Raiffeisen Bank

Semi-Annual Financial Report

as at 30 June 2024

Contents

Commentary on the Consolidated Results of the Raiffeisenbank Group for the First Half of 2024

Raiffeisenbank's long-term priorities in the Czech Republic continue to be an exceptional client experience and rapid growth and development of online services so that we become the digital leader in Czech banking. In all of these areas, we have continued to perform well in the first six months of 2024, and we have confirmed that Raiffeisenbank ranks among the top banks in the Czech financial sector.

During the first six months of the year, we welcomed 100,000 new clients to Raiffeisenbank. We are thus continuing our exceptionally fast pace of organic growth and will celebrate the beginning of the second half of the year by exceeding the two-million client threshold for the Raiffeisenbank Group in the Czech Republic. The volume of new loans has surpassed the best results of previous years in both the corporate and private segments, where we are now able to provide loans completely online and in a record time of less than half a minute. The volume of deposits for our clients is increasing rapidly, the highest since Raiffeisenbank was established in the Czech Republic thirty years ago, not only due to the high level of acquisitions, but primarily as a result of the trust long-standing clients have given us and our top-quality savings products. We have received several prestigious international awards, including for the best bank for corporate clients in the Czech Republic or for an exceptionally positive digital client experience in the area of loans for individuals. All of these achievements are reflected in Raiffeisenbank's excellent financial results and growing profits.

We are continuing to rapidly digitalize services for clients and employees. The one million logins to Raiffeisenbank's mobile app every day motivates us to further develop and improve today's digital services and to introduce brand new innovations. We focus on functionalities that make life easier for our clients and the exceptional stability and maximum security of mobile banking and all online services. During the first half of the year, we once again introduced a number of innovations, including the ability to open an account fully online for legal entities, savings goals, the rescheduling of loan repayments for individuals, and a significant increase in the security of logging in to Internet banking using a dynamic QR code. We focus greatly on exploiting the potential of artificial intelligence in serving our clients, in making our employees' work easier, and in increasing efficiency. We are supporting both digitalization and artificial intelligence with the establishment of an AI Transformation team and the extensive ProDigi digital skills development programme for our employees.

Raiffeisenbank's clients increasingly appreciate not only the cutting-edge digital banking and excellent terms for the most frequently used services, but also the increasing flexibility and speed of changes associated with the bank's recent transition to an agile management style. Greater decision-making autonomy at the level of individual teams and employees, direct collaboration with clients and their daily involvement in the development of services, maximum use of digital tools, including artificial intelligence as a practical assistant to make everyday life easier – these are the areas enabling rapid improvements to Raiffeisenbank's services today and in the near future.

We would like to thank our clients and employees for being a part of this change with us and inspiring us again and again every day.

Detailed Information on Economic Results for the First Half of 2024

Net Profit and Income

The consolidated net profit of the Group for the first half of 2024 reached CZK 3.88 billion, which is a year-on-year increase of 16.5%. The Group's total operating revenues increased year-on-year by 1.2%.

The Group's net interest income reached CZK 7.5 billion, which is an increase of 1.7% compared to the same period last year. There was a 2.5% year-on-year increase in interest income and a 2.9% increase in interest expense, driven by growth in clients' assets and liabilities. Net income from fees fell year-on-year by 3.0% to CZK 2.3 billion. The decrease is mainly due to the securitization costs.

The loss from the Group's financial operations amounted to CZK -48 million, which is a reduction of CZK 203 million compared to the first half of 2023.

Costs

The Group's operating costs, which include employee costs, general operating costs, and depreciation of tangible and intangible assets, decreased year-on-year by 1.3% to CZK 5.0 billion. Employee costs increased by 6.5% year-on-year to CZK 2.3 billion. General operating costs amounted to CZK 1.8 billion for the first half of the year, which is a decrease of 7.4%. Depreciation of tangible and intangible assets decreased by 7.1% to CZK 0.9 billion due to a revision of the depreciation plans for intangible assets.

Risk Management

The Group continues to maintain a very high-quality loan portfolio. Impairment losses on loans and other receivables in absolute value decreased by CZK 423 million year-on-year.

Assets

The Group's total assets reached CZK 823.6 billion, which is an increase of 11.3% for the six-month period up to June 2024. Financial assets at amortised cost increased by 13.4% to CZK 772.9 billion. Of this amount, the volume of loans provided to the Group's clients increased by 1.5% to CZK 435.9 billion in the first half of 2024, with growth occurring both on the household side in the form of consumer loans and on the corporate side with project loans. Loans and advances to banks increased by 30.6% to CZK 199.8 billion.

Liabilities

The Group's total liabilities reached CZK 766.6 billion, which is an increase of 12.6% compared to the end of 2023. Financial liabilities at amortised cost increased by 12.7% to CZK 750.8 billion. Of this amount, the volume of deposits received from clients increased by 12.9% to CZK 670.8 billion. Growth is driven by increasing balances on savings accounts and time deposits, both on the part of households and companies. Deposits from banks increased by 22.4% to CZK 29.0 billion.

Capital

The Group's equity amounted to CZK 57.0 billion at the end of the first half of the year, compared to CZK 58.7 billion as at 31 December 2023. The Group's capital adequacy at the end of the first half of 2024 reached 20.53%.

On 27 March 2024, the Annual General Meeting of the Bank resolved to distribute the profit from the individual financial statements for 2023 in the amount of CZK 5,498 million. The amount of CZK 5,061 milion was used for the payment of dividend to shareholders and the amount of CZK 437 million was transferred to the Bank's retained earnings. From the retained earnings, a coupon amounting to CZK 434 million was paid to the holders of AT1 capital investment certificates. The increase in the Bank's retained earnings had a positive impact on the Group's capital adequacy.

Rating

On 7 February 2024, the rating agency Moody's Investors Service assigned a long-term rating of A2. The short-term rating is at the level of Prime-1, and the outlook is stable.

Major Events During the First Half of 2024

Products and Services

In the first half of 2024, Raiffeisenbank continued with its **excellent results in the sale of new current accounts**. Thanks to the strong marketing campaign for the SMART account offering a reward of 6x CZK 500, Raiffeisenbank acquired 100,000 new clients in the first six months of this year. These results are further enhanced by **acquisitions through digital channels**, which was greatly facilitated by the **implementation of a simple way to verify new clients via the Bank iD service.**

Thanks to the new platform for providing consumer loans, credit cards, and overdrafts, the volume of consumer lending increased significantly as well. Raiffeisenbank's new platform **reduces the assessment time to an average of 28 seconds and allows loans to be approved completely online**, which increases the comfort of clients considerably. The Raiffeisen investice application, where clients can easily trade with a wide range of investment instruments fully online, also saw a significant increase in the number of clients.

Corporate Banking

In the corporate segment, we are continuing to **digitalise the area of documentation and signatures**, where **24 different documents can now be signed digitally**. In the SEMM segment, the share of digitally signed documents via RBox is 41% and is still increasing.

Starting in January 2024, we have been measuring client satisfaction with mobile and internet banking on a monthly basis, and for the past six months, we have maintained a moving average of 52. We have set a benchmark of 50, which indicates satisfaction with our digital channels, and **regularly work with feedback from clients and improve their overall satisfaction**.

In the area of self-servicing, 36% of clients in the first half of 2024 opened another account or activated another currency component in their account digitally via internet banking. **The creation of an additional currency component for existing accounts is unique on the market and replaces the necessity of opening another account in a foreign currency, which is very much appreciated by clients**.

Clients are increasingly using the **option of changing the authorisation of account managers via internet banking**. In the SEMM segment, 84% of such changes were made in this way, which is an increase of almost 20% year-on-year. For Large Corporates (LC), we are trying to increase the proportion of authorisation changes made digitally, and in June 2024, 21% of the changes were carried out digitally. However, based on feedback, we will continue to improve and simplify this functionality. In total, **the ratio of authorisation changes rose to 79% for both segments, which is an increase of almost 40% compared to 2023**.

With respect to drawing down credit products for bank guarantees, we have registered a stable 80% of all guarantees via digital means, and for standard credit products, the share of digital drawdown has increased to 96% compared to last year.

The use of internet banking among clients in the SEMM segment is 90%, and 62% in the LC segment, and the share of mobile banking use in the SEMM segment is 83%, with 56% in the LC segment. We continue our efforts to communicate with clients thanks to the new functionality of collecting feedback in digital channels and to improve internet banking with functionalities relevant to the MultiCash world, i.e. for the most demanding clients.

Our service support for internet banking dedicated to corporate clients, i.e. the most demanding clients, shows the highest level of satisfaction from clients as well as company advisors. **We will continue to expand these support areas**.

We strive to bring new and innovative digital solutions that will make the work of our clients easier, and this is why **in March 2024 we signed a cooperation agreement with Digitoo to help clients digitalise the accounting area and connect this area with our banking services**. We believe that cooperation with carefully selected startups will move the bank towards the goal of being a digital leader.

ESG

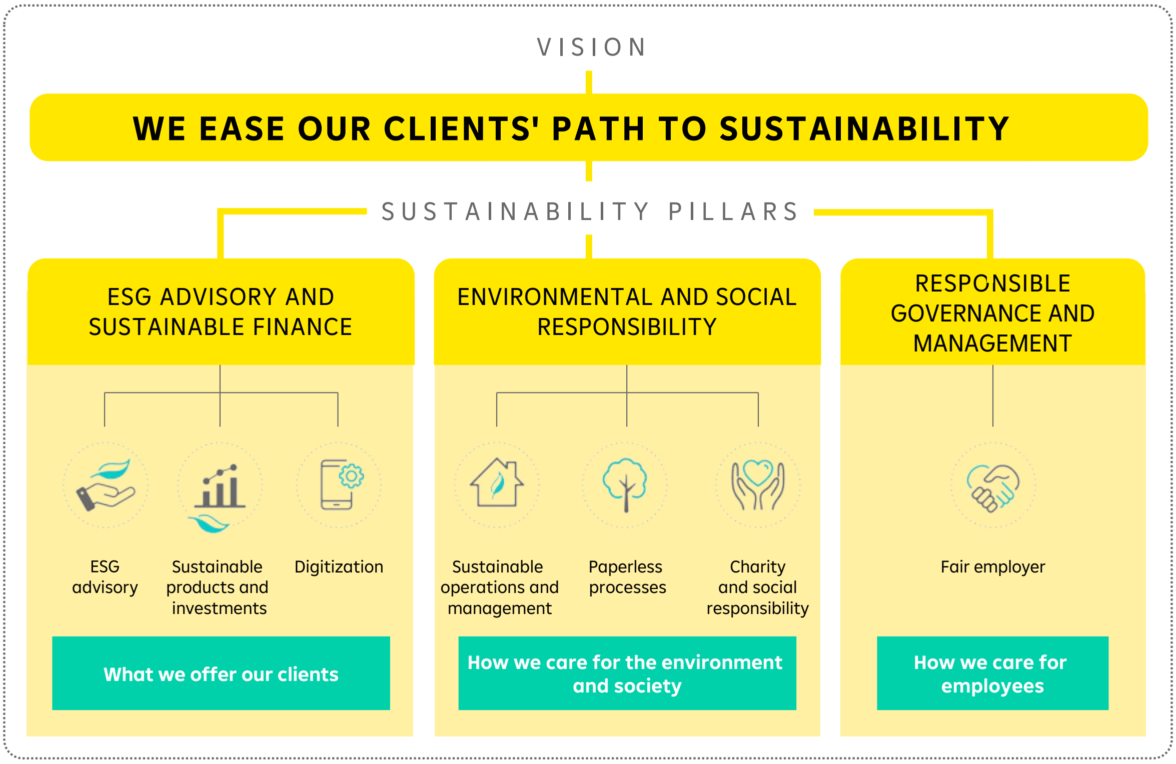
Raiffeisenbank proudly and actively subscribes to the principles of responsible banking. We are aware of the great responsibility we have as a bank in the process of green transition and its financing. We want to actively build a responsible future and **assist our clients on the road to sustainability**. In the first half of the year, we were able to implement many projects that develop the principles of responsible banking, and we successfully continued to finance projects that save clients' money and the environment.

Let's start with ESG activities for our clients. We have expanded our range of ESG investment tools – funds and investment certificates, which clients can manage themselves in our own mobile investment app. We are expanding our ESG advisory services for companies and are assisting them with non-financial data collection, where, in addition to sustainable finance-related services, we are continuously expanding our network of partners so that we are able to guide our clients through the green transformation that the Czech economy has begun to pursue. We continue to finance sustainable and social projects and offer specialised ESG products with benefits to corporate and retail banking clients. In addition, we are actively engaged in sustainability and ESG education and have developed new ESG training seminars for corporate clients, our own employees, and the professional public.

At the level of the bank, we have been working on the following activities and projects developing sustainability principles. In May, we issued our own EUR 500 million sustainable bond, which is a commitment to allocate this amount exclusively to finance environmentally and socially sustainable projects. We have improved the waste recycling system at our Prague headquarters. We now offer benefits for disabled and disadvantaged employees, as well as support for caregivers. As part of the education and development of responsible banking principles, we have prepared several lectures on ESG for students of the Czech University of Life Sciences and the Prague University of Economics and Business. In addition, the bank's representatives actively participated in a number of educational ESG events and conferences. Raiffeisenbank became a partner of the largest ESG conference in the CEE region – the CEE Sustainability Finance Summit, and our experts shared their ESG experience on this prestigious platform. The bank is also intensively preparing to publish its own report relating to the Corporate Sustainability Reporting Directive (CSRD) for 2024 in accordance with the new Non-Financial Reporting Directive, which will be a mandatory and audited part of the annual report. In order to prepare the CSRD report, a new project has been set up at the bank to coordinate the preparatory work for this non-financial report. During the first half of the year, we prepared a dual materiality analysis that defines the topics that the bank will continue to address in the CSRD report. More than 100 employees of the Czech Raiffeisen Group across the various divisions and subsidiaries are already involved in preparing the CSRD report.

Sustainability Strategy

We continue to develop the three key pillars of sustainability outlined in our Sustainability Strategy:



Details relating to the Sustainability Strategy are available here: [Social responsibility | Raiffeisenbank (rb.cz)]

Awards in the first half of 2024

Raiffeisenbank received the award for the 3rd place in the student competition TOP Employers of the Year. The students voted for the TOP employers based on characteristics such as: a friendly environment, security and stability, the work team, social responsibility of the firm, work-life balance, or good wages. We value the fact that students consider us to be a company where they would like to apply for a job as a future graduate.

We placed 4th in the Responsible Lending Index. Our bank ranked 4th in the latest Responsible Lending Index, published twice a year by People in Need, which is an improvement of four places compared to last year. This means that we rank among the most responsible consumer loan providers in the Czech Republic.

What else have we achieved with respect to ESG and sustainability

Raiffeisenbank was the first financial institution in the Czech Republic and the CEE region to issue the first green bond (EUR 350 million) in 2021 and followed up with a sustainable bond (EUR 500 million) in January 2023. The proceeds from both issues are allocated exclusively to financing sustainable and social projects (e.g. green buildings, renewable energy, green mobility, the circular economy, water management, sustainable agriculture and forestry, affordable housing, etc.). Most recently, we issued a EUR 500 million sustainable bond in May 2024. We also created an ESG business team for corporate clients to support responsible financing and ESG advisory services, established a regular working group for sustainability (the Responsible Banking Steering Group), introduced the position of Sustainability Officer at the bank, launched ESG training seminars for our employees and clients, and defined our own Sustainability Strategy. We have expanded the bank's offering with new sustainable products and have developed diversity and fair remuneration. For many years, we have been promoting financial literacy and have contributed to charity, cultural, and sports projects together with our employees.

Other Awards Received

In this year's edition of the important international competition **Euromoney Awards for Excellence 2024**, Raiffeisenbank received the award for **Best Bank for Corporates in the Czech Republic**. A competition with a tradition of 30 years, Euromoney Awards for Excellence honours the best of the banking sector. This is based on awarding banks and bankers who, over the past year, have demonstrated their originality, pioneering spirit, and added value, which raises the level of this industry globally.

First place in the category Best Bank for Corporate Clients is an award for the time and effort we gladly invest in corporate clients. We see a big shift in simplifying financial management for corporate clients, mainly thanks to digitalisation, and we have made significant strides in this area. We also recorded significant growth in the volume of new loans and client deposits – all of this while maintaining their maximum satisfaction. Thus, winning the prestigious Euromoney Awards for Excellence means a lot to us, also thanks to the fact that each country is awarded separately, so we can see our results in comparison with other Czech banks.

The **EMEA Finance** website announced the winners of the sixteenth edition of the prestigious **Europe Banking Awards 2023** at the end of March 2024. The best commercial and investment banks, as well as brokers and asset managers, have been recognised. Raiffeisenbank became the **Best Bank in the Czech Republic for 2023**. Success in the EMEA Finance award demonstrates that Raiffeisenbank's strategy is heading in the right direction. It emphasises the customer experience and client relationships, as well as continuous investment in technology and new solutions. Digitalisation is the basis of everything. The combination of these approaches has made it possible to provide clients with the support they need to successfully navigate today's challenging macroeconomic environment.

As in previous years, Raiffeisenbank also received this year an award in the 22nd edition of the prestigious and oldest competition on the Czech market, **Zlatá koruna**. The expert panel awarded Raiffeisenbank third place in the category **Business Accounts – SMART account for entrepreneurs – a comprehensive, one-stop solution**.

Raiffeisenbank has also developed a new IT platform that significantly simplifies the assessment of clients applying for loans. Thanks to this innovation, previously lengthy processes are shortened to less than half a minute. The platform was awarded this year in the **Digital CX Awards 2024 for an exceptionally positive digital customer experience**. Raiffeisenbank uses the platform for processing applications for consumer loans, credit cards, and overdrafts in mobile and internet banking, as well as applications submitted by clients via the bank's web pages.

At the end of February, we won the **Mastercard Awards in the category** of **Premium Card Issuer** for the largest increase in the volume of transactions at merchants made with premium cards.

Mastercard granted a total of 14 annual Mastercard Awards to Czech banks and other payment institutions. The panel assessed in particular their innovative activities in the area of digitalisation, customer care, and projects aimed at simplifying and securing the Czech payment sector.

The Raiffeisen Research team was successful in the Focus Awards for the category Czech Republic Exchange Rate. Our colleagues Helena Horská and Martin Kron from the Economic Research team won first place in the FocusEconomics Analyst Forecast Awards 2024 for the financial category Czech Republic Exchange Rate. Every year, the FocusEconomics Analyst Forecast Awards recognise the analysts whose forecasts submitted to the monthly Consensus Forecast survey are the most accurate. The award is given to the most accurate forecasters of inflation, interest rates, and exchange rates over the past year. The 2024 Analyst Forecast Awards recognise the best forecasters for 2023 for 21 commodity prices and the best economic forecasters for 100 countries worldwide in the following categories: Best Overall Forecasters, GDP, Fiscal Balance, Inflation, Interest Rate, Exchange Rate, and Current Account.

To determine the best economic forecasters, FocusEconomics assessed the accuracy of financial forecasts (Inflation, Interest Rate, and Exchange Rate) submitted by more than 668 institutions over a 22-month period as part of the Consensus Forecast survey.

Achievements relating to digitalisation during the first half of the year

In the first half of this year, we focused on **significant innovations and improvements in the area of digitalisation that have a major impact on our services and client satisfaction**. One of the key achievements is introducing the option for legal entities to open an account completely online. This step significantly simplifies and speeds up the account opening process for new corporate clients.

In addition, we have improved the management of disposition rights in internet banking, giving our clients greater flexibility and control over their accounts. We introduced a **new functionality in mobile banking – Savings Targets**, which allows clients to easily track and achieve their financial goals.

A significant security enhancement is the introduction of a new way to log in to internet banking using a dynamic QR code. This technology significantly increases the security of our clients when logging in and using our services and reduces the risk of fraud.

All of these innovations contribute to the long-term improvement of our clients' satisfaction and digital activity, which is a priority for us. We are confident that our continued investment in digitalisation will strengthen our market position and enable us to provide even better services to our clientele.

Employees

1. TOP Employers

University students selected Raiffeisenbank as one of the TOP Employers of the Year. This year, over 11,416 university students and now also 4,118 secondary school students participated, and they **ranked us among the top two employers in Banking & Investment**. The TOP Employers study is a project of the Association of Students and Graduates, which is conducted among students at Czech universities. The questionnaire was prepared by the NIQ research agency in cooperation with the organisers of the survey. The professional experience of NIQ sociologists and know-how from the previous 13 years were used in preparing the questionnaire. The aim of the study is to provide unique data to the entire student university world on who the TOP Employers are and where future graduates should apply for jobs. The study will also help indicate to companies how to become a preferential employer.

2. Randstad Employer Brand Research

Raiffeisenbank ranked 2nd in the prestigious independent survey of the TOP 10 most attractive employers in the Banking & Insurance sector. Randstad Employer Brand Research is an independent survey conducted in 32 countries around the world that provides interesting insight into what motivates employees most and what is important to them when choosing an employer. The survey assesses attributes such as **salary and benefits, financial health, work atmosphere, job security, work-life balance, career development opportunities, job content, and alignment with personal values**. The 7th edition of the survey was conducted in the Czech Republic in 2024.

3. Equal Pay Day

For the third time, we were one of the main partners this year of the Equal Pay Day project, which is aimed at promoting the equal representation of women and fair pay. As part of the event, we were partners of the investment zone referred to as the Findependence zone by Raiffeisenbank.

The goal of the Equal Pay Day project is to strengthen women's economic security by fostering expert discussions among companies and the public about wage inequality, which is still quite high. By sharing good practice and showcasing female role models, it promotes equal opportunities at work and in society. **This year's theme was *"Opportunity"***.

The expert panel discussion on investing in 2024 featured **Lucie Osvaldová**, Member of the Board of Raiffeisen Investment Company, as well as two mentors, **Yvona Tošnerová**, Member of the Board of Raiffeisen investiční společnost and **Tereza Ondroušková**, Head of Accounting and Taxes & Leader of AI Implementation. However, a number of our Raiffeisenbank ambassadors from various departments also attended. Cooperation with the international organisation Business Professional Women, which is behind the whole event, makes sense for several reasons. The first is the opportunity to share experiences and practices from individual companies, as well as networking over topics that are related not only to equal pay. Our partnership also supported development opportunities for the nearly 1,200 mentees who participated in a two-day mentoring session with experienced mentors.

4. Hall of Fame for the #FinŽeny Project

Every year, the #FinŽeny project presents important women in the Czech financial world and thus brings us a fresh perspective on these experts whose contribution to the industry is very inspiring. This project has published a group of 24 laureates for this year's Hall of Fame, including the most visible and influential women in the financial world. **Dana Fajmonová, Head of People & Culture**, was among them. Thus, she has joined the already awarded colleagues **Kamila Makhmudova**, **Helena Horská**, and **Yvona Tošnerová**.

Digital Education for Employees

An integral part of our aspiration to become a digital leader is the development of the bank's employees. Hence, during the first quarter, we implemented a **digital assessment**, based on which the **ProDigi digital academy was designed**. We launched this academy for all employees in April, and it includes tailor-made education in the field of digitalisation, a wide range of individual development in the field of AI, personal effectiveness, and the use of online tools. As a part of the academy, we identified digital ambassadors for the individual B1 departments and supported B1 managers in creating their own digital vision. ProDigi is a development opportunity for complete beginners who are just getting acquainted with artificial intelligence and digital tools and also for advanced users.

In addition, we organised an internal DigiLeaders conference in February, which brought our employees into the digital world and demonstrated how we should start thinking and changing in order to achieve our ambitions of becoming a digital leader. It was a day full of inspiring input, practical demonstrations, and valuable advice and experience. The conference reached more than 1,500 employees and featured over 20 inspirational speakers from Raiffeisenbank and beyond.

Development of our Leaders

The **empowerment programme**, which has been running at the bank for the second year, has reached its finale. We have held two closing rounds of the programme for our leaders, the aim of which is to explore "*empowerment*" and what it means in the business context of a team, why it is important to set a team agreement, or what "*Leadership mindset*" means as a source of personal responsibility. In the first half of 2024, a tailor-made format for the Empowerment Leadership Programme was also launched for managers in the branch network.

Diversity month

Respect is a key ingredient of corporate culture and psychological wellbeing. For the third year in a row, Raiffeisenbank celebrated May as diversity month. **This year's theme was RESPECT in all its aspects**.

Diversity month included webinars with experts or a practical workshop in which employees experienced how people with visual impairments live. We also addressed the intergenerational perception of respect and bullying, organised a webinar on the topic of self-defence in everyday life, and also organised a round table on the topic of respect for the LGBTQ+ community.

Anticipated Development and Main Risks and Uncertainties for the Remaining Six Months of 2024

The recovery of the Czech economy, which began at the end of last year (source: CZSO, National Accounts), will continue in the second half of this year when we expect growth to accelerate further. The main reason for this will be household consumption, which is supported by real wage growth after more than two years, thanks, incidentally, to a sharp decline in inflation. This is already reflected in rising confidence among consumers, including rising real retail sales (source: CZSO) after more than a year and a half. In addition, households may be gradually reducing their historically above-average savings. The contribution of government consumption will also be positive, although not as strong as in previous years in connection with adopting the consolidation package. Restrictive monetary policy has had a negative impact on corporate investment activity, evidenced by a decline in fixed investment in the national accounts (source: CZSO), but we expect a further gradual reduction in CNB interest rates in the second half of the year, which should be reflected in higher interest in loans, including a recovery in the mortgage market. The biggest risk is foreign demand, on which the Czech economy is heavily dependent. In our baseline scenario, available at www.raiffeisenresearch.com, we envisage a very modest recovery in the German economy and the eurozone as a whole, but if their economic performance is worse, this will have a negative impact on the Czech economy and especially on Czech industry, which is confronting low demand from its main export markets and has identified it as a major obstacle to its commerce. Moreover, previously accumulated inventories will be depleted due to low demand, which will have a negative impact on GDP, though not as strongly as in the previous year. Taking all of these factors into account, we expect the Czech economy to grow by 1.5% this year. Next year, this pace will accelerate to 2.9% according to our forecast.

The period of extremely high inflation is over. Fears of another strong revaluation by traders at the beginning of the year did not materialise, and inflation fell sharply to 2.3% in January according to CZSO data. Since then, it has remained within the upper boundary of the CNB's tolerance band and, according to the latest data, even hit the 2% target in June. For the rest of the year, we expect inflation to continue to fluctuate within this range, but it may climb to 3% towards the end of the year given the lower base of comparison, and exceeding this threshold cannot be ruled out. In our view, this year's inflation should average around 2.5%. The risks are rather pro-inflationary in nature, mainly in the form of a tight labour market and the resulting higher wage growth in both the public and private sectors. This also includes price growth inertia in services, adverse fluctuations in the exchange rate of the Czech crown, a high government budget deficit, and geopolitical developments around the world affecting commodity and transport prices in particular. Conversely, the lower performance of the global economy or lower domestic demand may have an anti-inflationary effect.

Despite the economic recession last year, the Czech labour market remains very tight, and unemployment in the Czech Republic is the lowest in the EU (source: Eurostat). Nevertheless, we are still observing very mild signs of a cooling labour market, as negative shocks usually manifest themselves with a delay. On the other hand, despite the lower number of new contracts, firms are not resorting to lay-offs to a greater extent, since they could be short of employees if demand recovers. Firms are, therefore, trying to retain their employees as much as possible, even though this may seem disadvantageous in the short term. The long-term problem is a labour shortage, which will accelerate in the future due to an ageing population. Thus, it seems to be the employee who determines working conditions, including wages. Average wages could rise by 7% this year, and the pressure on higher wages could strengthen given the previous period of high inflation. We estimate that the average unemployment rate will increase from 3.6% to 3.8%.

In the first half of 2024, the CNB Board cut rates by 50bps at each of its meetings. However, the board members signalled that the pace of monetary easing would slow down or even be interrupted at subsequent meetings. The intention is for real interest rates to remain restrictive and to reduce inflationary pressures. We believe that, given the very favourable inflation developments, including the outlook for monetary policy, rates could be cut by 25bps at all remaining monetary policy meetings, bringing the base rate to 3.75% at the end of the year. It could then fall to 3% next year, where it could stay for a longer period of time.

In terms of the banking sector, the beginning of the year brought several changes to the current trends. The pace of deposit growth slowed down, mainly due to significantly lower deposit growth from the corporate sector. While last year saw more than a 10% year-on-year rise in deposits from non-financial corporations, this year we are hovering around 3% (source: CNB). In contrast, deposits from private individuals are growing faster than last year, namely by 8.8% year-on-year. However, it should be noted that the reduction in market interest rates, which began at the end of last year, has not yet been fully reflected in the level of interest on deposit products, and therefore, almost a third of the increase in deposits can be attributed to interest income. This will, nevertheless, change during the second half of this year, and the pace of deposit growth will slow down in the retail segment as well.

The relaxation of regulatory limits on new mortgages, together with a gradual decline in interest rates, has revived the mortgage market, which returned to the usual volumes of new transactions after a sharp cooling at the turn of 2022/2023. This year's production of new mortgages so far exceeds last year's by 57% (Raiffeisenbank calculations; source of original data: CNB). However, it is worth noting the intensive growth in mortgages classified under the category "*Other new arrangements*", which includes existing mortgages with a change in contractual terms, for example, repayment schedules. The volume of mortgages in this category increased by more than 66%. This is a warning signal that households could be more likely to run into difficulties in making payments. The same is true for consumer loans, which has long maintained a brisk pace of new transaction growth. In the first few months of this year, almost 37% more new consumer loans were provided in comparison to last year. Non-performing consumer loans are already showing an increase of more than 16% year-on-year, and after several years, their share has again exceeded the 4% mark. The corporate sector is showing the first signs of recovery. Non-financial corporates have drawn down almost 14% more new loans this year than last year, with the ratio of loans in Czech crowns and euros being perfectly balanced. With interest rates falling, a further acceleration in the growth rate of loans can be expected in the second half of this year.

In the long term, Raiffeisenbank's efforts are aimed at making the lives of its clients easier. Keeping this in mind, we will further simplify our products and services to improve their comprehensibility and availability, particularly in the digital environment. At Raiffeisenbank, digitalization of banking services relies on direct cooperation with clients in terms of the development and testing of our services and products. We will launch more innovations suitable for the general public. Successful and secure use of artificial intelligence for an easier life in the world of finance will receive a great deal of attention. We will also maintain our focus on increasing the satisfaction of Raiffeisenbank's existing clients and on acquiring new. Corporate social responsibility and sustainability towards our clients, employees and the public stand firm among our priorities.

Sources: Czech Statistical Office, Ministry of Labour and Social Affairs, Czech National Bank, Bloomberg, Raiffeisenbank a.s. Economic Research

Raiffeisenbank a.s.

Interim Consolidated Financial Statements prepared in accordance with IFRS Accounting Standards as adopted by the European Union for the period Ended 30 June 2024.

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 2024

CZK million	Note	30. 6. 2024	30. 6. 2023
Interest income and similar income calculated using the effective interest rate method	8	20,333	19,477
Other interest income	8	1,207	1,544
Interest expense and similar expense	8	(14,007)	(13,612)
Net interest income		**7,533**	**7,409**
Fee and commission income	9	3,234	3,055
Fee and commission expense	9	(937)	(686)
Net fee and commission income		**2,297**	**2,369**
Net gain/(loss) on financial operations		(48)	(251)
Net gain/(loss) on financial assets other than held for trading mandatorily measured at fair value in profit or loss		6	4
Net gain/(loss) from hedge accounting		(26)	(60)
Dividend income		1	1
Impairment gains/(losses) on credit and off-balance sheet exposures		(22)	(445)
Gains/(losses) from derecognition of financial assets and financial liabilities measured at amortised cost		(151)	8
Personnel expenses		(2,334)	(2,191)
General operating expenses	10	(1,737)	(1,875)
Depreciation/amortisation of property and equipment and intangible assets		(939)	(1,011)
Other operating income		386	530
Other operating expenses		(87)	(214)
Operating profit		**4,879**	**4,274**
Share of the income from associated companies	15	4	5
Profit before tax		**4,883**	**4,279**
Income tax		(1,006)	(952)
Net profit for the year attributable to:		**3,877**	**3,327**
– shareholders of the parent company		3,877	3,327
– non-controlling interests		–	–
Earnings per share/ Diluted earnings per share (in CZK)	**11**	**2,228**	**1,952**
Other comprehensive income			
Items that will not be reclassified to profit or loss in future:			
Gains/(losses) from remeasurement of equity securities at FVOCI		7	11
Deferred tax relating to items that will not be reclassified to profit or loss in following periods		(1)	(2)
Items that will be reclassified to profit or loss in future:			
Cash flow hedge		(109)	345
Deferred tax relating to items that will be reclassified to profit or loss in following periods		24	(102)
Total other comprehensive income attributable to:		**(79)**	**252**
– shareholders of the parent company		(79)	252
– non-controlling interest		–	–
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**3,798**	**3,579**

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

Interim Consolidated Statement of Financial Position As at 30 June 2024

CZK million	Note	30. 6. 2024	31. 12. 2023
ASSETS			
Cash and cash equivalents	12	14,596	14,939
Financial assets held for trading		5,485	5,364
Derivatives held for trading		4,719	4,918
Securities held for trading		766	446
Non-trading financial assets mandatorily at fair value through profit or loss		218	208
Financial assets measured at FVOCI		139	132
Financial assets at amortised cost	13	772,879	681,604
Loans and advances to banks	13	199,752	152,950
Loans and advances to customers	13	435,895	429,589
Debt securities	13	137,232	99,065
Finance leases	14	8,576	8,176
Fair value remeasurement of portfolio-remeasured items	13	(776)	50
Hedging derivatives with positive fair value		4,422	5,152
Income tax asset		649	49
Deferred tax asset		21	24
Equity investments in associated companies	15	129	125
Intangible assets		5,616	5,715
Property and equipment		3,478	3,291
Investment property		46	47
Other assets		8,145	14,874
TOTAL ASSETS		**823,623**	**739,750**
LIABILITIES AND EQUITY			
Financial liabilities held for trading		4,399	4,678
Derivatives held for trading		4,357	4,678
Short positions		42	–
Financial liabilities at amortised cost		750,820	666,182
Deposits from banks	16	29,042	23,719
Deposits from customers	16	670,827	593,995
Debt securities issued	16	37,721	36,312
Subordinated liabilities and bonds	16	7,823	5,232
Other financial liabilities	16	5,407	6,924
Fair value remeasurement of portfolio-remeasured items	16	(6,550)	(6,467)
Hedging derivatives with negative fair value		11,407	12,725
Provisions	17	1,235	1,339
Current tax liability		32	155
Deferred tax liability		683	695
Other liabilities		4,600	1,749
TOTAL LIABILITIES		**766,626**	**681,056**
EQUITY			
Share capital		15,461	15,461
Reserve fund		824	824
Fair value reserve		(196)	(117)
Retained earnings		32,200	30,201
Other equity instruments		4,831	4,831
Profit for the year		3,877	7,494
Total equity attributable to the parent company's shareholders		**56,997**	**58,694**
TOTAL LIABILITIES AND EQUITY		**823,623**	**739,750**

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

Interim Consolidated Statement of Changes in Equity For the Period Ended 30 June 2024

	Equity attributable to shareholders of the Group						
CZK million	Share capital	Reserve fund	Fair value reserve	Retained earnings	Other equity instruments	Net profit for the year	Total equity
At 1 January 2023	**15,461**	**824**	**(665)**	**24,890**	**4,831**	**8,804**	**54,145**
Dividends	–	–	–	–	–	–	**–**
Payment of coupon on other equity instruments	–	–	–	(309)	–	–	**(309)**
Allocation to retained earnings	–	–	–	8,804	–	(8,804)	**–**
Net profit for the year	–	–	–	–	–	3,327	**3,327**
Other comprehensive income, net	–	–	252	–	–	–	**252**
Total comprehensive income for the year	**–**	**–**	**252**	**–**	**–**	**3,327**	**3,579**
At 30 June 2023	**15,461**	**824**	**(413)**	**33,385**	**4,831**	**3,327**	**57,415**
At 1 January 2024	**15,461**	**824**	**(117)**	**30,201**	**4,831**	**7,494**	**58,694**
Dividends	–	–	–	–	–	(5 061)	**(5 061)**
Payment of coupon on other equity instruments	–	–	–	(434)	–	–	**(434)**
Allocation to retained earnings	–	–	–	2,433	–	(2,433)	**–**
Net profit for the year	–	–	–	–	–	3,877	**3,877**
Other comprehensive income, net	–	–	(79)	–	–	–	**(79)**
Total comprehensive income for the year	**–**	**–**	**(79)**	**–**	**–**	**3,877**	**3,798**
At 30 June 2024	**15,461**	**824**	**(196)**	**32,200**	**4,831**	**3,877**	**56,997**

The accompanying notes are an integral part of these interim consolidated financial statements.Interim Consolidated Cash Flow Statement.

Interim Consolidated Cash Flow Statement For the Period since 1 January 2024 till 30 June 2024

(CZK million)	1. 1.–30. 6. 2024	1. 1.–30. 6. 2023
Profit before tax	**4,883**	**4,279**
Adjustments for non-cash transactions		
(Release)/ creation of loss allowances and provisions for credit risks	22	445
Depreciation/amortisation of property and equipment and intangible assets	939	1,011
(Release)/ creation of other provisions	(190)	(298)
Change in fair value of derivatives	(710)	(3,097)
Unrealised losses/(gains) on remeasurement of securities	5	(3)
Loss/(gain) on the sale of property and equipment and intangible assets	(35)	(18)
Change in the remeasurement of hedged items upon fair value hedge	743	1,496
Share in profit from associated companies	(4)	(5)
Remeasurement of foreign currency positions	968	(491)
Change in accruals and amortisation of financial assets and liabilities	(819)	398
(Release)/creation of initial loss on financial assets and assignment of receivables	(71)	(227)
Other non-monetary changes	(244)	65
Operating profit before changes in operating assets and liabilities	**5,487**	**3,555**
Operating cash flow		
(Increase)/decrease in operating assets		
Mandatory minimum provisions with CNB	6,622	(1,482)
Loans and advances to banks	(46,764)	(19,485)
Loans and advances to customers	(4,777)	(8,985)
Debt securities at amortised cost	(37,398)	(32,818)
Securities held for trading	(314)	(90)
Non-trading financial assets mandatorily at fair value through profit or loss	(10)	–
Financial assets at fair value through other comprehensive income	(7)	(20)
Finance leases	(396)	149
Other assets	107	(18)
Increase/(decrease) in operating liabilities		
Deposits from banks	4,548	8,241
Deposits from customers	75,027	42,342
Other financial liabilities	(1,580)	462
Other liabilities	2,851	334
Net operating cash flow before tax	**3,396**	**(7,815)**
Income tax paid	(1,615)	(1,815)
Net operating cash flow	**1,781**	**(9,630)**
Cash flows from investing activities		
Acquisition of property and equipment and intangible assets	(870)	(653)
Proceeds from sale of non-current assets	134	46
Dividends received	1	1
Net cash flow from investing aktivity	**(735)**	**(606)**
Cash flows from financing activities		
Dividends paid and paid coupons on other equity instruments	(5,495)	(309)
Debt securities issued	13,482	12,022
Repayment of debt securities issued	(11,747)	(2,907)
Proceeds from issue of subordinated debt	2,473	–
Lease liabilities	(186)	(191)
Net cash flow from financing activities	**(1,473)**	**8,615**
Net (decrease)/increase in cash and cash equivalents	**(427)**	**(1,621)**
Cash and cash equivalents at the beginning of the period	14,939	13,902
Foreign exchange gains/losses on cash and cash equivalents at the beginning of the period	84	(194)
Cash and cash equivalents at the end of the period	**14,596**	**12,087**

Interests received	20,871	20,171
Interests paid	(13,583)	(14,407)

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

Notes to the Interim Consolidated Financial Statements

Prepared in accordance with IFRS Accounting Standards as adopted by the European Union for the Period Ended 30 June 2024.

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.

The Bank, together with its subsidiaries and associates, forms the Raiffeisenbank a.s. Financial Group ("*the Group*"). The Bank is the parent company of the Group.

Principal activities of the Group:

- acceptance of deposits from the public;
- provision of loans;
- investing in securities on its own account;
- payments and clearing;
- issuance and maintenance of payment facilities;
- provision of guarantees;
- opening of letters of credit;
- direct debit services;
- provision of investment services
  - principal investment services under Section 4 (2) (a), (b), (c), (d), (e), (g), and (h) of Act No. 256/2004 Coll., as amended;
  - additional investment services under Section 4 (3) (a) – (f) of Act No. 256/2004 Coll., as amended;
- administration of investment and participation funds;
- issuance of mortgage bonds;
- financial brokerage;
- depositary activities;
- foreign exchange services (foreign currency purchases);
- provision of banking information;
- proprietary or client-oriented trading with foreign currency assets;
- rental of safe-deposit boxes;
- activities directly relating to the activities listed in the banking licence;
- mediation of supplementary pension schemes;
- lease of movable and immovable assets;
- building society savings operation;
- provision of loans to participants in building society savings;
- provision of guarantees for building society savings loans.

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 since 20 July 2005.

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 and Group clients, liquidity, interest rate risk and FX position of the Bank and the Group.

2. Shareholders of the Bank

	Voting power in %	
Name, address	**30. 6. 2024**	**31. 12. 2023**
Raiffeisen CEE Region Holding GmbH, Am Stadtpark 9, Vienna, Austria	75%	75%
RLB OÖ Sektorholding GmbH, Europaplatz 1a, 4020 Linz, Austria	25%	25%

The equity 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 Bank International AG, 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 through profit or loss (e.g. financial derivatives held for trading, securities held for trading), financial assets at fair value through other comprehensive income, hedging derivatives and hedges items upon fair value hedge. 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.

Impact of the Russian invasion of Ukraine on the interim consolidated financial statements

The current political and economic situation in Ukraine may lead to increased global economic uncertainty, increased price and exchange rate fluctuations, additional potential disruptions in the supply of energy raw materials, and a potential decline in global economic growth. All economic activities of the Group and its clients with respect to entities from Russia and Ukraine have been limited historically. The credit ratings of certain clients exposed to these risks have already been updated to reflect expected credit risk provisions and reserves. All exposures to these risky countries continue to be thoroughly monitored and managed by the Group.

As at the date of drawing up and approving these interim consolidated financial statements, the Group's management has assessed the current political and economic situation and the current and planned measures of the Czech Government, the Czech National Bank, and the European Commission that could have a negative impact on the Group. Based on the assessment of the current situation and various scenarios of development, on the basis of public information available as at the date of approval of these interim consolidated financial statements, the Group's management does not expect the economic impact of this situation on the Group to significantly affect the Group's liquidity and capital position and the quality of the Group's assets, and thus at this time, no significant uncertainty in connection with these events has arisen that could fundamentally cast doubt on the Group's ability to continue as a going concern.

Currently, due to the uncertainty of the subsequent development of the ongoing conflict, it is difficult to quantify the potential impact on the Group's economic results in the following period. The overall subsequent economic impact on the Group and its clients who have economic ties to this geographical region will depend mainly on the duration of the war and also on the intensity of political and economic measures and restrictions in connection with this situation.

From the beginning of the conflict, the Group has continuously analysed the impact of this conflict on its non-retail portfolio. Immediately after the outbreak of the conflict, direct exposures were examined, where direct territorial and political risk was identified. Potential losses are substantially minimized by the security provided by credit export insurance companies with a high-quality risk profile. Additional assessment of the portfolio of exposures took place with a focus on supply chains, payments originating from conflict-affected countries, sectors economically connected to the affected areas in the form of portfolio identification of exposures, and subsequent individual assessment. No further risk exposures have arisen since the beginning of the conflict. By reducing existing exposures, the resulting impact gradually decreased to 0.5% on the total non-retail portfolio. The Group further actively manages and reduces this impact, which is assessed as immaterial.

Forward looking information

The assessment of significant increase in credit risk and the calculation of expected credit losses both incorporate forward-looking information. The Group Raiffeisen Bank International (further as "*RBI*") has performed historical analysis and identified the key economic variables impacting credit risk and expected credit losses for each portfolio.

In addition to the base economic scenario, Raiffeisen Research also estimates an optimistic and a pessimistic scenario to ensure non-linearities are captured.

As with any economic forecasts, the projections and likelihoods of occurrence are subject to a high degree of inherent uncertainty and therefore the actual outcomes may be significantly different to those projected. The RBI Group considers these forecasts to represent its best estimate of the future outcomes and cover any potential non-linearities and asymmetries within the RBI Group's different portfolios.

The most significant assumptions used as a starting point for the expected credit loss estimates at quarter-end are shown below (Source: Raiffeisen Research, May 2024):

Real GDP	Scenario	2024	2025	2026
	Optimistic	2.5 %	4.4 %	3.3 %
Czech Republic	Base	1.5 %	2.9 %	2.8 %
	Pesimistic	0.0 %	0.6 %	2.0 %

Unemployment	Scenario	2024	2025	2026
	Optimistic	3.5 %	3.1 %	3.2 %
Czech Republic	Base	3.8 %	3.6 %	3.4 %
	Pesimistic	4.5 %	4.6 %	3.7 %

Long-term bond rate	Scenario	2024	2025	2026
	Optimistic	2.8 %	1.9 %	2.8 %
Czech Republic	Base	3.8 %	3.3 %	3.3 %
	Pesimistic	4.6 %	4.7 %	3.7 %

Inflation	Scenario	2024	2025	2026
	Optimistic	1.3 %	0.6 %	1.5 %
Czech Republic	Base	2.5 %	2.4 %	2.1 %
	Pesimistic	3.6 %	4.1 %	2.7 %

The weightings assigned to each scenario at the end of the reporting year end are as follows: 25 per cent optimistic, 50 per cent base and 25 per cent pessimistic scenarios.

Management overlays within the meaning of IFRS 9

In situations where the existing input parameters, assumptions and modelling do not cover all relevant risk factors, post-model adjustments and additional risk factors are the most important types of management overlays within the meaning of IFRS 9. These are used in circumstances where existing inputs, assumptions and model techniques do not capture all relevant risk factors. Existing inputs, assumptions and model techniques might not capture all relevant risk factors due to transient circumstances, insufficient time to appropriately incorporate relevant new information into the rating or re-segmentation of portfolios, and situations when individual lending exposures within a group of lending exposures react to factors or events differently than initially expected.

For both corporate and retail exposures, other risk factors were taken into account. The other risk factors are the special risk factors for the non-retail segment; for the retail segment, they are post-model adjustments, i.e. the holistic approach. The adjustments applicable for the periods ending 30.6.2024 and 31.12.2023 are presented in the table below and are broken down by the respective categories.

30. 6. 2024 – Accumulated impairment (Stage 1 and 2)

		Other risk factors	Post-model adjustments		
CZK million	Modelled ECL	Macroeconomic risks	ESG	Other	Total
Retail exposures	1,232	–	63	533	1,828
Non-retail exposures	682	728	–	–	1,410
Total	**1,914**	**728**	**63**	**533**	**3,238**

31. 12. 2023 - Accumulated impairment (Stage 1 and 2)

		Other risk factors	Post-model adjustments		
CZK million	Modelled ECL	Macroeconomic risks	ESG	Other	Total
Retail exposures	1,281	–	51	810	2,142
Non-retail exposures	678	866	–	–	1,544
Total	**1,959**	**866**	**51**	**810**	**3,686**

Post-model adjustments (retail exposures)

In light of concerns about the impending risk of a steep increase in interest rates, which would above all affect mortgages at the time of interest rate refixation, the principle of transferring mortgage contracts from Stage 1 to Stage 2 is in place depending on the estimated increase in DSTI (Debt Service to Income) at the time of refixing compared to the accepted increase at the time the contract was granted. In practice, this means that a contract is transferred to Stage 2 if the DSTI predicted on the basis of the estimated macro-economic interest rate trend at the time of the next loan refixation exceeds the DSTI threshold accepted at the time of the loan (this accepted threshold is determined on the basis of a non-linear logarithmic increase in DSTI with an inverse proportion – a lower absolute increase is accepted for a high DSTI than for a low DSTI). Given the distribution of the mortgage portfolio until the next refixation, the post-model volume is most sensitive to the level of interest rates estimated for refixations that will take place in 3 years or more.

In 2024, the Group performed the back-testing and sensitivity-testing of the post-model adjustments described above and as a consequence introduced a transfer from Stage 1 to Stage 2 also for unsecured loans where the customer also has a mortgage subject to the transfer described above.

In 2023, the RBI Group introduced the identification of high-risk mortgage collateral in terms of climate risks (e.g. fire risk, landslide risk, flood risk, etc.). Mortgages secured by real estate falling into the high-risk group are transferred from Stage 1 to Stage 2. This modification accounts for about 10% of the total modelling volume.

Post-model adjustments are reversed either when the risks have materialised and the claims concerned have been transferred to Stage 3 or when the expected risks have not materialised. In relation to the holistic approach to the expected rise in interest rates, this means the recovery of contracts where the predicted DSTI at the time of the next refixation falls below the accepted DSTI increase at the time of the loan. The respective contracts will either naturally default by this time or not be considered for post-model adjustments once the recovery conditions have been met because increased credit risk will be reversed. In relation to high-risk mortgage collateral, the post-model adjustment will be reversed if the collateral is replaced by another (less risky) collateral or if the climate risk forecast for the collateral is mitigated.

As part of the post-model adjustments for the scenarios described above, the expected credit risk calculation takes into account a significant increase in credit risk by applying an LTPD curve corresponding to a rating 2-3 stages worse.

Special risk factors (non-retail exposures)

In 2023 the Group took into account the following other risk factors: inflation, especially for sectors where reduced purchasing demand is expected (restaurants, retail, leisure products and services including downstream distributors), high interest rates, low PMI index (Purchasing Manager Index), disruption of supply chains (automotive suppliers, heavy engineering, metallurgy, construction, commercial printing and residential housing), rising prices of energy, input material, commodities and price volatility due to the ongoing conflict in Ukraine including the risk of downstream sanctions (gas, chemicals, glass manufacturing and energy trading).

In May 2024, for the non-retail segment, the Group applied a new methodology for calculating of special risk factors which utilises statistical evaluation of the evolution of macroeconomic factors at their extreme values with potential economic impacts on the sector. The main change is the replacement of the original expert approach with statistical methods for identifying potential impacts on sectors of the economy, with the possibility of adding an expert risk factor for which reliable statistical values are not available. In this context, the following risk factors have been identified: persistently high interest rates, low PMI, overvalued residential property prices, outflow of foreign employees, disruption of supply chains, digitalisation of services, cumulative difference between inflation and real wage growth since 2022 and indication of dynamic changes in the Group's portfolio with implications for future developments. Risk factors affect 71 in total of the 188 industries monitored, of which Stage 2 is applied to 13 industries due to a higher concentration of risk factors.

Going concern assumption

These interim consolidated financial statements are prepared by following the principle of the accounting entity continuing as a going concern as the Group's management believes that the Group has sufficient resources required to continue in its business in the foreseeable future. This belief of the Group's management is based on an extensive range of information and analyses relating to the current and future development of the economic environment including possible scenarios and their impacts on the Group's profitability, liquidity and capital adequacy, while there is no significant uncertainty relating to events or circumstances that might crucially challenge the Group's ability to continue as a going concern.

The provided data have not been audited.

All data are in millions 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 2023 except for those that relate to new standards effective for the first time for periods beginning on 1 January 2024, and will be adopted in the 2024 annual consolidated financial statements.

5. Newly Applied IFRS Standards

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

In 2024, the Group did not start using any standards and interpretations 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 2024, the following standards, interpretations and amended standards issued by the IASB and adopted by the EU took effect:

- **Amendments to IFRS 16 *Leases*** – Lease Liability in a Sale and Leaseback (effective for annual periods beginning on or after 1 January 2024),
- **Amendment to IAS 1 *Presentation of Financial Statements*** – Classification of Liabilities as Current or Non-current (effective for annual periods beginning on or after 1 January 2024),
- **Amendments to IAS 1 *Presentation of Financial Statements*** – Non-current Liabilities with Covenants (effective for annual periods beginning on or after 1 January 2024),
- **Amendments to IAS 7 *Statement of Cash Flows and IFRS 7 Financial Instruments*** – Disclosures - Supplier Finance Arrangements (effective for annual periods beginning on or after 1 January 2024).

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

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

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

- **IFRS 18 *Presentation and Disclosure in Financial Statements*** (applicable for annual periods beginning on or after 1 January 2027),
- **IFRS 19 *Subsidiaries without Public Accountability: Disclosures*** (applicable for annual periods beginning on or after 1 January 2027),
- **Amendments to IFRS 9 and IFRS 7 *Classification and Measurement of Financial Instruments*** (applicable for annual periods beginning on or after 1 January 2026),
- **Amendments to IFRS 10 *Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures*** – Sale or Contribution of Assets between an Investor and its Associate or Joint (effective date deferred indefinitely until the research project on the equity method has been concluded),
- **Amendments to IAS 21 *The Effects of Changes in Foreign Exchange Rates*** – Lack of Exchangeability (applicable for annual periods beginning on or after 1 January 2025).

The Group anticipates that the adoption of the above stated standards, amendments to existing standards and interpretations in the period of their first-time adoption will have no significant impact on the Group's consolidated financial statements.

6. Companies Included in the Consolidation

As of 30 June 2024, the Group comprised the following entities:

Company	The Bank's effective holding in % 2024	in % 2023	Indirect holding through	Consolidation method in 2024	Registered office
Raiffeisen investiční společnost a.s.	100%	100%	–	Full method	Praha
Raiffeisen stavební spořitelna a.s.	100%	100%	–	Full method	Praha
Raiffeisen – Leasing, s.r.o.	100%	100%	–	Full method	Praha
Raiffeisen FinCorp, s.r.o.	100%	100%	Raiffeisen – Leasing, s.r.o.	Full method	Praha
Appolon Property, s.r.o.	100%	100%	Raiffeisen – Leasing, s.r.o.	Full method	Praha
Luna Property, s.r.o.	100%	100%	Raiffeisen – Leasing, s.r.o.	Full method	Praha
RLRE Carina Property, s.r.o.	100%	100%	Raiffeisen – Leasing, s.r.o.	Full method	Praha
Orchideus Property, s. r. o.	100%	100%	Raiffeisen – Leasing, s.r.o.	Full method	Praha
Viktor Property, s.r.o.	100%	100%	Raiffeisen – Leasing, s.r.o.	Full method	Praha
Hestia Property, s.r.o.	100%	100%	Raiffeisen – Leasing, s.r.o.	Full method	Praha
Raiffeisen Direct Investments CZ s.r.o.	100%	100%	Raiffeisen – Leasing, s.r.o.	Full method	Praha
RDI Management s.r.o.	100%	100%	Raiffeisen Direct Investments CZ s.r.o.	Full method	Praha
RDI Czech 1 s.r.o.	100%	100%	Raiffeisen Direct Investments CZ s.r.o.	Full method	Praha
RDI Czech 3 s.r.o.	100%	100%	Raiffeisen Direct Investments CZ s.r.o.	Full method	Praha
RDI Czech 4 s.r.o.	100%	100%	Raiffeisen Direct Investments CZ s.r.o.	Full method	Praha
RDI Czech 5 s.r.o.	100%	100%	Raiffeisen Direct Investments CZ s.r.o.	Full method	Praha
RDI Czech 6 s.r.o.	100%	100%	Raiffeisen Direct Investments CZ s.r.o.	Full method	Praha
AKCENTA CZ a.s.	30%	30%	–	Equity method	Praha

As of 30 June 2024, the Group did not include in its consolidation following companies due to its immateriality: Abelin Property, s.r.o., Agave Property, s.r.o., Ananke Property, s.r.o., Antiopa Property, s.r.o., Doris Property, s.r.o., Dota Property, s.r.o., Epifron Property, s.r.o., Fortunella Property, s.r.o., Galene Property, s.r.o., Charis Property, s.r.o., Kalypso Property, s.r.o., Karpó Property, s.r.o., Kybelé Property, s.r.o., Létó Property, s.r.o., Médea Property, s.r.o., Melite Property, s.r.o., Mneme Property, s.r.o., Nefelé Property, s.r.o., Neso Property, s.r.o., Panope Property, s.r.o., Raiffeisen Broker, s.r.o., RESIDENCE PARK TŘEBEŠ, s.r.o., RLRE Ypsilon Property, s.r.o., Sao Property s.r.o., Sky Solar Distribuce s.r.o. , Thallos Property, s.r.o., the same applies to the following associated companies: Akcenta DE GmbH, Nerudova Property s.r.o., Akcenta Digital s.r.o.

In February 2024 the company AKCENTA LOGISTIC a.s. v likvidaci was liquidated.

With the exception of the above mentioned changes the structure of the Consolidation Group is the same as the structure as of 31 December 2023.

7. Significant events in 2024

Changes in the Supervisory Board of the Bank

On 12 January 2024, Mr. Michal Přádka and Ms. Helena Horská were re-elected as members of the Supervisory Board, and Mr. Martin Pochopin and Mr. Ondřej Mrzena were elected as new members of the Supervisory Board. On 1 April 2024, Mr. Andreas Gschwenter was elected as a new member of the Supervisory Board. On 30 April 2024, Mr. Johann Strobl was re-elected as a member of the Supervisory Board. On 19 June 2024, Mr. Hannes Mösenbacher was elected as Vice-Chairman of the Supervisory Board

Profit for 2023 distribution and dividend payment

On 27 March 2024, the Annual General Meeting of the Bank decided to distribute the profit from the individual financial statements for 2023 in the amount of CZK 5,498 million. The amount of CZK 5,061 million was used for the payment of dividend to shareholders and the amount of CZK 437 million was transferred into the Bank's retained earnings. Dividend payment took place in April 2024. From the retained earnings, a coupon amounting to CZK 434 million was paid to the holders of AT1 capital investment certificates.

8. Net interest income

CZK million	30. 6. 2024	30. 6. 2023
Interest income and similar income calculated using the effective interest rate method		
Financial assets measured at amortised cost	**18,498**	**17,124**
from debt securities	2,235	932
from loans and advances to banks	4,840	6,366
from loans and advances to customers	11,423	9,826
Non-trading financial assets mandatorily at fair value through profit or loss	**3**	**3**
from debt securities	3	3
Other assets	**9**	**373**
Hedging interest rate derivatives	**1,823**	**1,977**
Interest income and similar income calculated using the effective interest rate method	**20,333**	**19,477**
Other interest income		
Finance leases	**152**	**114**
Financial assets held for trading	**1,055**	**1,430**
Derivatives held for trading	1,043	1,425
of which derivatives in the bank's portfolio	*100*	*5*
Debt securities	12	5
Other interest income	**1,207**	**1,544**
Interest expense		
Financial liabilities held for trading	**(1,106)**	**(1,521)**
Derivatives held for trading	(1,106)	(1,521)
of which derivatives in the bank's portfolio	*(206)*	*(17)*
Financial liabilities at amortised cost	**(10,150)**	**(8,577)**
from deposits from banks	(470)	(318)
from deposits from customers	(8,548)	(7,344)
from securities issued	(862)	(776)
from subordinated liabilities	(270)	(139)
From lease liabilities	**(16)**	**(13)**
Securitization	**(8)**	**–**
Hedging interest rate derivatives	**(2,727)**	**(3,501)**
Total interest expense and similar expense	**(14,007)**	**(13,612)**
Net interest income	**7,533**	**7,409**

The items "*Interest income and similar income calculated using the effective interest rate method*" – "*Hedging interest rate derivatives*" and "*Interest expense*" – "*Hedging interest rate derivatives*" comprise net interest expense from hedging financial derivatives upon a cash flow hedge of CZK (125) million (2023: net interest expense of CZK (182) million), net interest income from hedging financial derivatives upon a fair value hedge of mortgage and corporate loans of CZK 1,293 million (2023: net interest income of CZK 1,739 million), net interest income from hedging financial derivatives upon a fair value hedge of the debt securities portfolio measured at amortised cost of CZK 655 million (2023: net interest income of CZK 420 million), net interest expense from hedging financial derivatives upon a fair value hedge the portfolio of current and savings accounts of CZK (2,506) million (2023: net interest expense of CZK (3,337) million), and net interest expense from hedging financial derivatives upon a fair value hedge of the portfolio of securities issued measured at amortised cost in the total amount of CZK (221) million (2023: net interest expense of CZK (164) million).

9. Net fee and commission income

CZK million	30. 6. 2024	30. 6. 2023
Fee and commission income arising from		
Securities transactions	66	56
Clearing and settlement	8	2
Asset management	20	15
Administration, custody and safekeeping of values	49	34
Payment services	1,104	1,078
Product distribution for customers	282	226
Loan administration	72	61
Provided guarantees	115	113
Fund management and distribution of investment certificates	329	256
Customer foreign currency operations	1,136	1,162
Other	53	52
Total fee and commission income	**3,234**	**3,055**
Fee and commission expense arising from		
Clearing and settlement	(47)	(36)
Administration, custody and safekeeping of values	(36)	(32)
Payment services	(553)	(456)
Received guarantees	(142)	(10)
Product distribution for customers	(70)	(67)
Other	(89)	(85)
Total fee and commission expense	**(937)**	**(686)**
Net fee and commission income	**2,297**	**2,369**

10. General administrative expenses

CZK million	30. 6. 2024	30. 6. 2023
Rent, repairs and other office management services	(86)	(132)
Marketing expenses	(300)	(328)
Costs of legal and advisory services	(287)	(231)
IT support costs	(547)	(450)
Deposit and transaction insurance	(124)	(174)
Telecommunication, postal and other services	(45)	(40)
Security costs	(32)	(28)
Training costs	(21)	(22)
Office equipment	(12)	(13)
Travel costs	(15)	(13)
Fuel	(9)	(8)
Contribution to the crisis resolution fund	(218)	(381)
Other administrative expenses	(41)	(55)
Total	**(1,737)**	**(1,875)**

11. Profit per share

Profit per share of CZK 2,228 (as at 30 June 2023: CZK 1,952 per share) was calculated as the profit attributable to shareholders of the parent company of CZK 3,877 million (as at 30 June 2023: CZK 3,327 million) less the coupon paid on other equity instruments of CZK 434 million (as at 30 June 2023: CZK 309 million) and divided by the number of issued shares, i.e. 1,546,080 pieces (as at 30 June 2023: 1,546,080 pieces).

12. Cash and Cash Equivalents

CZK million	30. 6. 2024	31. 12. 2023
Cash on hand and other cash equivalents	2,762	2,828
Balances with central banks (including one-day deposits)	3,527	1,294
Other demand deposits	8,307	10,817
Total cash and cash equivalents	**14,596**	**14,939**

13. Financial Assets at Amortised Cost

(a) Financial Assets at Amortised Cost by Segment

	30. 6. 2024				
CZK million	Stage 1	Stage 2	Stage 3	POCI	Total
Debt securities					
Credit institutions	201	978	–	–	**1,179**
Government institutions	128,437	–	–	–	**128,437**
Other financial institutions	1,545	1,041	–	–	**2,586**
Non-financial entities	3,038	2,041	–	–	**5,079**
Debt securities, gross	**133,221**	**4,060**	**–**	**–**	**137,281**
Loss allowances	(17)	(32)	–	–	**(49)**
Debt securities, net	**133,204**	**4,028**	**–**	**–**	**137,232**
Loans and advances to banks					
Central banks	199,683	–	–	–	**199,683**
Credit institutions	69	–	–	–	**69**
Loans and advances to banks – gross	**199,752**	**–**	**–**	**–**	**199,752**
Loss allowances	–	–	–	–	**–**
Loans and advances to banks – net	**199,752**	**–**	**–**	**–**	**199,752**
Loans and advances to customers					
Government institutions	335	3	–	–	**338**
Other financial institutions	17,849	4,578	238	–	**22,665**
Non-financial entities	137,499	22,388	2,420	161	**162,468**
Households	206,428	45,364	3,668	483	**255,943**
Loans and advances to customers – gross	**362,111**	**72,333**	**6,326**	**644**	**441,414**
Loss allowances	(898)	(1,597)	(3,158)	134	**(5,519)**
Loans and advances to customers – net	**361,213**	**70,736**	**3,168**	**778**	**435,895**
Total financial assets at amortised cost	**694,169**	**74,764**	**3,168**	**778**	**772,879**

	31. 12. 2023				
CZK million	Stage 1	Stage 2	Stage 3	POCI	Total
Debt securities					
Credit institutions	205	949	–	–	**1,154**
Government institutions	90,780	–	–	–	**90,780**
Other financial institutions	1,067	1,468	–	–	**2,535**
Non-financial entities	3,546	1,123	–	–	**4,669**
Debt securities, gross	**95,598**	**3,540**	**–**	**–**	**99,138**
Loss allowances	(15)	(58)	–	–	**(73)**
Debt securities, net	**95,583**	**3,482**	**–**	**–**	**99,065**
Loans and advances to banks					
Central banks	151,710	–	–	–	**151,710**
Credit institutions	1,241	–	–	–	**1,241**
Loans and advances to banks – gross	**152,951**	**–**	**–**	**–**	**152,951**
Loss allowances	(1)	–	–	–	**(1)**
Loans and advances to banks – net	**152,950**	**–**	**–**	**–**	**152,950**
Loans and advances to customers					
Government institutions	359	4	–	–	**363**
Other financial institutions	18,311	5,595	313	–	**24,219**
Non-financial entities	117,454	40,961	1,963	172	**160,550**
Households	184,042	62,109	3,449	486	**250,086**
Loans and advances to customers – gross	**320,166**	**108,669**	**5,725**	**658**	**435,218**
Loss allowances	(897)	(2,084)	(2,804)	156	**(5,629)**
Loans and advances to customers – net	**319,269**	**106,585**	**2,921**	**814**	**429,589**
Total financial assets at amortised cost	**567,802**	**110,067**	**2,921**	**814**	**681,604**

(b) Financial Assets at Amortised Cost by Category

CZK million	30. 6. 2024	31. 12. 2023
Debt securities		
Debt securities	137,281	99,138
Debt securities, gross	**137,281**	**99,138**
Loss allowances	(49)	(73)
Debt securities, net	**137,232**	**99,065**
Loans and advances to banks		
Term deposits	26	1,241
Reverse repurchase transactions	199,726	151,710
Loans and advances to banks – gross	**199,752**	**152,951**
Loss allowances	–	(1)
Loans and advances to banks – net	**199,752**	**152,950**
Loans and advances to customers		
Loans and advances from current accounts	2,084	2,506
Term loans	260,672	251,820
Mortgage loans	170,352	171,466
Reverse repurchase transactions	312	571
Credit card receivables	3,387	3,500
Other	4,607	5,355
Loans and advances to customers – gross	**441,414**	**435,218**
Loss allowances	(5,519)	(5,629)
Loans and advances to customers – net	**435,895**	**429,589**
Total financial assets at amortised cost	**772,879**	**681,604**

The Group applies hedge accounting upon the fair value hedge of the portfolio of receivables from mortgage and corporate loans and debt securities measured at amortised costs. The remeasurement of the hedged items as of 30 June 2024 was CZK: (776) million (as of 31 December 2023: CZK 50 million).

14. Finance Lease

	30. 6. 2024				
CZK million	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Total**
Government institutions	3	–	–	–	**3**
Other financial institutions	9	–	–	–	**9**
Non-financial entities	6,321	1970	64	–	**8,355**
Households	281	6	12	–	**299**
Finance lease – gross	**6,614**	**1,976**	**76**	**–**	**8,666**
Loss allowances	(25)	(41)	(24)	–	**(90)**
Finance lease – net	**6,589**	**1,935**	**52**	**–**	**8,576**

	31. 12. 2023				
CZK million	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Total**
Government institutions	3	1	–	–	**4**
Other financial institutions	11	–	–	–	**11**
Non-financial entities	6,067	1,834	50	–	**7,951**
Households	275	12	8	–	**295**
Finance lease – gross	**6,356**	**1,847**	**58**	**–**	**8,261**
Loss allowances	(25)	(29)	(31)	–	**(85)**
Finance lease – net	**6,331**	**1,818**	**27**	**–**	**8,176**

15. Equity Investments in Associates

CZK million	30. 6. 2024	31. 12. 2023
Opening balance	**125**	**113**
Additions	–	–
Increase/(decrease) in net assets of associates	4	12
Disposals	–	–
Closing balance	**129**	**125**

16. Financial Liabilities at Amortised Costs

(a) Deposits from Banks

CZK million	30. 6. 2024	31. 12. 2023
Current accounts/One-day deposits	1,324	845
Term deposits of banks	5,023	4,984
Repurchase transactions	22,695	17,890
Total	**29,042**	**23,719**

(b) Deposits from Customers

Analysis of deposits from customers by type

CZK million	30. 6. 2024	31. 12. 2023
Current accounts/One-day deposits	409,576	395,279
Term deposits	157,727	162,573
Deposits with notice	20,404	21,111
Repurchase transactions	83,120	15,032
Total	**670,827**	**593,995**

Analysis of deposits from customers by sector

CZK million	30. 6. 2024	31. 12. 2023
Government institutions	100,544	27,736
Other financial institutions	18,878	19,966
Non-financial entities	147,736	153,487
Households	403,669	392,806
Total	**670,827**	**593,995**

The Group applies hedge accounting upon the fair value hedge of the current and savings accounts portfolio and debt securities issued. The remeasurement of the hedged items as of 30 June 2024 was CZK: (6,550) million (as of 31 December 2023: CZK (6,467) million).

Securities pledged as collateral in repurchase transactions are government bonds in the amount of CZK 83,160 million (as at 31 December 2023: CZK 14,847 million), which were obtained as collateral in a reverse repurchase transaction with the CNB.

(c) Debt Securities Issued

Analysis of issued debt securities by type

CZK million	30. 6. 2024	31. 12. 2023
Mortgage bonds	1,509	5,519
Senior non-preferred bonds	36,212	30,793
Total	**37,721**	**36,312**

Analysis of mortgage bonds

CZK million				Nominal value		Net carrying amount	
Issue date	Maturity date	ISIN code	Currency	30. 6. 2024	31. 12. 2023	30. 6. 2024	31. 12. 2023
8.3.2017	8.3.2024	XS1574151236	EUR	–	7,418	–	3,996
19. 3. 2020	19.3. 2025	CZ0002006893	CZK	1,500	1,500	1,509	1,523
15.7.2020	15.7.2030	CZ0002007057	CZK	41,000	41,000	–	–
15.11.2021	15.11.2031	XS2406886973	EUR	12,515	12,363	–	–
Total				**55,015**	**62,281**	**1,509**	**5,519**

During the first half of 2024, mortgage bond XS1574151236 issued by the Group reached its maturity. Mortgage bonds XS2406886973 and CZ0002007057 remain completely in the Group's own books.

Analysis of senior non-preferred bonds

CZK million							
				Nominal value		Net carrying amount	
Issue date	Maturity date	ISIN code	Currency	30. 6. 2024	31. 12. 2023	30. 6. 2024	31. 12. 2023
18.03.2021	22.03.2026	XS2321749355	CZK	2,685	2,689	2,724	2,740
09.06.2021	09.06.2028	XS2348241048	EUR	8,761	8,654	8,719	8,651
20.09.2022	20.09.2027	XS2534984120	CZK	2,200	2,200	2,229	2,228
20.09.2022	20.09.2027	XS2534985283	CZK	1,318	1,318	1,335	1,340
28.11.2022	28.11.2027	XS2559478693	CZK	2,635	2,635	2,760	2,654
19.01.2023	19.01.2026	XS2577033553	EUR	4,618	12,363	4,760	13,180
24.05.2024	17.05.2029	XS2821764326	CZK	109	–	110	–
24.05.2024	17.05.2029	XS2821774390	CZK	1,049	–	1,054	–
05.06.2024	05.06.2030	XS2831757153	EUR	12,515	–	12,521	–
Total				**35,890**	**29,859**	**36,212**	**30,793**

During the first half of 2024, the Group issued 3 issues of senior non-preferred bonds that are subordinated to other preferred bonds and MREL eligible. In the same period the Group repurchased part of the bond XS2577033553 in the amount of EUR 315.5 million.

Bonds XS2821764326 and XS2821774390, admitted to trading on the Luxembourg Stock Exchange and denominated in CZK, can be sold to retail investors and are offered on the local market. They have the maturity of five years and contain an embedded call option for the Group for early repayment in nominal value after four years from the issue date.

Bond XS2831757153, admitted to trading on the Luxembourg Stock Exchange and denominated in EUR, may only be sold to eligible counterparties and was offered mainly to investors on the international market. It has a maturity of six years and an embedded call option for the Group for early repayment in nominal value after five years from the issue date. The bond has been assigned a Baa2 rating by Moody's.

(d) Subordinated Liabilities and Bonds

Subordinated debt

CZK million	30. 6. 2024	31. 12. 2023
Raiffeisen Bank International AG (parent company)	5,791	3,238
Raiffeisenlandesbank Oberösterreich AG	1,093	1,080
Raiffeisen Bausparkassen Holding GmbH	310	302
Total	**7,194**	**4,620**

Subordinated Debt Securities Issued

CZK million							
				Nominal value		Net carrying amount	
Issue date	Maturity date	ISIN code	Currency	30. 6. 2024	31. 12. 2023	30. 6. 2024	31. 12. 2023
26. 9. 2017	26. 9. 2027	CZ0003704595	CZK	300	300	321	310
16. 9. 2019	18.9. 2029	CZ0003704900	CZK	300	300	308	302
Total				**600**	**600**	**629**	**612**

Other Financial Liabilities

CZK million	30. 6. 2024	31. 12. 2023
Liabilities from securities trading	556	37
Liabilities from non-banking activities	424	606
Settlement and suspense clearing accounts	3,387	5,304
Lease liabilities	1,040	977
Total	**5,407**	**6,924**

17. Provisions

CZK million	30. 6. 2024	31. 12. 2023
Provisions for commitments and financial guarantees provided	**679**	**593**
Other provisions	**556**	**746**
Provision for legal disputes	23	9
Provisions for payroll bonuses	480	676
Provision for restructuring	–	–
Other	53	61
Total	**1,235**	**1,339**

Breakdown of provisions for commitments and financial guarantees provided based on stages of impairment

CZK million	30. 6. 2024	31. 12. 2023
Stage 1	267	138
Stage 2	361	439
Stage 3	46	14
POCI	5	2
Total	**679**	**593**

Overview of other provisions

CZK million	Provisions for legal disputes	Provisions for payroll bonuses	Provision for restructuring	Other provisions	Total
1. 1. 2023	**14**	**732**	**36**	**90**	**872**
Additions	4	676	–	25	**705**
Utilisation	–	(692)	(36)	(26)	**(754)**
Release of redundant provisions	(9)	(40)	–	(28)	**(77)**
31. 12. 2023	**9**	**676**	**–**	**61**	**746**
Additions	15	480	–	3	**498**
Utilisation	(1)	(586)	–	(10)	**(597)**
Release of redundant provisions	–	(90)	–	(1)	**(91)**
30. 6. 2024	**23**	**480**	**–**	**53**	**556**

"*Other provisions*" includes provisions for bonuses for customers, contractual obligations related to the restoration of leased branches to their original condition etc. For all types of other provisions, the Group assesses the risk and probability of performance. This item includes the effect of changes in foreign currency rates on provisions denominated in foreign currencies.

18. Contingent Liabilities

(a) Legal disputes

The Group conducted a review of legal disputes outstanding against it as at 30 June 2024. Pursuant to the review of individual legal disputes in terms of the risk of potential losses and the probability of payment, the Group recognised a provision for significant litigations of 30 June 2024 in the aggregate amount of CZK 23 million (as of 31 December 2023: CZK 9 million).

(b) Loan commitments, financial guarantees and other commitments

CZK million	30. 6. 2024	31. 12. 2023
Loan commitments given	112,368	102,177
Financial guarantees given	4,153	4,947
Other commitments given	46,208	43,552
Total	**162,729**	**150,676**

19. Fair values of financial assets and liabilities

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. 2024 CZK million	Level 1	Level 2	Level 3	Fair value	Carrying amount	Difference
ASSETS						
Cash and cash equivalents	14,596	–	–	14,596	14,596	–
Loans and advances to banks*	–	–	199,752	199,752	199,752	–
Loans and advances to customers*	–	–	429,477	429,477	435,895	(6,418)
Debt securities at amortised cost*	133,801	2,304	187	136,292	137,232	(940)
LIABILITIES						
Deposits from banks	–	–	28,804	28,804	29,042	(238)
Deposits from customers	–	–	672,248	672,248	670,827	1,421
Debt securities issued	–	–	36,938	36,938	37,721	(783)
Subordinated liabilities and bonds	–	–	7,630	7,630	7,823	(193)
Other financial liabilities**	–	–	4,367	4,367	4,367	–

*including loss allowances
**without lease liabilities

31. 12. 2023 CZK million	Level 1	Level 2	Level 3	Fair value	Carrying amount	Difference
ASSETS						
Cash and cash equivalents	14,939	–	–	14,939	14,939	–
Loans and advances to banks*	–	–	152,950	152,950	152,950	–
Loans and advances to customers*	–	–	421,844	421,844	429,589	(7,745)
Debt securities at amortised cost*	97,573	1,277	752	99,602	99,065	537
LIABILITIES						
Deposits from banks	–	–	23,842	23,842	23,719	123
Deposits from customers	–	–	594,070	594,070	593,994	76
Debt securities issued	–	–	35,312	35,312	36,312	(1,000)
Subordinated liabilities and bonds	–	–	4,856	4,856	5,232	(376)
Other financial liabilities**	–	–	5,944	5,944	5,944	–

*including loss allowances
**without lease liabilities

Following table shows financial instruments at fair value split by levels, used for calculation of their fair value as at 30 June 2024:

Financial instruments at fair value

	Fair Value at 30. 6. 2024			Fair Value at 31. 12. 2023		
CZK million	**Level 1**	**Level 2**	**Level 3**	**Level 1**	**Level 2**	**Level 3**
Positive fair value of trading derivatives	–	4,719	–	–	4,918	–
Securities held for trading	730	–	36	411	–	35
Positive fair value of hedging derivatives	–	4,422	–	–	5,152	–
Financial assets other than held for trading mandatorily reported at fair value in profit or loss	–	218	–	–	208	–
Financial assets at FVOCI	101	–	38	94	–	38
Total	**831**	**9,359**	**74**	**505**	**10,278**	**73**

	Fair Value at 30. 6. 2024			Fair Value at 31. 12. 2023		
CZK million	**Level 1**	**Level 2**	**Level 3**	**Level 1**	**Level 2**	**Level 3**
Negative fair value of trading derivatives	–	4,357	–	–	4,678	–
Short positions	42	–	–	–	–	–
Negative fair value of hedging derivatives	–	11,407	–	–	12,725	–
Total	**42**	**15,764**	**–**	**–**	**17,403**	**–**

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

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

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

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

2024

CZK million	Financial assets held for trading (debt securities)	Financial assets other than held for trading mandatorily reported at fair value in profit or loss	Financial assets at FVOCI	Total
Balance at 1. 1. 2024	35	–	38	**73**
Transfer to Level 3	–	–	–	**–**
Purchases	1	–	–	**1**
Comprehensive income/(loss)	1	–	–	**1**
– in the income statement	1	–	–	**1**
– in ekvity	–	–	–	**–**
Sales/settlement/transfer	(1)	–	–	**(1)**
Transfer from Level 3	–	–	–	**–**
Balance at 30. 6. 2024	**36**	**–**	**38**	**74**

2023

CZK million	Financial assets held for trading (debt securities)	Financial assets other than held for trading mandatorily reported at fair value in profit or loss	Financial assets at FVOCI	Total
Balance at 1. 1. 2023	–	120	25	**145**
Transfer to Level 3	41	–	–	**41**
Purchases	–	–	13	**13**
Comprehensive income/(loss)	–	–	–	**–**
– in the income statement	–	–	–	**–**
– in ekvity	–	–	–	**–**
Sales/settlement/transfer	(6)	–	–	**(6)**
Transfer from Level 3	–	(120)	–	**(120)**
Balance at 31. 12. 2023	**35**	**–**	**38**	**73**

The Group measures financial assets held for trading and financial assets measured at using the technique of discounted future cash flows. This valuation method adjusts future amounts (i.e. cash flows, income and expense) to the present (discounted) value. The fair value is determined based on the value acquired from the current market expectation of the future value. In respect of securities that fall into the Level 3 category, the Group uses the discount factor for the calculation that is derived from the internal price for liquidity determined by the Group and concurrently reflects the credit risk of the security issuer. The price of the Group for liquidity and credit risk of the security issuer are inputs that are not observable from the data available on the market. The price of the Group for liquidity determined in the calculation is based on the resolution of the Group's ALCO Committee and reflects the level of available sources of the Group's financing and their price. In the event of a negative development of the Group's liquidity position or changes in the interbank market, the price for liquidity may increase and consequently the price of the financial instrument may decline. The credit risk of the issuer is determined based on the rating of the securities issuer in the Group's rating scale. If the issuer was attributed a worse rating, the price of the financial instrument could decline by 0-10 %.

The amount in Level 3, item "*Financial assets at FVOCI*" primarily comprises an investment in SWIFT of CZK 1 million (2023: CZK 1 million) and the Group's investment Bankovní identita a.s. of CZK 36 million (2023: CZK 36 million).

20. Segment Analysis

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

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

Operating segments are represented as follows:

- Corporate banking,
- Retail banking,
- Treasury and ALM,
- Other.

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

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

The Treasury and ALM segment includes interbank transactions, trading with financial instruments, 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 gain/(loss) from financial operations, movements in loss allowances, general operating expenses, income tax, and volume of client and non-client assets and liabilities by segment. Other items are not monitored by segment.

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

The Group has no customer or group of related parties for which income from transactions exceeds 10% of the Group's total income.

At 30. 6. 2024 CZK million	Corporate entities	Retail customers	Treasury	Other	Reconciliation to the statement of comprehensive income	Total
Income statement:						
Net interest income	2,792	4,067	107	567	–	**7,533**
Net fee and commission income	747	1,751	(33)	(168)	–	**2,297**
Net gain/(loss) from financial operations	1	–	(49)	–	–	**(48)**
Net gain on financial assets other than held for trading mandatorily measured at fair value in profit or loss	1	–	–	5	–	**6**
Net gain/ (loss) from hedge accounting	–	1	(27)	–	–	**(26)**
Impairment gains/(losses) on credit and off-balance sheet exposures	33	(59)	3	1	–	**(22)**
Gains/ (losses) arising from derecognition of financial assets and financial liabilities measured at amortised cost	3	3	–	(157)	–	**(151)**
Other operating expenses	(1,108)	(3,011)	(73)	(519)	–	**(4,711)**
Dividend income	–	–	–	1	–	**1**
Share in income of associated companies	–	–	–	4	–	**4**
Profit before tax	**2,469**	**2,752**	**(72)**	**(266)**	**–**	**4,883**
Income tax	(486)	(371)	35	(184)	–	**(1,006)**
Profit after tax	**1,983**	**2,381**	**(37)**	**(450)**	**–**	**3,877**
Assets and liabilities:						
Total assets	**166,545**	**273,077**	**353,826**	**30,175**	**–**	**823,623**
Total liabilities	**146,584**	**438,682**	**123,265**	**58,095**	**–**	**766,626**

At 30. 6. 2023 CZK million	Corporate entities	Retail customers	Treasury	Other	Reconciliation to the statement of comprehensive income	Total
Income statement:						
Net interest income	2,535	3,940	500	434	–	**7,409**
Net fee and commission income	778	1,637	(33)	(13)	–	**2,369**
Net gain/(loss) from financial operations	(3)	–	(247)	(1)	–	**(251)**
Net gain on financial assets other than held for trading mandatorily measured at fair value in profit or loss	1	–	–	3	–	**4**
Net gain/ (loss) from hedge accounting	–	–	(60)	–	–	**(60)**
Impairment gains/(losses) on credit and off-balance sheet exposures	(190)	(259)	2	2	–	**(445)**
Gains/ (losses) arising from derecognition of financial assets and financial liabilities measured at amortised cost	7	–	–	1	–	**8**
Other operating expenses	(1,073)	(3,090)	(66)	(532)	–	**(4,761)**
Dividend income	–	–	–	1	–	**1**
Share in income of associated companies	–	–	–	5	–	**5**
Profit before tax	**2,055**	**2,228**	**96**	**(100)**	**–**	**4,279**
Income tax	(456)	(249)	(18)	(229)	–	**(952)**
Profit after tax	**1,599**	**1,979**	**78**	**(329)**	**–**	**3,327**
Assets and liabilities:						
Total assets	**162,339**	**264,569**	**270,664**	**27,711**	**–**	**725,283**
Total liabilities	**145,951**	**421,230**	**59,414**	**41,273**	**–**	**667,868**

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

In "*Net interest income*" in the "*Other*" segment, the Group reports a positive compensation of capital costs that are allocated to individual client segments.

"*Other operating expenses*" includes "*Other operating expenses*", "*Other operating income*", "*Personnel expenses*", "*Depreciation/amortisation of property and equipment and intangible assets*" and "*General operating expenses*" presented in the interim consolidated statement of comprehensive income in separate lines.

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

21. Related Party Transactions

Balance sheet items

CZK million At 30. 6. 2024	Parent company and Entities with significant influence over the Group	Other	Total
Receivables	7,240	2,267	**9,507**
Payables	1,454	8,614	**10,068**
Subordinated debt	5,791	1,403	**7,194**
Guarantees issued	1,147	276	**1,423**
Guarantees received	99	3,450	**3,549**
CZK million At 31. 12. 2023	**Parent company and Entities with significant influence over the Group**	**Other**	**Total**
Receivables	9,181	1,217	**10,398**
Payables	624	7,141	**7,765**
Subordinated debt	3,238	1,382	**4,620**
Guarantees issued	2,499	329	**2,828**
Guarantees received	112	1,685	**1,797**

Profit and loss items

CZK million At 30. 6. 2024	Parent company and Entities with significant influence over the Group	Other	Total
Interest income	2,948	74	**3,022**
Interest expense	(3,524)	(215)	**(3,739)**
Fee and commission income	23	6	**29**
Fee and commission expense	(11)	(147)	**(158)**
Net profit or loss on financial operations	499	(14)	**485**
Net profit or loss from hedge accounting	759	–	**759**
CZK million At 30. 6. 2023	**Parent company and Entities with significant influence over the Group**	**Other**	**Total**
Interest income	3,257	29	**3,286**
Interest expense	(4,489)	(115)	**(4,604)**
Fee and commission income	19	6	**25**
Fee and commission expense	(19)	(100)	**(119)**
Net profit or loss on financial operations	197	(81)	**116**
Net profit or loss from hedge accounting	1,351	–	**1,351**

22. Subsequent events

On 26 August 2024, Ms. Tatiana le Moigne was re-elected as a member of the Bank's Supervisory Board.

No further events that would have a material impact on the interim consolidated financial statements for the period ended 30 June 2024 occurred subsequent to the balance sheet date.

Persons Responsible for the Consolidated Semi-Annual Financial Report

We declare that to the best of our knowledge, the consolidated Semi-Annual Financial Report 2024 provides a true and fair view of the financial situation, business activity and financial results 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 financial results.

This consolidated Semi-Annual Financial Report has been authorized for issue on September 17, 2024.

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

Kamila Makhmudova
Member of the Board of Directors and CFO
Raiffeisenbank a.s.

Contacts

The Bank's Semi-Annual Financial Report is available at

https://www.rb.cz/en/obligatory-published-information/annual-reports

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