	5.0	5,108,145	4,817,728
Excellent project profile – very low risk	6.1	12,081,221	11,155,048
Good project profile – low risk	6.2	7,480,126	5,767,052
Acceptable project profile – average risk	6.3	1,065,768	604,417
Bad project profile – increased risk	6.4	788,135	969,491
Default	6.5	96,977	142,128
Retail and SME: past due date	-	8,782,648	6,185,836
Retail and SME: before due date	-	67,356,974	64,141,466
Total		152,663,083	142,816,370

(i) Credit Quality of Undue and Individually Unimpaired Loans to Customers

The Bank has the following undue and unimpaired financial assets according to its rating:

CZK thousand

Rating	Rating	2009	2008
Excellent credit rating	1.0	1,365,018	1,376,590
Very good credit rating	1.5	4,285,471	3,858,274
Good credit rating	2.0	5,761,574	5,433,159
Healthy credit rating	2.5	8,555,430	6,187,910
Acceptable credit rating	3.0	12,648,534	13,057,588
Limit credit rating	3.5	8,870,145	8,708,004
Weak credit rating	4.0	4,155,774	6,208,002
Very weak credit rating /monitored	4.5	1,318,705	2,099,059
Default	5.0	115,264	74,554
Excellent project profile – very low risk	6.1	11,137,938	10,653,063
Good project profile – low risk	6.2	6,959,098	5,657,032
Acceptable project profile – average risk	6.3	1,076,458	526,730
Bad project profile – increased risk	6.4	275,237	701,309
Retail and SME	-	67,356,974	64,141,466
Total loans undue and individually unimpaired loans to customers to clients		133,881,620	128,682,740

38. RELATED PARTY TRANSACTIONS

(a) Related Party Transactions

31 December 2010

CZK thousand	Equity investments	Shareholders and controlling entities	Other	Total
Receivables	5,204	1,408,320	1,434,869	2,848,393
Payables	111,867	16,585,024	577,509	17,274,400
Subordinated loan	-	2,937,315	1,031,391	3,968,706
Guarantees issued	1,716,000	15,178	7,480	1,738,658
Guarantees received	-	1,731,505	35,000	1,766,505
Interest income	639	16,619	30,910	48,168
Interest expense	(594)	(385,261)	(34,134)	(419,989)
Fee and commission income	10,150	17,587	6,029	33,766
Fee and commission expense	-	(189)	(23,995)	(24,184)
Net profit or loss on financial operations	45,685	(182,483)	8,933	(127,865)

The receivables are principally composed of the following deposits with:

- Raiffeisenlandesbank Niederösterreich in the amount of CZK 1,100,379 thousand.

Term deposit:

- Raiffeisenbank ZAO in the amount of CZK 101,199 thousand.

Credit balances on the current account:

- Raiffeisen Bank International AG in the amount of CZK 25,514 thousand.

Provided collateral:

- Raiffeisen Bank International AG in the amount of CZK 282,426 thousand.

Provided loans:

- Raiffeisen Leasing Real Estate in the amount of CZK 859,928 thousand;
- RLRE Taurus Property, s.r.o. in the amount of CZK 96,443 thousand;
- Flex-Space Plzeň, spol. s r.o. in the amount of CZK 107,664 thousand; and
- PRK Sigma 06, s.r.o. in the amount of CZK 69,107 thousand.

The payables are principally composed of the following loans from:

- Raiffeisen Bank International AG in the amount of CZK 15,051,261 thousand; and
- Raiffeisenlandesbank Niederösterreich in the amount of CZK 752,981 thousand.

Short-term term deposits:

- Raiffeisen Bank International AG in the amount of CZK 324,874 thousand.

Debit balances on the current account:

- Raiffeisen Bank International AG in the amount of CZK 233,720 thousand.

Subordinate loans from:

- Raiffeisen Bank International AG in the amount of CZK 1,228,986 thousand;
- Raiffeisen Malta Bank in the amount of CZK 1,031,391 thousand;
- Raiffeisenlandesbank Niederösterreich in the amount of CZK 725,007 thousand; and
- Raiffeisenlandesbank Oberösterreich AG in the amount of CZK 983,322 thousand.

31 December 2009

CZK thousand	<i>Equity investments</i>	<i>Shareholders and controlling entities</i>	<i>Other</i>	<i>Total</i>
<i>Receivables</i>	2,565	1,064,353	783,265	1,850,183
<i>Payables</i>	100,244	17,851,477	125,292	18,077,013
<i>Subordinated loan</i>	-	3,101,889	1,089,174	4,191,063
<i>Issued guarantees</i>	1,270,000	20,528	20,000	1,310,528
<i>Guarantees received</i>	-	663,603	-	663,603
<i>Interest income</i>	2,580	22,672	33,638	58,890
<i>Interest expense</i>	(2,224)	(624,773)	(48,832)	(675,829)
<i>Fee and commission income</i>	6,251	26,988	6,345	39,584
<i>Fee and commission expense</i>	-	(3,153)	(98,009)	(101,162)
<i>Net profit or loss on financial operations</i>	55,202	(112,468)	45,909	(11,357)

The receivables are principally composed of the following deposits with:

- Raiffeisen Zentralbank Österreich AG in the amount of CZK 659,305 thousand;
- Raiffeisen Centrobank in the amount of CZK 264,656 thousand;
- Raiffeisen Zrt. in the amount of CZK 58,844 thousand; and
- Raiffeisen bank Polska in the amount of CZK 89,934 thousand.

Reverse repurchases:

- Raiffeisen Zentralbank Österreich AG in the amount of CZK 108,462 thousand.

Credit balances on current accounts:

- Raiffeisen Zentralbank Österreich AG in the amount of CZK 122,590 thousand; and
- Raiffeisenbank ZAO in the amount of CZK 60,449 thousand;

Provided collateral:

- Raiffeisen Zentralbank Österreich AG in the amount of CZK 171,229 thousand.

The payables are principally composed of the following loans from:

- Raiffeisen Zentralbank Österreich AG in the amount of CZK 16,687,257 thousand.

Short-term deposits:

- Raiffeisen Zentralbank Österreich AG in the amount of CZK 207,670 thousand.

Debit balances at bank accounts:

- Raiffeisen Zentralbank Österreich AG in the amount of CZK 706,980 thousand.

Subordinated loans from:

- Raiffeisen Zentralbank Österreich AG in the amount of CZK 1,297,830 thousand;
- Raiffeisen Malta Bank in the amount of CZK 1,089,174 thousand;
- Raiffeisenlandesbank Niederösterreich in the amount of CZK 765,641 thousand; and
- Raiffeisenlandesbank Oberösterreich AG in the amount of CZK 1,038,418 thousand.

(b) Receivables from Parties with a Special Relation to the Bank

CZK thousand	<i>Management bodies</i>	<i>Supervisory bodies</i>	<i>Other</i>
<i>At 31 December 2009</i>	25,885	3,070	88,051
At 31 December 2010	18,014	9,504	62,229

The amounts presented in the table mainly involve consumer and mortgage loans. The loans are provided under arm's length conditions.

(c) Payables to Parties with a Special Relation to the Bank

CZK thousand	<i>Management bodies</i>	<i>Supervisory bodies</i>	<i>Other</i>
<i>At 31 December 2009</i>	16,181	3,833	48,013
At 31 December 2010	37,251	4,906	36,050

Members of Board of Directors held no shares of the Bank. Remuneration of the members of the Board of Directors is disclosed in Note 12.

39. POST BALANCE SHEET EVENTS

No events that would have a material impact on the financial statements for the year ended 31 December 2010 occurred subsequent to the balance sheet date.

Information about capital

CZK thousand	individual	consolidated
Information about capital	At 31 December 2010	At 31 December 2010
a) aggregate amount of original capital (Tier 1)	10,373,332	14,038,943
b) aggregate amount of additional capital (Tier 2)	3,931,037	3,931,037
c) aggregate amount of capital designed to cover market risks (Tier 3)	-	-
d) aggregate amount of all deductible items only from Tier 1	1,540,711	1,695,510
e) aggregate amount of all deductible items from Tier 1 and Tier 2	108,027	107,302
f) aggregate amount of capital after the consideration of deductible items and stipulated limits applicable to additional capital	14,196,342	17,862,678
g) Internal capital	16,018,792	-
h) Economic capital	12,773,429	-

CZK thousand	individual	consolidated
Information about capital requirements	At 31 December 2010	At 31 December 2010
Amount of capital requirements		
Aggregate amount of capital requirements	10,825,966	13,360,120
a) related to credit risks	9,736,076	12,058,344
b) related to settlement risk	-	-
c) related to position, foreign exchange and commodity risks	37,473	36,013
d) related to operational risks	1,052,417	1,265,763
e) related to exposure risk in the trading portfolio	-	-
f) related to other instruments in the trading portfolio	-	-
g) temporary capital adequacy	-	-

	individual	consolidated
Ratio indicators		
Capital adequacy ratio	10.49	10.70
Return of average assets (ROAA)	0.97	-
Return of average equity (ROAE)	13.52	-
Assets per one employee	65,684.04	-
Administrative expenses per one employee	1,474.13	-
Net profit per one employee	642.61	-

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 2010.

Components of the Consolidated Financial Statements:

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

These consolidated financial statements were prepared and approved by the Board of Directors of the Bank on 31 March 2011.

Statutory body of the reporting entity



Lubor Žalman
Chairman of the Board of Directors
and Chief Executive Officer



Jan Kubín
Member of the Board of Directors
and Executive Director

Consolidated Statement of Comprehensive Income

For the Year Ended 31 December 2010

CZK thousand	Note	2010	2009
Interest income and similar income	7	9,298,781	9,293,704
Interest expense and similar expense	7	(2,138,882)	(2,892,208)
Net interest income		7,159,899	6,401,496
Change in provisions for credit risks	8	(2,291,053)	(1,796,159)
Net interest income after provisions for credit risks		4,868,846	4,605,337
Fee and commission income	9	2,538,254	2,312,215
Fee and commission expense	9	(660,675)	(716,969)
Net fee and commission income		1,877,579	1,595,246
Net profit on financial operations	10	519,732	812,007
Dividend income	11	30,782	22,906
Other operating income, net	12	188,508	304,722
General administrative expenses	13	(5,188,832)	(4,805,042)
Operating profit		2,296,615	2,535,176
Share in income of associated undertakings	21	1,917	1,920
Profit/loss before income tax		2,298,532	2,537,096
Income tax	15	(495,647)	(540,868)
Net profit for the year attributable to the Group's shareholders		1,802,885	1,996,228
Other comprehensive income			
Gains/(losses) from remeasurement of securities available for sale		(1,229)	3,122
Tax on profit associated with components of other comprehensive income		233	(593)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		1,801,889	1,998,757

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

Consolidated Statement of Financial Position

As of 31 December 2010

CZK thousand	Note	2010	2009
Assets			
Cash and balances with central banks	16	3,444,727	5,260,053
Loans and advances to financial institutions	17	6,805,895	23,820,498
Loans and advances to customers	18	155,931,680	145,691,649
Provisions for losses on loans and advances to customers	19	(5,736,235)	(5,194,207)
Positive fair value of financial derivative transactions	35	1,056,603	1,857,343
Securities held to maturity	20	14,483,575	14,875,729
Securities at fair value through profit or loss	20	8,762,652	6,087,786
Securities available for sale	20	535,983	524,428
Equity investments in associates and unconsolidated entities	21	54,526	5,115
Intangible fixed assets	22	1,561,736	1,008,953
Property and equipment	23	1,311,923	1,040,844
Investment property	23	44,294	45,235
Deferred tax asset	24	220,842	37,116
Other assets	25	1,477,215	1,749,638
Total assets		189,955,416	196,810,180
Liabilities and shareholders' equity			
Amounts owed to financial institutions	26	24,476,526	28,293,962
Amounts owed to customers	27	126,010,052	130,203,103
Negative fair value of financial derivative transactions	35	1,652,219	2,112,295
Issued debt securities	28	16,263,756	15,814,134
Income tax liability	15	257,287	217,808
Deferred tax liability	24	18,495	29,667
Provisions	29	307,459	254,223
Subordinated debt	30	3,968,706	4,191,063
Other liabilities	31	2,932,213	2,407,566
Total liabilities		175,886,713	183,523,821
Shareholders' equity			
Share capital	32	6,564,000	6,564,000
Statutory reserve fund		348,745	249,577
Valuation gains or losses		186,412	187,408
Retained earnings		5,166,661	4,289,146
Profit for the year		1,802,885	1,996,228
Total shareholders' equity		14,068,703	13,286,359
Total liabilities and shareholders' equity		189,955,416	196,810,180

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

Consolidated Statement of Changes in Equity

For the Year Ended 31 December 2010

CZK thousand	Share capital	Statutory reserve fund	Gains and losses from revaluation	Retained earnings	Profit for the period	Total equity
Balance at 1 Jan 2009	6,564,000	179,424	184,879	3,500,073	1,294,889	11,723,265
Dividends	-	-	-	-	(434,500)	(434,500)
Net allocation to reserve funds	-	70,153	-	-	(70,153)	-
Allocation to retained earnings	-	-	-	790,236	(790,236)	-
Changes in the consolidation group	-	-	-	(1,163)	-	(1,163)
Net profit for the period	-	-	-	-	1,996,228	1,996,228
Other comprehensive income, net	-	-	2,529	-	-	2,529
Comprehensive income for the period	-	-	2,529	-	1,996,228	1,998,757
Balance at 31 Dec 2009	6,564,000	249,577	187,408	4,289,146	1,996,228	13,286,359
Dividends	-	-	-	-	(1,022,000)	(1,022,000)
Net allocation to reserve funds	-	99,168	-	-	(99,168)	-
Allocation to retained earnings	-	-	-	875,060	(875,060)	-
Changes in the consolidation group	-	-	-	2,455	-	2,455
Net profit for the period	-	-	-	-	1,802,885	1,802,885
Other comprehensive income, net	-	-	(996)	-	-	(996)
Comprehensive income for the period	-	-	(996)	-	1,802,885	1,801,889
Balance at 31 Dec 2010	6,564,000	348,745	186,412	5,166,661	1,802,885	14,068,703

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

Consolidated Cash Flow Statement

For the Year Ended 31 December 2010

CZK thousand

	2010	2009
Profit before tax	2,298,532	2,537,096
Adjustments for non-cash transactions		
Change in provisions for credit risks	2,291,053	1,796,159
Depreciation and amortisation of assets	485,143	375,249
Creation of other provisions	34,234	87,152
Change in fair values of financial derivatives	340,664	2,656,093
Unrealised loss/(gain) on revaluation of securities	(70,211)	(78,091)
Dividends received	(30,782)	(22,906)
Gain on the sale of tangible and intangible assets	(6,307)	(10,964)
Gain on the sale of subsidiary and joint ventures	71	(4,783)
Share in income of associated undertakings	(1,917)	(1,920)
Remeasurement of foreign currency positions	(1,364,104)	(697,248)
Other non-cash changes	(751,082)	600,241
Operating profit before changes in operating assets and liabilities	3,225,294	7,236,078
Cash flows from operating activities		
(Increase)/decrease in operating assets		
Mandatory minimum reserve deposits with the CNB	1,540,169	(1,261,930)
Loans and advances to financial institutions	17,012,425	3,242,482
Loans and advances to customers	(10,286,212)	(3,950,174)
Securities at fair value through profit or loss and securities available for sale	(2,616,210)	(2,225,707)
Other assets	300,608	2,142,896
Increase/(decrease) in operating liabilities		
Amounts owed to financial institutions	(3,813,656)	(2,093,823)
Amounts owed to customers	(4,119,452)	17,504,362
Other liabilities	524,648	67,511
Net cash flow from operating activities before income tax	1,767,614	20,661,696
Income taxes paid	(673,567)	(328,417)
Net cash flow from operating activities	1,094,047	20,333,278
Cash flows from investing activities		
Net cash flow arising from the disposal of subsidiary and joint ventures	(46)	9
Purchase of property and equipment and intangible assets	(1,429,284)	(1,127,116)
Income from the sale of fixed assets	6,643	11,869
Net decrease/(increase) of securities held to maturity	505,006	(14,790,784)
Dividends received	30,782	22,906
Net cash flow from investing activities	(886,899,)	(15,883,116)
Cash flows from financing activities		
Dividends paid	(1,022,000)	(434,500)
Bonds in issue	449,622	(4,083,457)
Subordinated loan	(1,962)	(60,104)
Net cash flow from financing activities	(574,340)	(4,578,061)
Net increase/(decrease) in cash and cash equivalents	(367,192)	(127,898)
Cash and cash equivalents at the beginning of the year (Note 33)	3,601,927	3,729,825
Cash and cash equivalents at the end of the year (Note 33)	3,234,735	3,601,927

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

Notes to the Consolidated Financial Statements

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1. PARENT COMPANY INFORMATION

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

During the year ended 31 December 2010, Raiffeisen International Bank-Holding AG and the former parent company of the Bank, Raiffeisen Zentralbank Österreich AG, merged into Raiffeisen Bank International AG. Since 11 October 2010, the Austrian Raiffeisen banking group, in which the Bank is included, has been controlled by Raiffeisen Bank International AG.

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

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

- Acceptance of deposits from the general public;
- Provision of credit;
- Investing in securities on its own account;
- Finance leasing – at present, the Bank does not carry out this activity directly;
- Payments and clearing;
- Issuance of payment facilities;
- Issuance of guarantees;
- Opening of letters of credit;
- Collection services;
- Provision of investment services:
 - Main investment services under Section 4 (2) (a, b, c, d, e, g, h) of Act No. 256/2004 Coll., as amended;
 - Additional investment services under Section 4 (3) (a) – (f) of Act No. 256/2004 Coll., as amended;
- Issuance of mortgage bonds;
- Financial brokerage;
- 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; and
- Activities directly relating to the activities listed in the bank licence.

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 since 30 July 2005.

During the year ended 31 December 2010, the performance or provision of the Bank's activities and services were not restricted or suspended by the Czech National Bank.

2. SHAREHOLDERS OF THE PARENT COMPANY

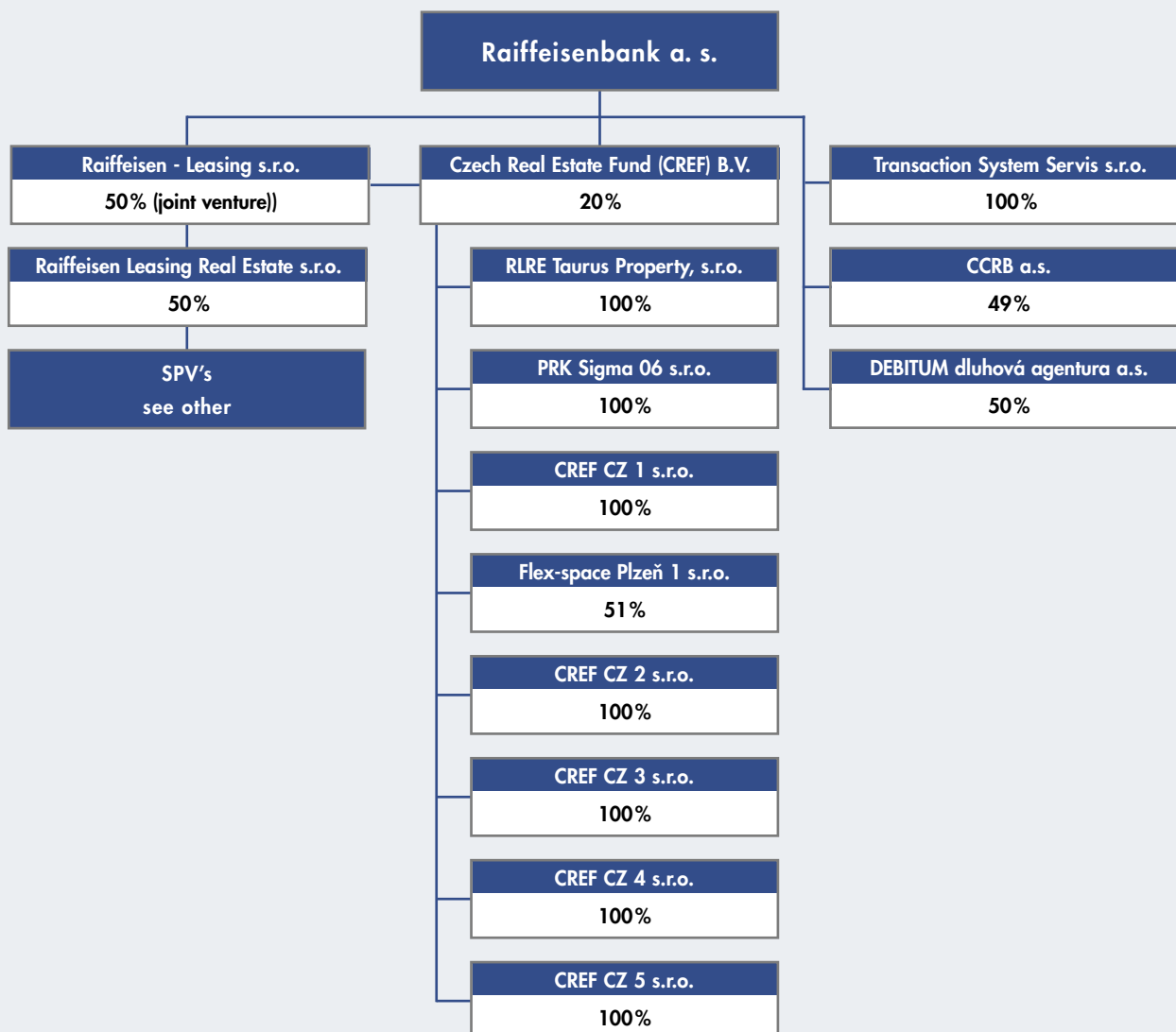
Name, address	Voting power in %	
	2010	2009
Raiffeisen Bank International AG, Am Stadtpark 9, Vienna, Austria	51%	51%
RB Prag Beteiligungs GmbH, Europaplatz 1a, 4020 Linz, Austria	25%	25%
Raiffeisenlandesbank Niederösterreich – Wien AG Raiffeisen Platz 1, 1020 Vienna, Austria	24%	24%

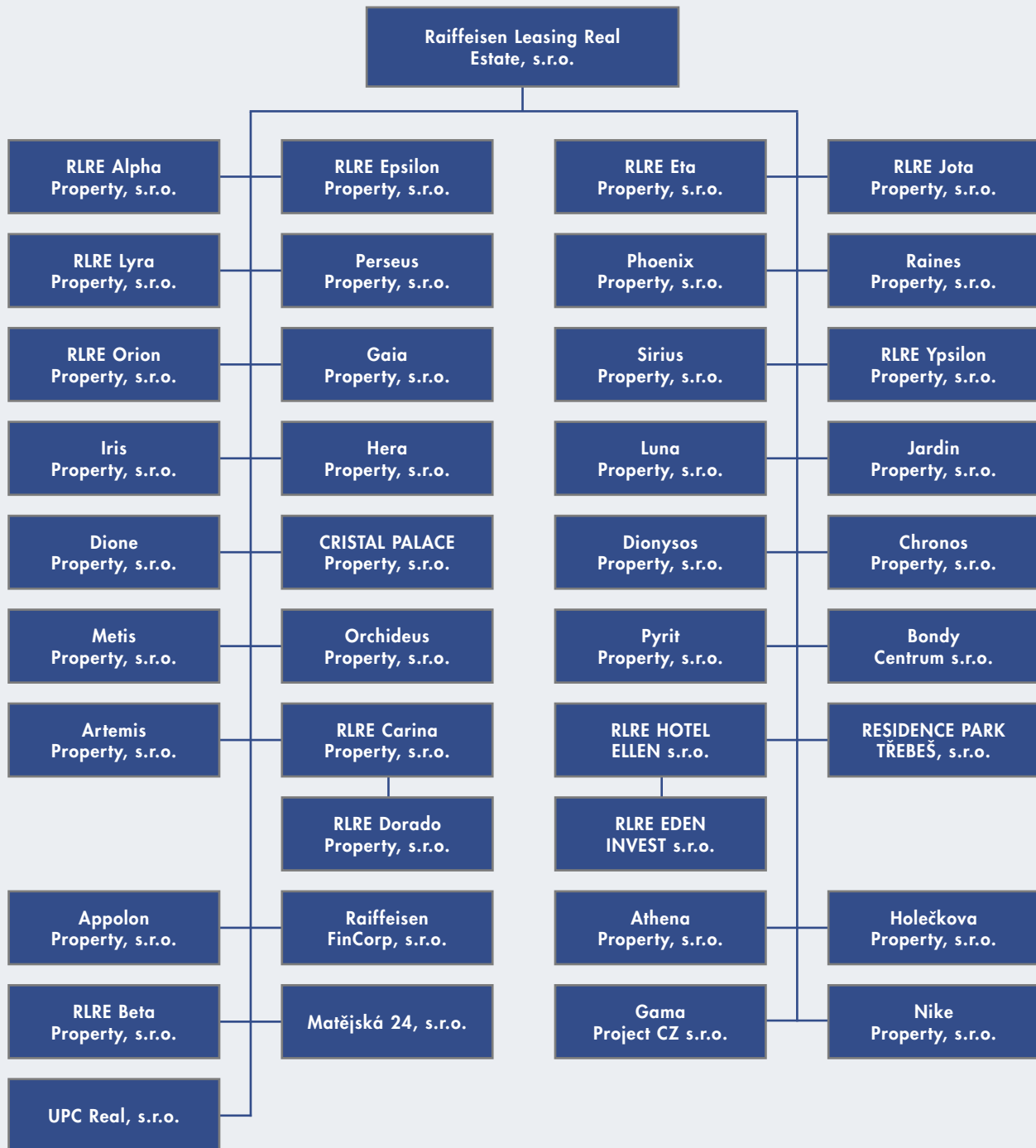
The equity interests of the shareholders equal their share in the voting power. All shareholders have a special relation to the Bank in terms of Section 19 of the Banking Act No. 21/1992 Coll., as amended.

For information on the share capital of the parent company refer to Note 32.

3. DEFINITION OF THE CONSOLIDATED GROUP

(a) Group Chart





(b) Group companies included in the consolidation

As of 31 December 2010, the Group comprised the following entities:

Company	The Bank's effective holding in % 2009	The Bank's effective holding in % 2010	Indirect holding through	Consolidation method	Registered office
Raiffeisen Leasing s.r.o.	50%	50%	-	Proportional method	Prague
Czech Real Estate Fund B.V.	100%	100%	-	Full method	Amsterdam
CREF CZ 1, s.r.o.	100%	100%	Czech Real Estate Fund B.V.	Full method	Prague
CREF CZ 2, s.r.o.	100%	100%	Czech Real Estate Fund B.V.	Full method	Prague
CREF CZ 3, s.r.o.	100%	100%	Czech Real Estate Fund B.V.	Full method	Prague
CREF CZ 4, s.r.o.	100%	100%	Czech Real Estate Fund B.V.	Full method	Prague
CREF CZ 5, s.r.o.	100%	100%	Czech Real Estate Fund B.V.	Full method	Prague
Flex-space Plzeň I., s.r.o.	51%	51%	Czech Real Estate Fund B.V.	Full method	Prague
PRK Sigma 06, s.r.o.	100%	100%	Czech Real Estate Fund B.V.	Full method	Prague
RLRE Taurus Property s.r.o.	100%	100%	Czech Real Estate Fund B.V.	Full method	Prague
Raiffeisen Leasing Real Estate s.r.o.	25%	25%	Raiffeisen Leasing s.r.o.	Proportional method	Prague
Athena Property, s.r.o.	25%	25%	Raiffeisen Leasing Real Estate s.r.o.	Proportional method	Prague
Jardin Property, s.r.o.	25%	25%	Raiffeisen Leasing Real Estate s.r.o.	Proportional method	Prague
Cristal Palace Real Estate, s.r.o.	25%	25%	Raiffeisen Leasing Real Estate s.r.o.	Proportional method	Prague
Dione Property, s.r.o.	25%	25%	Raiffeisen Leasing Real Estate s.r.o.	Proportional method	Prague
Dionysos Property, s.r.o.	25%	25%	Raiffeisen Leasing Real Estate s.r.o.	Proportional method	Prague
Gaia Property, s.r.o.	25%	25%	Raiffeisen Leasing Real Estate s.r.o.	Proportional method	Prague
Hera Property, s.r.o.	25%	25%	Raiffeisen Leasing Real Estate s.r.o.	Proportional method	Prague
Chronos Property, s.r.o.	25%	25%	Raiffeisen Leasing Real Estate s.r.o.	Proportional method	Prague
Iris Property, s.r.o.	25%	25%	Raiffeisen Leasing Real Estate s.r.o.	Proportional method	Prague
Luna Property, s.r.o.	25%	25%	Raiffeisen Leasing Real Estate s.r.o.	Proportional method	Prague
Metis Property, s.r.o.	25%	25%	Raiffeisen Leasing Real Estate s.r.o.	Proportional method	Prague
Orchideus Property, s.r.o.	25%	25%	Raiffeisen Leasing Real Estate s.r.o.	Proportional method	Prague
Perseus Property, s.r.o.	25%	25%	Raiffeisen Leasing Real Estate s.r.o.	Proportional method	Prague
Phoenix Property s.r.o.	25%	25%	Raiffeisen Leasing Real Estate s.r.o.	Proportional method	Prague
Pyrit Property, s.r.o.	25%	25%	Raiffeisen Leasing Real Estate s.r.o.	Proportional method	Prague
Raines Property s.r.o.	25%	25%	Raiffeisen Leasing Real Estate s.r.o.	Proportional method	Prague

Company	The Bank's effective holding in % 2009	The Bank's effective holding in % 2010	Indirect holding through	Consolidation method	Registered office
RLRE Alpha Property s.r.o.	25%	25%	Raiffeisen Leasing Real Estate s.r.o.	Proportional method	Prague
RLRE Beta Property s.r.o.	25%	25%	Raiffeisen Leasing Real Estate s.r.o.	Proportional method	Prague
RLRE Carina Property s.r.o.	25%	25%	Raiffeisen Leasing Real Estate s.r.o.	Proportional method	Prague
RLRE Dorado Property s.r.o.	25%	25%	Raiffeisen Leasing Real Estate s.r.o.	Proportional method	Prague
RLRE Eden Invest s.r.o.	25%	25%	Raiffeisen Leasing Real Estate s.r.o.	Proportional method	Prague
RLRE Epsilon Property s.r.o.	25%	25%	Raiffeisen Leasing Real Estate s.r.o.	Proportional method	Prague
RLRE Eta Property s.r.o.	25%	25%	Raiffeisen Leasing Real Estate s.r.o.	Proportional method	Prague
RLRE Hotel Ellen s.r.o.	25%	25%	Raiffeisen Leasing Real Estate s.r.o.	Proportional method	Prague
RLRE Jota Property s.r.o.	25%	25%	Raiffeisen Leasing Real Estate s.r.o.	Proportional method	Prague
RLRE Lyra Property s.r.o.	25%	25%	Raiffeisen Leasing Real Estate s.r.o.	Proportional method	Prague
RLRE Orion Property s.r.o.	23,93%	23,93%	Raiffeisen Leasing Real Estate s.r.o.	Proportional method	Prague
Bondy Centrum, s.r.o.	12,5%	12,5%	Raiffeisen Leasing Real Estate s.r.o.	Equity method	Prague
RLRE Ypsilon Property s.r.o.	12,5%	12,5%	Raiffeisen Leasing Real Estate s.r.o.	Equity method	Prague
Sirius Property, s.r.o.	25%	25%	Raiffeisen Leasing Real Estate s.r.o.	Proportional method	Prague
Raiffeisen FinCorp, s.r.o.	25%	25%	Raiffeisen Leasing Real Estate s.r.o.	Proportional method	Prague
Artemis Property, s.r.o.	25%	25%	Raiffeisen Leasing Real Estate s.r.o.	Proportional method	Prague
Holečková Property, s.r.o.	25%	25%	Raiffeisen Leasing Real Estate s.r.o.	Proportional method	Prague
Residence Park Třebeš, s.r.o.	25%	25%	Raiffeisen Leasing Real Estate s.r.o.	Proportional method	Prague
Appolon Property, s.r.o.	25%	25%	Raiffeisen Leasing Real Estate s.r.o.	Proportional method	Prague
Matějská 24, s.r.o.	25%	25%	Raiffeisen Leasing Real Estate s.r.o.	Proportional method	Prague
Gama Project CZ, s.r.o.	25%	25%	Raiffeisen Leasing Real Estate s.r.o.	Proportional method	Prague
Nike Property, s.r.o.	25%	25%	Raiffeisen Leasing Real Estate s.r.o.	Proportional method	Prague
Transaction System Servis s.r.o.	100%	100%	-	Full method	Prague
UPC Real, s.r.o.	25%	25%	Raiffeisen Leasing Real Estate s.r.o.	Proportional method	Prague
DEBITUM dluhová agentura, a.s.	N/A	50%	-	Proportional method	Prague
CCRB, a.s.	N/A	49%	-	Equity method	Prague

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

Czech Real Estate Fund B.V. is consolidated using the full method even though the Group's share of the voting rights is 20 percent because the remaining owners act in accordance with the instructions of the Group and the Group receives a major part of the profit of the entity. In addition, the Group has an option to purchase the equity investments that are not held by it in circumstances where the remaining owners decide to sell the equity investment in the entity.

(d) Companies included in Consolidation in 2010

<i>Company</i>	<i>The Bank's effective holding in % 2009</i>	<i>The Bank's effective holding in % 2010</i>	<i>Indirect holding through</i>	<i>Consolidation method</i>	<i>Registered office</i>
<i>DEBITUM dluhová agentura, a.s.</i>	<i>N/A</i>	<i>50%</i>	<i>-</i>	<i>Proportional method</i>	<i>Prague</i>
<i>CCRB, a.s.</i>	<i>N/A</i>	<i>49%</i>	<i>-</i>	<i>Equity method</i>	<i>Prague</i>

For a detailed description of acquisitions in the Group refer to Note 40.

(e) Companies which changed the owner within the Group in 2010

In 2010, the owner of the companies in the Group did not change.

(f) Unconsolidated Equity Investments

In the years ended 31 December 2009 and 2010, all subsidiaries and joint ventures and associates were included in the consolidation group except for Viktor Property, s.r.o., Photon SPV3, s.r.o., Photon Energie, s.r.o., Photon SPV 8 s.r.o., JIHOČESKÁ EKO-ENERGETIKA, s.r.o., Exit 90 SPV s.r.o., FORZA SOLE s.r.o., Elektrárna Dynín s.r.o., Green Energie větrný park Bílčice, s.r.o., IMPULS Tuchomerice, s.r.o., Euros Property, s.r.o., Michalka - Sun s.r.o., DBK Energy s.r.o., GS55 Sazovice s.r.o., Solar - efekt s.r.o., Onyx Energy projekt II s.r.o., Onyx Energy s.r.o., Photon SPV 4 s.r.o., Photon SPV 6 s.r.o., Photon SPV 10 s.r.o. and Photon SPV 11 s.r.o. Although these entities are legally owned by Raiffeisen Leasing Real Estate, they do not comply with the criteria set out in International Financial Reporting Standards for inclusion in the consolidation group because, on the basis of concluded contracts, Raiffeisen Leasing Real Estate is not the party which obtains benefits from the entities' operations and is exposed to risks incident to the activities of the entities.

4. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS**(a) Accounting Policies**

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

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

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

These financial statements have been prepared under the historical cost convention as modified by the remeasurement to fair value of financial assets and liabilities at fair value through profit or loss (including all financial derivatives) and available-for-sale securities through equity.

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.

The presentation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets, equity and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements and their reported amounts of revenues and expenses during the reporting period. These estimates are based on the information available as of the date of the financial statements.

The use of reasonable estimates specifically relates to the following areas:

- Determination of impairment losses on loans and advances;
- Determination of impairment losses on investments in associates and/or unconsolidated entities;
- Determination of impairment losses on property and equipment and intangible fixed assets; and
- Determination of provisioning levels, and determination of fair values of financial assets and liabilities.

As disclosed in Note 39, the Group creates a provision for impairment of loans and receivables where there is objective evidence that, as a result of past events, the estimated future cash-flows are negatively impacted. These provisions are based on the Group's historical and current experience as well as judgments of the Group's management regarding the estimated future cash flows and represent the best estimate of loan impairment as of the balance sheet date.

The amounts recognised as provisions for liabilities are based on the management's judgments and represent the best estimate of expenditures required to settle a liability of uncertain timing or amount. Refer to Note 29 for more detailed disclosures of provisions for liabilities.

In connection with the current economic environment, management of the Group has considered all relevant factors which could have an effect on the valuation of assets and liabilities in these consolidated financial statements, liquidity, funding of the Group's operations and other effects, if any, on the consolidated financial statements. All such impacts, if any, have been reflected in these consolidated financial statements. Management of the Group continues to monitor the current situation.

The Group prepares the consolidated financial statements under IFRS and the interpretations approved by the IASB as adopted by the European Union which disclose results of the Bank's financial group.

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

(b) Principles of Consolidation

Subsidiary undertakings (that is, entities in the which the Bank holds, directly or indirectly, more than 50 percent of voting rights or in which the Bank otherwise exercises control over their activities) were consolidated using the full consolidation method. Subsidiaries are included in the consolidation from the date as of which the control over the companies is transferred to the Bank until the date when the Bank ceases to exercise this control. All significant intercompany transactions are eliminated on consolidation. All significant mutual receivables, payables, expenses and revenues, including profit, within the Group were excluded from consolidation.

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

Joint ventures were included in the Group's consolidation using the proportional method of accounting, under which the participants' share in the assets, liabilities, expenses and revenue of the joint venture are combined, by item, with the financial statements of the participant. A joint venture is an entity in which two and more participants exercise joint control over economic activities of the entity. Rights and obligations of individual participants are stipulated by a contract defining provisions of joint control. The Group has decided that joint ventures which have been formed but were dormant at the consolidated financial statements date will not be reflected in the consolidated financial statements using the proportionate consolidation method but will be presented as an investment in joint ventures.

Equity investments where the Bank's shareholding interest is lower than 20 percent are presented as "*Securities available for sale*" (Note 20) and are reported at fair value except for equity investments where the fair value cannot be reliably determined in compliance with IAS 39. These equity investments are carried at cost.

5. SIGNIFICANT ACCOUNTING POLICIES

(a) Interest Expense and Interest Income

Interest income and expense are recognised in the statement of comprehensive income lines "*Interest income and similar income*" and "*Interest expense and similar expense*" on an accruals basis. The Group accounts for the accruals of interest using the effective interest rate method. The effective interest rate method is an approach to calculating the amortised cost of a financial asset or financial liability using the effective interest rate. The effective interest rate is used to discount the nominal value of future cash flows to the present value at the maturity date.

(b) Fees and Commissions

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

(c) Dividends

Income from dividends on securities 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 they are declared 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 accruals basis of accounting in the period to which they relate (and not as cash or its equivalent is received or paid).

(e) Taxation

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

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

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

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

(f) Financial Assets and Liabilities***Dates of Recognition and Derecognition of Financial Instruments from the Group's Statement of Financial Position***

All financial assets with normal delivery terms are recognised using settlement date accounting.

The settlement (collection) date is the day on which the financial instrument is delivered (cash payment). When settlement date accounting is applied, the financial asset is recognised on the day of receipt of a financial instrument (sending of cash) and derecognised on the day of its provision (collection of cash). However, if a portfolio of financial assets remeasured at fair value is involved, the acquired financial asset is revalued reflecting changes in its fair value from the purchase trade date to the sale trade date according to the categorisation into an individual portfolio, accrued interest on debt financial assets is recognised from the purchase settlement date to the sale settlement date.

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

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

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

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

- Loans and receivables;
- Financial assets and liabilities remeasured at fair value through profit or loss;
- Financial assets available for sale;
- Financial assets held to maturity; and
- Other financial assets and liabilities.

Loans and Receivables

Loans originated by the Group by providing money directly to a borrower are categorised as loans originated by the Group and are stated at amortised cost. The amortised cost is the cost minus principal repayments, plus accrued interest, plus or minus amortisation of discount or premium. In determining the amortised cost the Group uses the effective interest rate method. An integral part of the effective interest rate are premium, discounts, fees and related transaction costs. All loans and advances are recognised when cash is advanced to borrowers (or banks). Accrued interest income is included in the carrying amount these loans.

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

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

The amount of provisions, after write-offs, is charged to the statement of comprehensive income line *"Change in provisions for credit risks"*. Additional details can be found in Note 39 b.

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

Restructuring of Loans and Receivables from Customers

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

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

Securities

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

Securities at Fair Value through Profit or Loss

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

Changes in the fair values of securities held for trading as well as securities measured at fair value through profit or loss are recognised in the statement of comprehensive income as *"Net profit on financial operations"*. Interest income on debt securities held for trading as well as securities at fair value through profit or loss are included in *"Interest income and similar income"* in the statement of comprehensive income.

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

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

Securities Available for Sale

Securities available for sale are securities held by the Group for an indefinite period of time that are available for sale as liquidity requirements arise or market conditions change.

Securities available for sale are carried at cost and subsequently remeasured at fair value, with the exception of securities for which the fair value cannot be reliably determined in accordance with IAS 39 which are stated at cost. Changes in the fair values of available for sale securities are recognised in equity as *"Gains or losses from revaluation"*, with the exception of their impairment and interest income and foreign exchange differences on debt securities. When realised, the relevant revaluation gains or losses are taken to the statement of comprehensive income as *"Net profit on financial operations"*. Interest income on coupons, amortisation of discounts or premiums, and dividends are included in *"Interest income and similar income"*. Foreign exchange differences are reported within *"Net profit on financial operations"*.

Securities Held to Maturity

Investments held to maturity are financial assets with fixed or determinable payments and fixed maturities that the Group has the positive intent and ability to hold to maturity.

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

Repurchase Agreements

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

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

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

Debt Securities Issued

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

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

Financial Derivative Instruments

In the normal course of business, the Group enters into contracts for derivative financial instruments. Financial derivatives include foreign currency and interest rate swaps, 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 both its trading and hedging activities.

Financial derivative instruments entered into for trading or hedging purposes are initially recognised at cost (including transaction costs) in the statement of financial position and are subsequently remeasured and stated at fair value. Fair values are reported in the statement of financial position as *"Positive fair value of financial derivative transactions"* and *"Negative fair value of financial derivative transactions"*. Realised and unrealised gains and losses are recognised in the statement of comprehensive income line *"Net profit on financial operations"*, the only exception being unrealised gains and losses on cash flow hedges which are recognised in equity. Fair values of derivatives are based upon quoted market prices or pricing models which take into account current market and contractual prices of the underlying instruments, as well as the time value and yield curve or volatility factors underlying the positions.

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

A predominant portion of the Group's derivative transactions, while providing economic hedges, do not qualify for hedge accounting under the rules of IAS 39 and are therefore treated as derivatives held for trading with the related fair value gains and losses, as it the case with trading derivatives, reported in the statement of comprehensive income line *"Net profit on financial operations"*.

Subordinated Debt

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

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

(g) Property and Equipment and Intangible Fixed Assets

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

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

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

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

	Depreciation period	Depreciation rate
Software	4 years	25 %
Buildings	30 years	2 - 5 %
Other (cars, furniture and fixtures, office equipment and computers)	5 - 10 years	10 - 20 %

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

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

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

Intangible assets with a cost greater than CZK 10,000 and lower than CZK 60,000 (category of low value intangible fixed assets) are amortised over 36 months and tangible assets with a cost greater than CZK 10 thousand and lower than CZK 40,000 are depreciated over 36 or 48 months according to the type of low value tangible fixed assets.

Low value tangible and intangible fixed assets with a cost lower than CZK 10 thousand are expensed in the period of acquisition.

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

The Group's assets are regularly tested for impairment.

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

(h) Goodwill

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

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

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

(i) Investment Property

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

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

(j) Leases

Assets used under finance lease contracts, where essentially all the risks and rewards substantially all the risks and rewards incident to ownership are transferred, are capitalised in the amounts equal to the lower of the fair value of the asset at the inception of the lease and the present value of the minimum lease payments. These assets are depreciated over their useful lives or over the lease term (if it is shorter).

Lease instalments are apportioned between the interest reported within financial expenses and the amortised portion reported as the reduction of the outstanding liability. Financial charges are allocated over the lease period so as to ensure a constant rate of interest.

Operating lease instalments are recorded on a straight-line basis over the lease period. If the operating lease is terminated prior to the lapse of the lease period, all payments to be paid to the lessor in the form of penalties are recorded to expenses in the period in which the lease was terminated.

The present value of instalments related to assets leased under finance leases is reported as a receivable, rather than an asset. The difference between the gross value of the receivable and its present value is reported as interest income on accruals basis. Financial income arising from the lease is reported over the lease period so as to ensure a constant rate of interest.

(k) Provisions

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

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

Provisions for Guarantees and Other Off Balance Sheet Credit Related Commitments

The Group records potential commitments arising from issued guarantees, binding credit commitments (undrawn portion), confirmed open letters of credit, etc. as part of off-balance sheet assets. Provisions are made for estimated losses on these commitments on a portfolio basis. Changes in these provisions are recognised in *“Change in provisions for credit risks”*.

Other Provisions

The recognition of other provisions (for outstanding vacation days, legal disputes, restructuring, loyalty credit card system) is reported within *“General administrative expense”*.

(l) Transactions with Securities Undertaken on behalf of Clients

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

(m) Segment Reporting

With effect from 1 January 2009, the Group began reporting information in accordance with IFRS 8 Operating Segments. IFRS 8 requires that operating segments be identified on the basis of internal reports about the Group’s components whose operating results are regularly reviewed by the Group’s chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance.

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

Information on reportable operating segments of the Group is disclosed in Note 37.

(n) Foreign Currency Translation

Transactions denominated in foreign currencies are recorded in the local currency at official exchange rates as announced by the CNB on the date of transaction. Assets and liabilities denominated in foreign currencies are translated into the local currency at the CNB exchange rate prevailing at the statement of financial position date. Realised and unrealised gains and losses on foreign exchange are recognised in the statement of comprehensive income in *“Net profit on financial operations”*, with the exception of foreign exchange rate differences on equity investments denominated in foreign currencies which are reported at the historical exchange rate, foreign exchange rate differences on equity securities included in the available-for-sale portfolio which are reported as a component of a change in the fair value and foreign exchange rate differences on derivatives entered into with a view to hedging currency risk associated with assets or liabilities whose foreign exchange rate differences are not reported in the statement of comprehensive income.

(o) Cash and Cash Equivalents

The Group considers cash and deposits with the CNB, treasury bills with a residual maturity of three months or less, nostro accounts with financial institutions and loro accounts with financial institutions to be cash equivalents. For the purposes of determining cash and cash equivalents, the minimum reserve deposit with the CNB is not included as a cash equivalent due to restrictions on its availability.

6. CHANGES IN ACCOUNTING POLICIES IN 2010

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

In the year ended 31 December 2010, the Group did not start to use standards and interpretations the use of which would have a significant impact on the consolidated financial statements.

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

- IAS 1 – Presentation of Financial Statements – revised standard (effective 1 January 2011);
- IAS 7 – Statement of Cash Flows - revised standard (effective 1 January 2010);
- IAS 27 – Consolidated and Separate Financial Statements - revised standard (effective 1 July 2010);
- IFRS 1 – First-time Adoption of International Financial Reporting Standards – restructured standard (effective 1 January 2009);
- IFRS 2 – Share-based payment – restructured standard (effective 1 January 2009);
- IFRS 3 – Business Combinations (effective 1 July 2009);
- IFRS 5 – Non-current Assets Held for Sale and Discontinued Operations – revised standard (effective 1 January 2010);
- IAS 39 – Financial Instruments: Recognition and Measurement – restructured standard (effective 1 January 2009);
- IFRIC 17 – Distributions of Non-cash Assets to Owners (effective 1 July 2009); and
- IFRIC 18 – Transfers of Assets from Customers (effective 1 July 2009).

(c) Standards and Interpretations that were Issued, but Have not Been Applied Yet

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

- IFRS 1 – First-time Adoption of International Financial Reporting Standards - revised standard (effective 1 July 2010);
- IFRS 7 – Financial Instruments: Disclosures - revised standard (effective 1 July 2011);
- IFRS 9 – Financial Instruments (from 2010) (effective 1 January 2013);
- IAS 24 – Related Party Disclosures (amended in 2009) (effective 1 January 2011);
- IAS 32 – Classification of Rights Issues - revised standard, classification of rights issues (effective 1 February 2010);
- IFRIC 14 – revised standard, Minimum Funding Requirements (effective 1 January 2011); and
- IFRIC 19 – revised standard, Extinguishing Financial Liabilities with Equity Instruments (effective 1 July 2010).

These standards are not yet effective as of the reporting date. Endorsement by the EU is expected by the time the standards and interpretations become effective.

The Group considers that the impact of adopting the standards and interpretations that will become effective after 1 January 2011 will not have a material impact on the financial statements for the year ending 31 December 2011, including comparative information.

7. NET INTEREST INCOME

CZK thousand	2010	2009
Interest income arising from		
Loans and advances to financial institutions	145,544	298,261
Loans and advances to customers	8,359,939	8,274,310
Of which: default interest on impaired assets	166,536	126,335
Fixed income securities	624,485	542,604
Finance lease receivables	168,813	178,529
Total interest income and similar income	9,298,781	9,293,704
Interest expense arising from		
Deposits from financial institutions	(425,043)	(701,798)
Deposits from customers	(1,145,197)	(1,532,561)
Securities issued	(476,890)	(519,942)
Subordinated liabilities	(91,752)	(137,907)
Total interest expense and similar expense	(2,138,882)	(2,892,208)
Net interest income	7,159,899	6,401,496

8. CHANGE IN PROVISIONS FOR CREDIT RISKS

CZK thousand	2010	2009
Changes in loan loss provisions		
Charge for provisions	(4,556,788)	(3,225,667)
Release of provisions	2,321,421	1,356,407
Use of provisions	1,509,218	227,638
Loss from assigned and written off receivables	(1,552,733)	(238,385)
Of which: Direct write-off of receivables	(22,128)	(10,808)
Recoveries	6,831	1,715
Total changes in loan loss provisions	(2,272,051)	(1,878,292)
Provisions for off balance sheet credit risk exposures		
Charge for provisions	(30,683)	(16,681)
Release of provisions	11,681	98,814
Total provisions for off-balance sheet risks	(19,002)	82,133
Change in provisions for credit risk	(2,291,053)	(1,796,159)

9. NET FEE AND COMMISSION INCOME

CZK thousand	2010	2009
Fee and commission income arising from		
Payment transactions	1,658,837	1,535,775
Provided loans and guarantees	625,443	543,557
Securities transactions	91,502	59,724
Financial operations	22,215	37,720
Other banking services	140,257	135,439
Total fee and commission income	2,538,254	2,312,215
Fee and commission expense arising from		
Payment transactions	(503,614)	(515,549)
Receiving of loans and guarantees	(55,292)	(119,853)
Securities transactions	(10,461)	(10,754)
Securitisation	(49,043)	(41,905)
Financial operations	(5,509)	(5,176)
Mediation of the sale of the Bank's products	(14,266)	(5,376)
Other banking services	(22,490)	(18,356)
Total fee and commission expense	(660,675)	(716,969)
Net fee and commission income	1,877,579	1,595,246

10. NET PROFIT ON FINANCIAL OPERATIONS

CZK thousand	2010	2009
Interest rate derivatives	(478,934)	(150,276)
Equity derivatives	9,062	(3,851)
Profit/loss from foreign currency transactions	891,096	732,471
of which: Customer foreign currency result	857,571	684,470
FX swap P/L (hedging)	(112,113)	(190,299)
FX proprietary P/L (trading)	145,638	238,300
Profit/loss from transactions with securities	98,508	233,663
of which: Portfolio of securities available for sale	-	144,515
Portfolio of securities held for trading	2,515	11,109
Portfolio of securities at fair value through profit or loss	100,556	76,376
Own issue	(4,568)	1,663
Sale of equity investments	5	-
Total	519,732	812,007

The "FX swap P/L (hedging)" line item reflects the impact of hedging foreign currency liquidity. This is not hedging in terms of IAS 39 Financial Instruments: Recognition and Measurement, as the Group does not comply with the hedge accounting criteria. "FX proprietary P/L (trading)" reflects the impact arising from trading on the Group's own account.

11. DIVIDEND INCOME

“Income from other shares and participation interest” amounted to CZK 30,782 thousand (2009: CZK 22,906 thousand) and predominantly includes the dividends from Raiffeisen stavební spořitelna a.s. (2010: CZK 30,000 thousand, 2009: CZK 25,000 thousand).

12. OTHER OPERATING INCOME

CZK thousand	2010	2009
Change in operating provisions	(12,237)	52,353
Gain from disposal of in-/tangible fixed assets	883	8,496
Other operating income	199,862	243,873
Total	188,508	304,722

The negative balance of “Change in operating provisions” in 2010 results from the increased provisioning against operating receivables (eg receivables from payment transactions, operating prepayments, receivables from issued invoices, etc). The positive balance in 2009 was predominantly due to the release of the provision for legal disputes.

13. GENERAL ADMINISTRATIVE EXPENSES

CZK thousand	2010	2009
Payroll costs (Note 14)	(2,658,592)	(2,496,510)
Operating expenses	(1,857,667)	(1,721,268)
Rental, repairs and other office management expenses	(517,395)	(452,011)
Marketing costs	(276,253)	(260,597)
Costs of legal and advisory services	(296,361)	(292,388)
Of which: Audit	(10,059)	(9,989)
Tax advisory	(4,191)	(2,495)
Other advisory	(943)	(2,017)
IT support costs	(209,763)	(190,899)
Telecommunication, postal and other services	(164,051)	(168,644)
Deposit and transaction insurance	(150,873)	(107,000)
Training expenses	(49,610)	(37,405)
Travel expenses	(24,782)	(28,100)
Fuel	(21,900)	(30,405)
Security costs	(52,582)	(29,408)
Office equipment	(38,616)	(36,874)
Other administrative expenses	(55,481)	(87,537)
Depreciation and amortisation of fixed assets (Notes 22 and 23)	(485,144)	(375,249)
Sundry operating expenses	(187,429)	(212,015)
Total	(5,188,832)	(4,805,042)

“Deposit and transaction insurance” includes the costs of the payment to the Deposit Insurance Fund. Given the change in the methodology for calculating deposit insurance payments, the contribution of the Bank to the Deposit Insurance Fund increased in 2010.

14. PAYROLL COSTS

CZK thousand	2010	2009
<i>Wages and salaries</i>	(2,007,239)	(1,883,112)
<i>Social security and health insurance</i>	(561,677)	(533,685)
<i>Other staff costs</i>	(89,676)	(79,713)
Total	(2,658,592)	(2,496,510)
Of which wages and salaries paid to:		
<i>Members of the Board of Directors</i>	(151,218)	(54,702)
<i>Members of the Supervisory Board</i>	(6,971)	(8,868)
<i>Other key members of management</i>	(73,420)	(179,924)
Total	(231,609)	(243,494)

The average number of the Group's employees as of 31 December 2010 and 2009 was as follows:

	2010	2009
<i>Employees</i>	2,920	2,678
<i>Members of the Board of Directors</i>	6	7
<i>Members of the Supervisory Board</i>	9	9
<i>Other key management members</i>	27	57

The increase in the number of employees is due to the increase in the number of branches and initiation of new projects. Other financial arrangements between the Group and members of the Board of Directors and Supervisory Board are disclosed in Notes 41b and 41c.

15. INCOME TAX

(a) Income tax expense

CZK thousand	2010	2009
<i>Income tax payable</i>	(694,791)	(535,197)
<i>Tax overpayments from the previous period</i>	4,527	7,023
<i>Deferred income tax credit /(charge)</i>	194,617	(12,694)
Total income tax	(495,647)	(540,868)

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

CZK thousand	2010	2009
Pre-tax profit (general tax base)	2,298,460	2,537,096
Pre-tax profit (separate tax base)	72	656
Total pre-tax profit	2,298,532	2,537,752
Tax calculated at the tax rate for the general tax base – 19% (2009: 20%)	(436,721)	(507,420)
Tax calculated at the tax rate for the separate tax base (rate of 15%)	(11)	(98)
Non-taxable income	299,808	239,998
Non-tax deductible expenses	(557,982)	(267,897)
Tax relief and credit	115	107
Tax loss of the period	0	113
Tax liability for the period	(694,791)	(535,197)
Tax overpayment/(underpayment) from the previous period, use of tax relief and credit, including tax refunds and additional assessments from previous years	4,527	7,023
Deferred tax	194,617	(12,694)
Total income tax	(495,647)	(540,868)
Effective tax rate	21.56%	21.31%

The increase in the non-tax deductible expenses in 2010 is due to the exceeded limit for the recognition of tax deductible provisions for loan receivables.

The movement in "Deferred tax" is due to a significant year-on-year increase in unpaid loan interest, refer to Note 24.

(b) Income Tax Liability

CZK thousand	2010	2009
Tax calculated at the tax rate for the general tax base - 19% (2009: 20%)	(694,780)	535,099
Tax calculated at the tax rate for the separate tax base (rate of 15%)	(11)	98
Tax liability for the period	(694,791)	535,197
Advances paid for current income tax	437,504	(317,389)
Total income tax liability	(257,287)	217,808

For additional details on the deferred tax, refer to Note 24.

16. CASH AND BALANCES WITH CENTRAL BANKS

CZK thousand	2010	2009
<i>Cash on hand and other cash equivalents</i>	2,558,167	2,876,686
<i>Balances with central banks</i>	218,554	175,192
<i>Minimum reserve deposit with the CNB</i>	668,006	2,208,175
Total	3,444,727	5,260,053

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

For the information on cash and other highly liquid balances reported in the cash flow statement, refer to Note 33.

17. LOANS AND ADVANCES TO FINANCIAL INSTITUTIONS

CZK thousand	2010	2009
<i>Placements with financial institutions</i>	458,014	550,049
<i>Term deposits with banks</i>	2,835,825	6,624,344
<i>Loans and other advances to financial institutions</i>	3,512,056	16,646,105
Total	6,805,895	23,820,498

“Loans and other advances to financial institutions” includes reverse repurchase transactions. As part of the reverse repurchase transactions, the Group provided loans in the aggregate amount of CZK 3,140,858 thousand (2009: CZK 16,253,939 thousand).

18. LOANS AND ADVANCES TO CUSTOMERS

(a) Classification of Loans and Advances to Customers

CZK thousand	2010	2009
<i>Advances from current accounts</i>	7,338,450	9,346,049
<i>Term deposits</i>	79,567,284	72,482,494
<i>Mortgage loans</i>	64,324,701	58,977,455
<i>Finance leases</i>	2,801,487	2,504,897
<i>Other</i>	1,899,758	2,380,754
Total	155,931,680	145,691,649

In 2010, the Group restructured loans and advances to customers in the aggregate amount of CZK 1,941,644 thousand (2009: CZK 692,317 thousand).

In May 2010, the Group purchased the portfolio of consumer loans and credit card loans, which were not collateralised, from Citibank Europe in the amount of CZK 730 million. As of 31 December 2010, the fair value of receivables maintained in the accounting books and records is CZK 422 million.

(b) Repurchase and Reverse Repurchase Transactions

As of 31 December 2010 and 2009, the Group reported no repurchase transactions with customers. The Group advanced loans to customers in the aggregate amount of CZK 47,240 thousand (2009: CZK 10,944 thousand) under reverse repurchase transactions.

(c) Analysis of Loans Provided to Customers by Sector

CZK thousand	2010	2009
<i>Public sector</i>	385,915	620,755
<i>Loans to corporate entities</i>	79,088,961	73,924,094
<i>Loans to private individuals</i>	71,913,513	66,388,985
<i>Small and medium size enterprises (SME)</i>	4,485,270	4,501,466
<i>Other</i>	58,021	256,349
Total	155,931,680	145,691,649

Although the mortgages saw a lower growth rate in 2010, the increase in "Loans to private individuals" is predominantly due to the increased volume of mortgages.

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

CZK thousand	2010	2009
<i>Czech Republic</i>	150,398,804	139,902,759
<i>Slovakia</i>	1,301,166	1,240,852
<i>Other – EU countries</i>	2,737,473	3,084,254
<i>Other (Canada, USA, Ukraine, UAE, etc.)</i>	1,494,237	1,463,784
Total	155,931,680	145,691,649

(e) Aging of Loans to Customers

The following table shows the aging analysis of loans to customers which are past their due dates but not impaired, including their collateral:

CZK thousand	<i>Past due date</i>		<i>Discounted collateral value</i>	
	2010	2009	2010	2009
<i>Past due</i>				
<i>0–30</i>	1,955,042	1,659,331	2,791,506	1,683,028
<i>31–90</i>	26,029	53,104	25,939	71,456
<i>91–180</i>	7,320	32,671	10,746	87,271
<i>181–360</i>	7,318	10,225	4,106	66,475
<i>1–5 years</i>	24,431	6,765	41,753	18,791

The increase in the "0 – 30" category is principally due to the increase in the past due loans which are fully collateralised. The exposures in the categories exceeding 90 days overdue are also sufficiently covered by the collateral.

(f) Analysis of Loans Provided to Customers by Delays

CZK thousand	<i>Before due date</i>	<i>Less than 1 month</i>	<i>1 month to 3 months</i>	<i>3 months to 6 months</i>	<i>6 months to 1 year</i>	<i>Over 1 year</i>	<i>Total</i>
2010							
Amounts due from customers							
- without default	137,046,115	-	-	-	-	-	137,046,115
- with default	3,754,797	7,611,889	1,317,470	1,290,646	1,798,530	3,112,233	18,885,565
Gross	140,800,912	7,611,889	1,317,470	1,290,646	1,798,530	3,112,233	155,931,680
Provisions	(1,268,983)	(227,517)	(236,128)	(518,788)	(1,023,637)	(2,461,182)	(5,736,235)
Net	139,531,929	7,384,372	1,081,342	771,858	774,893	651,051	150,195,445
CZK thousand							
2009							
Amounts due from customers							
- without default	131,368,930	-	-	-	-	-	131,368,930
- with default	2,909,501	4,893,158	2,046,486	789,671	1,278,026	2,405,877	14,322,719
Gross	134,278,431	4,893,158	2,046,486	789,671	1,278,026	2,405,877	145,691,649
Provisions	(1,202,360)	(329,496)	(488,162)	(391,713)	(719,937)	(2,062,539)	(5,194,207)
Net	133,076,071	4,563,662	1,558,324	397,958	558,089	343,338	140,497,442

The amounts due from customers "without default" in the table above are amounts due that are past their due dates and the individual provision is zero. Other amounts due from customers are reported within "with default".

(g) Securitisation

There were no securitisation type transactions in the year ended 31 December 2010. Since March 2006, the Group has carried out a synthetic securitisation of the Corporate Banking loans portfolio. The entire transaction will mature in 2016. At the end of 2010, the loan portfolio included in this securitisation amounted to CZK 4,837 million (2009: CZK 5,081 million).

(h) Syndicated loans

Pursuant to concluded syndicated loan agreements, the Bank acted as the arranger of syndicated loans in the original amount of aggregate credit limits of CZK 4,313,756 thousand as of 31 December 2010 (2009: CZK 7,431,576 thousand), of which the proportion of the Group amounted to CZK 1,800,478 thousand (2009: CZK 3,819,701 thousand) and the proportion of other syndicate members amounted to CZK 2,513,278 thousand (2009: CZK 3,611,875 thousand).

As of 31 December 2010, the aggregate amount of outstanding receivables under the syndicated loan facilities was CZK 3,737,775 thousand (2009: CZK 5,416,498 thousand), of which the proportion of the Group was CZK 1,490,205 thousand (2009: CZK 2,843,355 thousand) and the proportion of other syndicate members was CZK 2,247,570 thousand (2009: CZK 2,573,143 thousand).

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

(i) Finance Lease Receivables

The aging analysis of finance lease receivables is as follows:

CZK thousand	2010	2009
Gross finance lease investment	3,436,871	2,980,850
- of which remaining maturity up to 3 months	371,050	362,229
- of which remaining maturity from 3 months to 1 year	557,622	523,662
- of which remaining maturity of more than 1 to 5 years	1,468,611	1,453,376
- of which remaining maturity of more than 5 years	1,039,588	641,583
Unearned financial income	(635,384)	(475,953)
- of which remaining maturity up to 3 months	(40,779)	(36,342)
- of which remaining maturity from 3 months to 1 year	(109,080)	(95,656)
- of which remaining maturity of more than 1 to 5 years	(330,849)	(242,137)
- of which remaining maturity of more than 5 years	(154,676)	(101,818)
Net investment value	2,801,487	2,504,897

Assets which the Group holds under finance leases are broken down as follows:

CZK thousand	2010	2009
Vehicles leasing	508,510	657,107
Real estate leasing	723,022	757,749
Equipment leasing	1,569,955	1,090,041
Total	2,801,487	2,504,897

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

2010	Cash collateral	State guarantees	Bank guarantee	Real estate	Company guarantee	Personal and bill guarantee	Other collateral	Movable assets	Uncollate-ralised	Total
Agriculture, Hunting, Forestry and Fishing	49	25,475	93,051	130,438	149,010	247,503	92,047	223,358	43,776	1,004,707
Mining and Quarrying	-	-	12,804	2,832	6,294	3,904	-	34,527	-	60,361
Manufacturing	47,197	239,794	1,859,213	2,239,834	1,308,374	3,519,901	1,595,352	3,807,957	2,736,299	17,353,921
Electricity, Gas And Water Supply	190,569	-	14,390	881,819	160,643	1,215,219	482,343	2,348,124	1,278,910	6,572,017
Construction	2,197	136,248	558,624	671,704	59,089	679,059	67,580	796,942	157,434	3,128,877
Wholesale and Retail Trade; Repair of Motor Vehicles, Motorcycles and Personal and Household Goods	19,332	150,569	1,389,082	1,771,748	1,173,968	2,537,119	469,502	3,149,684	2,900,581	13,561,585
Hotels and Restaurants	42,199	-	11,612	3,076,186	4,687	408,700	13,000	62,649	284,876	3,903,909
Transport, Storage and Communication	82	-	35,294	204,462	188,331	419,757	172,400	801,786	618,476	2,440,588
Financial Intermediation	100,293	-	1,515,275	39,737	-	64,149	-	171,090	215,122	2,105,666
Real Estate, Lease, Other Business Activities	512,131	-	1,678,810	15,869,119	575,962	5,131,695	1,123,470	1,094,856	4,372,673	30,358,716
Public Administration; Compulsory Social Security	1,148	1,587,948	-	100,572	-	39,328	-	242,669	44	1,971,709
Education	-	-	-	12,120	-	8,323	-	464	34,883	55,790
Health and Social Work	13,322	77,666	19,615	148,101	18,250	134,918	7,089	73,819	14,590	507,370
Other Community, Social and Personal Service Activities	1,711	-	12,583	395,170	175,665	120,862	10,323	225,427	53,133	994,874
Private Households	6,396	-	5,042	60,172,000	57,551	1,661,180	3,827,414	50,339	6,131,668	71,911,590
Total	936,626	2,217,700	7,205,395	85,715,842	3,877,824	16,191,617	7,860,520	13,083,691	18,842,465	155,931,680

2009	Cash collateral	State guarantees	Bank guarantee	Real estate	Company guarantee	Personal and bill guarantee	Other collateral	Movable assets	Uncollateralised	Total
Agriculture, Hunting, Forestry and Fishing	420	34,569	115,334	169,110	246,530	256,555	124,903	278,755	17,393	1,243,569
Mining and Quarrying	-	-	-	2,501	5,558	3,412	-	36,502	-	47,973
Manufacturing	21,765	178,684	1,978,787	2,727,375	1,204,601	3,320,996	1,337,808	4,153,836	1,869,337	16,793,189
Electricity, Gas And Water Supply	136,526	-	57,387	159,014	15,018	296,735	406,207	655,224	806,309	2,532,420
Construction	14,638	125,702	163,111	424,782	141,768	914,983	59,632	713,914	163,019	2,721,549
Wholesale and Retail Trade; Repair of Motor Vehicles, Motorcycles and Personal and Household Goods	163,127	92,108	1,246,383	1,672,534	1,635,101	2,470,879	629,893	2,853,566	1,246,767	12,010,358
Hotels and Restaurants	45,117	-	71,038	3,608,907	34,192	603,251	84,427	124,963	295,050	4,866,945
Transport, Storage and Communication	68	-	38,422	283,849	58,269	432,300	650,125	590,194	71,626	2,124,853
Financial Intermediation	398,880	-	1,428,238	76,092	394,187	103,124	12,566	123,052	5,288	2,541,427
Real Estate, Lease, Other Business Activities	500,254	-	2,468,466	14,224,182	1,345,156	4,258,659	1,206,620	1,420,134	1,524,860	26,948,331
Public Administration; Compulsory Social Security	1,232	675,213	-	148,355	-	47,028	-	426,338	281	1,298,447
Education	-	-	-	12,891	-	9,987	6,953	837	17,232	47,900
Health and Social Work	33,613	133,634	35,715	149,786	329	109,966	379	112,652	10,240	586,314
Other Community, Social and Personal Service Activities	1,069	-	22,260	442,267	116,063	509,109	21,532	140,672	106,069	1,359,041
Private Households	-	-	397	54,865,558	78,254	2,354,187	4,316,248	77,274	8,877,415	70,569,333
Total	1,316,709	1,239,910	7,625,538	78,967,203	5,275,026	15,691,171	8,857,293	11,707,913	15,010,886	145,691,649

19. PROVISIONS FOR LOANS AND ADVANCES TO CUSTOMERS

CZK thousand	2010	2009
Balance at 1 January	(5,194,207)	(3,618,614)
Charge for provisions	(4,556,788)	(3,225,667)
Release of provisions	2,321,421	1,356,407
Usage of provisions for write-off and assignment of receivables	1,668,021	282,566
FX differences from provisions denominated in a foreign currency	25,319	11,101
Balance at 31 December	(5,736,235)	(5,194,207)

20. SECURITIES

(a) Portfolio Classification of Securities according to the Group's Intent

CZK thousand	2010	2009
Securities held to maturity (debt securities)	14,483,575	14,875,729
Securities at fair value through profit or loss	8,762,652	6,087,786
of which: Securities held for trading	1,112,195	723,290
- Debt securities	1,112,140	719,813
- Shares and participation certificates	55	3,477
of which: Securities not held for trading	7,650,457	5,364,496
- Debt securities	7,252,396	5,086,091
- Shares and participation certificates	398,061	278,405
Securities available for sale (shares and participation certificates)	535,983	524,428
Total	23,782,210	21,487,943

"Securities held to maturity" include only bonds of the Czech Republic.

"Securities at fair value through profit or loss" include government bonds of CZK 6,539,859 thousand (2009: CZK 4,849,849 thousand) which may be used for refinancing with central banks.

"Securities available for sale" include the Group's investment in Raiffeisen stavební spořitelna a.s. in the aggregate amount of CZK 516,106 thousand (2009: CZK 516,106 thousand) and other minority investments of the Group in 2010.

The remeasurement of securities available for sale for 2010 and 2009 amounted to CZK (996) thousand and CZK 2,529 thousand, respectively, and is included in the comprehensive income for the period.

(b) Securities Pledged as Collateral

As of 31 December 2010, the Group concluded no repurchase transaction and provided no securities pledged as collateral. As of 31 December 2009, the Group concluded repurchase transactions with the Czech National Bank and pledged CZ0001002331, government bond VAR/16 (maturity on 4 March 2010) as collateral. The nominal value of these pledged securities is CZK 3,000,000 thousand.

21. EQUITY INVESTMENTS IN ASSOCIATES AND UNCONSOLIDATED ENTITIES

CZK thousand	2010	2009
Opening balance	5,115	1,717
Share in the profit or loss of the associate for the period	1,917	1,920
Additions	47,494	1,478
Closing balance	54,526	5,115

CZK thousand	Country	Assets	Liabilities	Revenue	Profit/Loss	Share of equity		
Bondy Centrum, s.r.o.	CZK	1,066,588	1,025,154	86,963	12,566	12.5%	5,179	
RLRE Ypsilon Property s.r.o.	CZK	59,591	59,747	2,778	28	12.5%	-	
CCRB a.s.	CZK	100,873	166	2,302	707	49.0%	49,347	
At 31 December 2010							54,526	
Bondy Centrum, s.r.o.	CZK	1,094,983	1,066,116	102,345	15,547	12.5%	3,608	
RLRE Ypsilon Property s.r.o.	CZK	59,536	59,721	3,562	(45)	12.5%	-	
Green Energie Větrný park Bílčice, s.r.o.	CZK	24,204	12,213	1,300	(174)	12.5%	1,499	
Aither Property, s.r.o.	CZK	33,593	33,478	-	(42)	2.5%	3	
PV Čekanice, s.r.o.	CZK	9,439	9,256	1	(11)	2.5%	5	
At 31 December 2009							5,115	

22. INTANGIBLE FIXED ASSETS

CZK thousand	Goodwill	Software	Intangible assets under construction	Total
Cost				
1 Jan 2009	14,862	1,333,048	194,201	1,542,111
Additions	-	153,307	422,798	576,105
Other changes (transfers)	-	176,781	(176,781)	-
31 Dec 2009	14,862	1,663,136	440,218	2,118,216
Additions	-	105,483	759,133	864,616
Disposals	-	-	(8,866)	(8,866)
Other changes (transfers)	-	163,250	(163,250)	-
31 Dec 2010	14,862	1,931,869	1,027,235	2,973,966
Accumulated amortisation				
1 Jan 2009	-	(891,700)	-	(891,700)
Additions – annual amortisation	-	(217,563)	-	(217,563)
31 Dec 2009	-	(1,109,263)	-	(1,109,263)
Additions – annual depreciation	-	(302,967)	-	(302,967)
31 Dec 2010	-	(1,412,230)	-	(1,412,230)
Net book value				
31 Dec 2009	14,862	553,873	440,218	1,008,953
31 Dec 2010	14,862	519,639	1,027,235	1,561,736

The year-on-year increase in intangible assets under construction in 2010 relates to the development of a new banking system and other applications supporting the new banking system and the initiation of a series of new projects supporting the management of processes and increase in business activities. Internal costs (primarily staff costs and lease costs) which are required to generate these assets are capitalised.

“Other changes (transfers)” includes capitalisation of completed investments.

23. PROPERTY AND EQUIPMENT

(a) Movements in Property and Equipment

CZK thousand	Land, buildings, technical improvements on buildings	Furniture and fixtures	Machinery and equipment	Tangible assets under construction	Operating leases	Total
Cost						
1 January 2009	843,254	369,021	1,065,206	219,382	77,322	2,574,185
Effect from the change in the scope of consolidation	(21,271)	-	186	-	-	(21,085)
Additions	57,694	25,320	196,214	95,002	-	374,230
Disposals	(966)	(8,478)	(82,374)	(134,453)	(77,322)	(303,593)
Other changes (transfers)	3,419	(165,287)	137,728	(365)	-	(24,505)
31 December 2009	882,130	220,576	1,316,960	179,566	-	2,599,232
Additions	118,918	39,547	83,959	254,563	-	496,987
Disposals	(28,716)	(13,545)	(291,724)	(10,166)	-	(344,151)
Other changes (transfers)	36,872	8,411	81,514	(126,797)	-	-
31 December 2010	1,009,204	254,989	1,190,709	297,166	-	2,752,068
Accumulated depreciation						
1 January 2009	(288,498)	(300,024)	(918,660)	-	(6,924)	(1,514,106)
Effect from the change in the scope of consolidation	-	-	(39)	-	-	(39)
Additions	(47,978)	(14,099)	(97,159)	-	-	(159,236)
Disposals	737	7,334	75,859	-	6,924	90,854
Other changes (transfers)	(757)	143,760	(118,864)	-	-	24,139
31 December 2009	(336,496)	(163,029)	(1,058,863)	-	-	(1,558,388)
Additions	(54,188)	(17,663)	(110,326)	-	-	(182,177)
Disposals	248	12,874	287,298	-	-	300,420
31 December 2010	(390,436)	(167,818)	(881,891)	-	-	(1,440,145)
Net book value						
31 December 2009	545,634	57,547	258,097	179,566	-	1,040,844
31 December 2010	618,768	87,171	308,818	297,166	-	1,311,923

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

In the year ended 31 December 2009, the Group recognised a provision against risk prepayments for the proprietary performance in the amount of CZK 1,500 thousand which was released during 2010.

(b) Property and Equipment Acquired under Finance Leases

The Group recorded no significant property and equipment under finance leases in the years ended 31 December 2010 and 2009.

(c) Investment Property

CZK thousand	2010	2009
Cost		
At 1 January	50,240	57,913
Effect from the change in the scope of consolidation	-	(7,673)
Additions	16	-
Acquisition cost at 31 December	50,256	50,240
Accumulated depreciation and provisions		
At 1 January	(5,005)	(4,048)
Effect from the change in the scope of consolidation	-	(6,426)
Annual charges	(957)	5,469
Accumulated depreciation and provisions at 31 December	(5,962)	(5,005)
Net book value at 31 December	44,294	45,235

24. DEFERRED TAX ASSET/LIABILITY

Deferred tax is calculated from all temporary differences using the liability method at the principal income tax rate of 19 percent (tax rate of 2011).

The deferred tax asset is composed of the following items:

CZK thousand	2010	2009
Unpaid interest on loans of non-residents	300,142	64,821
Unpaid social security and health insurance contributions	19,906	13,196
Outstanding vacation days	12,556	10,773
Other provisions	42,618	34,826
Differences between accounting and tax carrying amounts of tangible and intangible assets	392,417	284,258
Adjustment of lease reporting - CAS vs IFRS	-	413
Outstanding real estate transfer tax	43	-
Tax loss of prior years	40,355	50,869
Total deferred tax asset	808,037	459,156

The deferred tax liability is composed of the following items:

CZK thousand	2010	2009
Other provisions	(469)	-
Difference in accounting and tax carrying values of tangible and intangible assets	(154,905)	(86,204)
Change in the balance for the period against equity from revaluation of securities available for sales	(360)	(593)
Cash flow hedge	(44)	-
Adjustment of lease reporting - CAS vs IFRS	(449,912)	(364,910)
Total deferred tax liability	(605,690)	(451,707)

The calculation of a net deferred tax asset:

CZK thousand	2010	2009
Balance at 1 January	174,898	135,371
Movement for the year - credit/(charge)	633,139	323,785
Total deferred tax asset	808,037	459,156
Balance at 1 January	(167,449)	(115,555)
Movement for the year – credit/(charge)	(438,474)	(335,559)
Movements for the year against equity	233	(593)
Total deferred tax liability	(605,690)	(451,707)
Net deferred tax asset	202,347	7,449

The deferred tax (charge)/credit in the statement of comprehensive income and equity comprises the following temporary differences:

CZK thousand	2010	2009
Recognition of a year-on-year difference due to the change of tax rate in profit or loss	-	(1,649)
Recognition of a year-on-year difference due to temporary differences in profit or loss	194,665	(10,125)
Recognition of a year-on-year difference due to temporary differences in equity	233	(593)
Total year-on-year difference for recognition into P&L	194,898	(12,367)

25. OTHER ASSETS

CZK thousand	2010	2009
Receivables arising from indirect taxes	2,335	393
Receivables arising from non-banking activities	500,258	547,878
Deferred expenses and accrued income	45,922	16,562
Receivables from securities trading	140,609	67
Inventory - land	436,939	492,233
Settlement of cash transactions with other banks	59,750	505,384
Other	291,402	187,121
Total	1,477,215	1,749,638

“Inventory – land” includes land held for future finance lease and sale.

26. AMOUNTS OWED TO FINANCIAL INSTITUTIONS

CZK thousand	2010	2009
Repayable on demand	724,796	1,015,374
Term deposits at banks	23,751,730	27,278,588
Within 3 months	4,786,127	6,478,079
From 3 months to 1 year	5,214,657	1,931,510
From 1 year to 5 years	13,114,014	18,216,683
Over 5 years	636,932	652,316
Total	24,476,526	28,293,962

"Term deposits at banks – from 1 to 5 years" for the year ended 31 December 2010 includes the deposit from Raiffeisen Bank International AG in the amount of CZK 10,034,300 thousand (2009: CZK 15,892,777 thousand).

As of 31 December 2009, the Group received a loan in the repurchase transaction of CZK 2,905,480 thousand. The loan received in this repurchase transaction was collateralised by governmental bonds of CZK 2,845,523 thousand and a cash deposit of CZK 39,600 thousand.

As of 31 December 2010, the Group received no loan in the repurchase transaction.

27. AMOUNTS OWED TO CUSTOMERS

(a) Analysis of Amounts Owed to Customers by Type

CZK thousand	2010	2009
<i>Repayable on demand</i>	93,611,939	87,898,858
<i>Term deposits with maturity</i>	32,398,113	42,197,210
<i>Other</i>	-	107,035
Total	126,010,052	130,203,103

(b) Analysis of Amounts Owed to Customers by Sector

CZK thousand	2010	2009
<i>Public sector</i>	5,769,288	10,776,350
<i>Corporate clients</i>	49,119,963	48,226,648
<i>Private individuals</i>	58,150,744	58,461,458
<i>Small and medium size enterprises (SME)</i>	12,154,071	11,705,271
<i>Other</i>	815,986	1,033,376
Total	126,010,052	130,203,103

28. DEBT SECURITIES ISSUED

(a) Analysis of Issued Debt Securities by Type

CZK thousand	2010	2009
Deposit certificates and deposit bills of exchange	4 688 941	5 645 986
Bonds in issue	1 175 830	650 428
Mortgage bonds	10 398 985	9 517 720
Total	16 263 756	15 814 134

The decrease in "Deposit certificates and deposit bills of exchange" is predominantly due to the outflow of short-term deposit bills from corporate clients.

(b) Analysis of Mortgage Bonds

CZK thousand

Date of issue	Maturity	ISIN	Currency	Nominal value		Net carrying value	
				2010	2009	2010	2009
23.3.2005	23.3.2010	CZ0002000482	CZK	-	498,350	-	517,687
29.11.2005	29.11.2010	CZ0002000557	CZK	-	500,000	-	505,831
21.11.2005	21.11.2010	CZ0002000698	CZK	-	339,850	-	344,876
24.5.2006	24.5.2011	CZ0002000805	CZK	397,510	402,770	410,471	420,295
4.10.2006	4.10.2011	CZ0002000888	CZK	963,000	933,000	979,637	954,566
16.2.2007	16.2.2012	CZ0002000946	CZK	1,295,000	1,274,710	1,367,565	1,361,785
12.9.2007	12.9.2012	CZ0002001175	CZK	2,000,000	1,819,600	2,061,228	1,886,598
14.11.2007	14.11.2014	CZ0002001316	CZK	500,000	500,000	517,660	521,395
12.12.2007	12.12.2012	CZ0002001662	CZK	382,700	10,000	401,085	10,155
12.12.2007	12.12.2017	CZ0002001670	CZK	1,517,800	1,517,800	1,571,391	1,581,502
12.12.2007	12.12.2017	CZ0002001696	CZK	500,000	500,000	543,035	549,278
12.12.2007	12.12.2022	CZ0002001704	CZK	-	-	-	-
20.12.2007	20.12.2017	CZ0002001928	CZK	157,500	157,500	170,369	172,834
26.11.2008	26.11.2013	CZ0002002058	CZK	522,230	61,250	534,876	61,989
10.12.2008	10.12.2011	CZ0002002066	CZK	124,200	40,000	126,497	40,921
18.2.2009	18.2.2012	CZ0002002074	CZK	249,600	248,150	256,282	254,702
28.8.2009	28.8.2012	CZ0002002108	CZK	250,000	249,160	252,752	251,726
8.10.2009	8.10.2014	CZ0002002124	EUR	-	-	-	-
14.10.2009	14.10.2012	CZ0002002140	CZK	250,000	81,060	251,760	81,580
16.11.2010	16.11.2013	CZ0002002249	CZK	960,000	-	954,377	-
Total				10,069,540	9,133,200	10,398,985	9,517,720

29. PROVISIONS

CZK thousand	Provisions for legal disputes	Provisions for off balance sheet credit risk exposures	Provision for outstanding vacation days	Provision for restructuring	Other provisions	Total
1 January 2009	73,870	98,814	56,593	-	136,147	365,424
Charge for provisions	116	16,681	55,947	2,170	107,035	181,949
Use of provisions	(562)	-	(55,833)	-	(59,825)	(116,220)
Release of redundant provisions	(70,388)	(98,814)	-	-	(7,694)	(176,896)
Foreign exchange rate differences	-	-	-	-	(34)	(34)
31 December 2009	3,036	16,681	56,707	2,170	175,629	254,223
Charge for provisions	5,500	30,683	64,437	-	98,905	199,525
Use of provisions	(1,601)	-	(55,765)	(532)	(69,856)	(127,754)
Release of redundant provisions	(750)	(11,681)	87	(1,638)	(4,059)	(18,041)
Foreign exchange rate differences	-	-	-	-	(494)	(494)
31 December 2010	6,185	35,683	65,466	-	200,125	307,459

"Other provisions" predominantly included the provision for the integration bonus in 2009 and the provision for the three-year bonus in 2010.

30. SUBORDINATED LOAN

CZK thousand	2010	2009
Raiffeisen Bank International AG (Raiffeisen Zentralbank Österreich before the merger)	1,228,986	1,297,830
Raiffeisenlandesbank Oberösterreich	983,322	1,038,418
Raiffeisenlandesbank Niederösterreich	725,007	765,641
Raiffeisen Malta Bank Plc	1,031,391	1,089,174
Total	3,968,706	4,191,063

In the years ended 31 December 2010 and 2009, the Group received no new subordinated loan. The year-on-year decrease is due to foreign currency movements.

31. OTHER LIABILITIES

CZK thousand	2010	2009
<i>Liabilities arising from non-banking activities</i>	570,055	481,027
<i>Estimated payables for bonuses</i>	628,768	654,688
<i>Accrued expenses</i>	3,525	1,009
<i>Deferred income</i>	58,644	40,036
<i>Liabilities from securities trading</i>	141,482	1,763
<i>Local settlement and suspense clearing account</i>	579,585	662,127
<i>Other</i>	950,154	566,916
Total	2,932,213	2,407,566

32. SHARE CAPITAL

During the year ended 31 December 2010, there were no changes in the share capital of the Bank, in its paid amount or the number of issued shares. There were no changes in the shareholder structure. The aggregate nominal value of all the shares was fully paid. All shares are book-entered, registered, they are not listed and their nominal value is CZK 10,000.

The shareholder structure as of 31 December 2010:

Name	Registered address	Number of ordinary shares	Nominal value (in CZK ths)	Ownership percentage (in %)
Raiffeisen Bank International AG	Austria	334,764	3,347,640	51
RB Prag Beteiligungs GmbH	Austria	164,100	1,641,000	25
Raiffeisenlandesbank Niederösterreich – Wien AG	Austria	157,536	1,575,360	24
		656,400	6,564,000	100

33. CASH AND CASH EQUIVALENTS

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

CZK thousand	2010	2009
<i>Cash and accounts with central banks (Note 16)</i>	3,444,727	5,260,053
<i>Required minimum reserves (Note 16)</i>	(668,006)	(2,208,175)
<i>Placements with other financial institutions (Note 17)</i>	458,014	550,049
Total cash and cash equivalents	3,234,735	3,601,927

34. OFF BALANCE SHEET COMPONENTS – CREDIT EXPOSURE

(a) Legal Disputes

The Group conducted a review of legal proceedings outstanding against it as of 31 December 2010. Pursuant to the review of significant litigation matters in terms of the risk of potential losses and the probability of payment, the Group recognised provisions (Note 29) for significant litigations in the aggregate amount CZK 6,185 thousand (2009: CZK 3,036 thousand).

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

CZK thousand	2010	2009
Banks		
<i>Provided commitments (irrevocable)</i>	-	205,546
<i>Guarantee commitments</i>	24,065	772,891
<i>Letters of credit and financial guarantees</i>	3,268	7,105
Total	27,333	985,542
Customers		
<i>Provided commitments (irrevocable)</i>	18,944,100	18,547,349
<i>Guarantee commitments</i>	12,339,127	9,463,680
<i>Letters of credit and financial guarantees</i>	489,256	1,045,593
Total	31,772,483	29,056,622
Total	31,799,816	30,042,164

In 2009, the Group provided irrevocable commitments to banks in the aggregate amount of CZK 205,546 thousand, of which the most significant were commitments to Raiffeisen Zentralbank Österreich (CZK 47,045 thousand), Raiffeisenlandesbank Oberösterreich (CZK 46,656 thousand) and Tatra banka (CZK 31,104 thousand). In 2010, the Group provided no irrevocable commitments to banks.

(c) Refinancing Agreements

As of 31 December 2009, the Group was provided with a stand-by credit line facility of CZK 13,232,500 thousand (EUR 500,000 thousand) by Eastern European Invest GmbH. This contract was discontinued in early 2010.

35. OFF BALANCE SHEET COMPONENTS – FINANCIAL INSTRUMENTS

(a) Analysis of Derivative Financial Instruments – Contractual Amounts

CZK thousand	Contractual amounts	
	2010	2009
Trading instruments		
Cross currency swaps	57,420	-
Currency forwards and swaps	42,871,773	38,946,103
Interest rate swaps (IRS)	36,972,576	40,037,545
Forward rate agreements (FRA)	6,000,000	40,000,000
Option contracts (purchase)	5,302,989	9,231,297
Option contracts (sale)	5,278,243	9,154,693
Total trading instruments	96,483,001	137,369,638
Financial derivatives - total contractual amount	96,483,001	137,369,638

The Group reported no hedging instruments in 2010 and 2009.

(b) Analysis of Derivative Financial Instruments – Fair Value

CZK thousand	Fair value in 2010		Fair value in 2009	
	Positive	Negative	Positive	Negative
Trading instruments				
Cross currency swaps	540	(1,070)	-	-
Currency forwards and swaps	565,389	(416,907)	780,507	(358,082)
Interest rate swaps (IRS)	315,311	(1,064,069)	378,248	(1,049,382)
Forward rate agreements (FRA)	619	(93)	118,085	(127,729)
Option contracts (purchase)	174,744	-	580,503	-
Option contracts (sale)	-	(170,080)	-	(577,102)
Total trading instruments	1,056,603	(1,652,219)	1,857,343	(2,112,295)
Financial derivatives – total fair amount	1,056,603	(1,652,219)	1,857,343	(2,112,295)

The Group reported no hedging instruments in 2010 and 2009.

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

CZK thousand	Up to 1 year	From 1 – 5 years	Over 5 years	Total
At 31 December 2010				
Trading instruments				
Cross currency swaps	-	57,420	-	57,420
Currency forwards and swaps	41,383,402	1,488,372	-	42,871,774
Interest rate swaps (IRS)	8,608,090	23,355,259	5,009,226	36,972,575
Forward rate agreements (FRA)	6,000,000	-	-	6,000,000
Option contracts (purchase)	3,586,202	1,716,787	-	5,302,989
Option contracts (sale)	3,583,586	1,694,657	-	5,278,243
Total trading instruments	63,161,280	28,312,495	5,009,226	96,483,001
Total financial derivatives	63,161,280	28,312,495	5,009,226	96,483,001
At 31 December 2009				
Trading instruments				
Currency forwards and swaps	36,412,881	2,533,222	-	38,946,103
Interest rate swaps (IRS)	14,836,166	21,001,692	4,199,686	40,037,545
Forward rate agreements (FRA)	40,000,000	-	-	40,000,000
Option contracts (purchase)	6,169,242	3,062,055	-	9,231,297
Option contracts (sale)	6,149,878	3,004,815	-	9,154,693
Total trading instruments	103,568,167	29,601,784	4,199,686	137,369,638
Total financial derivatives	103,568,167	29,601,784	4,199,686	137,369,638

The Group reported no hedging instruments in 2010 and 2009.

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

CZK thousand	Future Cash Inflows			Future Cash Outflows		
	Up to 1 year	From 1 to 5 years	Over 5 years	Up to 1 year	From 1 to 5 years	Over 5 years
31 December 2010						
Trading instruments						
Interest rate swaps (IRS)	41,819	209,433	63,701	(132,242)	(696,393)	(241,443)
Forward rate agreements (FRA)	619	-	-	(93)	-	(540)
Total trading instruments	42,438	209,433	63,701	(132,335)	(696,393)	(241,983)
Financial derivatives – total contractual payments	42,438	209,433	63,701	(132,335)	(696,393)	(241,983)

CZK thousand	Future Cash Inflows			Future Cash Outflows		
	Up to 1 year	From 1 to 5 years	Over 5 years	Up to 1 year	From 1 to 5 years	Over 5 years
31 December 2009						
Trading instruments						
Interest rate swaps (IRS)	41,737	285,391	51,151	(319,645)	(582,153)	(151,017)
Forward rate agreements (FRA)	118,085	-	-	(127,729)	-	-
Total trading instruments	159,822	285,391	51,151	(447,374)	(582,153)	(151,017)
Financial derivatives – total contractual payments	159,822	285,391	51,151	(447,374)	(582,153)	(151,017)

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

CZK thousand	Future Cash Inflows			Future Cash Outflows		
	Up to 1 year	From 1 to 5 years	Over 5 years	Up to 1 year	From 1 to 5 years	Over 5 years
31 December 2010						
Trading instruments						
Cross currency swaps	-	57,420	-	-	(57,420)	-
Currency forwards and swaps	41,383,402	1,488,372	-	(41,243,084)	(1,495,496)	-
Option contracts (purchase)	3,586,202	1,716,787	-	(3,591,276)	(1,490,672)	-
Option contracts (sale)	3,591,276	1,490,672	-	(3,583,586)	(1,694,657)	-
Total trading instruments	48,560,880	4,753,251	-	(48,417,946)	(4,738,245)	-
Financial derivatives – total contractual payments	48,560,880	4,753,251	-	(48,417,946)	(4,738,245)	-

CZK thousand	Future Cash Inflows			Future Cash Outflows		
	Up to 1 year	From 1 to 5 years	Over 5 years	Up to 1 year	From 1 to 5 years	Over 5 years
31 December 2009						
Trading instruments						
Currency forwards and swaps	36,474,956	2,471,147	-	(36,127,408)	(2,458,248)	-
Option contracts (purchase)	6,169,242	3,062,055	-	(5,185,994)	(2,846,979)	-
Option contracts (sale)	5,672,419	2,846,979	-	(6,149,878)	(3,004,815)	-
Total trading instruments	48,316,617	8,380,181	-	(47,463,280)	(8,310,042)	-
Financial derivatives – total contractual payments	48,316,617	8,380,181	-	(47,463,280)	(8,310,042)	-

36. OTHER OFF BALANCE SHEET ASSETS - OTHER

(a) Assets Provided for Management, Administration and Custody

In the years ended 31 December 2010 and 2009, the Group provided no assets for management, administration and custody.

(b) Assets Accepted for Management, Administration and Custody

CZK thousand	2010	2009
Assets accepted for management	3,523,179	3,103,460
Assets accepted for administration	10,435,620	8,088,888
Assets accepted for custody	50	50
Total	13,958,849	11,192,398

37. SEGMENT ANALYSIS

Segments

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

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

Operating segments are represented as follows:

- Corporate banking;
- SME banking;
- Retail banking;
- Treasury and;
- Other,

The Corporate banking segment involves transactions with corporate clients with an annual turnover exceeding CZK 250 million, public sector and financial institutions.

The SME banking segment entails all medium-sized entities and individuals – businessmen with an annual turnover of up to CZK 250 million.

The Retail banking segment generally includes all private individuals including VIP clients and own employees.

The Treasury segment includes interbank transactions and securities.

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

The Group monitors amounts of net interest income and net fee and commission income, net profit/(loss) from financial operations, movements in provisions and other operating expenses by segment. Other profit and loss items are not monitored by segment.

The Group does not monitor total assets and total liabilities by segment.

The Group has no client, or a group of related parties, whose income from transactions with the Bank would account for more than 10 percent of total income of the Group.

Profit and loss items by segment (2010)

CZK thousand	Corporate entities	Small and medium-size enterprises	Retail clients	Treasury	Other	Total
31 December 2010						
Net interest income	1,835,071	1,511,250	3,126,402	245,902	275,860	6,994,485
Net fee and interest income	729,627	1,058,213	992,201	8,215	14	2,788,270
Net profit/(loss) from financial operations	2,805	695	92	(278,759)	80,404	(194,763)
Movements in provisions	(756,206)	(553,530)	(981,318)	-	-	(2,291,054)
Other operating expenses	(933,128)	(1,262,450)	(2,430,932)	(203,444)	(170,369)	(5,000,323)
Pre-tax profit	878,169	754,178	706,445	(228,086)	185,909	2,296,615
Income tax	-	-	-	-	(495,647)	(495,647)
Profit after tax	878,169	754,178	706,445	(228,086)	(309,738)	1,800,968
Reconciliation to the consolidated Statement of comprehensive income						
Share in profits from associates	-	-	-	-	1,917	1,917
Reconciled profit after tax	878,169	754,178	706,445	(228,086)	(307,821)	1,802,885

Profit and loss items by segment (2009)

CZK thousand	Corporate entities	Small and medium-size enterprises	Retail clients	Treasury	Other	Total
31 December 2009						
Net interest income	2,094,288	1,454,117	2,803,570	(263,658)	278,511	6,366,828
Net fee and interest income	627,437	883,800	820,771	20,840	8,126	2,360,974
Net profit/(loss) from financial operations	(52,913)	(124)	-	(56,981)	213,871	103,853
Movements in provisions	(870,618)	(469,212)	(530,028)	-	(1)	(1,869,859)
Other operating expenses	(786,668)	(1,212,332)	(1,991,479)	(212,429)	(297,412)	(4,500,320)
Pre-tax profit	1,011,526	656,249	1,102,834	(512,228)	203,095	2,461,476
Income tax	-	-	-	-	(540,868)	(540,868)
Profit after tax	1,011,526	656,249	1,102,834	(512,228)	(337,773)	1,920,608
Reconciliation to the consolidated Statement of comprehensive income						
Provision	73,700	-	-	-	-	73,700
Share in profits from associates	-	-	-	-	1,920	1,920
Reconciled profit after tax	1,085,226	656,249	1,102,834	(512,228)	(335,853)	1,996,228

Differences between individual lines of the segment analysis and information in the Statement of comprehensive income

The difference in *“Net interest income”* arises from the different presentation of the dividend income, income and expenses from commissions from foreign currency transactions, expense fees of synthetic securitisation and interest income from transactions with securities.

The difference in *“Net fee and commission income”* arises from the different presentation of income and expenses from commissions from foreign currency transactions and expense fees of synthetic securitisation.

The difference in *“Net profit/(loss) from financial operations”* arises from the different presentation of the dividend income, income and expenses from foreign currency transactions and interest income from transactions with securities.

“Other operating expenses” includes *“Other operating income, net”* and *“General administrative 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.

The profit after tax presented in the 2009 segment analysis differs from the profit after tax in the statement of comprehensive income by CZK 73,700 thousand which represents a provision against a guarantee issued to a client from the corporate banking segment which was included in the consolidated financial statements for the year ended 31 December 2008, but was presented in the segment analysis as an event of 2009. In addition, the profit after tax differs by the amount which represents the share in income of associates in the amount of CZK 1,917 thousand and CZK 1,920 thousand for the years ended 31 December 2010 and 2009, respectively.

38. FINANCIAL INSTRUMENTS – MARKET RISK

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

(a) Trading

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

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

The Group manages risks associated with its trading activities on the level of individual types of risks and types of financial instruments. The key risk management tools are the limits for individual transaction volumes and individual position volumes, stop loss limits and Value at Risk (VaR) limits. The quantitative methods applied to market risk management are described in *“Risk Management Methods”* in Note 38 (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 38 (d).

Liquidity Risk

Liquidity risk arises from the type of funding of the Group's activities and the management of its positions. It includes both the risk of the inability to raise funds to cover the Group's assets using instruments with appropriate maturity and the Group's ability to sell assets at a reasonable price within a reasonable time frame.

The Group has access to diversified sources of funding, which comprise deposits and other savings, issued securities, loans accepted including subordinated loans, and also the Group's equity. This diversification makes the Group flexible and reduces its dependency on one source of funding. The Group regularly evaluates its liquidity exposures, in particular by monitoring the changes in the structure of financing and comparing these changes with the Group's liquidity risk management strategy, which is approved by the Group's Board of Directors. As part of its liquidity risk management strategy, the Group also holds a portion of its assets in highly liquid funds, such as government treasury bills and similar bonds and repurchase transactions with the Czech National Bank. The Group uses internal statistical models for diversification of the maturity of client deposits. These models are reassessed on a regular basis.

The following table shows the remaining maturity of contractual cash flows arising from financial liabilities. Contractual cash flows from derivatives are analysed in the tables in Notes 35 (d) and 35 (e).

Analysis of financial liabilities according to remaining maturity

CZK thousand	Total contractual liability	Up to 3 months	3 - 12 months	1 - 5 years	Over 5 years
2010					
Amounts owed to financial institutions	25,149,679	5,509,040	6,028,872	12,910,845	700,922
Amounts owed to customers	127,329,866	115,008,800	5,349,027	3,495,088	3,476,951
Debt securities issued	17,550,990	3,340,497	3,151,291	8,652,382	2,406,820
Subordinated loan	4,245,189	47,439	49,171	4,148,579	-
Other liabilities	2,934,410	2,926,803	7,607	-	-
Provided loan commitments to banks and customers	18,944,100	18,944,100	-	-	-
2009					
Amounts owed to financial institutions	29,290,935	6,805,448	1,978,404	18,986,036	1,521,047
Amounts owed to customers	130,633,713	117,023,127	10,229,114	3,251,027	130,445
Debt securities issued	17,202,963	5,060,283	2,255,388	7,363,737	2,523,555
Subordinated loan	4,505,269	7,560	46,312	2,960,542	1,490,855
Other liabilities	2,790,758	2,777,939	3,972	8,847	-
Provided loan commitments to banks and customers	18,752,895	18,752,895	-	-	-

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 Bank's assets and liabilities, including the currency-sensitive off balance sheet items. 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 38 (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 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 Bank's Board of Directors. In managing the interest rate risk, the Group uses (as in the case of liquidity management) statistical models for distribution of those items where it is unable to determine the exact moment of repricing of interest rates (for example on current accounts). The Group mostly uses interest rate derivatives to manage the mismatch between the 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 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 period in which they are due or in which the interest rate changes, whichever occurs first. Certain assets or liabilities are allocated to individual periods on the basis of an expert estimate due to the anticipated preliminary repayment or undefined maturity dates.

Equity Risk

Equity risk is the risk of fluctuations of the prices of equity instruments held in the Group's portfolio and financial derivatives related to these instruments. This risk predominantly arises from trading with equity instruments although a portion of equity exposure is also attributable to non-trading activities of the Group. Equity risk is managed by trading limits. The equity risk management methods are described in "Risk Management Methods" in Note 38 (d).

(c) Fair values of financial assets and liabilities

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

i) Cash and balances with central banks

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

ii) Loans and advances to financial institutions

Carrying amounts of loans and advances to financial institutions due within 180 days in principle approximate their fair values. Fair values of other loans and advances to financial institutions are estimated using discounted cash flows based on common rates in similar types of investments (market rates adjusted by the credit risk). Fair values of default loans of financial institutions are estimated on the basis of discounted cash flows, fair values of loss loans are equal to their collateral values.

iii) Loans and advances to customers

Fair values of loans with variable interest rate which are frequently remeasured and the change of the credit risk is insignificant in principle approximate their carrying amounts. Fair values of loans with fixed interest rate are estimated based on discounted cash flows using the interest rate common in loans with similar conditions and due dates and provided to debtors with similar risk rating. Fair values of default loans are estimated based on discounted cash flows including the potential collateral realisation.

iv) Securities held to maturity

Fair values of securities carried in the held to maturity portfolio are estimated based on discounted cash flows using the interest rate common as of the consolidated balance sheet date.

v) Amounts owed to financial institutions and customers

Fair values reported in respect of loans on request match amounts payable on demand (i.e. their carrying amounts) at the consolidated balance sheet date. Carrying amounts of term deposits with variable rate are principally equal to their fair values as of the balance sheet date. Fair values of deposits with fixed interest rate are estimated based on discounting of cash flows using market interest rates. Amounts owed to financial institutions and customers with fixed interest rate represent only an insignificant part of the total carrying amount. For this reason, the fair value of total amounts owed to financial institutions and customers does not significantly differ from the carrying amount as of the balance sheet date.

vi) Debt securities issued

Fair values of debt securities issued by the Group are determined on the basis of updated market prices. If market prices are not available, fair values are estimates of the Group.

vii) Subordinated loan

Fair values of the subordinated loan are estimated based on discounting cash flows using market interest rates and reflecting liquid costs of the Group.

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

CZK thousand	2010		2009	
	Carrying amount	Fair value	Carrying amount	Fair value
Assets				
Cash and balances with central banks	3,444,727	3,444,727	5,260,053	5,260,053
Loans and advances to financial institutions	6,805,894	6,804,899	23,820,498	23,821,478
Loans and advances to customers	155,931,680	157,574,002	140,497,442	141,195,351
Securities held to maturity	14,483,575	14,665,000	14,875,729	14,998,935
Liabilities				
Amounts owed to financial institutions	24,476,526	24,516,018	28,293,962	28,330,147
Amounts owed to customers	126,010,052	126,357,992	130,203,103	130,231,776
Debt securities issued	16,263,756	15,671,166	15,814,134	15,796,101
Subordinated loan	3,968,706	3,974,940	4,191,063	4,198,048

Financial instruments at fair value

CZK thousand	Fair value at 31 Dec 2010		Fair value at 31 Dec 2009	
	Fair value according to the price quoted on the active market	Fair value derived from market data	Fair value according to the price quoted on the active market	Fair value derived from market data
Positive fair values of financial derivative instruments	-	1,056,603	-	1,857,343
Securities at fair value through profit or loss	8,762,652	-	5,963,523	124,264
Securities available for sale	-	6,877	-	8,322
Total	8,762,652	1,063,480	5,963,523	1,989,929

CZK thousand	Fair value at 31 Dec 2010		Fair value at 31 Dec 2009	
	Fair value according to the price quoted on the active market	Fair value derived from market data	Fair value according to the price quoted on the active market	Fair value derived from market data
Negative fair values of financial derivative instruments	-	1,652,219	-	2,112,152
Total	-	1,652,219	-	2,112,152

Part of the securities available for sale not included in the above table are measured at cost due to the impossibility to reliably determine their fair value.

The Group holds no financial instruments that would be measured using techniques based on input information not based on data identifiable on the market.

(d) Risk Management Methods

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

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

CZK thousand	At 31 December 2010	Average in 2010	At 31 December 2009	Average in 2009
Total market risk VaR	16,533	16,601	11,378	13,121

Interest Rate Risk

The Group monitors interest rate risk of the banking book and the trading book separately, at the level of individual currencies. The interest rate position is monitored based on a gap analysis method, in combination with the sensitivity of the overall position to the shift in the interest rate curve (BPV). The gap analysis is based on the net position of notional values presented in a yearly equivalent (that is, the position converted to the risk of the yearly interest rate instrument using a duration coefficient). The BPV technique (basis point value) involves determining the change of the present value of the portfolio when interest rates shift by one basis point (0.01 percent). These techniques are complemented by monitoring interest rate risks using Value at Risk.

CZK thousand	At 31 December 2010	Average in 2010	At 31 December 2009	Average in 2009
Total interest rate risk VaR	16,800	16,454	11,359	12,890
<i>Interest rate risk VaR – banking book</i>	17,181	16,705	11,246	12,700
<i>Interest rate risk VaR – trading book</i>	824	1,171	241	1,135

Currency Risk

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

CZK thousand	At 31 December 2010	Average in 2010	At 31 December 2009	Average in 2009
Currency risk VaR	1,316	1,424	388	1,388

Equity Risk

Market risks arising from the Group's equity trading activities are managed using the Value at Risk method. Value at Risk represents the potential loss arising from an adverse movement on the market within a certain time period with a certain confidence level.

CZK thousand	At 31 December 2010	Average in 2010	At 31 December 2009	Average in 2009
Equity risk VaR	1	115	39	341

Stress Testing

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

Operational Risk

In accordance with Basel II, operational risk is defined as the risk of the Group's loss arising from the inappropriateness or failure of internal processes, human errors or failures of systems or the risk of loss arising from external events. The Group monitors, tracks and assesses these risks on a regular basis and undertakes measures aimed at minimising these risks. The Bank applies the standardised approach to calculating capital adequacy, it intends to implement the advanced (AMA) approach in the future.

The basic principal is the responsibility of each employee for the identification and escalation of the operational risk which is within his/her responsibility 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 collection of data on losses caused by operational risks, risk self-assessment and key risk indicators.

The objective of collecting data on operational risk events is not just to accumulate information but predominantly to analyse the causes of such events. More serious cases are presented to and discussed by the Operational Risk Management Committee. Through the Operational Risk Management Committee, the Group also proposes 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.

Risk self-assessment is designed to identify areas with a high operational risk within the Group. Results impact priorities in the focus of the Operational Risk Department in the Group. The assessment is performed on an annual basis and also serves to estimate anticipated losses on operational risk.

In respect of areas with an identified significant risk the Group has implemented a set of key risk indicators. As part of further procedures, the Group plans to implement a set of key risk indicators, particularly for segments where high risk is involved, which will serve as an early warning system and criteria for evaluating operational risk exposure. When using the key risk indicators, the Group continues to share results in the Raiffeisen group.

Capital Risk Management

The main tools used to manage capital risk include pertaining to minimum capital adequacy requirements.

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from 2006.

39. FINANCIAL INSTRUMENTS – CREDIT RISK

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

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

(a) Assessment and Classification of Receivables

The Bank assesses its receivables in accordance with the principles determined by the CNB's Regulation dated 15 May 2007 on the rules of prudent business of banks, savings and lending associations and securities traders (Collection of Laws No. 123/2007), as amended (hereinafter the "Regulation of the Czech National Bank"), and also in accordance with IFRS and IAS 39 and internal regulations.

The Group assesses receivables based on the fulfilment of the criteria. Individual receivables are classified into five categories according to the Regulation of the Czech National Bank. For each client, each criterion is evaluated individually and the receivable is subsequently classified on the basis of the worst rating of the criteria to one of the following categories: standard, watch, substandard, doubtful, and loss. Substandard, doubtful and loss receivables are aggregately designated as receivables with debtor's default. If the Group records more receivables from one client, they are all classified in the same category, based on the receivable with the least favourable rating. This rule does not apply to retail receivables where the default and sub-categories are allocated on the level of receivables rather than the client.

The classification is performed on a monthly basis, with the key criteria being:

- Number of days past maturity;
- Financial position of the debtor – client/transaction rating;
- Restructuring of the repayment schedule;
- Declaration of bankruptcy;
- Other individually assessed events relating to the anticipated customer's compliance with contractual obligations

(b) Provisioning for Receivables

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

The Group applies the portfolio approach in respect of individually assessed receivables where no impairment was noted individually. In this case, the Group also determines impairment of the portfolio of similar individually unimpaired loans. If the Group does not have multiple similar loans in the particular portfolio, the portfolio approach is not applied.

The Group applies the portfolio approach to all receivables. Selected receivables in the SME and CORP segments are provisioned on an individual basis. Problematic receivables are dealt with by the Workout division and significant (in terms of volume) loans are assessed by the Problem Loan Committee.

Provisions are recognised by reference to the assessment of all available information, including the estimated collateral value and the anticipated length of the recovery process.

The level of individual provisions is determined based on the expert cash flow. The value of the future cash flows of retail receivables is estimated on the basis of the historical behaviour of similar receivables and historical success of the recovery process. The value of the future cash flows of other receivables is derived from the anticipated repayment schedule of the loan established either on the basis of the data entered in the banking system ('contractual cash flow') or on the basis of an expert assessment of the current financial health of the client (including the cash flows arising from a possible realisation of collateral, repayment of the outstanding balance using the proceeds from the bankruptcy or gains on the sale of receivables).

During the year ended 31 December 2010, the Group started implementing a new model of portfolio provisioning for non-retail receivables. The change was implemented for clients in corporate clients segment, SME and project financing. Portfolio provisions are calculated based on the anticipated development of the loan portfolio.

The Group determines provisions for receivables on a monthly basis.

(c) Evaluation of Collateral

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

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

In arriving at the realisable value of collateral, the Bank refers to estimates of usual prices supervised by a specialised department of the Group or internal assessments prepared by this department of the Group. The realisable value of collateral is subsequently determined by discounting the appraised value using a correction coefficient which reflects the Group's ability to realise the collateral as and when required. The Group regularly reviews and updates collateral values and correction coefficients depending on the type and quality of the collateral, usually on an annual basis.

(d) Credit Risk Measurement Methods

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

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

(e) Concentration of Credit Risk

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

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

(f) Recovery of Receivables

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

(g) Securitisation

In 2006, the Group undertook a synthetic securitisation of its loan portfolio from the Corporate Banking segment. The substance of the transaction involves transferring part of the credit risk to the investor which is Kreditanstalt für Wiederbau (KfW).

The Group entered into the securitisation transaction jointly with Raiffeisen Bank Polska S.A. and the process was coordinated by Raiffeisen International Bank-Holding AG. Kreditanstalt für Wiederbau (KfW), with the involvement of European Investment Fund. Dresdner Bank AG acted as the arranger and Clifford Chance acted as the legal counsel. The rating of the loan portfolio was established by Moody's. The entire transaction will mature in 2016 and its original volume is EUR 450 million, of which EUR 183 million and EUR 267 million relate to the Bank and Raiffeisen Bank Polska S.A., respectively, in March 2006. At the end of 2010, the Bank's portion amounted to EUR 193 million.

(h) Portfolio quality

The rating which represents the portfolio quality is an internal rating used by the Raiffeisen Group in the interval from 1 to 5, where 1 represents excellent credit standing and 5 represents default. The rating in the interval from 6.1 to 6.5 is used for project financing where 6.1 represents excellent credit standing and 6.5 represents default.

CZK thousand

Rating	Rating	2010	2009
<i>Excellent credit rating</i>	1.0	1,485,783	1,378,536
<i>Very good credit rating</i>	1.5	4,109,812	4,083,998
<i>Good credit rating</i>	2.0	6,107,230	5,685,627
<i>Healthy credit rating</i>	2.5	9,192,514	6,584,459
<i>Acceptable credit rating</i>	3.0	13,577,399	13,605,752
<i>Limit credit rating</i>	3.5	9,550,218	9,840,753
<i>Weak credit rating</i>	4.0	4,980,965	7,054,451
<i>Very weak credit rating /monitored</i>	4.5	2,171,086	3,166,688
<i>Default</i>	5.0	5,178,434	4,833,017
<i>Excellent project profile – very low risk</i>	6.1	12,344,951	11,406,012
<i>Good project profile – low risk</i>	6.2	8,771,941	5,786,329
<i>Acceptable project profile – average risk</i>	6.3	1,134,315	321,889
<i>Bad project profile – increased risk</i>	6.4	829,696	969,491
<i>Default</i>	6.5	98,554	142,128
<i>Retail and SME: past due date</i>	-	8,782,649	6,244,503
<i>Retail and SME: before due date</i>	-	67,616,133	64,588,016
Total		155,931,680	145,691,649

(i) Credit Quality of Undue and Individually Unimpaired Loans to Customers

The Group has the following undue and individually unimpaired financial assets according to its rating:

CZK thousand

Rating	Rating	2010	2009
Excellent credit rating	1.0	1,382,064	1,378,537
Very good credit rating	1.5	4,108,478	4,046,752
Good credit rating	2.0	5,959,092	5,585,892
Healthy credit rating	2.5	8,682,961	6,515,738
Acceptable credit rating	3.0	13,107,686	13,335,366
Limit credit rating	3.5	9,114,494	9,632,700
Weak credit rating	4.0	4,504,016	6,480,651
Very weak credit rating /monitored	4.5	1,361,093	2,199,398
Default	5.0	153,662	80,033
Excellent project profile – very low risk	6.1	11,401,668	10,904,027
Good project profile – low risk	6.2	8,228,419	5,676,309
Acceptable project profile – average risk	6.3	1,107,974	244,202
Bad project profile – increased risk	6.4	318,375	701,309
Retail and SME	-	67,616,133	64,588,016
Total loans undue and unimpaired loans to customers to clients		137,046,115	131,368,930

40. ACQUISITIONS AND DISPOSALS IN THE CONSOLIDATION GROUP

(a) Acquisitions for the Year Ended 31 December 2010

In 2010, the Group acquired a 50% equity investment in DEBITUM dluhová agentura a.s and a 49% equity investment in CCRB, a.s. The following table shows the fair values of assets, liabilities, goodwill/negative goodwill in the entities referred to above as of the acquisition date.

In 2010, the Group implemented no mergers.

CZK thousand	Fair value as of the acquisition date		
	DEBITUM dluhová agentura a.s.	CCRB, a.s.	Total
Assets			
Receivables from financial institutions	2,500	49,000	51,500
Fair value of identifiable net assets	2,500	49,000	51,500
Goodwill / (Negative goodwill)	-	-	-
Cost of investment	(2,500)	(49,000)	(51,500)
Cash and cash equivalent	2,500	49,000	51,500
Cash inflow/(outflow) from the acquisition	-	-	-

(b) Acquisitions for the Year Ended 31 December 2009

Raiffeisenbank a.s. purchased the 100 percent equity investment in Notos Property, s.r.o. from Raiffeisen Leasing Real Estate, s.r.o. which was subsequently renamed to Transaction System Servis s.r.o. as of the acquisition date. The entity is immaterial in the Group.

In 2009, the Group implemented no mergers.

(c) Disposals for the Year Ended 31 December 2010

In 2010, the Group sold the 2.5% equity investment in Aither Property, s.r.o. and PV Čekanice, s.r.o.

The following table summarises the assets and liabilities of the companies disposed of at the disposal date.

CZK thousand	Fair value at the sale date		
	Aither Property, s.r.o.	PV Čekanice, s.r.o.	Total
Assets			
Loans and advances to financial institutions	28	19	47
Tangible and intangible fixed assets	821	812	1,633
Other assets	4	3	7
Liabilities			
Other liabilities	(786)	(829)	(1,615)
Fair value of identifiable net assets	67	5	72
Selling price of the investment	1	1	2
Gain/(loss) from sale	(66)	(4)	(70)
Cash and cash equivalents	(28)	(19)	(47)
Cash inflow/(outflow) resulting from sale	(27)	(18)	(45)

The fair value of the identifiable net assets of the joint ventures represents the proportionate share of the Group.

(d) Disposals for the Year Ended 31 December 2009

In 2009, the Group sold the 22.5 percent equity investment in Aither Property, s.r.o. and PV Čekanice, s.r.o. and the 12.5 percent equity investment in ACB Ponava, s.r.o.

The following table summarises the assets and liabilities of the companies disposed of at the disposal date.

CZK thousand	Fair value at the sale date			
	Aither Property, s.r.o.	PV Čekanice, s.r.o.	ACB Ponava, s.r.o.	Total
Assets				
Loans and advances to financial institutions	35	44	7	86
Tangible and intangible fixed assets	83	-	30,678	30,761
Other assets	-	-	198	198
Liabilities				
Amounts owed to financial institutions	-	-	(35,305)	(35,305)
Other liabilities	(84)	(2)	(342)	(428)
Fair value of identifiable net assets	34	42	(4,764)	(4,688)
Selling price of the investment	41	41	13	95
Gain from sale	7	(1)	4,777	4,783
Cash and cash equivalents	(35)	(44)	(7)	(86)
Cash inflow/(outflow) resulting from sale	6	(3)	6	9

The fair value of the identifiable net assets of the joint ventures represents the proportionate share of the Group.

41. RELATED PARTY TRANSACTIONS

(a) Related Party Transactions

31 December 2010

CZK thousand	Shareholders and controlling entities	Other	Total
Receivables	1,408,407	232,639	1,641,046
Payables	16,595,672	365,905	16,961,577
Subordinated loan	2,937,315	1,031,391	3,968,706
Guarantees issued	15,178	7,480	22,658
Guarantees received	3,010,167	35,000	3,045,167
Interest income	16,619	6,565	23,184
Interest expense	(385,465)	(33,380)	(418,845)
Fee and commission income	17,587	3,119	20,706
Fee and commission expense	(5,611)	(23,995)	(29,606)
Net profit or loss on financial operations	(182,483)	8,933	(173,550)

The receivables are principally composed of the following deposits with:

- Raiffeisenlandesbank Niederösterreich in the amount of CZK 1,100,379 thousand.

Credit balances on the current account:

- Raiffeisen Bank International AG in the amount of CZK 25,514 thousand.

Term deposit:

- Raiffeisenbank ZAO in the amount of CZK 101,199 thousand.

Provided collateral:

- Raiffeisen Bank International AG in the amount of CZK 282,426 thousand.

The payables are principally composed of the following loans from:

- Raiffeisen Bank International AG in the amount of CZK 15,051,261 thousand; and
- Raiffeisenlandesbank Niederösterreich in the amount of CZK 752,981 thousand.

Short-term term deposits:

- Raiffeisen Bank International AG in the amount of CZK 324,874 thousand.

Debit balances on the current account:

- Raiffeisen Bank International AG in the amount of CZK 233,720 thousand.

Subordinate loans from:

- Raiffeisen Bank International AG in the amount of CZK 1,228,986 thousand;
- Raiffeisen Malta Bank in the amount of CZK 1,031,391 thousand;
- Raiffeisenlandesbank Niederösterreich in the amount of CZK 725,007 thousand; and
- Raiffeisenlandesbank Oberösterreich AG in the amount of CZK 983,322 thousand.

31 December 2009

CZK thousand	<i>Shareholders and controlling entities</i>	<i>Other</i>	<i>Total</i>
Receivables	1,064,486	501,034	1,565,520
Payables	17,851,477	66,091	17,917,568
Subordinated loan	3,101,889	1,089,174	4,191,063
Guarantees issued	752,049	20,000	772,049
Guarantees received	663,603	-	663,603
Interest income	22,672	13,934	36,606
Interest expense	(624,773)	(47,286)	(672,059)
Fee and commission income	26,988	5,651	32,639
Fee and commission expense	(8,177)	(98,009)	(106,186)
Net profit or loss on financial operations	(112,468)	45,909	(66,559)

The receivables are composed of the following deposits with:

- Raiffeisen Zentralbank Österreich AG in the amount of CZK 659,305 thousand;
- Raiffeisen Centrobank in the amount of CZK 264,656 thousand;
- Raiffeisen Zrt. in the amount of CZK 58,844 thousand; and
- Raiffeisen bank Polska in the amount of CZK 89,934 thousand.

Reverse repurchases:

- Raiffeisen Zentralbank Österreich AG in the amount of CZK 108,462 thousand.

Credit balances on bank accounts:

- Raiffeisen Zentralbank Österreich AG in the amount of CZK 122,590 thousand; and
- Raiffeisenbank ZAO in the amount of CZK 60,449 thousand;

Provided collateral:

- Raiffeisen Zentralbank Österreich AG in the amount of CZK 171,229 thousand.

The payables are principally composed of the following loans from:

- Raiffeisen Zentralbank Österreich AG in the amount of CZK 16,687,257 thousand.

Short-term deposits:

- Raiffeisen Zentralbank Österreich AG in the amount of CZK 207,670 thousand.

Debit balances at bank accounts:

- Raiffeisen Zentralbank Österreich AG in the amount of CZK 706,980 thousand.

Subordinated loans from:

- Raiffeisen Zentralbank Österreich AG in the amount of CZK 1,297,830 thousand;
- Raiffeisen Malta Bank in the amount of CZK 1,089,174 thousand;
- Raiffeisenlandesbank Niederösterreich in the amount of CZK 765,641 thousand; and
- Raiffeisenlandesbank Oberösterreich AG in the amount of CZK 1,038,418 thousand.

(b) Receivables from Parties with a Special Relation to the Group

CZK thousand	<i>Management bodies</i>	<i>Supervisory bodies</i>	<i>Other</i>
At 31 December 2009	25,885	3,070	88,051
At 31 December 2010	18,014	9,504	62,229

This amounts presented in the table mainly involve consumer and mortgage loans. The loans are provided under arm's length conditions.

(c) Payables to Parties with a Special Relation to the Group

CZK thousand	<i>Management bodies</i>	<i>Supervisory bodies</i>	<i>Other</i>
At 31 December 2009	16,181	3,833	48,013
At 31 December 2010	37,251	4,906	36,050

Members of the Board of Directors held no shares of the Group. Remuneration of the members of the Board of Directors are disclosed in Note 14.

42. POST BALANCE SHEET EVENTS

No events that would have a material impact on the consolidated financial statements for the year ended 31 December 2010 occurred subsequent to the balance sheet date.

General Information about the Issuer

Company name:

Raiffeisenbank a.s.

Registered office:

Hvězdova 1716/2b, 140 78 Praha 4

Company registration number: 49240901

Incorporated:

25 June 1993

Court of registration and number under which the issuer is registered at this court:

Commercial Register maintained at the Municipal Court in Prague, Section B, Insert 2051

The issuer was established in accordance with the legislation of the Czech Republic, pursuant to Act No. 513/1991 Coll., the Commercial Code, and Act No. 21/1992 Coll., the Act on Banks. The issuer is a joint-stock company.

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

As of 31 December 2010, Raiffeisenbank a.s. owns the following real estate:

In the land registry area of Hradec Králové, parcel number: construction parcel No. 103, additional land area No. 76, Title Deed No. 20767, Identification Code: 646873, Address: V Kopečku 75, 500 02 Hradec Králové.

Raiffeisenbank a.s. (the issuer) is not party to any court, administrative, or arbitration proceedings instituted during the past two accounting periods which had or could have a significant effect on the issuer's financial position.

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

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

Section 118(4) letter a:

The bank declares that it is not aware of any conflicts of interest between the obligations of entities in the administrative, management, or supervisory bodies of the bank and its private interests or other obligations.

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 (3 "Es")
- Reliability of internal management and controls, including the protection of assets
- Harmonisation with the rules and regulations

Key concepts of Internal Control:

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

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

Kontrolní činnosti zahrnují zejména:

- kontrolu po linii řízení,
- přiměřené kontrolní mechanismy pro jednotlivé procesy v bance,
- fyzickou kontrolu.

Control activities include, 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.

The procedures for control activities are contained in the internal regulations of the bank and consist of approval procedures, authorisation, verification, approval, reconciliation, control of performance, securing assets, separation of obligations, or establishing rights and obligations. Compliance with the established procedures and their adequacy is regularly verified.

Section 118(4) letter c:

The statutory body of the bank is the Board of Directors. The bank's Board of Directors has seven members. The members of the Board of Directors are elected and recalled by the Supervisory Board, with a term of office of five years. One of the members of the Board of Directors is elected as the Chairperson of the Board of Directors. 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 Chairperson of the Board is decisive. In addition to meetings, the Board of Directors may also make decisions through per-rollam voting.

The Supervisory Board is the supervisory body of the company. The Supervisory Board has nine members, six of which are elected and recalled by the General Meeting of the company, and three of which are elected and recalled by the employees of the company. Members serve a term of five years. One of the members of the Supervisory Board is also elected Chairperson of the Supervisory Board. The Supervisory Board constitutes a quorum if the majority of its members are present. A simple majority of votes of all Supervisory Board members is required to adopt resolutions. In addition to meetings, the Supervisory Board may also make decisions through per rollam voting.

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

The Executive Committee has four members, who are elected and recalled by the General Meeting of the company. Members of the Executive Committee may also be members of the Supervisory Board. The term of office for members of the Executive Committee is four years. One of the members of the Executive Committee is also elected Chairperson of the Executive Committee. The Executive Committee is a body of the shareholders, which ensures that the company's business activities are in accordance with the interests of the shareholders. The Executive Committee constitutes a quorum if all of its members are present at a meeting. The agreement of all members of the Executive Committee is necessary to adopt resolutions. In addition to meetings, the Executive Committee may also make decisions through per rollam voting.

The Audit Committee has three members who are appointed or recalled by the General Meeting of the company. They are appointed from members of the Supervisory Board or third parties. The term of office for members of the Audit Committee is five years. One of the members of the Audit Committee is elected Chairperson of the Audit Committee. The Audit Committee constitutes a quorum if at least two of its members are present at a meeting. Agreement by a majority of all members of the Audit Committee is required to adopt resolutions. In addition to meetings, the Audit Committee may also make decisions through per rollam voting.

A total of ten committees established by the Board of Directors exist in the company. These are as follows:

Assets and Liabilities Committee	Retail Credit Risk Management Committee
Credit Committee	Operational Risk Management Committee
Non-performing Loans Committee	Project Committee
Pricing and Interest Committee	Real Estate Investment Committee
Investment Committee for Asset Management	Marketing Committee

Each committee has a set number of members who are selected from either the Board of Directors or the bank managers. Each committee has a Chairperson, who is always a member of the Board of Directors. Each committee has rules of procedure approved by the Board of Directors that define its competence and manner of making decisions. 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.

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. There are no special rights or obligations associated with the company's shares, with the exception of those relating to the relevant provisions of the Commercial Code and the Articles of Association of the company.

Section 118(4) letter e:

The competence of the General Meeting of the company is defined in the Commercial Code and the Articles of Association of the company.

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 three shareholders whose share in the registered capital and the voting rights is 51%, 25% and 24%. 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).

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 by the Board of Directors in accordance with Section 210 of the Commercial Code 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 in association with the provisions for approving an increase in the registered capital in accordance with Section 210 of the Commercial Code,
- c) Decisions to reduce the registered capital and to issue bonds in accordance with Section 160 of the Commercial Code,
- d) Election and recall of members of the Supervisory Board and other bodies specified in the Articles of Association, with the exception of members of the Supervisory Board elected and recalled by the employees,
- e) Approval of regular or exceptional accounting statements and consolidated financial statements, including, in legally mandated cases, temporary financial statements, decisions on profit allocation, 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 the dissolution or change of legal form,
- i) Decisions on the conclusion of contracts for the transfer of the firm or its significant portion and/or its lease, or decisions on the conclusion of such contracts by controlled entities,
- j) Approval of actions taken in the name of the company until its establishment in accordance with Section 64 of the Commercial Code,
- k) Approval of controlling contracts (Section 190b of the Commercial Code), contracts for the transfer of profit (Section 190a of the Commercial Code) and contracts for silent partnerships and their modification,
- l) Approval of the conclusion of contracts, based upon which the company is to acquire or appropriate assets, if the value of the assets acquired or appropriated during a single accounting period exceeds one third of the equity capital based upon the most recent duly compiled accounting statements of the company, or the consolidated financial statement, respectively,
- m) Appointment and recall of members of the Audit Committee,
- n) Decisions on other matters which the Commercial Code, other generally binding legal regulations, 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:

			<i>monetary income</i>		<i>natural income</i>
Board	<i>from issuer</i>	<i>total wages for CEO and executive directors</i>	151 217 835	96%	
		<i>others</i>	6 366 000	4%	
		<i>totally</i>	157 583 835		836 466
	<i>from entities controlled by the issuer</i>		12 000		0
Supervisory Board	<i>from issuer</i>	<i>total wages for employees</i>	6 971 312	100%	
		<i>others</i>	0	0%	
		<i>totally</i>	6 971 312		0
	<i>from entities controlled by the issuer</i>		216 000		0
Other Management	<i>from issuer</i>	<i>total wages for employees</i>	20 493 082	100%	
		<i>others</i>	0	0%	
		<i>totally</i>	20 493 082		135 610
	<i>from entities controlled by the issuer</i>		6 000		

3years bonus paid in 2010 included.

Section 118(4) letter g:

The top managers of the issuer or closely related individuals shall not own stock or similar securities representing a share in the issuer, nor hold any options or similar investment instruments related to the stock or similar security representing a share in the issuer, nor be 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

In accordance with Act no. 21/1992 Coll., on Banks, board members are in the position of head employees of the bank (Chief Executive Officer and Executive Directors) and have fixed wages for performing this function (see below). The board members are remunerated by the issuer for performing the activities of the statutory body in accordance with the agreement on performance of the function of board member. The principles contained in the agreement on performance of the function of board member are:

- Fixed wage for performance as a board member (paid by the issuer and approved by the majority shareholder),
- Flexible wage for performance as a board member upon fulfilment of the financial and non-financial criteria (paid by the issuer, approved by the majority shareholder),
- Financial criteria: reaching the set amount of profit after tax, the ratio of costs to operating revenue, return on risk-weighted capital, 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.

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 approves payment.

The board members have company cars at their disposal for a total purchase price of CZK 7,107,970.

Remuneration of the Chief Executive Officer

- Fixed wage for performance as the CEO (paid by the issuer, approved by the supervisory board of the issuer).

Remuneration of Executive Directors

- Fixed wage for performance as an Executive Director (paid by the issuer, approved by the majority shareholder).

The above-mentioned principles of remuneration for board members who are also top managers are valid as of April 2007.

Remuneration of supervisory board members

The supervisory board members are

- a) appointed by the general meeting of the issuer (six members), and
- b) elected from among the employees of the company (three members).

The supervisory board members do not receive any monetary or natural income from the issuer for performance as supervisory board members.

Remuneration of supervisory board members elected from among the employees

- Fixed wage for their work performance as employees of the issuer (paid by the issuer, approved by the issuer),
- Flexible wage for their work performance as employees upon fulfilment of the financial and non-financial criteria (paid by the issuer, approved by the issuer),
- Financial criteria: reaching the set amount of profit after tax, the ratio of costs to operating revenue, return on risk-weighted capital,
- Non-financial criteria: meeting the goals relating to employee's work performance.
- The supervisory board members have company cars at their disposal for a total purchase price of CZK 1,259,190.

The supervisory board members elected from among the employees do not receive any monetary or natural income from the issuer for performance as supervisory board members. The supervisory board members receive remuneration from the entity controlled by the issuer due to their employment relationship to this entity.

Remuneration of other top managers of the issuer

- Monetary or natural income only for work performance of the employee of the issuer, and not for activities of other top managers,
- Fixed wage for work performance as an employee of the issuer (paid by the issuer, approved by the issuer),
- Flexible wage for work performance as an employee upon fulfilment of the financial and non-financial criteria (paid by the issuer, approved by the issuer),
- Financial criteria: reaching the set amount of profit after tax, the ratio of costs to operating revenue, return on risk-weighted capital,
- Non-financial criteria: meeting the goals relating to employee's work performance,
- Other top managers have company cars at their disposal for a total purchase price of CZK 3,997,740.

The principles of remuneration for the top managers of the issuer and the members of the supervisory board are established by the shareholders following agreement with the issuer. An amount equal to 1% of the purchase price of the cars used for private purposes times the number of months used and the value of fuel for private use are included in natural income.

Identification of top managers of the issuer and description of their job function, duties associated and executive authority:

Lubor Žalman, Chairman of the Board of Directors and CEO, Executive Director of Internal Audit, Finance, Compliance, Administration, and HR.

Marion Drosc, Vice-Chairman of the Board of Directors and Deputy CEO

Rudolf Rabiňák, board member and Executive Director of Corporate Banking

Martin Kolouch, board member and Executive Director of IT and Organisation

Jan Kubín, board member and Executive Director of Operations

Alexandr Borecký, board member and Executive Director of Risk Management

Tomáš Görtler, Executive Director of Real Estate and Structured Financing

Petr Vitásek, Executive Director of Administration

Karel Soukeník, Executive Director of Finance

Jiří Čapek, Executive Director of Retail

Jan Pudil, Executive Director of the Treasury and Investment Banking

Pavel Trcka, Proxy (His employment and position as Proxy were terminated on 31 August 2010)

Herbert Stepic, Chairman of the Supervisory Board

Kurt Bruckner, supervisory board member

Rainer Franz, supervisory board member

Klemens Haller, supervisory board member

Kurt Hütter, supervisory board member

Reinhard Karl, supervisory board member

Milena Syrovátková, supervisory board member

Josef Malíř, supervisory board member

Jan Horáček, supervisory board member

Section 118(3) letter j:

The bank was one of the first to fully comply with the Code of the Czech Banking Association – Standard no.19/2005, which institutes uniform guidelines governing the behaviour of banks towards their clients, especially with regard to the clients' right to access information. The Code in its entirety is available at [www.rb.cz/O bance](http://www.rb.cz/O_bance).

RZB Code of Conduct is valid for all employees of the Raiffeisen Group. The Code defines the basic values of our bank and constitutes the foundation of corporate culture that is conformity with the law and that is oriented on ethic principles. The RZB Group Code of Conduct in English can be found at www.rb.cz/en/information-service

As a full member of the Czech Capital Market Association (AKAT), the bank is bound by the Code of Ethics of the Capital Market Association. The AKAT Code of Ethics is a collection of rules, principles, guidelines and standards governing the provision of investment and related services in the field of investment management by AKAT members. The Code is based on the business activities of AKAT and creates rules formulating and developing the ethical behaviour and commercial culture on the market, while also attempting to ensure equal conditions for individual market players within the scope of competition. The Code in its entirety is available at www.akatcr.cz/dokumenty AKAT.

Section 118(3) letter k:

Information on remuneration received by auditors during the accounting period, shown by individual type of service and separately for the issuer and the consolidated whole:

CZK thousand	2010	2009
Individually for RB		
Audit	(9,147)	(8,287)
Tax consulting	(3,252)	(2,127)
Other consulting	(840)	(1,977)
Consolidated		
Audit	(10,059)	(9,989)
Tax consulting	(4,191)	(2,495)
Other consulting	(943)	(2,017)

Information about Securities

BOND PROGRAMME FOR RAIFFEISENBANK A.S. MORTGAGE BONDS

Maximum volume of unpaid bonds: CZK 3,000,000,000

Duration of programme: 10 years

Maturity of any bonds issued in the programme: 5 years

The bond programme for mortgage bonds with a maximum unpaid bond volume of CZK 3,000,000,000, with a programme duration of 10 years and a maturity of 5 years for any bonds issued in this programme. The prospectus for the bond programme containing the general issuing terms was approved by a decision of the Securities Commission of the Czech Republic, no. 45/N/972/2004/2, dated 30 January 2004, coming into legal force on 30 January 2004.

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

Raiffeisenbank a.s. mortgage bond 4.70/11

ISIN (International Securities Identification Number):	CZ0002000805;
Issue date:	24 May 2006;
Class:	mortgage bonds;
Form:	bearer;
Type:	dematerialised;
Total issue volume:	CZK 405,000,000;
Par value per security:	CZK 10,000;
Quantity:	40,500;
Number of coupon payments:	5;

Interest on bonds and maturity dates for interest or other yield: fixed interest rate of 4.70% p.a., payable once a year retrospectively to 24 May;

Method of transferring the bonds: transferability is not restricted; bonds are transferred on registration of the transfers at Centrální depozitář cenných papírů, a.s. in accordance with the valid regulations of Centrální depozitář cenných papírů, a.s.;

Issue administrator: Raiffeisenbank a.s.;

Designated premises of the administrator: Raiffeisenbank a.s., Vodičkova 38, 111 21 Prague 1

Names of the public markets on which the securities are accepted for trading: Prague Stock Exchange;

Bond currency: CZK;

Maturity of bonds: the mortgage bonds are payable in their par value on 24 May 2011.

Rights associated with the bonds:

All rights and obligations associated with the bonds are governed by and construed in accordance with the laws of the Czech Republic. These rights and obligations are stipulated in the conditions for each issue.

BOND PROGRAMME FOR RAIFFEISENBANK A.S.

Maximum volume of unpaid bonds: CZK 20,000,000,000

Duration of programme: 15 years

The bond programme for Raiffeisenbank a.s. with a maximum unpaid mortgage bond volume of CZK 20,000,000,000 and a programme duration of 15 years. The prospectus for the bond programme containing the general issue terms was approved by a decision of the Czech National Bank dated 7 September 2006, no. 45/N/108/2006/3 2006/7164/540, coming into legal force on 8 September 2006.

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

Raiffeisenbank a.s. mortgage bond 4.40/11

ISIN:	CZ0002000888;
Issue date:	4 October 2006;
Class:	mortgage bonds;
Form:	bearer;
Type:	dematerialised;
Total issue volume:	CZK: 965,000,000;
Par value per security:	CZK 10,000;
Quantity:	96,500;
Number of coupon payments:	5;

Interest on bonds and maturity dates for interest or other yield: fixed interest rate of 4.40% p.a., payable once a year retrospectively to 4 October;

Method of transferring the bonds: transferability is not restricted; bonds are transferred on registration of the transfers at Centrální depozitář cenných papírů, a.s. in accordance with the valid regulations of Centrální depozitář cenných papírů, a.s.;

Issue administrator: Raiffeisenbank a.s.

Designated premises of the administrator: Raiffeisenbank a.s., Vodičkova 38, 111 21 Prague 1

Names of the public markets on which the securities are accepted for trading: Prague StockExchange;

Bond currency: CZK;

Maturity of bonds: the mortgage bonds are payable in their par value on 4 October 2011.

Raiffeisenbank a.s. mortgage bond 4.80/12

ISIN:	CZ0002000946;
Issue date:	16 February 2007;
Class:	mortgage bonds;
Form:	bearer;
Type:	dematerialised;
Total issue volume:	CZK 1,300,000,000;
Par value per security:	CZK 10,000;
Quantity:	130,000;
Number of coupon payments:	5;

Interest on bonds and maturity dates for interest or other yield: fixed interest rate of 4.80% p.a., payable once a year retrospectively to 16 February;

Method of transferring the bonds: transferability is not restricted; bonds are transferred on registration of the transfers at Centrální depozitář cenných papírů, a.s. in accordance with the valid regulations of Centrální depozitář cenných papírů, a.s.;

Issue administrator: Raiffeisenbank a.s.;

Designated premises of the administrator: Raiffeisenbank a.s., Vodičkova 38, 111 21 Prague 1;

Names of the public markets on which the securities are accepted for trading: Prague Stock Exchange;

Bond currency: CZK;

Maturity of bonds: the mortgage bonds are payable in their par value on 16 February 2012.

Premium Bond GARANTINVEST V VAR/12

ISIN:	CZ0003701245;
Issue date:	21 February 2007;
Class:	bond;
Form:	bearer;
Type:	certificated (collective bond);
Total issue volume:	CZK 100,000,000;
Par value per security:	CZK 10,000;
Quantity:	10,000;
Number of coupon payments:	1;

Interest on bonds and maturity dates for interest or other yield: flexible interest rate according to the volatility of the S&P BRIC 40 Index share titles. Interest is paid by 21 February 2012 retrospectively;

Maturity of the bonds: bonds are payable in their par value on 21 February 2012;

Method of transferring the bonds: The bonds are freely transferrable to the issuer with no restrictions. The transferability of the bonds by a bond holder who is not the issuer to an entity other than the issuer is not permitted. After ownership rights to any bond are transferred to the issuer, it is authorised to transfer such bond back to any third party at any time;

Issue administrator: Raiffeisenbank a.s.;

Designated premises of the administrator: Raiffeisenbank a.s., Olbrachtova 2006/9, 140 21 Prague 4;

Names of the public markets on which the securities are accepted for trading: The bonds are not tradable on the regulated market or in the multilateral trading system;

Bond currency: CZK.

Premium Bond GARANTINVEST VI VAR/12

ISIN:	CZ0003701294;
Issue date:	2 April 2007;
Class:	bond;
Form:	bearer;
Type:	certificated (collective bond);
Total issue volume:	CZK 200,000,000;
Par value per security:	CZK 10,000;
Quantity:	20,000;
Number of coupon payments:	1;

Interest on bonds and maturity dates for interest or other yield: flexible interest rate according to the volatility of the FTSE EPRA, European Public Real Estate Index share titles. Interest is paid by 2 April 2012 retrospectively;

Maturity of the bonds: bonds are payable in their par value on 2 April 2012.

Method of transferring the bonds: The bonds are freely transferrable to the issuer with no restrictions. The transferability of the bonds by a bond holder who is not the issuer to an entity other than the issuer is not permitted. After ownership rights to any bond are transferred to the issuer, it is authorised to transfer such bond back to any third party at any time;

Issue administrator: Raiffeisenbank a.s.;

Designated premises of the administrator: Raiffeisenbank a.s., Olbrachtova 2006/9, 140 21 Prague 4;

Names of the public markets on which the securities are accepted for trading: The bonds are not tradable on the regulated market or in the multilateral trading system;

Bond currency: CZK.

RBCZ Bond ZERO/14

ISIN:	CZ0003701302;
Issue date:	21 May 2007;
Class:	bond;
Form:	bearer;
Type:	certificated (collective bond);
Total issue volume:	CZK 300,000,000;
Par value per security:	CZK 10,000;
Quantity:	30,000;
Number of coupon payments:	0;

Interest on bonds and maturity dates for interest or other yield: The yield on the bonds is calculated as the difference between the issue rate and the principal of each bond (discount yield);

Maturity of the bonds: bonds are payable in their par value on 21 May 2014.

Method of transferring the bonds: The bonds are freely transferrable to the issuer with no restrictions. The transferability of the bonds by a bond holder who is not the issuer to an entity other than the issuer is not permitted. After ownership rights to any bond are transferred to the issuer, it is authorised to transfer such bond back to any third party at any time;

Issue administrator: Raiffeisenbank a.s.;

Designated premises of the administrator: Raiffeisenbank a.s., Olbrachtova 2006/9, 140 21 Prague 4;

Names of the public markets on which the securities are accepted for trading: The bonds are not tradable on the regulated market or in the multilateral trading system;

Bond currency: CZK.

Raiffeisenbank a.s. mortgage bond 5.00/12

ISIN:	CZ0002001175;
Issue date:	12 September 2007;
Class:	mortgage bonds;
Form:	bearer;
Type:	dematerialised;
Total issue volume:	CZK 2,000,000,000;
Par value per security:	CZK 10,000;
Quantity:	200,000;
Number of coupon payments:	5;

Interest on bonds and maturity dates for interest or other yield: fixed interest rate of 5.00% p.a., payable once a year retrospectively to 12 September;

Method of transferring the bonds: transferability is not restricted; bonds are transferred on registration of the transfers at Centrální depozitář cenných papírů, a.s. in accordance with the valid regulations of Centrální depozitář cenných papírů, a.s.;

Issue administrator: Raiffeisenbank a.s.;

Designated premises of the administrator: Raiffeisenbank a.s., Vodičkova 38, 111 21 Prague 1;

Names of the public markets on which the securities are accepted for trading: Prague Stock Exchange;

Bond currency: CZK;

Maturity of bonds: the mortgage bonds are payable in their par value on 12 September 2012.

Raiffeisenbank a.s. mortgage bond 4.90/12

ISIN:	CZ0002001662;
Issue date:	12 December 2007;
Class:	mortgage bonds;
Form:	bearer;
Type:	dematerialised;
Total issue volume:	CZK 3,000,000,000;
Par value per security:	CZK 10,000;
Quantity:	300 000;
Number of coupon payments:	5;

Interest on bonds and maturity dates for interest or other yield: fixed interest rate of 4.90% p.a., payable once a year retrospectively to 12 December;

Method of transferring the bonds: transferability is not restricted; bonds are transferred on registration of the transfers at Centrální depozitář cenných papírů, a.s. in accordance with the valid regulations of Centrální depozitář cenných papírů, a.s.;

Issue administrator: Raiffeisenbank a.s.;

Designated premises of the administrator: Raiffeisenbank a.s., Olbrachtova 2006/9, 140 21 Prague 4;

Names of the public markets on which the securities are accepted for trading: Prague Stock Exchange;

Bond currency: CZK;

Maturity of bonds: the mortgage bonds are payable in their par value on 12 December 2012.

Raiffeisenbank a.s. mortgage bond 5.10/17

ISIN:	CZ0002001670;
Issue date:	12 December 2007;
Class:	mortgage bonds;
Form:	bearer;
Type:	dematerialised;
Total issue volume:	CZK 5,500,000,000;
Par value per security:	CZK 10,000;
Quantity:	550,000;
Number of coupon payments:	10;

Interest on bonds and maturity dates for interest or other yield: fixed interest rate of 5.10% p.a., payable once a year retrospectively to 12 December;

Method of transferring the bonds: transferability is not restricted; bonds are transferred on registration of the transfers at Centrální depozitář cenných papírů, a.s. in accordance with the valid regulations of Centrální depozitář cenných papírů, a.s.;

Issue administrator: Raiffeisenbank a.s.;

Designated premises of the administrator: Raiffeisenbank a.s., Olbrachtova 2006/9, 140 21 Prague 4;

Names of the public markets on which the securities are accepted for trading: Prague Stock Exchange;

Bond currency: CZK;

Maturity of bonds: the mortgage bonds are payable in their par value on 12 December 2017.

Hypoteční zástavní list Raiffeisenbank a.s. 5,50/17

ISIN:	CZ0002001928;
Issue date:	20 December 2007;
Class:	mortgage bonds;
Form:	bearer;
Type:	dematerialised;
Total issue volume:	CZK 2,000,000,000;
Par value per security:	CZK 10,000;
Quantity:	200,000;
Number of coupon payments:	10;

Interest on bonds and maturity dates for interest or other yield: fixed interest rate of 5.50% p.a., payable once a year retrospectively to 20 December;

Method of transferring the bonds: transferability is not restricted; bonds are transferred on registration of the transfers at Centrální depozitář cenných papírů, a.s. in accordance with the valid regulations of Centrální depozitář cenných papírů, a.s.;

Issue administrator: Raiffeisenbank a.s.;

Designated premises of the administrator: Raiffeisenbank a.s., Olbrachtova 2006/9, 140 21 Prague 4;

Names of the public markets on which the securities are accepted for trading: Prague Stock Exchange;

Bond currency: CZK;

Maturity of bonds: the mortgage bonds are payable in their par value on 20 December 2017.

Raiffeisenbank a.s. mortgage bond 4.30/13

ISIN:	CZ0002002058;
Issue date:	26 November 2008;
Class:	mortgage bond;
Form:	bearer;
Type:	dematerialised;
Total issue volume:	CZK 3,000,000,000;
Par value per security:	CZK 10,000;
Quantity:	300,000;
Number of coupon payments:	5;

Interest on bonds and maturity dates for interest or other yield: fixed interest rate of 4.30% p.a., payable once a year retrospectively to 26 November;

Method of transferring the bonds: transferability is not restricted; bonds are transferred on registration of the transfers at Centrální depozitář cenných papírů, a.s. in accordance with the valid regulations of Centrální depozitář cenných papírů, a.s.;

Issue administrator: Raiffeisenbank a.s.;

Designated premises of the administrator: Raiffeisenbank a.s., Olbrachtova 2006/9, 140 21 Prague 4;

Names of the public markets on which the securities are accepted for trading: Prague Stock Exchange;

Bond currency: CZK;

Maturity of bonds: the mortgage bonds are payable in their par value on 26 November 2013.

Rights associated with the bonds:

All rights and obligations associated with the bonds are governed by and construed in accordance with the laws of the Czech Republic. These rights and obligations are stipulated in the conditions for each issue.

BOND PROGRAMME FOR RAIFFEISENBANK A.S.

Maximum volume of unpaid bonds: CZK 50,000,000,000

Duration of the programme: 15 years

The bond programme for Raiffeisenbank a.s. with a maximum unpaid mortgage bond volume of CZK 50,000,000,000 and a programme duration of 15 years. The prospectus for the bond programme containing the general issue terms was approved by a decision of the Czech National Bank dated 20 November 2008, no. 2008/13442/570 Sp/2008/330/572, coming into legal force on 20 November 2008.

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

Raiffeisenbank a.s. mortgage bond 4.45/11

ISIN:	CZ0002002066;
Issue date:	10 December 2008;
Class:	mortgage bonds;
Form:	bearer;
Type:	dematerialised;
Total issue volume:	CZK 2,000,000,000;
Par value per security:	CZK 10,000;
Quantity:	200,000;
Number of coupon payments:	3;

Interest on bonds and maturity dates for interest or other yield: fixed interest rate of 4.45% p.a., payable once a year retrospectively to 10 December;

Způsob převodu cenného papíru: transferability is not restricted; bonds are transferred on registration of the transfers at Centrální depozitář cenných papírů, a.s. in accordance with the valid regulations of Centrální depozitář cenných papírů, a.s.;

Issue administrator: Raiffeisenbank a.s.;

Designated premises of the administrator: Raiffeisenbank a.s., Hvězdova 1716/2b, 140 78 Prague 4;

Names of the public markets on which the securities are accepted for trading: Prague Stock Exchange;

Bond currency: CZK;

Maturity of bonds: the mortgage bonds are payable in their par value on 10 December 2011.

GARANTINVEST IX mortgage bond 3.00/12

ISIN:	CZ0002002074;
Issue date:	18 February 2009;
Class:	mortgage bonds;
Form:	bearer;
Type:	certificated (collective bond);
Total issue volume:	CZK 250,000,000;
Par value per security:	CZK 10,000;
Quantity:	25,000;
Number of coupon payments:	3;

Interest on bonds and maturity dates for interest or other yield: fixed interest rate of 3.00% p.a., payable once a year retrospectively to 18 February;

Maturity of the bonds: bonds will be payable in their par value on 18 February 2012;

Method of transferring the bonds: The bonds are freely transferrable to the issuer with no restrictions. The transferability of the bonds by a bond holder who is not the issuer to an entity other than the issuer is not permitted. After ownership rights to any bond are transferred to the issuer, it is authorised to transfer such bond back to any third party at any time;

Issue administrator: Raiffeisenbank a.s.;

Designated premises of the administrator: Raiffeisenbank a.s., Hvězdova 1716/2b, 140 78 Prague 4;

Names of the public markets on which the securities are accepted for trading: The bonds are not tradable on the regulated market or in the multilateral trading system;

Bond currency: CZK.

GARANTINVEST X mortgage bond 3.00/12

ISIN:	CZ0002002108;
Issue date:	28 August 2009;
Class:	mortgage bonds;
Form:	bearer;
Type:	certificated (collective bond);
Total issue volume:	CZK 250,000,000;
Par value per security:	CZK 10,000;
Quantity:	25,000;
Number of coupon payments:	3;

Interest on bonds and maturity dates for interest or other yield: fixed interest rate of 3.00% p.a., payable once a year retrospectively to 28 August;

Maturity of the bonds: bonds will be payable in their par value on 28 August 2012;

Method of transferring the bonds: The bonds are freely transferrable to the issuer with no restrictions. The transferability of the bonds by a bond holder who is not the issuer to an entity other than the issuer is not permitted. After ownership rights to any bond are transferred to the issuer, it is authorised to transfer such bond back to any third party at any time;

Issue administrator: Raiffeisenbank a.s.;

Designated premises of the administrator: Raiffeisenbank a.s., Hvězdova 1716/2b, 140 78 Prague 4;

Names of the public markets on which the securities are accepted for trading: The bonds are not tradable on the regulated market or in the multilateral trading system;

Bond currency: CZK.

GARANTINVEST XI mortgage bond 3.00/12

ISIN:	CZ0002002140;
Issue date:	14 October 2009;
Class:	mortgage bonds;
Form:	bearer;
Type:	certificated (collective bond);
Total issue volume:	CZK 250,000,000;
Par value per security:	CZK 10,000;
Quantity:	25,000;
Number of coupon payments:	3;

Interest on bonds and maturity dates for interest or other yield: fixed interest rate of 3.00% p.a., payable once a year retrospectively to 14 October;

Maturity of the bonds: bonds will be payable in their par value on 14 October 2012;

Method of transferring the bonds: The bonds are freely transferrable to the issuer with no restrictions. The transferability of the bonds by a bond holder who is not the issuer to an entity other than the issuer is not permitted. After ownership rights to any bond are transferred to the issuer, it is authorised to transfer such bond back to any third party at any time;

Issue administrator: Raiffeisenbank a.s.;

Designated premises of the administrator: Raiffeisenbank a.s., Hvězdova 1716/2b, 140 78 Prague 4;

Names of the public markets on which the securities are accepted for trading: The bonds are not tradable on the regulated market or in the multilateral trading system;

Bond currency: CZK.

GARANTINVEST XII Premium Bond VAR/12

ISIN:	CZ0003702052;
Issue date:	21 October 2009;
Class:	bond
Form:	bearer
Type:	certificated (collective bond);
Total issue volume:	CZK 100,000,000;
Par value per security:	CZK 10,000;
Quantity:	10,000;
Number of coupon payments:	1;

Interest on bonds and maturity dates for interest or other yield: flexible interest rate according to the volatility of the PX Index share titles. Interest is paid by 21 October 2012 retrospectively;

Maturity of the bonds: bonds will be payable in their par value on 21 October 2012;

Method of transferring the bonds: The bonds are freely transferrable to the issuer with no restrictions. The transferability of the bonds by a bond holder who is not the issuer to an entity other than the issuer is not permitted. After ownership rights to any bond are transferred to the issuer, it is authorised to transfer such bond back to any third party at any time;

Issue administrator: Raiffeisenbank a.s.;

Designated premises of the administrator: Raiffeisenbank a.s., Hvězdova 1716/2b, 140 78 Prague 4;

Names of the public markets on which the securities are accepted for trading: The bonds are not tradable on the regulated market or in the multilateral trading system;

Bond currency: CZK.

Dluhopis RBCZ ZERO II/14

ISIN:	CZ0003702409;
Issue date:	15 July 2010;
Class:	bond;
Form:	bearer;
Type:	certificated (collective bond);
Total issue volume:	CZK 400,000,000;
Par value per security:	CZK 10,000;
Quantity:	4, 000;
Number of coupon payments:	0;

Interest on bonds and maturity dates for interest or other yield: The yield on the bonds is calculated as the difference between the issue rate and the principal of each bond (discount yield).

Maturity of the bonds: bonds will be payable in their par value on 15 July 2014;

Method of transferring the bonds: The bonds are freely transferrable to the issuer with no restrictions. The transferability of the bonds by a bond holder who is not the issuer to an entity other than the issuer is not permitted. After ownership rights to any bond are transferred to the issuer, it is authorised to transfer such bond back to any third party at any time;

Issue administrator: Raiffeisenbank a.s.;

Designated premises of the administrator: Raiffeisenbank a.s., Hvězdova 1716/2b, 140 78 Prague 4;

Names of the public markets on which the securities are accepted for trading: The bonds are not tradable on the regulated market or in the multilateral trading system;

Bond currency: CZK.

GARANTINVEST XIII Premium bond VAR/13

ISIN:	CZ0003702433;
Issue date:	11 August 2010;
Class:	bond;
Form:	bearer;
Type:	certificated (collective bond);
Total issue volume:	CZK 110,000,000;
Par value per security:	CZK 10,000;
Quantity:	11,000;
Number of coupon payments:	1;

Interest on bonds and maturity dates for interest or other yield: flexible interest rate according to the volatility of the PX Index share titles. Interest is paid by 11 August 2013 retrospectively;

Maturity of the bonds: bonds will be payable in their par value on 11 August 2013;

Method of transferring the bonds: The bonds are freely transferrable to the issuer with no restrictions. The transferability of the bonds by a bond holder who is not the issuer to an entity other than the issuer is not permitted. After ownership rights to any bond are transferred to the issuer, it is authorised to transfer such bond back to any third party at any time;

Issue administrator: Raiffeisenbank a.s.;

Designated premises of the administrator: Raiffeisenbank a.s., Hvězdova 1716/2b, 140 78 Prague 4;

Names of the public markets on which the securities are accepted for trading: The bonds are not tradable on the regulated market or in the multilateral trading system;

Bond currency: CZK.

Raiffeisenbank a.s. mortgage bond VAR/13

ISIN:	CZ0002002249;
Issue date:	16 November 2010;
Class:	mortgage bonds;
Form:	bearer;
Type:	dematerialised;
Total issue volume:	CZK 960,000,000;
Par value per security:	CZK 100 000;
Quantity:	9,600;
Number of coupon payments:	6;

Interest on bonds and maturity dates for interest or other yield: flexible interest rate according to 6M PRIBOR plus 0.50% p. a. Interest is paid biannually on 16 May and 16 November of each year retrospectively;

Method of transferring the bonds: transferability is not restricted; bonds are transferred on registration of the transfers at Centrální depozitář cenných papírů, a.s. in accordance with the valid regulations of Centrální depozitář cenných papírů, a.s.;

Issue administrator: Raiffeisenbank a.s.;

Designated premises of the administrator: Raiffeisenbank a.s., Hvězdova 1716/2b, 140 78 Prague 4;

Names of the public markets on which the securities are accepted for trading: The bonds are not tradable on the regulated market or in the multilateral trading system;

Bond currency: CZK;

Maturity of bonds: the mortgage bonds are payable in their par value on 16 November 2013.

GARANTINVEST XIV Premium Bond VAR/14

ISIN:	CZ0003702482;
Issue date:	12 November 2010;
Class:	bond;
Form:	bearer;
Type:	certificated (collective bond);
Total issue volume:	CZK 100,000,000;
Par value per security:	CZK 10,000;
Quantity:	10,000;
Number of coupon payments:	8;

Interest on bonds and maturity dates for interest or other yield: flexible interest rate calculated with the minimum guaranteed yield plus the premium yield, which will be calculated according to the EUR/CZK exchange rate. Interest will be paid biannually on 12 May and 12 November of each year retrospectively;

Maturity of bonds: the mortgage bonds are payable in their par value on 12 November 2014;

Method of transferring the bonds: The bonds are freely transferrable to the issuer with no restrictions. The transferability of the bonds by a bond holder who is not the issuer to an entity other than the issuer is not permitted. After ownership rights to any bond are transferred to the issuer, it is authorised to transfer such bond back to any third party at any time;

Issue administrator: Raiffeisenbank a.s.;

Designated premises of the administrator: Raiffeisenbank a.s., Hvězdova 1716/2b, 140 78 Prague 4;

Names of the public markets on which the securities are accepted for trading: The bonds are not tradable on the regulated market or in the multilateral trading system;

Bond currency: CZK.

Dluhopis RBCZ ZERO III/13

ISIN:	CZ0003702508;
Issue date:	1 December 2010;
Class:	bond;
Form:	bearer;
Type:	certificated (collective bond);
Total issue volume:	CZK 400,000,000;
Par value per security:	CZK 10,000;
Quantity:	40,000;
Number of coupon payments:	0;

Interest on bonds and maturity dates for interest or other yield: The yield on the bonds is calculated as the difference between the issue rate and the principal of each bond (discount yield);

Maturity of bonds: the mortgage bonds are payable in their par value on 1 December 2013;

Method of transferring the bonds: The bonds are freely transferrable to the issuer with no restrictions. The transferability of the bonds by a bond holder who is not the issuer to an entity other than the issuer is not permitted. After ownership rights to any bond are transferred to the issuer, it is authorised to transfer such bond back to any third party at any time;

Issue administrator: Raiffeisenbank a.s.;

Designated premises of the administrator: Raiffeisenbank a.s., Hvězdova 1716/2b, 140 78 Prague 4;

Names of the public markets on which the securities are accepted for trading: The bonds are not tradable on the regulated market or in the multilateral trading system;

Bond currency: CZK.

Rights associated with the bonds:

All rights and obligations associated with the bonds are governed by and construed in accordance with the laws of the Czech Republic. These rights and obligations are stipulated in the conditions for each issue.

RAIFFEISENBANK A.S. BOND PROGRAMME

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

Duration of the programme: 30 years

The bond programme for Raiffeisenbank a.s. with a maximum unpaid mortgage bond volume of EUR 1,000,000,000 and a programme duration of 30 years. The prospectus for the bond programme containing the general issue terms was approved by a decision of the Czech National Bank dated 15 September 2009, no. 2009/7097/570 Sp/2009/166/572, coming into legal force on 16 September 2009.

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

Raiffeisenbank a.s. mortgage bond 4.10/14

ISIN:	CZ0002002124;
Issue date:	8 October 2009;
Class:	mortgage bonds;
Form:	bearer;
Type:	dematerialised;
Total issue volume:	EUR 100,000,000;
Par value per security:	EUR 1,000;
Quantity:	100,000;
Number of coupon payments:	5;

Interest on bonds and maturity dates for interest or other yield: fixed interest rate of 4.10% p.a., payable once a year retrospectively on 8 October;

Method of transferring the bonds: transferability is not restricted; bonds are transferred on registration of the transfers at Centrální depozitář cenných papírů, a.s. in accordance with the valid regulations of Centrální depozitář cenných papírů, a.s.;

Issue administrator: Raiffeisenbank a.s.;

Designated premises of the administrator: Raiffeisenbank a.s., Hvězdova 1716/2b, 140 78 Prague 4;

Names of the public markets on which the securities are accepted for trading: Prague Stock Exchange;

Bond currency: EUR;

Maturity of bonds: the mortgage bonds are payable in their par value on 8 October 2014.

Rights associated with the bonds:

All rights and obligations associated with the bonds are governed by and construed in accordance with the laws of the Czech Republic. These rights and obligations are stipulated in the conditions for each issue.

RAIFFEISENBANK A.S. BOND PROGRAMME

Maximum volume of unpaid bonds: EUR 3,000,000,000

Duration of the programme: 5 years

The bond programme for Raiffeisenbank a.s. with a maximum unpaid mortgage bond volume of CZK 3,000,000,000 and a programme duration of 5 years with maximum maturities of any of the bond issues in the programme of 7 years. The prospectus for the bond programme containing the general issue terms was approved by a decision of the Securities Commission, no. 45/N/47/2005/1, dated 10 May 2005, and came into legal force on 13 May 2005.

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

eBanka, a. s. mortgage bond 5.30/14

ISIN:	CZ0002001316;
Issue date:	14 November 2007;
Class:	mortgage bonds;
Form:	bearer;
Type:	dematerialised;
Total issue volume:	CZK 500,000,000;
Par value per security:	CZK 10,000;
Quantity:	50,000;
Number of coupon payments:	7;

Interest on bonds and maturity dates for interest or other yield: fixed interest rate of 5.30% p.a., payable once a year retrospectively to 14 November

Method of transferring the bonds: transferability is not restricted; bonds are transferred on registration of the transfers at Centrální depozitář cenných papírů, a.s. in accordance with the valid regulations of Centrální depozitář cenných papírů, a.s.;

Issue administrator: Raiffeisenbank a.s.;

Designated premises of the administrator: Raiffeisenbank a.s., Olbrachtova 2006/9, 140 21 Prague 4;

Names of the public markets on which the securities are accepted for trading: Prague Stock Exchange;

Bond currency: CZK;

Maturity of bonds: the mortgage bonds are payable in their par value on 14 November 2014.

Rights associated with the bonds:

All rights and obligations associated with the bonds are governed by and construed in accordance with the laws of the Czech Republic. These rights and obligations are stipulated in the conditions for each issue.

In addition, Raiffeisenbank a.s. (as the legal successor of eBanka, a.s.) issued the following individual mortgage bonds:

eBanka, a. s. mortgage bond 6.00/17

ISIN:	CZ0002001696;
Issue date:	12 December 2007;
Class:	mortgage bonds;
Form:	bearer;
Type:	dematerialised;
Total issue volume:	CZK 500,000,000;
Par value per security:	CZK 10,000;
Quantity:	50,000;
Number of coupon payments:	10;

Interest on bonds and maturity dates for interest or other yield: fixed interest rate of 6.00% p.a., payable once a year retrospectively to 12 December;

Method of transferring the bonds: transferability is not restricted; bonds are transferred on registration of the transfers at Centrální depozitář cenných papírů, a.s. in accordance with the valid regulations of Centrální depozitář cenných papírů, a.s.;

Issue administrator: Raiffeisenbank a.s.;

Designated premises of the administrator: Raiffeisenbank a.s., Olbrachtova 2006/9, 140 21 Prague 4;

Names of the public markets on which the securities are accepted for trading: Prague Stock Exchange;

Bond currency: CZK;

Maturity of bonds: the mortgage bonds are payable in their par value on 12 December 2017.

Rights associated with the bonds:

All rights and obligations associated with the bonds are governed by and construed in accordance with the laws of the Czech Republic. These rights and obligations are stipulated in the conditions for each issue.

eBanka, a.s. mortgage bond VAR/22

ISIN:	CZ0002001704;
Issue date:	12 December 2007;
Class:	mortgage bonds;
Form:	bearer;
Type:	certificated (collective bond);
Total issue volume:	CZK 1,000,000,000;
Par value per security:	CZK 100,000;
Quantity:	10,000;
Number of coupon payments:	180;

Interest on bonds and maturity dates for interest or other yield: flexible interest rate according to 1M PRIBOR minus 0.33% p.a. Interest is paid on the 12th day of each month of the year with the first payment on 12 January 2008 and the last payment on 12 December 2022;

Method of transferring the bonds: The bonds are freely transferrable to the issuer with no restrictions. The transferability of the bonds by a bond holder who is not the issuer to an entity other than the issuer is not permitted. After the ownership rights to any bond are transferred to the issuer, it is authorised to transfer such bond back to any third party at any time;

Issue administrator: Raiffeisenbank a.s.;

Designated premises of the administrator: Raiffeisenbank a.s., Olbrachtova 2006/9, 140 21 Prague 4;

Names of the public markets on which the securities are accepted for trading: The bonds are not tradable on the regulated market or in the multilateral trading system;

Bond currency: CZK;

Maturity of bonds: the mortgage bonds are payable in their par value on 12 December 2022.

Rights associated with the bonds:

All rights and obligations associated with the bonds are governed by and construed in accordance with the laws of the Czech Republic. These rights and obligations are stipulated in the conditions for each issue.

INVESTMENT CERTIFICATE PROGRAMME

Raiffeisenbank a.s. has prepared a basic prospectus for an investment certificate programme that was approved by a decision of the Czech National Bank, no. 2009/9028/570, dated 13 November 2009, file no. Sp. 2009/196/572, which came into legal force on 13 November 2009. An integral part of the programme is the common issue conditions of the investment certificate programme.

The following investment certificates have been issued as a part of the Raiffeisenbank programme.

Long Turbo Certificate EUR/CZK TL 23.000

ISIN:	CZ0000300041;
Issue date:	24 May 2010;
Class:	investment certificate;
Form:	bearer;
Type:	certificated (collective certificate);
Par value per security:	CZK 100;
Quantity:	25 000;
Number of coupon payments:	0;

Interest on bonds and maturity dates for interest or other yield: yield on certificates is subject to the EUR/CZK exchange rate quoted on the Global Spot Market, the settlement part being paid by 29 May 2011;

Method of transferring the securities: transferability is not restricted; certificates are transferred upon registration of the transfers at Centrální depozitář cenných papírů, a.s. in accordance with the valid regulations of Centrální depozitář cenných papírů, a.s.;

Issue administrator: Raiffeisenbank a.s.;

Designated premises of the administrator: Raiffeisenbank a.s., Hvězdova 1716/2b, 140 78 Prague 4;

Names of the public markets on which the securities are accepted for trading: Prague Stock Exchange;

Certificate currency: CZK;

Date of execution of the certificate: 24 May 2011.

Short Turbo Certificate EUR/CZK TS 28.000

ISIN:	CZ0000300058;
Issue date:	29 May 2010;
Class:	investment certificate;
Form:	bearer;
Type:	certificated (collective certificate);
Par value per security:	CZK 100;
Quantity:	25 000;
Number of coupon payments:	0;

Interest on bonds and maturity dates for interest or other yield: yield on certificates is subject to the EUR/CZK exchange rate quoted on the Global Spot Market, the settlement part being paid by 29 May 2011;

Method of transferring the securities: transferability is not restricted; certificates are transferred on registration of the transfers at Centrální depozitář cenných papírů, a.s. in accordance with the valid regulations of Centrální depozitář cenných papírů, a.s.;

Issue administrator: Raiffeisenbank a.s.;

Designated premises of the administrator: Raiffeisenbank a.s., Hvězdova 1716/2b, 140 78 Prague 4;

Names of the public markets on which the securities are accepted for trading: Prague Stock Exchange;

Certificate currency: CZK;

Date of execution of the certificate: 24 May 2011.

Rights associated with the certificates:

All rights and obligations associated with the investment certificates are governed by and construed in accordance with the laws of the Czech Republic. These rights and obligations are stipulated in the conditions for each issue.

Report on Related Parties

prepared in accordance with Section 66a (9) of Act No. 513/1991 Coll., the Commercial Code, for the reporting period from 1 January 2010 to 31 December 2010

Raiffeisenbank a.s. with its registered office at Hvězdova 1716/2b, Prague 4, 140 78, corporate ID: 49240901, recorded in the Commercial Code of the Municipal Court in Prague on 25 June 1993, File B, Insert 2051 (hereinafter the "Bank") is part of the Raiffeisen Zentralbank Österreich AG group in which the following relations between the Bank and controlling entities and the Bank and entities controlled by the same controlling entities (hereinafter "related parties") exist.

The Report on Related Parties among below entities was prepared in accordance with provisions of Section 66a (9) and with respect to the legal definition of the business secrecy according to Section 17 of Act No. 513/1991 Coll., the Commercial Code, as amended.

Obsah:

1. Controlling entities
2. Other related entities
3. List of contracts
 - 3.1. List of contracts with controlling entities
 - 3.2. List of contracts with other related parties
4. List of other legal acts
 - 4.1. List of other legal acts with controlling entities
 - 4.2. List of other legal acts with other related parties
5. List of other factual measures
 - 5.1. List of measures at the initiative of controlling entities
 - 5.2. List of measures in the interest of other related parties
6. Closing statement of the Board of Directors of Raiffeisenbank a.s.

1. Controlling Entities

The indirectly controlling entity is **Raiffeisen Zentralbank Österreich AG** (hereinafter "RZB") with its registered office at Am Stadtpark 9, 1030 Vienna, Austria.

The indirectly controlling entity is **Raiffeisen International Beteiligungs GmbH** (hereinafter "RIB") with its registered office at Am Stadtpark 9, 1030 Vienna, Austria.

The indirectly controlling entity is **Cembra Beteiligungs GmbH** (hereinafter "Cembra") with its registered office at Am Stadtpark 9, 1030 Vienna, Austria.

The directly controlling entity is **Raiffeisen Bank International AG** (hereinafter "RI") with its registered office at Am Stadtpark 9, 1030 Vienna, Austria.

Note: On 11 October 2010, Cembra Beteiligungs GmbH merged with Raiffeisen International Bank – Holding AG, which means that Cembra Beteiligungs GmbH was dissolved and the succeeding company was Raiffeisen International Bank – Holding AG. On the same day, Raiffeisen International Bank – Holding AG changed its name to **Raiffeisen Bank International AG**.

2. Other Related Parties

Czech Republic

Raiffeisen stavební spořitelna a.s. Praha 3, Koněvova 2747/99	Raiffeisen – Leasing, s.r.o. Praha 4, Hvězdova 1716/2b, 140 78
Raiffeisen – Leasing Real Estate, s.r.o. Praha 4, Hvězdova 1716/2b, 140 78	Raiffeisen finanční poradenství, s.r.o. Praha 3, Koněvova 2747/99
Real Invest Vodičkova, spol. s r.o. Vodičkova 38, 110 00 Praha 1	Raiffeisen Investment, s.r.o. Praha 4, Hvězdova 1716/2b, 140 78
KHD a.s. Praha 4, Hvězdova 1716/2b, 140 78	ZUNO BANK AG, organizační složka Praha 2, Na Rybníčku 1329/5
Raiffeisen Property Management, s.r.o. Praha 1, Vodičkova 1935/38	Hotel Maria Prag Besitz s.r.o. Praha 4, Hvězdova 1716/2b, 140 78

Related parties controlled indirectly through Raiffeisen - Leasing Real Estate, s.r.o:

RLRE Alpha Property, s.r.o. Praha 4, Hvězdova 1716/2b, 140 78	RLRE HOTEL ELLEN, s.r.o. Praha 4, Hvězdova 1716/2b, 140 78
RLRE Beta Property, s.r.o. Praha 4, Hvězdova 1716/2b, 140 78	RLRE Gamma Property, s.r.o. Praha 4, Hvězdova 1716/2b, 140 78
RLRE Eta Property, s.r.o. Praha 4, Hvězdova 1716/2b, 140 78	Luna Property, s.r.o. Praha 4, Hvězdova 1716/2b, 140 78
RLRE Jota Property, s.r.o. Praha 4, Hvězdova 1716/2b, 140 78	Phoenix Property, s.r.o. Praha 4, Hvězdova 1716/2b, 140 78
RLRE Epsilon Property, s.r.o. Praha 4, Hvězdova 1716/2b, 140 78	Perseus Property, s.r.o. Praha 4, Hvězdova 1716/2b, 140 78
RLRE Lyra Property, s.r.o. Praha 4, Hvězdova 1716/2b, 140 78	Athena Property, s.r.o. Praha 4, Hvězdova 1716/2b, 140 78
Raines Property, s.r.o. Praha 4, Hvězdova 1716/2b, 140 78	Jardin Property, a.s. Praha 4, Hvězdova 1716/2b, 140 78
Dione Property, s.r.o. Praha 4, Hvězdova 1716/2b, 140 78	Green Energie větrný park Bílčice, s.r.o. Praha 4, Hvězdova 1716/2b, 140 78
Gaia Property, s.r.o. Praha 4, Hvězdova 1716/2b, 140 78	Chronos Property, s.r.o. Praha 4, Hvězdova 1716/2b, 140 78
Hera Property, s.r.o. Praha 4, Hvězdova 1716/2b, 140 78	Metis Property, s.r.o. Praha 4, Hvězdova 1716/2b, 140 78
Iris Property, s.r.o. Praha 4, Hvězdova 1716/2b, 140 78	Sirius Property, s.r.o. Praha 4, Hvězdova 1716/2b, 140 78
Pyrit Property, s.r.o. Praha 4, Hvězdova 1716/2b, 140 78	Dionysos Property, s.r.o. Praha 4, Hvězdova 1716/2b, 140 78
Raiffeisen FinCorp s.r.o. Praha 4, Hvězdova 1716/2b, 140 78	PV Rosice, s.r.o. Praha 4, Hvězdova 1716/2b, 140 78 (note: business share was sold on 3 March 2010)
Orchideus Property, s.r.o. Praha 4, Hvězdova 1716/2b, 140 78	Impuls Tuchoměřice Praha 1, Dlouhá 26, 110 00
Artemis Property, s.r.o. Praha 4, Hvězdova 1716/2b, 140 78	RLRE Ypsilon Property, s.r.o. Praha 4, Hvězdova 1716/2b, 140 78
Holečková Property, s.r.o. Praha 4, Hvězdova 1716/2b, 140 78	Viktor Property, s.r.o. Praha 4, Hvězdova 1716/2b, 140 78
Euros Property, s.r.o. Praha 4, Hvězdova 1716/2b, 140 78	Appolon Property, s.r.o. Praha 4, Hvězdova 1716/2b, 140 78
Dike Property, s.r.o. Praha 4, Hvězdova 1716/2b, 140 78	Pontos Property, s.r.o. Praha 4, Hvězdova 1716/2b, 140 78
Hermes Property, s.r.o. Praha 4, Hvězdova 1716/2b, 140 78	Nike Property, s.r.o. Praha 4, Hvězdova 1716/2b, 140 78
Kalypso Property, s.r.o. Praha 4, Hvězdova 1716/2b, 140 78	PV Čekanice, s.r.o. Praha 4, Hvězdova 1716/2b, 140 78 (note: business share was sold on 23 February 2010)

RLRE Tellmer Property, s.r.o. Praha 4, Hvězdova 1716/2b, 140 78 (note: business share was sold on 29 October 2010)	Rheia Property, s.r.o. Praha 4, Hvězdova 1716/2b, 140 78
RESIDENCE PARK TŘEBEŠ, s.r.o. Praha 4, Hvězdova 1716/2b, 140 78	Matějská 24, s.r.o. Praha 4, Hvězdova 1716/2b, 140 78
UPC Real, s.r.o. Praha 4, Hvězdova 1716/2b, 140 78	Gama Project CZ, s.r.o. Praha 4, Hvězdova 1716/2b, 140 78
RLRE Investholding B.V. Utrechtsestraat 38 f, 6811LZ Arnhem, Holandsko	RLRE Orion Property, s.r.o. Praha 4, Hvězdova 1716/2b, 140 78
CRISTAL PALACE Property, s.r.o. Praha 4, Hvězdova 1716/2b, 140 78	Photon SPV 3 s.r.o. Praha 4, Hvězdova 1716/2b, 140 78
Photon Energie s.r.o. Praha 4, Hvězdova 1716/2b, 140 78	Bondy Centrum s.r.o. Praha 4, Hvězdova 1716/2b, 140 78
RLRE Carina Property, s.r.o. Praha 4, Hvězdova 1716/2b, 140 78	RLRE EDEN INVEST s.r.o. Praha 4, Hvězdova 1716/2b, 140 78
Michalka – Sun s.r.o. Praha 4, Hvězdova 1716/2b, 140 78	JIHOČESKÁ EKO-ENERGETIKA s.r.o. Praha 4, Hvězdova 1716/2b, 140 78
Exit 90 SPV s.r.o. Praha 4, Hvězdova 1716/2b, 140 78	FORZA SOLE s.r.o. Praha 4, Hvězdova 1716/2b, 140 78
Photon SPV 4 s.r.o. Praha 4, Hvězdova 1716/2b, 140 78	Elektrárna Dynín s.r.o. Praha 4, Hvězdova 1716/2b, 140 78
Photon SPV 6 s.r.o. Praha 4, Hvězdova 1716/2b, 140 78	Photon SPV 8 s.r.o. Praha 4, Hvězdova 1716/2b, 140 78
Photon SPV 10 s.r.o. Praha 4, Hvězdova 1716/2b, 140 78	Photon SPV 11 s.r.o. Praha 4, Hvězdova 1716/2b, 140 78
DBK Energy s.r.o. Praha 4, Hvězdova 1716/2b, 140 78	GS55 Sazovice s.r.o. Praha 4, Hvězdova 1716/2b, 140 78
Solar – efekt s.r.o. Praha 4, Hvězdova 1716/2b, 140 78	Onyx Energy s.r.o. Praha 4, Hvězdova 1716/2b, 140 78
Onyx Energy projekt II s.r.o. Praha 4, Hvězdova 1716/2b, 140 78	RLRE Dorado Property s.r.o. Praha 4, Hvězdova 1716/2b, 140 78

Other countries:

Raiffeisen Bank Rt. Akadémia utca 6, Budapest, Hungary	Raiffeisen Bank Polska S.A. Piekna street 20, Warsaw, Poland
Raiffeisenbank a.d. Resavska St. 22, Belgrade, Serbia and Montenegro	Raiffeisen Bank S.A. Mircea Vodă Blvd. 44, 030669 Bucharest 3, Romania
Raiffeisenbank Austria d.d. Petrinjska street 59, Zagreb, Croatia	Raiffeisen Centrobank AG Tegetthofstrassel, 1020, Vienna, Austria
Tatra Banka, a.s. Hodžovo námestie 3, 811 06, Bratislava, Slovak Republic	Raiffeisen Krekova Banka d.d. Slomškov trg 18, Maribor, Slovenia
Centralised Raiffeisen International Services and Payments S.R.L. Dimitre Pompei Bld. No. 9-9A, 020335 Bucharest Romania	Raiffeisen–Leasing International GmbH Am Stadtpark 9, 1020 Vienna, Austria
RZB Finance LLC 24 Grassy Plain Street, Bethel, CT 06801, U.S.A.	Raiffeisen-Leasing Bank AG Hollandstrasse 11-13, 1020 Vienna, Austria
Raiffeisen Malta Bank PLC 52, Il Piazzetta, Tower Road, SLM 1607 Sliema, Malta	Raiffeisen International GROUP IT GmbH Hollandstrasse 11+13, 1020 Vienna, Austria
ZUNO BANK AG Am Stadtpark 3, 1030 Vienna, Austria (note: former Raiffeisen International Direct Bank AG)	Eastern European Invest GmbH Am Stadtpark 9, 1030 Vienna, Austria
Regional Card Processing Centre, s.r.o. Hodžovo námestie 3, 811 06 Bratislava, Slovak Republic	ZAO Raiffeisenbank Smolenskaya-Sennaya 28, Moscow, Russia

3. List of Contracts

3.1 List of Contracts with Controlling Entities

In the 2010 reporting period, Raiffeisenbank a.s. had relations with the following controlling entities:

Raiffeisen Zentralbank Österreich AG

Legal act	Counterparty	Date of conclusion	Performance/counter-performance
Sixth Amendment to the Contract for Subordinated Loan dated 21 Dec 2001	Raiffeisen Zentralbank Österreich AG	20 July 2005	Increase in the aggregate amount of the subordinated debt/payment of the contractual interest
The Agent Service Level Agreement (ASLA)	Raiffeisen Zentralbank Österreich AG	25 Sept 2001	Specification of principal requirements for the administration of securities by Raiffeisenbank a.s. in favour of RZB/payment of contractual fees
Commissionaire Contract	Raiffeisen Zentralbank Österreich AG	1 Oct 2001	Transactions with securities/payment of contractual fees
Contract for the Administration of Securities and Settlement of Securities Transactions	Raiffeisen Zentralbank Österreich AG	17 May 2002	Conditions of the administration of securities and settlement of securities transactions/payment of contractual fees
General Risk Participation Contract	Raiffeisen Zentralbank Österreich AG	18 May 2001	Contract for risk participation based on which 14 risk participation confirmations were issued in 2005/payment of contractual fees
Contract for the Establishment of the Pledge on Receivables arising from Deposits	Raiffeisen Zentralbank Österreich AG	30 Sept 2005	Establishment of the pledge on receivables arising from deposits
Contract for the Establishment of the Pledge on Receivables arising from Deposits	Raiffeisen Zentralbank Österreich AG	23 Nov 2005	Establishment of the pledge on receivables arising from deposits
Contract for the Establishment of the Pledge on Receivables arising from Deposits	Raiffeisen Zentralbank Österreich AG	25 April 2005	Establishment of the pledge on receivables arising from deposits
Pledge Contract for the Receivables arising from Deposits	Raiffeisen Zentralbank Österreich AG	3 June 2005	Establishment of the pledge on receivables arising from deposits
Counter-guarantees for the customs guarantee	Raiffeisen Zentralbank Österreich AG	9 Dec 2005	Issuance of the customs counter-guarantee
Counter-guarantees for the customs guarantee	Raiffeisen Zentralbank Österreich AG	9 Dec 2005	Issuance of the customs counter-guarantee
Bank guarantee	Raiffeisen Zentralbank Österreich AG	15 April 2005	Bank guarantee/fee for the issuance of the guarantee
Amendment No. 1 to the Contract for the Mediation of Payments and Representation dated 16 Oct 2001	Raiffeisen Zentralbank Österreich AG / Raiffeisen Kapitalanlage G.m.b.H.	26 July 2004	Mediation of payments and representation in the Czech Republic/payment of the fees according to the contract
Amendment No. 2 to the Contract for the Mediation of Payments and Representation dated 16 October 2001	Raiffeisen Zentralbank Österreich AG / Raiffeisen Kapitalanlage G.m.b.H.	24 Aug 2004	Mediation of payments and representation in the Czech Republic/payment of fees according to the contract
Risk Participation Confirmation	Raiffeisen Zentralbank Österreich AG	27 Dec 2006	Credit risk participation/payment of contractual fees
Risk Participation Confirmation	Raiffeisen Zentralbank Österreich AG	13 Oct 2006	Credit risk participation/payment of contractual fees
Risk Participation Confirmation	Raiffeisen Zentralbank Österreich AG	16 Nov 2006	Credit risk participation/payment of contractual fees
Risk Participation Confirmation	Raiffeisen Zentralbank Österreich AG	22 Dec 2006	Credit risk participation/payment of contractual fees
General TBMA/ISMA Repo Contract	Raiffeisen Zentralbank Österreich AG	13 Aug 2007	Definition of conditions for trading with securities and financial instruments
Risk Participation Confirmation	Raiffeisen Zentralbank Österreich AG	5 Sept 2007	Credit risk participation/payment of contractual fees
Credit Facility Agreement	Raiffeisen Zentralbank Österreich AG	7 Dec 2007	Intercompany loan/payment of contractual fees and interest
Agreement of an indirect participation in Target2	Raiffeisen Zentralbank Österreich AG	6 June 2008	Conditions of the indirect participation in the Target2 system for settlement of payments in EUR/payment of contractual fees

Legal act	Counterparty	Date of conclusion	Performance/counter-performance
Risk Participation Confirmation	Raiffeisen Zentralbank Österreich AG	4 June 2008	Credit risk participation/payment of contractual fees
Margin pooling SLA Contract	Raiffeisen Zentralbank Österreich AG	24 June 2008	Definition of services for margin pooling/payment of contractual fees
Cash-pool Gross Boarder Zero Balancing SLA Contract	Raiffeisen Zentralbank Österreich AG	13 Oct 2008	Definition of services for cash pooling/payment of contractual fees
Confidentiality Agreement	Raiffeisen Zentralbank Österreich AG	2 Feb 2010	Confidentiality agreement as part of potential mutual cooperation

Raiffeisen Bank International AG

Legal act	Counterparty	Date of conclusion	Performance/counter-performance
Advisory Services Contract	Raiffeisen International Bank-Holding AG	5 Jan 2005	Advisory in Risk, Treasury, HR and Controlling/payment of fees according to the contract
Advisory Services Contract	Raiffeisen International Bank-Holding AG	2 May 2005	Advisory in retail banking/payment of the fees according to the contract
Contract for the Lease of Non-residential Premises	Raiffeisen International Bank-Holding AG	2 May 2005	Lease of non-residential premises/payment of the lease
Prepayment Agreement	Raiffeisen International Bank-Holding AG	14 March 2008	Participation in the Retail Collections and Application Processing group program/payment of fees according to the group
Prepayment Agreement	Raiffeisen International Bank-Holding AG	14 March 2008	Participation in the Active Credit Portfolio Management group program/payment of fees according to the contract
International Group Marketing Agreement	Raiffeisen International Bank-Holding AG	12 March 2008	Coordination and financing of marketing activities in the Raiffeisen group.
Contract for the Lease of Non-residential Premises	Raiffeisen International Bank-Holding AG	1 Sept 2008	Lease of non-residential premises/payment of the lease
"Agreement for the Group Programme "Basel II Retail"	Raiffeisen International Bank-Holding AG	1 Jan 2009	Agreement on the conditions of participation in the group programme „Basel II Retail“
Agreement for the Group Programme "Basel II"	Raiffeisen International Bank-Holding AG	2 Jan 2009	Agreement on the conditions of participation in the group programme „Basel II Retail“
Service Agreement	Raiffeisen International Bank-Holding AG	2 Jan 2009	Agreement on provision of consultancy and advisory Services in select areas/payment of contractual remuneration
International Group Marketing Agreement	Raiffeisen International Bank-Holding AG	12 March 2009	Agreement on cooperation and co-financing in marketing
Sub-license Agreement for Debt Manager Software	Raiffeisen International Bank-Holding AG	16 March 2009	Provision of sublicense for use of software/payment of contractual remuneration
Agreement „Service Description - Lotus Notes International Domino HUB service“	Raiffeisen International Bank-Holding AG	20 July 2009	Agreement on cooperation regarding the running of Lotus Notes System.
"RSA Anti-eFraud Service" Agreement	Raiffeisen International Bank-Holding AG	28 Aug 2009	Provision of IT services in security for banking transactions / payment of the contractual remuneration
Internet / Firewall Checkup Agreement	Raiffeisen International Bank-Holding AG	28 Aug 2009	Provision of IT services in security for Internet applications/ payment of the contractual remuneration
Group Marketing Agreement	Raiffeisen International Bank-Holding AG	1 Jan 2010	Change of conditions for mutual cooperation and financing of marketing activities
Amendment No. 1 to the Service Agreement dated 1 Jan 2009	Raiffeisen International Bank-Holding AG	4 Jan 2010	Change of contractual terms
Confidentiality Agreement	Raiffeisen International Bank-Holding AG	29 Jan 2010	Confidentiality agreement as part of potential mutual cooperation
Sub-license Agreement for Advice Manager Software	Raiffeisen International Bank-Holding AG	3 May 2010	Provision of sublicense for use of software/payment of contractual remuneration
Amendment No. 1 to the "RSA Anti-eFraud Service" Agreement	Raiffeisen International Bank-Holding AG	20 Sept 2010	Change of contractual terms

Legal act	Counterparty	Date of conclusion	Performance/counter-performance
Amendment No. 1 to the Internet / Firewall Checkup Agreement	Raiffeisen International Bank-Holding AG	20 Sept 2010	Change of contractual terms
Amendment No. 1 to the "Service Description – Lotus Notes International Domino HUB Service" Agreement	Raiffeisen International Bank-Holding AG	20 Sept 2010	Change of contractual terms
Amendment No. 1 to the "Service Description Core Banking Services (CBS) Midas Support Services" Agreement	Raiffeisen International Bank-Holding AG	20 Sept 2010	Change of contractual terms
Amendment No. 1 to the "Service Description Corporate Network International" Agreement	Raiffeisen International Bank-Holding AG	20 Sept 2010	Change of contractual terms

In addition to the contracts referred to above, the Bank and controlling entities entered into other bank transactions, predominantly loans and borrowings on the money market and fixed-term transactions, from which the Bank received or on which it paid interest and fees during the year of 2010.

In the reporting period, the controlled entity received or provided no other performance or counter-performance in the interest or at the initiative of the controlling entity or entities controlled by the controlling entity outside the scope of performance or counter-performance, which is customary within the controlled entity's relations with the controlling entity as the shareholder of the controlled entity.

3.2 List of Contracts with Other Related Parties

In the 2010 reporting period, Raiffeisenbank a.s. had relations with the following related parties:

Raiffeisen stavební spořitelna a.s.

Legal act	Counterparty	Date of conclusion	Performance/counter-performance
Contract for the Opening of the Current Investment Account	Raiffeisen stavební spořitelna, a.s.	2 Oct 2001	Opening and maintenance of an investment account/payment of contractual fees
Cooperation Contract	Raiffeisen stavební spořitelna a.s.	31 May 2002	Mediation of the sale of construction savings scheme/payment of contractual commissions
Contract for the Use of Call Centre	Raiffeisen stavební spořitelna a.s.	12 May 2004	Provisions of call centre services to RSTS/contractual fee
Contract for the Provision of Call Centre Services	Raiffeisen stavební spořitelna a.s.	23 June 2005	Provision of call centre services for RSTS/contractual fee
Cooperation Contract	Raiffeisen stavební spořitelna a.s.	18 May 2005	Cooperation in the sale of credit cards/contractual fee
Cooperation Contract	Raiffeisen stavební spořitelna a.s.	11 Nov 2005	Cooperation in the sale of credit cards/contractual fee
Contract for the Payment of Additional Expenses for mailing services and production of POS material	Raiffeisen stavební spořitelna a.s.	19 Oct 2005	Payment for the production and sending of advertising leaflets
Amendment No. 1 to the Contract for the Lease of Non-residential premises	Raiffeisen stavební spořitelna a.s.	23 Jan 2006	Lease of non-residential premises/payment of the lease
Contract for the Mediation of Activities in the Form of Mutual Addressing of Clients	Raiffeisen stavební spořitelna a.s.	20 Dec 2006	Addressing of clients with the purpose of mutual offering of products/mediation commission
Contract for the Purchase or Sale of Securities, Settlement of Transactions with Securities and Administration of Securities	Raiffeisen stavební spořitelna a.s.	2 April 2007	Sale, purchase and settlement of transactions with securities and stock exchange derivatives/payment of the contractual fee
Contract for the Cooperation in Provision of Advertising and Promotion at Raiffeisen Business Circle	Raiffeisen stavební spořitelna a.s.	16 April 2007	Promotion of RSTS at an event with clients/payment of the contractual fee

Legal act	Counterparty	Date of conclusion	Performance/counter-performance
Contract for the Cooperation in Addressing of Clients	Raiffeisen stavební spořitelna a.s.	12 Nov 2007	Addressing of clients with the purpose of mutual offering of products/mediation commission
Contract for the Participation in the Production of a TV Program	Raiffeisen stavební spořitelna a.s.	3 May 2007	Definition of conditions for the participation in the production of a TV program
Amendment No. 1 to the Contract for the Participation in the Production of a TV Program	Raiffeisen stavební spořitelna a.s.	18 Jan 2008	Definition of conditions for the participation in the production of a TV program
Cooperation Contract	Raiffeisen stavební spořitelna a.s.	15 Oct 2008	Definition of conditions of cooperation in mutual offering of products
Benefit Contract	Raiffeisen stavební spořitelna a.s.	15 Oct 2008	Definition of conditions for cooperation in mutual offering of products
Amendment No. 5 to the Cooperation Agreement from 31 May 2002	Raiffeisen stavební spořitelna a.s.	27 March 2009	Change of conditions for cooperating in mutual offering of products
Co-operation Agreement	Raiffeisen stavební spořitelna a.s.	1 June 2009	Definition of conditions for cooperating in mutual offering of products
Amendment No. 1 to the Cooperation Agreement from 01 June 2009	Raiffeisen stavební spořitelna a.s.	3 June 2009	Change of conditions for cooperating in mutual offering of products
Amendment No. 6 to the Cooperation Agreement from 31 May 02	Raiffeisen stavební spořitelna a.s.	23 Dec 2009	Change of conditions for cooperating in mutual offering of products
Cooperation Agreement	Raiffeisen stavební spořitelna a.s.	7 June 2010	Change of mutual cooperation in providing payment cards/paying commission
Cooperation Agreement	Raiffeisen stavební spořitelna a.s.	26 July 2010	Change of mutual cooperation in providing building savings/paying commission

Raiffeisen – Leasing, s.r.o.

Legal act	Counterparty	Date of conclusion	Performance/counter-performance
Credit Risk Cooperation Contract	Raiffeisen – Leasing, s.r.o.	12 Jan 2004	Provision of credit risk analyses/payment of fees and payment of costs according to the contract
Treasury Cooperation Contract	Raiffeisen – Leasing, s.r.o.	30 June 2004	Treasury cooperation contract/payment of fees and costs according to the contract
Loan Contract	Raiffeisen – Leasing, s.r.o.	28 Nov 2005	Provision of a loan/payment of the contractual interest
Contract for the Non-exclusive Business Representation	Raiffeisen – Leasing, s.r.o.	30 Dec 2005	Business representation/payment of contractual commissions
Contract for the Provision of the Call Centre Services	Raiffeisen – Leasing, s.r.o.	25 Jan 2005	Provision of call centre services/payment of the contractual fee
Lease Contract	Raiffeisen – Leasing, s.r.o.	11 May 2001	Operating leases of computers and office equipment/contractual fee
Lease Contract	Raiffeisen – Leasing, s.r.o.	11 May 2001	Operating lease of the equipment of the establishment/contractual fee
Lease Contract	Raiffeisen – Leasing, s.r.o.	11 May 2001	Operating lease of the equipment of the establishment/contractual fee
Lease Contract	Raiffeisen – Leasing, s.r.o.	5 Oct 2001	Operating lease of the IBM server and accessories/contractual fee
Lease Contract	Raiffeisen – Leasing, s.r.o.	11 Feb 2002	Operating lease of computers and office equipment/contractual fee
Lease Contract	Raiffeisen – Leasing, s.r.o.	11 Feb 2002	Operating lease of the set of glass and aluminium structures/contractual fee
Confidentiality Agreement	Raiffeisen – Leasing, s.r.o.	1 Jan 2006	Confidentiality regarding offers of products to customers of both parties
Contract for the Cooperation in Advertising and Promotion	Raiffeisen – Leasing, s.r.o.	6 Jan 2006	Mutual promotion and advertising/payment of costs according to the contract
Cooperation Contract	Raiffeisen – Leasing, s.r.o.	31 March 2006	Mutual offering of products and services to customers of both parties

Legal act	Counterparty	Date of conclusion	Performance/counter-performance
Credit Risk Cooperation Contract	Raiffeisen – Leasing, s.r.o.	1 Aug 2006	Provision of credit risk analyses/payment of fees and payment of costs according to the contract
Agreement on Co-Operation and providing of some services	Raiffeisen – Leasing, s.r.o.	7 Sept 2006	Provision of system services and support in IT area/payment of fees and costs pursuant to the Agreement
Contract for the Administration of Documents and Provision of Certain Services	Raiffeisen – Leasing, s.r.o./MB Leasing a.s.	1 March 2006	Administration of documents of MB Leasing a.s./payment of the contractual fee
Bookkeeping Contract	Raiffeisen – Leasing, s.r.o./MB Leasing a.s.	1 March 2006	Bookkeeping for MB Leasing a.s./ payment of the contractual fee
Contract for the Lease of Non-residential Premises	Raiffeisen – Leasing, s.r.o.	26 Nov 2007	Lease of non-residential premises/payment of the lease
Agreement on Non-Exclusive Business Representation	Raiffeisen – Leasing, s.r.o.	26 June 2008	Agreement of conditions of non-exclusive business representation/commission payment
Agreement on Sublease of Non-Residential Premises	Raiffeisen – Leasing, s.r.o.	28 Aug 2008	Sublease of non-residential premises / payment of rent
Amendment No. 4 to the Lease Contract dated 11 February 2002	Raiffeisen – Leasing, s.r.o.	29 Dec 2008	Definition of the lease termination
Amendment No. 5 to the Lease Contract dated 11 May 2001	Raiffeisen – Leasing, s.r.o.	29 Dec 2008	Definition of the lease termination
Amendment No. 1 to the Agreement on Non-exclusive Business Representation from 26 June 2008	Raiffeisen – Leasing, s.r.o.	29 April 2009	Change in contractual conditions/payment of commission
Amendment No. 1 to the Agreement on Sublease of Non-Residential Premises from 28 August 2008	Raiffeisen – Leasing, s.r.o.	15 June 2009	Change in contractual conditions
Amendment No. 1 to the Cooperation Agreement in the area of risk management from 01 Aug 2006	Raiffeisen – Leasing, s.r.o.	16 June 2009	Change in contractual conditions
Amendment No. 5 to the Loan Agreement of 28 Nov 2005	Raiffeisen – Leasing, s.r.o.	30 Nov 2009	Change in contractual conditions
Amendment No. 2 1 to the Agreement on Sublease of Non-Residential Premises from 28 August 2008	Raiffeisen – Leasing, s.r.o.	1 Dec 2009	Change in contractual conditions
Amendment No. 6 to the Loan Agreement of 28 Nov 2005	Raiffeisen – Leasing, s.r.o.	30 Nov 2009	Amendment No. 5 to the Loan Agreement of 28 Nov 2005
Cooperation Agreement	Raiffeisen – Leasing, s.r.o.	13 Dec 2010	Change of mutual cooperation in providing payment cards/paying commission
Claim Assignment Agreement	Raiffeisen – Leasing, s.r.o.	15 Dec 2010	Assignment of claims/payment of contractual fees
Claim Assignment Agreement	Raiffeisen – Leasing, s.r.o.	23 Dec 2010	Assignment of claims/payment of contractual fees
Cooperation Agreement	Raiffeisen – Leasing, s.r.o./ Proveon, a.s.	15 Dec 2010	Change of mutual cooperation in data processing

Raiffeisen – Leasing Real Estate, s.r.o.

Legal act	Counterparty	Date of conclusion	Performance/counter-performance
Credit Risk Cooperation Contract	Raiffeisen – Leasing Real Estate, s.r.o.	12 Jan 2004	Provision of credit risk analyses/payment of fees and settlement of costs according to the contract
Contract for the Use of the Electronic Banking	Raiffeisen – Leasing Real Estate, s.r.o.	19 Jan 2004	Installation of the electronic banking system/contractual fee
Escrow Account Agreement	Raiffeisen – Leasing Real Estate, s.r.o./FONTÁNA HOTEL, s.r.o.	19 Oct 2004	Agreement on opening an escrow account for depositing funds / payment of contractual fees
Amendment No. 1 to the Contract for the Use of the Electronic Banking dated 19 Jan 2004	Raiffeisen – Leasing Real Estate, s.r.o.	26 Oct 2005	Definition of the contractual fee
Contract for the Opening and Maintenance of the Current Account	Raiffeisen – Leasing Real Estate, s.r.o.	19 April 2004	Opening and maintenance of the current account/payment of contractual fees
Treasury Cooperation Contract	Raiffeisen – Leasing Real Estate, s.r.o.	30 Nov 2006	Treasury cooperation contract/payment of the fee and costs according to the contract
Amendment No. 1 to the Contract for the Special-Purpose Account dated 19 Oct 2004	Raiffeisen – Leasing Real Estate, s.r.o./FONTÁNA HOTEL, s.r.o.	1 Feb 2006	Definition of contractual terms
Agreement on Sublease of Non-Residential Premises	Raiffeisen – Leasing Real Estate, s.r.o.	28 Aug 2008	Sublease of non-residential premises/ payment of rent
Agreement on the assignment of ownership interest	Raiffeisen – Leasing Real Estate, s.r.o.	15 Oct 2009	Transfer of 100% share of Notos Property, s.r.o / payment of purchase price
Amendment No. 1 to the Agreement on Sublease of Non-Residential Premises	Raiffeisen – Leasing Real Estate, s.r.o.	1 Dec 2010	Change of contractual conditions
Amendment No. 1 to the Agreement on Cooperation in the Area of Risk Management	Raiffeisen – Leasing Real Estate, s.r.o.	21 Dec 2010	Change of contractual conditions
Credit Contract	Raiffeisen – Leasing Real Estate, s.r.o.	26 Feb 2010	Provision of credit/payment of contractual interest
Amendment No. 1 to the Credit Contract dated 26 Feb 2010	Raiffeisen – Leasing Real Estate, s.r.o.	23 Aug 2010	Change of contractual conditions
Credit Contract	Raiffeisen – Leasing Real Estate, s.r.o.	21 June 2010	Provision of credit/payment of contractual interest
Amendment No. 1 to the Credit Contract dated 21 June 2010	Raiffeisen – Leasing Real Estate, s.r.o.	24 June 2010	Change of contractual conditions
Credit Contract	Raiffeisen – Leasing Real Estate, s.r.o.	23 Aug 2010	Provision of credit/payment of contractual interest
Amendment No. 1 to the Credit Contract dated 23 Aug 2010	Raiffeisen – Leasing Real Estate, s.r.o.	25 Aug 2010	Change of contractual conditions

As of 31 December 2010, Raiffeisenbank a.s. had concluded 70 contracts for the opening and maintenance of the current account with companies controlled indirectly through Raiffeisen – Leasing Real Estate, s.r.o. (see list in Chapter 2) based on which it received standard contractual fees and paid standard contractual interest to the above companies.

As of 31 December 2010, Raiffeisenbank a.s. had concluded 70 contracts for the use of electronic banking, or rather authorisation to use electronic banking, with companies indirectly controlled through Raiffeisen – Leasing Real Estate, s.r.o. (see list in Chapter 2) based on which it received contractual fees from the above companies.

KHD, a.s.

Legal act	Counterparty	Date of conclusion	Performance/counter-performance
Agreement on Setting up and Keeping a Bank Account	KHD, a.s.	13 Feb 2009	Establishing and maintaining a current bank account/ payment of contractual fees

Real Invest Vodičkova, spol. s r.o.

Legal act	Counterparty	Date of conclusion	Performance/counter-performance
Contract for the Lease of Non-residential premises	Real Invest Vodičkova, spol. s r.o.	26 Nov 2002	Lease of non-residential premises/ contractual fee

Raiffeisen finanční poradenství, s.r.o.

Legal act	Counterparty	Date of conclusion	Performance/counter-performance
Business Representation Contract	Raiffeisen finanční poradenství s.r.o.	1 Oct 2005	Offering of products, advertising and promotional/contractual fee
Business Representation Contract	Raiffeisen finanční poradenství s.r.o.	10 Oct 2008	Offering of products, advertising and promotional/contractual fee

Raiffeisen Investment, s.r.o.

Legal act	Counterparty	Date of conclusion	Performance/counter-performance
Contract for the Use of the Electronic Banking	Raiffeisen Investment, s.r.o.	2 Dec 2008	Installation of the electronic banking system/contractual fee
Agreement on Sublease of Non-Residential Premises	Raiffeisen Investment, s.r.o.	29 May 2009	Sublease of non-residential premises / payment of contractual rent
Agreement on Setting up and Keeping a Bank Account	Raiffeisen Investment, s.r.o.	1 Oct 2009	Establishing and maintaining a current bank account/ payment of contractual fees
Amendment No. 1 to the Agreement on Sublease of Non-Residential Premises dated 29 May 2009	Raiffeisen Investment, s.r.o.	1 May 2010	Change of contractual conditions

Raiffeisen Property Management, s.r.o.

Legal act	Counterparty	Date of conclusion	Performance/counter-performance
Agreement on Setting up and Keeping a Bank Account	Raiffeisen Property Management, s.r.o. (former Raiffeisen Property Invest, s.r.o.)	12 May 1997	Maintaining a current bank account/payment of contractual fees
Agreement on Setting up and Keeping a Bank Account	Raiffeisen Property Management, s.r.o. (former Raiffeisen Property Invest, s.r.o.)	16 Dec 2008	Maintaining a current bank account/payment of contractual fees

Hotel Maria Prag Besitz s.r.o.

Legal act	Counterparty	Date of conclusion	Performance/counter-performance
Agreement on Keeping a Bank Account	Hotel Maria Prag Besitz s.r.o.	19 Oct 2006	Maintaining a current bank account/payment of contractual fees

Raiffeisen Bank Rt.

Legal act	Counterparty	Date of conclusion	Performance/counter-performance
Agreement on the Opening of the Nostro Account	Raiffeisen Bank Rt.	2 Aug 2001	Maintenance of the nostro account/payment of contractual fees
Contract for the Opening and Maintenance Securities Account	Raiffeisen Bank Rt.	11 July 2005	Definition of conditions for maintenance of securities account of RBCZ in Hungary/ payment of contractual fees

Raiffeisenbank a.d.

Legal act	Counterparty	Date of conclusion	Performance/counter-performance
Loan contract	Raiffeisenbank a.d.	21 Dec 2004	Provision of the loan/payment of the contractual interest
Amendment No. 1 to the Loan Contract dated 21 Dec 2004	Raiffeisenbank a.d.	30 March 2005	Definition of contractual relations until 30 April 2005
Loan Contract	Raiffeisenbank a.d.	14 June 2005	Provision of the loan/payment of the contractual interest

Raiffeisenbank Austria d.d.

Legal act	Counterparty	Date of conclusion	Performance/Counter-performance
Agreement on the Opening of the Nostro Account	Raiffeisenbank Austria d.d.	21 May 2001	Maintenance of the nostro account/ payment of contractual fees

Tatra Banka, a.s.

Legal act	Counterparty	Date of conclusion	Performance/ Counter-performance
Agreement on joint use of Banker's Almanac On-line	Tatra Banka, a.s.	15 June 2004	Agreement on joint order and use of electronic database service/agreement on proportional payment of price
Risk Participation Confirmation	Tatra Banka, a.s.	18 May 2005	Credit risk participation/payment of contractual fees
Risk Participation Confirmation	Tatra Banka, a.s.	18 Aug 2005	Credit risk participation/payment of contractual fees
Risk Participation Confirmation	Tatra Banka, a.s.	16 Nov 2005	Credit risk participation/payment of contractual fees
Loan Contract	Tatra Banka, a.s.	17 May 2005	Provision of loan/payment of the contractual interest
Amendment No. 1 to the Loan Contract dated 17 May 2005	Tatra Banka, a.s.	16 Nov 2005	Definition of rights and obligations
Contract for the Pledge on State Bonds	Tatra Banka, a.s.	19 May 2005	Establishing pledge on bonds
Amendment No. 1 to the Contract on the Pledge on Bonds dated 19 May 2005	Tatra Banka, a.s.	16 Nov 2005	Definition of rights and obligations
Contract for the Syndicated Investment Loan	Tatra Banka, a.s.	12 Dec 2005	Provision of the loan/payment of the contractual interest
Risk Participation Confirmation	Tatra Banka, a.s.	30 Oct 2006	Credit risk participation/payment of contractual fees
Risk Participation Confirmation	Tatra Banka, a.s.	30 Oct 2006	Credit risk participation/payment of contractual fees
Risk Participation Confirmation	Tatra Banka, a.s.	30 Oct 2006	Credit risk participation/payment of contractual fees
Risk Participation Confirmation	Tatra Banka, a.s.	7 Dec 2006	Credit risk participation/payment of contractual fees
Risk Participation Confirmation	Tatra Banka, a.s.	18 Dec 2006	Credit risk participation/payment of contractual fees
Risk Participation Confirmation	Tatra Banka, a.s.	21 Dec 2006	Credit risk participation/payment of contractual fees
Risk Participation Confirmation	Tatra Banka, a.s.	21 Dec 2006	Credit risk participation/payment of contractual fees
Risk Participation Confirmation	Tatra Banka, a.s.	30 Oct 2007	Credit risk participation/payment of contractual fees
Risk Participation Confirmation	Tatra Banka, a.s.	22 Nov 2007	Credit risk participation/payment of contractual fees
Cooperation Contract	Tatra Banka, a.s.	30 Nov 2007	Mutual advisory on structured transactions in the Czech Republic and Slovakia/payment of the contractual price
Agreement on the Termination of the Loan Contract dated 17 May 2005	Tatra Banka, a.s.	30 April 2008	Termination of the loan contract due to the completion of all contractual obligations
Risk Participation Confirmation	Tatra Banka, a.s.	27 Feb 2008	Credit risk participation/payment of contractual fees
Risk Participation Confirmation	Tatra Banka, a.s.	8 Dec 2008	Credit risk participation/payment of contractual fees
Risk Participation Confirmation	Tatra Banka, a.s.	19 Dec 2008	Credit risk participation/payment of contractual fees
Risk Participation Confirmation	Tatra Banka, a.s.	19 Dec 2008	Credit risk participation/payment of contractual fees
Risk Participation Confirmation	Tatra Banka, a.s.	26 Aug 2008	Credit risk participation / payment of contractual fees
Amendment no. 5 to the Agreement on Joint Use of the Banker's Almanac On-line from 15 June 2004	Tatra Banka, a.s.	8 June 2009	Prolongation of agreement duration
Agreement on the supply of software and license provisioning	Tatra Banka, a.s.	15 Dec 2009	Provision of software for debt collection/payment of contractual fee
Amendment no. 6 to the Agreement on Joint Use of the Banker's Almanac On-line from 15 June 2004	Tatra Banka, a.s.	16 Dec 2009	Agreement on a joint order
Agreement on Payment Cards and PIN Personalization	Tatra Banka, a.s.	19 Apr 2010	Agreement on mutual cooperation in production of payment cards/payment of contractual fees
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 Aug 2010	Agreement on conditions for transfer of information and access to premises
Agreement on Communication Through JIRA Application	Tatra Banka, a.s.	6 Oct 2010	Agreement on mutual communication through a shared application

Raiffeisen Bank Polska S.A.

Legal act	Counterparty	Date of conclusion	Performance/Counter-performance
Contract for the Establishment of Pledge on Receivables from Deposits	Raiffeisen Bank Polska S.A./ OFO Polska Sp. Z o.o.	25 Aug 2005	Establishment of the pledge on receivables from deposits
Risk Participation Confirmation	Raiffeisen Bank Polska S.A.	22 Dec 2006	Credit risk participation/payment of contractual fees

Raiffeisen Bank S.A.

Legal act	Counterparty	Date of conclusion	Performance/counter-performance
Agreement on Opening of Nostro Account	Raiffeisen Bank S.A.	19 Aug 2005	Maintenance of the nostro account/payment of contractual fees

Raiffeisen Centrobank AG

Legal act	Counterparty	Date of conclusion	Performance/counter-performance
Contract for Provision of Stock Exchange Analyses	Raiffeisen Centrobank AG	1 May 2005	Provision of analyses of the equity market on the Prague Stock Exchange/payment of the contractual fee
Contract for Opening and Maintenance of Current/Correspondence Account	Raiffeisen Centrobank AG	23 Oct 2007	Opening and maintenance of current/correspondence account/payment of contractual fees

Raiffeisen Krekova Banka d.d.

Legal act	Counterparty	Date of conclusion	Performance/counter-performance
Loan Contract	Raiffeisen Krekova Banka d.d.	3 June 2005	Provision of the loan/payment of the contractual interest
Additional Agreement to the Loan Contract dated 3 June 2005	Raiffeisen Krekova Banka d.d.	3 June 2005	Determining of the loan amount
Amendment No. 1 to the Loan Contract dated 3 June 2005	Raiffeisen Krekova Banka d.d.	26 Aug 2005	Definition of the payment of interest
Loan Contract	Raiffeisen Krekova Banka d.d.	14 Sept 2005	Provision of the loan/payment of the contractual interest
Additional Agreement to the Loan Contract dated 14 Sept 2005	Raiffeisen Krekova Banka d.d.	6 Sept 2005	Determining the amount of used funds
Amendment No. 1 to the Loan Contract dated 14 Sept 2005	Raiffeisen Krekova Banka d.d.	1 Dec 2005	Extension of the loan drawing period

Raiffeisen – Leasing International GmbH

Legal act	Counterparty	Date of conclusion	Performance/counter-performance
Creditor Agreement	Raiffeisen – Leasing International GmbH	10 March 2005	Agreement on common proceedings against debtors
Syndicate Contract	Raiffeisen – Leasing International GmbH	3 May 2004	Contract for cooperation in corporate governance
Amendment to the Creditor Contract dated 10 March 2005	Raiffeisen-Leasing International GmbH/RLRE Kappa Property, s.r.o./RLRE Lambda Property s.r.o.	24 June 2005	Additional modification to contractual relations
Contract for Common Refinancing	Raiffeisen-Leasing International GmbH/RLRE Kappa Property, s.r.o./RLRE Lambda Property s.r.o.	21 Oct 2005	Contract for the participation in refinancing of the loan
Contract for the Special-purpose Account	Raiffeisen-Leasing International GmbH/RLRE Kappa Property, s.r.o./RLRE Lambda Property s.r.o.	24 Oct 2005	Opening of an account with specific conditions for dealing with funds
Creditor Agreement	Raiffeisen-Leasing International GmbH/RLRE Kappa Property, s.r.o./RLRE Lambda Property, s.r.o.	29 Dec 2004	Agreement on the common future proceedings
Contract for Special Purpose Account	Raiffeisen-Leasing International GmbH/RLRE Kappa Property, s.r.o./RLRE Lambda Property s.r.o.	29 Dec 2004	Opening of an account with specific condition for dealing with funds

Raiffeisen – Leasing Bank AG

Legal act	Counterparty	Date of conclusion	Performance/counter-performance
Contract for the establishment of a pledge for receivables from deposits	Raiffeisen-Leasing Bank AG	27 Jan 2005	Establishment of the pledge for the receivables from deposits

Raiffeisen International GROUP IT GmbH

Legal act	Counterparty	Date of conclusion	Performance/counter-performance
Framework contract on Provisions of IT services	Raiffeisen International GROUP IT GmbH	27 April 2006	Provision of IT services/payment of the contractual price

Centralised Raiffeisen International Services and Payments S.R.L.

Legal act	Counterparty	Date of conclusion	Performance/counter-performance
Contract for Provision of Advisory Services	Centralised Raiffeisen International Services and Payments S.R.L.	23 Feb 2007	Provision of services in SWIFT processing of payments/payment of the contractual price
Framework Cooperation Contract	Centralised Raiffeisen International Services and Payments S.R.L.	18 June 2007	Setting of the access to the SWIFT system/payment of contractual fees
Agreement on Processing and Protection of Data	Centralised Raiffeisen International Services and Payments S.R.L.	18 June 2007	Agreement on dealing with data and protection of data
Appendix No. 3 to the Framework Cooperation Contract	Centralised Raiffeisen International Services and Payments S.R.L.	8 Feb 2008	Cooperation in the group FiSa program, determining fees for scanning of transactions to sanctioned persons
Appendix No. 4a to the Framework Cooperation Contract	Centralised Raiffeisen International Services and Payments S.R.L.	12 Aug 2009	Specification of services for use of the common platform in foreign payment system
Confidentiality Agreement	Centralised Raiffeisen International Services and Payments S.R.L.	20 Jan 2010	Agreement on confidentiality as part of potential mutual cooperation
Appendix No. 4 to the Framework Cooperation Contract	Centralised Raiffeisen International Services and Payments S.R.L.	12 Nov 2010	Specification of services for use of the common platform in foreign payment system
Appendix No. 5 to the Framework Cooperation Contract	Centralised Raiffeisen International Services and Payments S.R.L.	27 Aug 2010	Specification of services for use of the common platform in foreign payment system

Eastern European Invest GmbH

Legal act	Counterparty	Date of conclusion	Performance/counter-performance
Intra Group Stand-by Facility Contract	Eastern European Invest GmbH	1 Aug 2007	Interbank loan/payment of contractual fees and interest
Amendment to Intra Group Stand-by Facility	Eastern European Invest GmbH	11 Dec 2007	Change in contractual conditions of the contract referred to above
Agreement on termination of the Intra Group Stand-by Facility Agreement	Eastern European Invest GmbH	31 Dec 2009	Termination of contract

RZB Finance LLC

Legal act	Counterparty	Date of conclusion	Performance/counter-performance
General Risk Participation Agreement	RZB Finance LLC	12 Sept 2007	Agreement on participation in credit risk based on which the below risk participation confirmations were issued/payment of contractual fees
Risk Participation Confirmation	RZB Finance LLC	12 Sept 2007	Credit risk participation/payment of contractual fees
Risk Participation Confirmation	RZB Finance LLC	6 Dec 2007	Credit risk participation/payment of contractual fees

Raiffeisen Malta Bank PLC

Legal act	Counterparty	Date of conclusion	Performance/counter-performance
Subordinated Loan Contract	Raiffeisen Malta Bank PLC	15 Sept 2008	Provision of the subordinated loan/payment of the contractual interest

ZUNO BANK AG (former Raiffeisen International Direct Bank AG)

Legal act	Counterparty	Date of conclusion	Performance/counter-performance
Confidentiality Agreement	Raiffeisen International Direct Bank AG	23 Oct 2009	Agreement on confidentiality as part of potential mutual cooperation
Service Agreement	Raiffeisen International Direct Bank AG	3 March 2010	Cooperation in establishing the organizational unit/payment of contractual remuneration
Amendment No. 1 to the Service Agreement dated 3 March 2010	ZUNO BANK AG	1 Aug 2010	Change of contractual conditions
Service Agreement	ZUNO BANK AG	1 Oct 2010	Cooperation in human resources/payment of contractual remuneration

ZUNO BANK AG, organizační složka

Legal act	Counterparty	Date of conclusion	Performance/counter-performance
Contract for Keeping Current/Correspondence Account	ZUNO BANK AG, organizační složka	22 Sept 2010	Keeping of a current/correspondence account/payment of contractual fees

Regional Card Processing Centre, s.r.o.

Legal act	Counterparty	Date of conclusion	Performance/counter-performance
Statement of Work Agreement	Regional Card Processing Centre, s.r.o.	10 Feb 2010	Agreement on mutual cooperation as part of the bank project/payment of contractual remuneration

ZAO Raiffeisenbank

Legal act	Counterparty	Date of conclusion	Performance/counter-performance
Correspondence Account Contract	ZAO Raiffeisenbank	3 Sept 2008	Keeping of a correspondence account/payment of contractual fees

In addition to contracts concluded in 2010 referred to above, the Bank and other related parties entered into other transactions in the reporting period, specifically loans and borrowings on the money market and fixed-term transactions from which the Bank received or paid interest and fees.

4. Other Legal Acts**4.1 Other Legal Acts with Controlling Entities****Raiffeisen International Bank-Holding AG**

Legal act	Counterparty	Date of conclusion	Performance/Counter-performance
Resolution of the regular General Meeting of Raiffeisenbank a.s. - Payment of dividends for 2009	Raiffeisen International Bank-Holding AG	29 April 2010	Payment of dividends based on the resolution of the regular General Meeting

4.2 Other Legal Acts with Other Related Parties**Raiffeisen stavební spořitelna, a.s.**

Legal act	Counterparty	Date of conclusion	Performance/Counter-performance
Resolution of the regular General Meeting of Raiffeisen stavební spořitelna, a.s. - Payment of dividends for 2009	Raiffeisenbank a.s.	29 April 2010	Payment of dividends based on the resolution of the General Meeting

5. List of Other Factual Measures

5.1 List of the 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 based on the resolution of the controlling entity.

5.2 List of Measures Adopted in the Interest of Other Related Parties

None.

6. Final Statement of the Board of Directors of Raiffeisenbank a.s.

We state that the Report on Related Party transactions between the related parties of Raiffeisenbank a.s. prepared in accordance with Section 66a (9) of the Commercial Code for the reporting period from 1 January 2010 to 31 December 2010, to our best knowledge, includes all concluded or effected in the reporting period and known to us on the date of signing of this report.

- Contracts between related parties;
- Performance and counter-performance provided to related parties;
- Other legal acts adopted in the interest of these parties; and
- All other factual measures adopted or made in the interest or at the initiative of these parties

In identifying other related parties, the Board of Directors of Raiffeisenbank a.s. used the information provided by the controlling entities of the Bank - Raiffeisen Zentralbank Österreich AG and Raiffeisen Bank International AG.

In addition, we state that we are not aware that a detriment to assets was 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 2010 to 31 December 2010.

In Prague on 28 March 2011



Lubor Žalman
Chairman of the Board of Directors
and CEO



Martin Kolouch
Member of the Board of Directors
and Executive Director

Persons Responsible for the Annual Report

We hereby declare that the information presented in this Annual Report is truthful and that no material circumstances which could have an impact on the precise and accurate assessment of the securities issuer have been omitted.



Lubor Žalman
Chairman of the Board of Directors
and Chief Executive Officer
Raiffeisenbank a.s.



Karel Soukeník
Head of the Financial Controlling
& Accounting Division

Raiffeisen Bank International at a glance

Raiffeisenbank a.s. is a subsidiary of Raiffeisen Bank International AG (RBI), a leading universal bank in Central and Eastern Europe (CEE) and one of the foremost providers of corporate and investment banking services in Austria. RBI originated from the merger of the spun-off business areas of Raiffeisen Zentralbank Österreich AG (RZB) with Raiffeisen International Bank-Holding AG. The transaction was legally completed in October 2010. RBI is a fully-consolidated subsidiary of RZB, which owns 78.5 per cent of the bank's common stock. The remainder is in free float, with the shares listed on the Vienna Stock Exchange.

RBI offers corporate and investment banking for Austrian and international companies, an extensive banking and leasing network in CEE for both corporate and retail customers, as well as corporate and investment banking services in Asia and the world's principal financial centres. The group's subsidiary banks are present in the following Central and Eastern European markets:

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

The parent company of these banks is RBI, whose shareholding in them is at or near 100 per cent in most cases. The Raiffeisen Bank International Group also includes many finance leasing companies (including one each in Kazakhstan and Moldova) and a number of other financial service providers.

In Western Europe and the USA, RBI operates a branch in London and representative offices in Frankfurt, Madrid, Milan, Paris, Stockholm, and New York. A finance company in New York and a subsidiary bank in Malta complement the scope of the bank's presence. In Asia, the Group's second geographical focus, RBI runs branches in Beijing, Xiamen and Singapore, a finance company in Hong Kong, as well as representative offices in Ho Chi Minh City, Hong Kong, Mumbai and Seoul. This strong presence clearly underlines the Group's emerging markets strategy.

In addition to its banking operations, RBI runs several specialist companies in CEE that offer solutions in a wide variety of areas, including M&A, equity investment, real estate development, project management and fund management.

The RBI Group's consistent commitment to quality is regularly reflected by a broad range of local and international awards, including by such leading finance industry publications as "The Banker", "Euromoney" and "Global Finance".

RZB and the Austrian Raiffeisen Banking Group

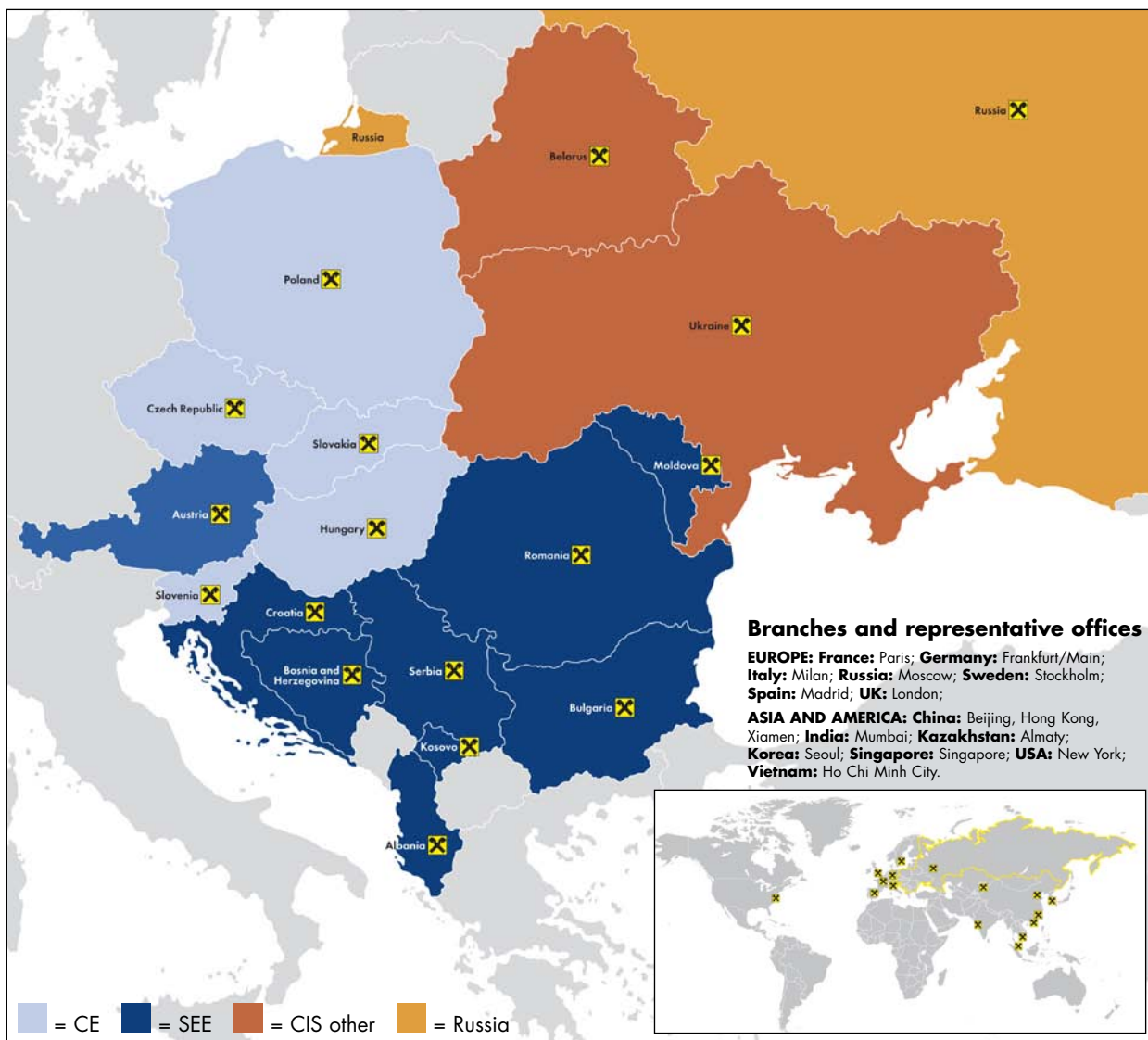
RBI is a subsidiary of Vienna-based RZB. Founded in 1927, RZB is the steering holding of the entire RZB Group and the central institution of the Austrian Raiffeisen Banking Group (RBG), the country's largest banking group.

RBG represents approximately a quarter of all banking business in Austria and comprises the country's largest banking network, with 535 independent banks and 1,689 branches (year-end 2009). As of year-end 2009, RBG's consolidated balance-sheet total amounted to 260 billion. RBG's three-tiered structure consists of Raiffeisenbanks on the local level, Regional Raiffeisen Banks on the provincial level and RZB as the central institution. Raiffeisenbanks are private cooperative credit institutions, operating as general service retail banks. Each province's Raiffeisenbanks are owners of the respective Regional Raiffeisen Bank, which in their entirety own approximately 88 per cent of RZB's ordinary shares. The cooperative idea on which the Raiffeisen organisation is based reflects the principles and work of the German social reformer Friedrich Wilhelm Raiffeisen (1818-1888).

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www.rzb.a

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The Raiffeisen Financial Group in the Czech Republic

Raiffeisen stavební spořitelna a.s.



Raiffeisen stavební spořitelna has been operating on the Czech market since September 1993 (originally under the name AR stavební spořitelna). Raiffeisen stavební spořitelna was integrated into the Raiffeisen Financial Group in 1998 when Raiffeisen Bausparkasse GmbH increased its stake in the building society to 75 per cent, and the remaining 25 per cent was acquired by Raiffeisenbank a.s. In 2005, the majority shareholder transferred its share in the subsidiary company Raiffeisen Bausparkassen Managementservice und Beteiligungsges.m.b.H., which became the integrating link between the savings banks of the Raiffeisen group in Austria and other countries. As of 27 August 2008, following the merger of Raiffeisen stavební spořitelna with the former HYPO stavební spořitelna, the share of Raiffeisenbank a.s. in RSTS was reduced to 10 per cent. The remaining 90 per cent is owned by Raiffeisen Bausparkassen Holding GmbH.

To a certain extent, 2010 has been a pivotal year for the entire building society sector. In the first half of the year, RSTS was very successful in the area of loan products, attaining 20 per cent of the market share in the volume of newly granted loans. In the second half of the year, there was a slowdown on the building society market in relation to the discussions on economical measures in the area of building savings planned by the government, and in turn, a 12 per cent reduction in loan generation. In contrast to other building societies, RSTS recorded in 2010 almost the same results as in the previous year for the volume of newly granted loans (only 1.3 per cent lower). As of 31 December 2010, the volume of loans granted by RSTS for the past year amounted to CZK 10.6 billion, and for the same period, the company concluded more than 126,000 new agreements on building savings, including increases, which amounted to CZK 37.8 billion for the target amount volume.

Raiffeisen stavební spořitelna has focused in the long term on economical and ecological solutions, which is also reflected in its line of products. It was the first building society on the market to introduce the Helios loan, which was also the first loan on the Czech market designed especially for financing photovoltaic equipment. This new product had a very favourable response from clients, which was also demonstrated by the success in the Zlatá koruna competition last year, with the Helios loan taking third place for the General Public Prize.

In addition to improvements in internal and external services and expanding its products, one of the main areas of focus for RSTS in 2010 was developing its own sales network. The work of business representatives and employees at the company's headquarters significantly simplified and accelerated additional expansion of the web application CIBIS Sale, e.g. the possibility of terminating and altering savings agreements directly in the system. Another substantial step in this direction was the development of a portal for business representatives and their pilot tests. Cooperation with Raiffeisenbank had also increased, and RSTS started offering its clients the possibility of opening eKonto bank accounts.

Similar to past years, RSTS continued its support of charity and non-profit organisations in 2010. Last year, it contributed a total of approximately CZK 900,000 to charitable causes. It had directed financial assistance, for example, to the Children's Centre with comprehensive care and supportive family therapy at the Thomayer Hospital in Krč, the Rozmarýna association, which supports children and youth without families, or the social welfare institution Akord, which provides care for children and youth with mental difficulties and multiple impediments.

Raiffeisen stavební spořitelna a.s.

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www.rsts.cz

Toll-free information: 800 112 211

Raiffeisen-Leasing, s.r.o.

Raiffeisen-Leasing, s.r.o. was founded in 1994, and as a part of the Raiffeisen financial group, specialises in providing leasing services to companies and individuals. The company's partner institutions are Raiffeisenbank a. s. and Raiffeisen-Leasing International GmbH Wien.

Raiffeisen-Leasing, s.r.o. is a universal leasing company offering comprehensive financial products, including supplementary services for firms and private individuals. In providing its services, the company focuses in particular on reliability and the quality of the services provided and on nurturing long-term relationships with its business partners and clients. The company is a member of the Czech Leasing and Financial Association.

In 2010, the company recorded a year-on-year rise in the volume of trade and had carried out 80 per cent more transactions than in 2009. According to the IFRS, the company's assets increased year-on-year from CZK 4.288 billion as at 31 December 2009 to CZK 5.032 billion on 31 December 2010.

Raiffeisen-Leasing offers clients financial leasing with the option of repurchase and financial leasing with the obligation of repurchase or instalment plans for financing machinery and equipment, large technical equipment, transport equipment, construction machinery, and modern hi-tech equipment. In the area of automobile financing, the company offers, in addition to leasing products, financing in the form of loans or consumer loans. Additional products include supplier leasing to support dealers and manufacturers and leasing transactions for clients consolidating under standards different than those in the Czech Republic.

Raiffeisen-Leasing, s.r.o. continues to focus on optimal financing of all types of clients with special support for those segments of the economy that demonstrate a longer-term, more stable perspective. In 2011, the company will continue with its new strategy in the area of automobile financing, which focuses fully on end-clients. With the recovery of the economy, the company is searching for new solutions and financial structures for clients who come with new projects for supporting macroeconomic growth. Last but not least, the company has been developing areas such as the ecological production of energy, IT and hi-tech projects.

Raiffeisen-Leasing, s.r.o.
 Hvězdova 1716/2b
 140 78 Prague 4
 Tel: 221 511 611
 Fax: 221 511 666
 E-mail: rl@rl.cz
 www.rl.cz
 www.financovanivozu.cz



UNIQA pojišťovna, a.s.

UNIQA pojišťovna, a.s. commenced its operations on the Czech insurance market in 1993, originally under the name Česko-rakouská pojišťovna. The company changed its name to UNIQA pojišťovna in 2001 as a part of the international strategy of the parent concern to integrate the company's identity under the brand name UNIQA. UNIQA's international concern has its headquarters in Vienna and is an important Austrian insurance company with more than one fifth of the market. With its more than 30 subsidiary companies, UNIQA operates in 21 countries throughout Europe.

The UNIQA Group has received an "A" rating from Standard & Poor's, confirmed most recently in spring 2010.

The sole shareholder of the Czech UNIQA pojišťovna is UNIQA International Versicherung-Holding, GmbH. The insurance company's registered capital amounts to CZK 500 million.

UNIQA pojišťovna holds a universal insurance licence allowing the company to carry out business in the area of both life and non-life insurance. Currently, UNIQA offers virtually all types of insurance products covering all of its clients' insurance needs.

During the seventeen years of its existence, UNIQA has always been one of the ten largest insurance companies on the Czech market. Currently, it provides its services at more than 160 business locations throughout the Czech Republic. Its portfolio includes more than 600,000 insurance policies. Annual prescribed premiums are approximately CZK 5 billion.

UNIQA pojišťovna has closely cooperated with the Raiffeisen Group now for many years. This cooperation has also successfully expanded in other European countries where both brands are active on the financial market. Insurance is an integral part of financial services, and hence UNIQA pojišťovna has prepared optimal products for this purpose, such as leasing, credit and mortgage transactions. Some types of UNIQA insurance may be arranged directly at Raiffeisenbank's branch offices, among others, travel insurance or vehicle liability insurance. A project is planned to be launched in 2011 relating to new exclusive UNIQA life insurance for Raiffeisen clients. This helps significantly in simplifying clients' finances and creates important synergetic effects for Raiffeisen and UNIQA pojišťovna.

UNIQA pojišťovna, a.s.
Evropská 136
160 12 Prague 6
Tel: 225 393 111
Fax: 225 393 777
E-mail: uniqa@uniqa.cz
Toll-free infoline: 800 120 020

Raiffeisenbank branches

	Address	Phone
Beroun	Husovo náměstí 45, 266 01 Beroun	311 600 026
Brno – Česká	Česká 12, 604 46 Brno	517 545 111
*Brno – Masarykova	Masarykova 30, 602 00 Brno	532 196 823
Brno – Gaute	Lidická 26, 602 00 Brno	532 195 620
*Brno – Janská	Janská 1/3, 601 00 Brno	542 221 370
Brno – Královo Pole	Malátova 2, 612 00 Brno-Královo Pole	517 546 153
Brno – Nám. Svobody	Nám. Svobody 2, 602 00 Brno	531 022 900
Brno – Olympia	Olympia, U dálnice 777, 664 42 Modřice	547 243 868
Brno – Union	Videňská 281/77, 639 00 Brno	542 424 811
Brno – Globus	Hradecká 408/40, 621 00 Brno-Ivanovice	549 122 411
Česká Lípa	Nám. T.G.M 193, 470 01 Česká Lípa	487 525 704
České Budějovice	Náměstí Přemysla Otakara II. 13, 370 63 České Budějovice	386 707 411
České Budějovice	Milady Horákové 1498, 370 05 České Budějovice	385 790 111
*České Budějovice	Hroznová 7, 370 01 České Budějovice	386 357 815
Český Krumlov	Náměstí Svornosti 15, 381 01 Český Krumlov	380 712 705
Děčín	Myslbekova 3/84, 405 01 Děčín	412 510 057
Domažlice	Msgr. B. Staška 68, 344 01 Domažlice	379 775 911
*Frýdek-Místek	J. V. Sládka 84, 738 02 Frýdek Místek	558 441 310
Frýdek-Místek	Ostravská 2129, 738 02 Frýdek Místek	558 647 820
*Haviřov	Hlavní třída 438/73, 736 01 Haviřov	596 808 311
*Hodonín	Národní třída 18A, 695 01 Hodonín	518 399 811
*Hradec Králové	V Kopečku 75, 500 01 Hradec Králové	495 069 666
Hradec Králové	S.K.Neumanna 487, 500 01 Hradec Králové	493 334 111
Cheb	Májová 16, 350 02 Cheb	354 433 629
Chomutov	Žižkovo náměstí 120, 430 01 Chomutov	474 930 909
*Jablonec nad Nisou	Komenského 8, 466 01 Jablonec nad Nisou	483 737 141
*Jihlava	Masarykovo náměstí 35, 586 28 Jihlava	567 578 911
*Karlovy Vary	Krále Jiřího 39, 360 01 Karlovy Vary	353 167 777
Kladno	Osvobozených politických vězňů 656, 271 01 Kladno 1	312 709 412
*Kolín	Kutnohorská 43, 280 02 Kolín	321 338 982
*Liberec	Na Rybníčku 1, 460 01 Liberec	485 340 033
Liberec	Janská 9, 460 01 Liberec	482 711 730
Liberec	Pražská 6, 460 01 Liberec	483 519 080
*Mladá Boleslav	T. G. Masaryka 1009, 293 01 Mladá Boleslav	326 700 981
Mladá Boleslav – Bondy	V. Klementa 1459, 293 01 Mladá Boleslav	326 509 611
Most	Budovatelů 1996, 434 01 Most	476 140 211
Olomouc	nám. Národních hrdinů 1, 771 11 Olomouc	585 206 900
Olomouc	Národní dům, 8. Května 464/21, 722 00 Olomouc	582 800 400
*Opava	Horní náměstí 32, 746 01 Opava	553 759 311
Opava	Růžová 14, 702 00 Opava	552 620 208
*Ostrava – Na Hradbách	Na Hradbách 8, 702 00 Ostrava	595 131 411
Ostrava – Imperial	Tyršova 6, 702 00 Ostrava	596 117 020
Ostrava Poruba	Opavská 1114, 708 00 Ostrava-Poruba	596 912 835
*Ostrava – Dlouhá	Dlouhá 3, 702 00 Ostrava	596 111 863
Ostrava – Stodolní	Stodolní 2, 702 00 Ostrava	597 089 143
Ostrava – Tesco	Sjízdná 2, 721 00 Ostrava	596 966 432
Ostrava – Kotva	Výškovická 114, 702 00 Ostrava	596 797 011
Pardubice	K Polabinám 1893-4, 530 02 Pardubice	466 512 486
*Pardubice	17. listopadu 238, 530 02 Pardubice	466 610 016
*Písek	Velké náměstí 116, 397 01 Písek	382 759 111
Plzeň	Americká 1, 306 29 Plzeň	377 236 582
Plzeň	Americká 66, 306 29 Plzeň	377 279 411
*Plzeň	Bedřicha Smetana 11, 301 00 Plzeň	377 222 830
Plzeň – Olympia	Písecká 1, 301 00 Plzeň	377 462 493
*Praha 1 – Národní	Národní 9, 110 00 Praha 1	221 411 911
*Praha 1 – Vodičkova	Vodičkova 38, 111 21 Praha 1	221 141 261
Praha 1 – Jalta	Václavské náměstí 43, 110 00 Praha 1	222 115 590
Praha 1 – Na Poříčí	Na Poříčí 37, 110 00 Praha 1	222 311 612
Praha 1 – Palladium	Náměstí Republiky 1, 110 00 Praha 1	225 376 500
Praha 1 – Spálená	Spálená 16, 110 00 Praha 1	224 948 883
Praha 1 – Na Příkopě	Na Příkopě 24, 110 00 Praha 1	225 374 011
Praha 2 – Jugoslávská	Jugoslávská 21, 120 00 Praha 2	222 517 800
*Praha 2 – Bělehradská	Bělehradská 100, 120 00 Praha 2	221 511 281
*Praha 2 – Karlovo nám.	Karlovo náměstí 10, 120 00 Praha 2	224 900 711

Praha 2 – Hlavní nádraží	Hlavní nádraží, Wilsonova 300/8, 120 00 Praha 2	224 094 911
Praha 2 – Italská	Vinohradská 29, 120 00 Praha 2	234 702 411
Praha 3 – Flora	Chrudimská 7, 130 00 Praha 3	225 376 611
Praha 3 – Želivského	Želivského 16, 130 00 Praha 3	225 374 611
Praha 3 – Seifertova	Seifertova 29, 130 00 Praha 3	225 282 611
*Praha 4 – Budějovická	Olbrachtova 9, 140 21 Praha 4	225 541 011
Praha 4 – Novodvorská	Novodvorská 136, 140 00 Praha 4	241 406 914
Praha 4 – Háje	Arkalýcká 4, 140 00 Praha 4	272 653 815
Praha 4 – Pankrác Gemini	Na Pankráci 1724, 140 00 Praha 4	234 261 211
Praha 4 – Nám. Bratří Synků	Náměstí Bratří Synků 300/15, 140 00 Praha 4	234 700 912
Praha 4 – City Tower	City Tower, Hvězdova 2b, 140 00 Praha 4	234 405 130
*Praha 5 – Anděl	Lidická 42, 150 00 Praha 5	251 010 811
Praha 5 – Zličín	Metropole Zličín, Řevnická 1/121, 150 00 Praha 5	226 082 264
Praha 5 – Zlatý Anděl	Nádražní 23, 150 00 Praha 5	251 510 444
*Praha 6 – Dejvická	Dejvická 11, 160 00 Praha 6	233 089 711
Praha 6 – Evropská	Evropská 136, 160 00 Praha 6	234 715 111
Praha 6 – Bělohorská	Bělohorská 71, 169 00 Praha 6	233 356 840
Praha 7 – Komunardů	Komunardů 21, 170 00 Praha 7	724 941 478
Praha 7 – Milady Horákové	Milady Horákové 10, 170 00 Praha 7	233 028 011
Praha 8 – Zenklova	Zenklova 22, 180 00 Praha 8	225 983 511
Praha 8 – Ládví	Kyselova 1658, 180 00 Praha 8	283 880 343
Praha 9 – Jandova	Jandova 135/2, 190 00 Praha 9	225 545 511
Praha 9 – Prosecká	Prosecká 64, 190 00 Praha 9	225 983 611
Praha 9 – Letňany	Veselská 663, 199 00 Praha 9	234 261 011
*Praha 10 – Vinohradská	Vinohradská 230, 100 00 Praha 10	274 001 779
Praha 10 – Moskevská	Moskevská 43, 100 00 Praha 10	271 078 813
Praha 10 – Švehlova	Švehlova 32, 102 00 Praha 10	272 656 215
Praha 10 – Eden	Vršovická 68b, 100 00 Praha 10	225 282 911
Prostějov	Hlaváčkovo náměstí 3, 796 01 Prostějov	582 400 800
*Šumperk	17. listopadu 9, 787 01 Šumperk	583 219 734
Tábor	Bílková 960, 390 02 Tábor	381 201 611
*Teplice	28. října 7, 415 01 Teplice	417 816 061
Teplice	Masarykova 14, 415 01 Teplice	417 534 710
*Trutnov	Lipová 524, 541 01 Trutnov	499 810 290
Třinec	Nám. Svobody 528, 739 01 Třinec	558 944 901
Ústí nad Labem	Pařížská 20, 400 01 Ústí nad Labem	475 237 111
*Ústí nad Labem	Forum, Bilinská 3490/6, 400 01 Ústí nad Labem	478 050 111
*Zlín	Kvítková 552, 760 01 Zlín	577 008 040
Zlín	Nám. Míru 9, 760 01 Zlín	577 011 124
Znojmo	Obroková 15, 669 02 Znojmo	515 209 711
*Žďár nad Sázavou	Nám. Republiky 42, 591 01 Žďár nad Sáz.	566 652 711

The "" signed branches offer also Business Centers for SME's. Except these "*" branches are SME services available also on following addresses:

	Address	Phone
Chomutov	Školní 1054, 430 01 Chomutov	474 930 909
Jičín	Jungmannovo nám. 1103, 506 50 Jičín	495 069 681
Olomouc	Karolíny Světlé 2, 771 11 Olomouc	585 206 926

Mortgage centres

	Address	Phone
Brno	Česká 12, 604 46 Brno	517 545 333
České Budějovice	Náměstí Přemysla Otakara II. 13, 370 63 České Budějovice	386 707 413
Hradec Králové	V Kopečku 75, 500 03 Hradec Králové	466 610 377
Liberec	Na Rybníčku 1, 460 01 Liberec	488 100 020
Olomouc	nám. Národních hrdinů 1, 771 11, Olomouc	585 206 928
Ostrava	Dlouhá 3, 702 00 Ostrava	596 111 863
Pardubice	K Polabinám 1893-4, 530 02 Pardubice	466 610 377
Plzeň	Americká 1, 306 29 Plzeň	379 305 542
Praha Budějovická	Olbrachtova 9, 140 21 Praha 4	225 541 016
Praha Karlovo nám.	Karlovo nám. 10, 120 00 Praha 2	224 900 724
Praha Dejvice	Dejvická 30, 160 00 Praha 6	233 326 827
Ústí nad Labem	Pařížská 20, 400 01 Ústí nad Labem	475 237 486

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Valid as of 31 December 2010