

SEMI-ANNUAL REPORT

2016



**Raiffeisen
BANK**

Banka inšpirovaná klienty

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Comments to the consolidated results of Raiffeisenbank group for the 1st half of 2016

The favourably developing domestic economy involved improving demand for banking and notably credit products during the first half of this year. Raiffeisenbank a.s. captured this positive trend, thus achieving very good business results for the first six months of the year.

In particular June was unique in this regard, as the bank succeeded in breaking all existing retail lending records. All the three core credit products, i.e. consumer loans, mortgages, as well as micro-segment loans, contributed to this extraordinary figure. Especially demand for mortgage loans surpassed expectations, with the bank having provided clients with almost 4,900 mortgages totalling more than CZK 10.5 billion during the first half of the year. This means a 37% increase compared to the same period of last year. The bank also fared very well among corporate clients. Despite strong competition, the corporate segment grew by 9% y/y in the volume of loans and 11% y/y in the volume of deposits.

The consolidated net profit of the Group rose to CZK 1.782 billion compared to CZK 1.495 billion in 2015. The main contributors to the net profit increase include increased net interest income, increased financial market trading income and increased other operating income.

The net interest income of the Group was CZK 3.233 billion compared to CZK 3.206 billion in 2015. Fee income fell from CZK 969 million to CZK 919 million. However, this is also due to the European Commission's new regulation of interbank fees for card transactions. The net profit from financial operations rose from CZK 670 million to CZK 1.508 billion, mainly because of the sale of VISA Europe stocks. Other operating income rose from CZK 151 million to CZK 399 million, mainly due to the sale of payment card acceptance operations (acquiring).

General operating costs rose to CZK 3.192 billion from CZK 2.595 billion in 2015. This was primarily attributable to the absorption of the costs of integrating the retail banking operations of the Czech Citibank unit, as well as due to the bank's mandatory contributions to the Resolution Fund and to the redesigned Deposit Insurance Fund.

As of 30 June 2016, the Group's total assets were CZK 289.6 billion, an increase by almost CZK 40 billion since the beginning of the year. The increase in the balance sheet total is primarily based on an increase in client loans and deposits, as well as on an increase due to the acquisition of the Czech Citibank's retail portfolio. Even so, the volume of loans granted grew from CZK 191.2 billion to CZK 205.8 billion.

The Group's equity was CZK 25.334 billion at the end of the first half of the year, as opposed to CZK 25.373 billion at the

beginning of 2016. The increase in retained earnings based on the 2015 profit distribution had a positive effect on the bank's capital adequacy, which reached 17.26% at the end of the first half of 2016, as opposed to 16.05% as of 30 June 2015.

Just as last year, Raiffeisenbank boasts numerous prestigious national and international awards for the past half of the year. These are a great commitment for the future and evidence of the bank heading in the right direction, being transparent and offering meticulous banking, reliable service, and the most favourable products and services on the market to clients.

For example, in the spring, Raiffeisenbank's high product quality was appreciated by the expert jury of the "Zlatá koruna" (Golden Crown) competition, where the bank's products were among the top three ones in four categories - New Product of the Year, Payment Cards, Business Accounts and Business Loans. Thus Raiffeisenbank built upon April's prestigious award received as the Best Bank in the Czech Republic for 2015 from the EMEA Finance international magazine as part of its Europe Banking Awards.

1 March 2016 was a great milestone in the bank's history, as the Czech Citibank's retail banking ownership rights were transferred to Raiffeisenbank, thus formally completing the selling part of the acquisition. The combination of both banks' unique know-how and workforce enables Raiffeisenbank to create an elite team, which will set the trend on the domestic market in credit cards as well as services for high net worth individuals.

Expected developments in the second half of 2016

After a very successful last year, the Czech economy began to decelerate in the first half of 2016. Year-on-year GDP growth slowed down to 2.6% in the second quarter from 3.0% in the first quarter of 2016. Foreign trade saw an exceptionally successful half-year, and was the greatest contributor to Czech economic growth.

Employment at an all-time high and lack of workforce in technical professions in particular are putting pressure on businesses to raise salaries. Household consumption growth, which should become the driver of Czech economic growth this year, is being fuelled not only by increased salaries but also by the low rise in consumer prices.

We do not expect the Czech National Bank (CNB) to discontinue its exchange rate commitment this year, even though

inflation will approach its 2% inflation target more rapidly in the second half of the year because of a low comparative baseline. Through its active intervention policy, the CNB will curb pressures to which the koruna might be exposed from possible speculative capital inflows.

In the banking sector, the favourable economic developments are primarily being reflected in the lending acceleration. The long-term environment of low interest rates, along with growing household consumption and business investment, is encouraging the rise in retail loans, in particular mortgages, as well as loans for business clients. In addition, this is being facilitated by the persisting high level of household and business savings, providing the banking sector with sufficient resources for new credit deals. This trend can also be anticipated next year.

Raiffeisenbank is in great condition. It is a sound and stable financial institution with a strong capital base, being well placed and in particular able to continue growing. Just as in the first six months of 2016, a successful integration of the Czech Citibank's retail portfolio and also the bank's continued organic growth remain the priorities for the second half of the year.

By offering its quality products, Raiffeisenbank will continue to strengthen its position as a major domestic bank, primarily focused on demanding clients, who seek active management of their funds and professional consultancy. In its corporate business, the bank will primarily target small and medium-sized enterprises, as well as micro-enterprises. It will also focus on the continued development of its private banking.

In the second half of the year, Raiffeisenbank will again work on the development of those of its services and products that are absolutely indispensable in modern banking, such as the new Internet banking, to be presented to clients during next year. In addition to its services, Raiffeisenbank will continue to focus on its branch network expansion, planning to open two new branches by the end of the year in addition to the existing four ones already opened this year. The best possible and accessible locations for clients remain the key criteria again. However, all of these efforts must strictly comply with the cost discipline.

The bank's semi-annual report is available at: www.rb.cz/en/about-us-obligatory-published-information-annual-reports.

Raiffeisenbank a.s.

Interim Consolidated Financial Statements Prepared in Accordance with International Financial Reporting Standards as Adopted by the European Union for the Period Ended 30 June 2016

Components of the Interim Consolidated Financial Statements:

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

Interim Consolidated Statement of Comprehensive Income for the Period Ended 30 June 2016

CZK thousand	30. 6. 2016	30. 6. 2015
Interest income and similar income	3,559,412	3,357,114
Interest expense and similar expense	(326,554)	(151,097)
Net interest income	3,232,858	3,206,017
Change in provisions for credit risks	(730,643)	(545,675)
Net interest income after provisions for credit risks	2,502,215	2,660,342
Fee and commission income	1,279,133	1,337,785
Fee and commission expense	(360,539)	(369,271)
Net fee and commission income	918,594	968,514
Net profit on financial operations	1,507,553	669,808
Dividend income	25,000	30,000
General administrative expenses	(3,191,583)	(2,595,007)
Other operating income/(expenses), net	398,859	151,213
Operating profit	2,160,638	1,884,870
Share in income of associated undertakings	603	4,933
Profit/(loss) before income tax	2,161,241	1,889,803
Income tax	(379,173)	(394,970)
Net profit for the period attributable to:	1,782,068	1,494,833
- the parent company's shareholders	1,592,603	1,422,147
- non-controlling interests	189,465	72,686
Other comprehensive income		
Items that can be reclassified to income (or expenses) in the future:		
Gains/(losses) from re-measurement of securities available for sale	(354,984)	-
Gains/(losses) from revaluation of cashflow hedge reserve	55,160	(23,747)
Foreign exchange rate gains/(losses) from the translation of the financial statements denominated in foreign currencies	-	(1,947)
Tax on profit attributable to components of other comprehensive income	56,966	4,882
Total comprehensive income attributable to:	(242,858)	(20,812)
- the parent company's shareholders	(242,858)	(20,812)
- non-controlling interests	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD ATTRIBUTABLE TO:	1,539,210	1,474,021
- the parent company's shareholders	1,349,745	1,401,335
- non-controlling interests	189,465	72,686

Interim Consolidated Statement of Financial Position As of 30 June 2016

CZK thousand	30. 6. 2016	31. 12. 2015
ASSETS		
Cash and balances with central banks	56,988,720	38,634,429
Securities at fair value through profit or loss	1,161,013	1,182,137
Positive fair value of financial derivative transactions	4,752,151	3,346,581
Assets held for sale	-	33,753
Securities available for sale	623,823	873,408
Loans and advances to financial institutions	7,588,980	4,192,534
Loans and advances to customers	205,779,762	191,180,044
<i>of which: change in the fair value of hedged items</i>	(112)	(465)
Provisions for loans and advances	(6,314,357)	(6,256,462)
Fair value remeasurement of portfolio-remeasured items (loans and advances to customers)	636,293	264,129
Income tax receivable	8,104	473
Deferred tax asset	17,176	12,318
Securities held to maturity	11,301,444	11,265,127
Other assets	2,482,864	1,166,109
Equity investments in associates	4,917	59,406
Intangible fixed assets	2,162,368	1,814,688
Property and equipment	1,216,885	1,129,422
Investment property	1,167,306	1,095,817
TOTAL ASSETS	289,577,449	249,993,913
LIABILITIES AND SHAREHOLDERS' EQUITY		
Amounts owed to financial institutions	19,473,041	12,607,429
Amounts owed to customers	210,451,271	183,794,225
<i>of which: change in the fair value of hedged items</i>	223,361	196,398
Fair value remeasurement of portfolio-remeasured items (amounts owed to customers)	1,855,085	815,122
Negative fair value of financial derivative transactions	3,207,335	2,588,987
Deferred tax liability	79,780	147,066
Issued debt securities	19,441,258	18,466,381
<i>of which: change in the fair value of hedged items</i>	127,517	42,062
Provisions	834,515	920,763
Other liabilities	5,895,152	2,287,057
Subordinated liabilities and bonds	3,005,596	2,993,787
TOTAL LIABILITIES	264,243,033	224,620,817
SHAREHOLDERS' EQUITY		
Attributable to shareholders of the Group	24,620,562	24,848,707
Share capital	11,060,800	11,060,800
Reserve fund	693,918	693,908
Gains and losses from revaluation	54,888	297,745
Retained earnings	9,283,904	8,172,209
Other capital instruments	1,934,450	1,934,450
Profit for the year	1,592,602	2,689,595
Non-controlling interests	713,854	524,389
TOTAL SHAREHOLDERS' EQUITY	25,334,416	25,373,096
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	289,577,449	249,993,913

Interim Consolidated Statement of Changes in Equity For the Period Ended 30 June 2016

CZK thousand	Equity attributable to shareholders of the Group						Non-controlling interests	Total equity
	Share capital	Reserve fund	Gains and losses from revaluation	Retained earnings	Other capital instruments	Profit for the period		
Balance at 1 Jan 2015	11,060,800	693,908	186,881	7,258,740	1,934,450	2,040,116	546,360	23,721,255
Share capital increase	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	(1,064,111)	-	(1,064,111)
Net allocation to reserve funds	-	10	-	-	-	(10)	-	-
Allocation to retained earnings	-	-	-	975,995	-	(975,995)	-	-
Effect from the change in the scope of the consolidation	-	-	-	-	-	-	-	-
Payment of coupon on other capital instrument	-	-	-	(62,537)	-	-	-	(62,537)
Non-controlling interests in entities newly excluded from the consolidation group	-	-	-	-	-	-	(108,350)	(108,350)
Net profit for the period	-	-	-	-	-	1,422,147	72,686	1,494,833
Other comprehensive income, net	-	-	(20,812)	-	-	-	-	(20,812)
Comprehensive income for the period	-	-	(20,812)	-	-	1,422,147	72,686	1,474,021
Balance at 30 June 2015	11,060,800	693,918	166,069	8,172,198	1,934,450	1,422,147	510,696	23,960,278
Balance at 1 Jan 2016	11,060,800	693,908	297,745	8,172,209	1,934,450	2,689,595	524,389	25,373,096
Share capital increase	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	(1,388,359)	-	(1,388,359)
Net allocation to reserve funds	-	10	-	-	-	(10)	-	-
Allocation to retained earnings	-	-	-	1,301,226	-	(1,301,226)	-	-
Coupon paid to other capital instruments holders	-	-	-	(134,460)	-	-	-	(134,460)
Effect from the change in the scope of the consolidation	-	-	-	(55,071)	-	-	-	(55,071)
Net profit for the period	-	-	-	-	-	1,592,603	189,465	1,782,068
Other comprehensive income, net	-	-	(242,858)	-	-	-	-	(242,858)
Comprehensive income for the period	-	-	(242,858)	-	-	1,592,603	189,465	1,539,210
Balance at 30 June 2016	11,060,800	693,918	54,887	9,283,904	1,934,450	1,592,603	713,854	25,334,416

Interim Consolidated Cash Flow Statement For the Period since 1 January 2016 till 30 June 2016

(CZK thousand)	1. 1.–30. 6. 2016	1. 1.–30. 6. 2015 (adjusted)
Profit before tax	2,161,241	1,889,803
Adjustments for non-cash transactions		
Creation of provisions for credit risks	730,643	545,675
Depreciation and amortisation	352,128	309,633
Loss from the impairment of intangible assets	-	-
Loss from the impairment of equity investments	-	-
Creation of other provisions	(213,543)	140,488
Change in fair values of financial derivatives	(742,542)	726,597
Unrealised loss/(gain) on revaluation of securities	8,752	(615)
Gain on the sale of tangible and intangible assets	(484)	(1,181)
Change in the revaluation of hedged items upon a fair value hedge	780,217	(430,549)
Revaluation of foreign currency positions	(143,650)	(100,423)
Other non-cash changes	(741,234)	(746,285)
Operating profit before changes in operating assets and liabilities	2,191,528	2,333,143
Cash flows from operating activities		
<i>(Increase)/decrease in operating assets</i>		
Minimum reserve deposits with the CNB	(483,808)	(1,802,833)
Loans and advances to financial institutions	(3,177,385)	19,078,586
Loans and advances to customers	(14,599,718)	(10,618,645)
Securities at fair value through profit or loss and securities available for sale	21,124	2,633,141
Other assets	(1,316,755)	(431,854)
<i>Increase/(decrease) in operating liabilities</i>		
Amounts owed to financial institutions	6,865,612	(3,905,603)
Amounts owed to customers	26,630,083	2,773,613
Other liabilities	3,608,094	1,661,212
Net cash flow from operating activities before income tax	19,738,775	11,720,760
Income taxes paid	(183,019)	(157,073)
Net cash flow from operating activities	19,555,756	11,563,687
Cash flows from investing activities		
Net decrease/(increase) in equity investments	304,074	112,772
Purchase of property and equipment and intangible assets	(864,940)	(267,983)
Income from the sale of fixed assets	484	6,265
Net decrease in securities held to maturity	(14,505)	-
Dividends received	25,000	30,000
Net cash flow from investing activities	(549,887)	(118,946)
Cash flows from financing activities		
Share capital increase	-	-
Dividends and coupon related to other capital instruments paid	(1,522,819)	(1,126,648)
Increase in other capital instruments	-	-
Bonds in issue	606,786	1,834,361
Subordinated liabilities and bonds	(292)	(1,214,315)
Net cash flow from financing activities	(916,325)	(506,602)
Net (decrease)/increase in cash and cash equivalents	18,089,544	10,938,139
Cash and cash equivalents at the beginning of the period	36,033,465	10,059,808
Cash and cash equivalents at the end of the period	54,123,009	20,997,947

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

Notes to the Consolidated Financial Statements

Prepared in Accordance with International Financial Reporting Standards as Adopted by the European Union for the Period Ended 30 June 2016

1. PARENT COMPANY CORPORATE DETAILS

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

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

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

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

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

Performance or provision of the Bank's activities and services were not restricted nor suspended by the Czech National Bank.

Both Bank and Group have to comply with regulatory requirements stated by Czech National Bank or European Union. Such requirements are limits and other restrictions related to capital adequacy, loans and off-balance sheet credit exposure classifications, credit risk in connection with Bank clients, liquidity, interest rate risk and FX position of the Bank.

2. SHAREHOLDERS OF THE BANK

Name, address	Voting power in %	
	30. 6. 2016	31. 12. 2015
Raiffeisen CEE Region Holding GmbH, Am Stadtpark 9, Vienna, Austria	75%	75%
RB Prag Beteiligungs GmbH, Europaplatz 1a, 4020 Linz, Austria	25%	25%

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

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

3. BASIS OF PREPARATION OF THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

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

The provided data have not been audited.

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

4. ACCOUNTING POLICIES

Significant Accounting Policies and Principles

For the preparation of interim consolidated financial statements have been used the same accounting policies and principles, methods of calculation and estimates as for consolidated financial statements for the year ended 31 December 2015. Detail list of significant accounting policies and principles is included in annual consolidated financial statements for the year ended 31 December 2015.

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

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

Reclassification of 2015 balances

Presentation of one-day term deposits with central banks.

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

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

CZK thousand	30. 6. 2015		30. 6. 2015
	Before change	Reclassification	After change
Cash and balances with central banks	6,320,940	17,450,024	23,770,964
Loans and advances to financial institutions	21,175,664	(17,450,024)	3,725,640

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

CZK thousand	1. 1.-30. 6. 2015		1. 1.-30. 6. 2015
	Before change	Reclassification	After change
Loans and advances to financial institutions	8,008,571	11,070,015	19,078,586
Net cash flow from operating activities before income tax	650,745	11,070,015	11,720,760
Net cash flow from operating activities	493,672	11,070,015	11,563,687
Net (decrease)/increase in cash and cash equivalents	(131,876)	11,070,015	10,938,139
Cash and cash equivalents at the beginning of the period	3,679,799	6,380,009	10,059,808
Cash and cash equivalents at the end of the period	3,547,923	17,450,024	20,997,947

5. NEWLY APPLIED IFRS STANDARDS

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

In 2016, the Group did not apply any new standards and interpretations, the use of which would have a significant impact on the interim consolidated financial statements.

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

During the year 2016, the following standards, interpretations and amended standards issued by the IASB and adopted by the EU took effect:

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

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

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

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

- IFRS 9 “Financial Instruments” (effective for annual periods beginning on or after 1 January 2018);
- IFRS 15 “Revenue from Contracts with Customers” (effective for annual periods beginning on or after 1 January 2018);
- Clarifications to IFRS 15 “Revenue from Contracts with Customers” – Identifying performance obligations, application guidance on principal versus agent and licences of intellectual property (effective for annual periods beginning on or after 1 January 2018);
- IFRS 16 “Leases” (effective for annual periods beginning on or after 1 January 2019);
- Amendments to IFRS 2 “Share-based Payment” that clarify the classification and measurement of share-based payment transactions (effective for annual periods beginning on or after 1 January 2018);
- Amendments to IAS 7 Disclosure Initiative (effective for annual periods beginning on or after 1 January 2017);
- Amendments to IAS 12 “Recognition of Deferred Tax Assets for Unrealised Losses” (effective for annual periods beginning on or after 1 January 2017);
- Amendments to the “IFRS for SMEs” (effective for annual periods beginning on or after 1 January 2017)

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

6. COMPANIES INCLUDED IN THE CONSOLIDATION

As of 30 June 2016, the Group comprised the following entities:

Company	The Bank's effective holding		Indirect holding through	Consolidation method in 2016	Registered office
	v % 2016	v % 2015			
Raiffeisen investiční společnost a.s.	100%	100%	-	Full method	Praha
Raiffeisen Direct Investments CZ s.r.o.	100%	100%	-	Full method	Praha
Czech Real Estate Fund (CREF) B.V.	100%	100%	-	Full method	Amsterdam
CREF CZ 1, s.r.o.	100%	100%	Czech Real Estate Fund (CREF) B.V.	Full method	Praha
CREF CZ 2, s.r.o.	100%	100%	Czech Real Estate Fund (CREF) B.V.	Full method	Praha
CREF CZ 3, s.r.o.	100%	100%	Czech Real Estate Fund (CREF) B.V.	Full method	Praha
CREF CZ 4, s.r.o.	100%	100%	Czech Real Estate Fund (CREF) B.V.	Full method	Praha
CREF CZ 5, s.r.o.	100%	100%	Czech Real Estate Fund (CREF) B.V.	Full method	Praha
PRK Sigma Oó, s.r.o.	100%	100%	Czech Real Estate Fund (CREF) B.V.	Full method	Praha
Flex-space Plzeň I., s.r.o.	50%	50%	Czech Real Estate Fund (CREF) B.V.	Equity method	Praha
Flex-space Plzeň II., s.r.o.	50%	50%	Czech Real Estate Fund (CREF) B.V.	Equity method	Praha
Karlin park a.s.	50%	50%	Czech Real Estate Fund (CREF) B.V.	Equity method	Praha
Raiffeisen - Leasing, s.r.o.	50%	50%	-	Full method	Praha
Raiffeisen FinCorp, s.r.o.	50%	50%	Raiffeisen - Leasing, s.r.o.	Full method	Praha
Appolon Property, s.r.o.	50%	50%	Raiffeisen - Leasing, s.r.o.	Full method	Praha
PZ PROJEKT a.s.	50%	50%	Raiffeisen - Leasing, s.r.o.	Full method	Praha
Luna Property, s.r.o.	50%	50%	Raiffeisen - Leasing, s.r.o.	Full method	Praha
Gaia Property, s.r.o.	50%	50%	Raiffeisen - Leasing, s.r.o.	Full method	Praha
RLRE Carina Property, s.r.o.	50%	50%	Raiffeisen - Leasing, s.r.o.	Full method	Praha
Orchideus Property, s. r. o.	50%	50%	Raiffeisen - Leasing, s.r.o.	Full method	Praha
RLRE Dorado Property, s.r.o.	50%	50%	Raiffeisen - Leasing, s.r.o.	Full method	Praha
Viktor Property, s.r.o.	50%	50%	Raiffeisen - Leasing, s.r.o.	Full method	Praha

As of 30. 6. 2016, the Group has not included in its consolidation following companies due to its immateriality: Athena Property, s.r.o. v likvidaci, Létó Property, s.r.o., Sky Solar Distribuce s.r.o., Kalypso Property, s.r.o., Hermes Property, s.r.o., Harmonia Property, s.r.o., Médea Property, s.r.o., Kleio Property, s.r.o., Hypnos Property, s.r.o., Tritón Property, s.r.o., RESIDENCE PARK TŘEBEŠ, s.r.o., Amfion Property, s.r.o., Janus Property, s.r.o., Hestia Property, s.r.o., Boreas Property, s.r.o., Euterpé Property, s.r.o., Urania Property, s.r.o., Morfeus Property, s.r.o.

In June 2016, Transaction System Servis s.r.o. was renamed to Raiffeisen Direct Investments CZ s.r.o. This change has no effect on the consolidated financial statements of the Group.

In December 2015, management of the Group decided to sell affiliated company Bondy Centrum s.r.o. The company was sold in February 2016.

7. SIGNIFICANT EVENTS IN 2016

Changes in Supervisory Board

A five-year term of office of Mr. Michal Příkladka and Mr. Petr Rögner expired on the 12th of May 2016. New members were not elected and the Shareholder meeting approved the change of Articles of Association which changed the number of Supervisory Board members from nine to seven.

Profit for 2015 distribution and dividend payment

Shareholders on regular general meeting of the Bank in April 2016 agreed on profit distribution for year 2015 in amount CZK 2,538.4 million. Amount of CZK 1,388.4 million was used for dividend payment to shareholders for year 2015 and amount CZK 1,150 million was transferred into Bank's retained earnings. Dividend payment took place in May 2016. From Bank's retained earnings coupon in amount CZK 134.5 million was paid to the holders of AT1 capital investment certificates holders.

Acquisition of Citibank's retail banking business

As of 1st March 2016, Group took over the retail portfolio of Czech branch of Citibank Europe plc. In relation to the portfolio takeover, namely clients' loans and deposits, the Group's loans and clients' receivables increased by CZK 5,121,171 thousand and the Group's liabilities increased by CZK 16,587,951 thousand.

Sale of activities related to payment card acceptance

In June 2015, Board of Directors decided to separate activities related to payment card acceptance (acquiring). The Group sold these activities in March 2016. The carrying amount of assets as of the date of sale was CZK 37,500 thousand and the assets predominantly included payment terminals placed at sellers and owned by the Bank until the date of sale.

8. LOANS AND RECEIVABLES TO CUSTOMERS

Classification of Loans and Advances to Customers

CZK thousand	30. 6. 2016	31. 12. 2015
Overdrafts	3,257,128	6,333,466
Term loans	118,972,335	106,551,703
Mortgage loans	75,238,459	71,234,820
Financial Leasing	5,689,471	4,930,199
Debt securities	1,468,770	1,198,038
Other	1,153,599	931,818
Total	205,779,762	191,180,044

Analysis of Loans Provided to Customers by Sector

CZK thousand	30. 6. 2016	31. 12. 2015
Public sector	1,164,054	1,217,200
Loans to corporate entities (Large corporate)	102,818,838	99,466,574
Loans to private individuals	93,258,910	83,839,776
Small and medium size enterprises (SME)	8,537,960	6,656,494
Total	205,779,762	191,180,044

The Group applies hedge accounting upon a fair value hedge of the portfolio of receivables from mortgage loans. The amount of the remeasurement of hedged items as of 30 June 2016 was CZK 636,293 thousand (as of 31 December 2015: CZK 264,129 thousand). In addition, the Group applies hedge accounting upon a fair value hedge of a provided loan. The amount of the remeasurement of hedged item as of 30 June 2016 was CZK -112 thousand (as of 31 December 2015: CZK -465 thousand).

9. SECURITIES

CZK thousand	30. 6. 2016	31. 12. 2015
Securities held to maturity (debt securities)	11,301,444	11,265,127
Securities at fair value through profit or loss	1,161,013	1,182,137
of which: Securities held for trading	1,161,013	1,182,137
- Debt securities	1,161,013	1,182,137
of which: Securities designated as FVTPL on initial recognition	-	-
- Debt securities	-	-
Securities available for sale (shares and participation certificates)	623,823	873,408
Total	13,086,280	13,320,672

10. EQUITY INVESTMENTS IN ASSOCIATES

CZK thousand	30. 6. 2016	31. 12. 2015
Opening balance	59,406	49,901
Additions	-	-
Increase/(decrease) in net assets of associates	582	9,505
Disposals	-	-
Effect from the change in the scope of the consolidation	(55,071)	-
Closing balance	4,917	59,406

11. AMOUNTS OWED TO CUSTOMERS

Analysis of Amounts Owed to Customers by Type

CZK thousand	30. 6. 2016	31. 12. 2015
Repayable on demand	185,174,886	160,389,429
Term deposits with maturity	25,026,591	23,172,851
Change in the fair values of hedged items in the fair value hedging	223,361	196,398
Other	26,433	35,547
Total	210,451,271	183,794,225

Analysis of Amounts Owed to Customers by Sector

CZK thousand	30. 6. 2016	31. 12. 2015
Public sector	2,356,941	1,396,212
Corporate clients	75,198,231	73,153,743
Private individuals	103,563,129	86,285,354
Small and medium size enterprises (SME)	29,332,970	22,958,916
Other	-	-
Total	210,451,271	183,794,225

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

The Group applies hedge accounting upon the fair value hedge of the current and savings accounts portfolio. The remeasurement of the hedged items amounts to CZK 1,855,085 thousand as of 30 June 2016 (as of 31 December 2015: CZK 815,122 thousand).

12. DEBT SECURITIES ISSUED

(a) Analysis of Issued Debt Securities by Type

CZK thousand	30. 6. 2016	31. 12. 2015
Deposit certificates and depository bills of exchange	3,901	14,404
Bonds in issue	996,849	934,107
Mortgage bonds	18,312,991	17,475,808
Accumulated change in carrying amount due to fair value hedge accounting	127,517	42,062
Total	19,441,258	18,466,381

(b) Analysis of Mortgage Bonds

CZK thousand							
Date of issue	Maturity	ISIN	Currency 30. 6. 2016	Nominal value		Net carrying value	
				31. 12. 2015	30. 6. 2016	31. 12. 2015	31. 12. 2015
12. 12. 2007	12. 12. 2017	CZ0002001670	CZK	5,500,000	5,500,000	5,910,189	5,857,534
12. 12. 2007	12. 12. 2017	CZ0002001696	CZK	500,000	500,000	525,664	514,007
20. 12. 2007	20. 12. 2017	CZ0002001928	CZK	2,000,000	2,000,000	2,146,024	2,120,741
4. 5. 2011	4. 5. 2016	CZ0002002314	CZK	-	499,990	-	510,930
27. 7. 2011	27. 7. 2016	CZ0002002363	CZK	481,540	500,000	495,833	506,952
26. 9. 2011	26. 9. 2016	CZ0002002405	CZK	930,000	930,000	951,703	938,840
11. 1. 2012	11. 1. 2017	CZ0002002439	CZK	284,480	284,580	288,200	292,316
5. 12. 2012	5. 12. 2017	XS0861195369	EUR	-	-	-	-
5. 11. 2014	5. 11. 2019	XS1132335248	EUR	6,782,500	6,756,250	7,995,378	6,734,488
Total				16,478,520	16,970,820	18,312,991	17,475,808

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

13. SUBORDINATED LIABILITIES AND BONDS

Subordinated Loan

CZK thousand	30. 6. 2016	31. 12. 2015
Raiffeisen Bank International AG (parent company)	2,749,883	2,740,743
Total	2,749,883	2,740,743

Issue of Subordinated Bonds

CZK thousand							
Date of issue	Date of maturity	ISIN	Currency	Nominal value		Net book value	
				30. 6. 2016	31. 12. 2015	30. 6. 2016	31. 12. 2015
21. 9. 2011	21. 9. 2016	CZ0003702953	CZK	125,000	125,000	129,711	127,033
21. 9. 2011	21. 9. 2018	CZ0003702961	CZK	125,000	125,000	126,002	126,011
Total				250,000	250,000	255,713	253,044

14. PROVISIONS

CZK thousand	Provisions for legal disputes	Provisions for off balance sheet credit risk exposures	Provision for unused holiday	Provision for payroll bonuses	Other provisions	Total
1. 1. 2015	17,143	53,050	25,085	356,980	89,068	541,326
Charge for provisions	5,373	184,438	24,709	290,072	377,870	882,462
Use of provisions	(239)	-	(24,854)	(73,971)	(36,194)	(135,258)
Release of redundant provisions	(2,025)	(51,956)	-	(300,360)	(13,385)	(367,726)
Foreign exchange rate differences	-	(960)	-	-	919	(41)
31. 12. 2015	20,252	184,572	24,940	272,721	418,278	920,763
Charge for provisions	-	227,941	20,088	248,315	67,394	563,737
Use of provisions	(2,000)	-	-	(311,560)	(194,668)	(508,228)
Release of redundant provisions	(13,773)	(100,837)	(18,319)	(7,949)	(1,124)	(142,001)
Foreign exchange rate differences	-	192	-	-	52	244
30. 6. 2016	4,479	311,869	26,709	201,527	289,932	834,515

"Other provisions" includes provisions for future potential payments arising from compensation for armed robberies, bonuses for clients, etc. This item includes also income tax provision in amount of CZK 146,764 thousand.

15. CASH AND CASH EQUIVALENTS

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

CZK thousand	30. 6. 2016	31. 12. 2015
Cash and accounts with central banks	56,988,720	38,634,429
Required minimum reserves	(3,587,999)	(3,104,191)
Placements with other financial institutions	722,288	503,227
Total cash and cash equivalents	54,123,009	36,033,465

16. CONTINGENT LIABILITIES

Legal Disputes

The Group reviewed legal proceedings outstanding against it as of 30 June 2016. Pursuant to the review of significant litigation matters in terms of the risk of potential losses and the probability of payment, the Group recognised provisions for significant litigations in the aggregate amount CZK 4,479 thousand (as of 31 December: CZK 20,252 thousand).

Irrevocable Commitments, Guarantees and Issued Letters of Credit

CZK thousand	30. 6. 2016	31. 12. 2015
Banks		
Provided commitments (irrevocable)	126,911	60,348
Guarantee commitments	54,537	35,974
Letters of credit issued	341,365	80,035
Total	522,813	176,357
Customers		
Provided commitments (irrevocable)	27,719,147	25,207,159
Guarantee commitments	16,405,717	16,217,569
Letters of credit issued	603,943	602,846
Total	44,728,807	42,027,574
Total	45,251,620	42,203,931

17. FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES

For calculation of estimated fair value of financial assets and liabilities the Group used the same methods and estimations as in consolidated financial statements for the year ended 31 December 2015.

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

30. 6. 2016 CZK thousand	Level 1	Level 2	Level 3	Fair value	Carrying amount	Difference
Assets						
Cash and balances with central banks			56,988,720	56,988,720	56,988,720	-
Loans and advances to financial institutions			7,588,980	7,588,980	7,588,980	-
Loans and advances to customers*			203,799,744	203,799,744	199,465,405	4,431,865
Securities held to maturity	11,434,183			11,434,183	11,301,444	132,739
Liabilities						
Amounts owed to financial institutions			19,335,764	19,335,764	19,473,041	(137,277)
Amounts owed to customers			210,845,531	210,845,531	210,451,271	394,260
Debt securities issued			20,079,800	20,079,800	19,441,258	638,542
Subordinated liabilities			3,201,229	3,201,229	3,005,596	195,633

* including provisions for loans and advances

31. 12. 2015 CZK thousand	Level 1	Level 2	Level 3	Fair value	Carrying amount	Difference
Assets						
Cash and balances with central banks			38,634,429	38,634,429	38,634,429	-
Loans and advances to financial institutions			4,192,534	4,192,534	4,192,534	-
Loans and advances to customers*			191,808,001	191,808,001	184,923,582	6,884,419
Securities held to maturity	11,568,140			11,568,140	11,265,127	303,013
Liabilities						
Amounts owed to financial institutions			12,412,661	12,412,661	12,607,429	(194,768)
Amounts owed to customers			184,154,151	184,154,151	183,794,225	359,926
Debt securities issued			19,001,446	19,001,446	18,466,381	535,065
Subordinated liabilities			3,175,873	3,175,873	2,993,787	182,086

* including provisions for loans and advances

Following table shows financial instruments at fair value split by levels, used for calculation of their fair value as at 30 June 2016:

Financial instruments at fair value

CZK thousand	Fair Value at 30. 6. 2016			Fair Value at 31. 12. 2015		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Positive fair values of financial derivative instruments	-	4,752,151	-	-	3,346,581	-
Securities at fair value through profit or loss	955,094	-	205,919	1,179,378	-	2,759
Securities available for sale	-	895	106,822	-	892	356,409
Total	955,094	4,753,046	312,741	1,179,378	3,347,473	359,168

CZK thousand	Fair Value at 30. 6. 2016			Fair Value at 31. 12. 2015		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Negative fair values of financial derivative instruments	-	3,207,335	-	-	2,588,987	-
Total	-	3,207,335	-	-	2,588,987	-

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

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

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

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

Securities available for sale of CZK 516,106 thousand, not included in the above table, are measured at cost due to the impossibility to reliably determine the fair value and the Group performs regular impairment testing.

The amount in Level 3 "Securities available for sale", comprises the Group's membership in Visa Inc. of CZK 106,822 thousand (In 2015: CZK 0 thousand). Until June 2016, the Group reported a share in Visa Europe of CZK 356,409 thousand based on the model reflecting the expected set up of the announced sale of Visa Europe Ltd. to Visa Inc. According to final structure of the merger, the sales price is to be settled in three tranches: cash payment, transfer of preferred shares of Visa Inc. and deferred cash payment in 2019. After the merger in June 2016, the Group received EUR 14 million in cash and a proportionate share of preferred shares in Visa Inc. of USD 4.4 million. The Group classified these shares as "Securities available for sale" and accordingly, the Group derecognized the original share in Visa Europe. As a result of the transaction, the Group recognized a gain of CZK 518,614 thousand in Consolidated Statement of Comprehensive Income as a Net profit on financial operations.

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

2016

CZK thousand	Securities at fair value through profit or loss	Securities available for sale	Total
Balance at 1.1.2016	2,759	356,409	359,168
Transfer to Level 3	-	-	-
Purchases	202,890	105,397	308,287
Comprehensive income/(loss)	270	1,425	1,695
- in the income statement	270	-	270
- in equity	-	1,425	1,425
Sales/settlement	-	(356,409)	(356,409)
Transfer from Level 3	-	-	-
Balance at 30. 6. 2016	205,919	106,822	312,741

2015

CZK thousand	Securities at fair value through profit or loss	Securities available for sale	Total
Balance at 1. 1. 2015	87,836	-	87,836
Transfer to Level 3	-	-	-
Purchases	-	-	-
Comprehensive income/(loss)	7,568	356,409	363,977
- in the income statement	7,568	-	7,568
- in equity	-	356,409	356,409
Sales/settlement	(92,645)	-	(92,645)
Transfer from Level 3	-	-	-
Balance at 31. 12. 2015	2,759	356,409	359,168

18. SEGMENT ANALYSIS

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

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

Operating segments are represented as follows:

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

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

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

The Treasury segment includes interbank transactions and securities.

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

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

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

The Group has no client nor a group of related parties where the income from transactions with it would account for more than 10 percent of the Group's total income.

At 30. 6. 2016					Reconciliation to the statement of comprehensive income	
CZK thousand	Corporate entities	Retail clients	Treasury	Other		Total
Profit and loss account:						
Net interest income	1,141,478	2,117,170	(83,545)	104,572	(46,816)	3,232,858
Net fee and commission income	854,377	868,332	(8,578)	(166,414)	(629,123)	918,594
Net profit/(loss) on financial operations	88,173	345,807	54,125	368,508	650,939	1,507,553
Movements in provisions	(557,281)	(173,363)	-	-	-	(730,643)
Other operating expenses	(806,573)	(2,102,443)	(85,851)	202,144	-	(2,792,724)
Dividend income	-	-	-	-	25,000	25,000
Share in income of associated undertakings	-	-	-	-	603	603
Profit before tax	720,174	1,055,503	(123,849)	508,810	603	2,161,241
Income tax	(125,062)	(214,763)	13,979	(53,327)	-	(379,173)
Profit after tax	595,112	840,740	(109,870)	455,483	603	1,782,068
Assets and liabilities:						
Total assets	112,386,804	99,016,513	76,820,327	1,353,805		289,577,449
Total liabilities	86,371,570	130,290,653	44,305,752	5,057,126	(1,782,068)	264,243,033

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

19. RELATED PARTY TRANSACTIONS

Balance sheet items

CZK thousand At 30. 6. 2016	Parent company and Entities with significant influence over the Group	Other	Total
Receivables	64,922	601,320	666,242
Payables	4,763,932	5,485,291	10,249,223
Subordinated loan	2,749,883	-	2,749,883
Guarantees issued	33,009	286,880	319,889
Guarantees received	1,844,126	103,595	1,947,721
At 31. 12. 2015			
Receivables	253,077	423,634	676,711
Payables	1,683,094	8,275,025	9,958,119
Subordinated loan	2,740,743	-	2,740,743
Guarantees issued	21,269	21,600	42,869
Guarantees received	3,530,860	123,697	3,654,557

Profit and loss items

CZK thousand At 30. 6. 2016	Parent company and Entities with significant influence over the Group	Other	Total
Interest income	428,487	2,598	431,085
Interest expense	(311,788)	(95,133)	(406,921)
Fee and commission income	8,901	6,158	15,059
Fee and commission expense	(8,788)	(17,491)	(26,279)
Net profit or loss on financial operations	545,578	(18,042)	527,536
At 30. 6. 2015			
Interest income	133,413	651	134,064
Interest expense	(52,730)	(6,859)	(59,589)
Fee and commission income	9,409	7,216	16,625
Fee and commission expense	(6,663)	(19,629)	(26,292)
Net profit or loss on financial operations	(430,393)	5,875	(424,518)

Significant loss in line „*Net profit or loss on financial operations*“ as of 30. 6. 2015 is caused by negative revaluation of derivatives in hedge accounting concluded with parent company. There is positive revaluation of hedged item in interim consolidated statement of comprehensive income in line “*Net profit or loss on financial operations*”, but this amount is not reported as related party transaction.

20. POST BALANCE SHEET EVENTS

No events that would have a material impact on the interim consolidated financial statements for the period ended 30 June 2016 occurred subsequent to the balance sheet date.

Persons responsible for the consolidated semi-annual report

We declare that to the best of our knowledge, the consolidated semi-annual report 2016 provides a true and fair view of the financial situation, business activity and profit (loss) of the issuer and its consolidation group for the past accounting period as well as of the expected development of financial situation, business activity and profit (loss).

This consolidated semi-annual report has been authorized for issue on 18 September 2016.



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



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

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