



Raiffeisen
STAVEBNÍ SPOŘITELNA

ANNUAL REPORT

2022

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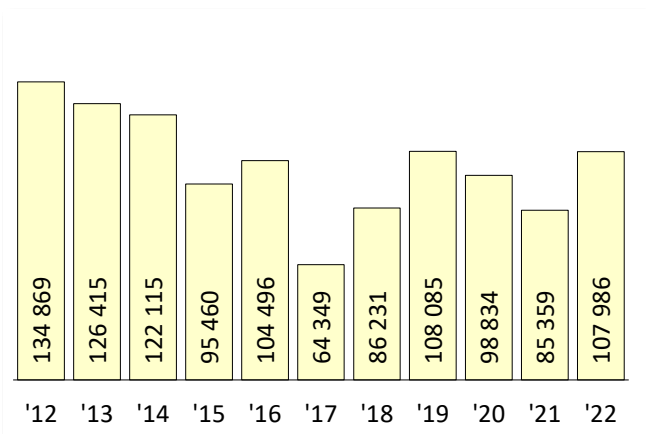
RAIFFEISEN STAVEBNÍ SPOŘITELNA A.S.

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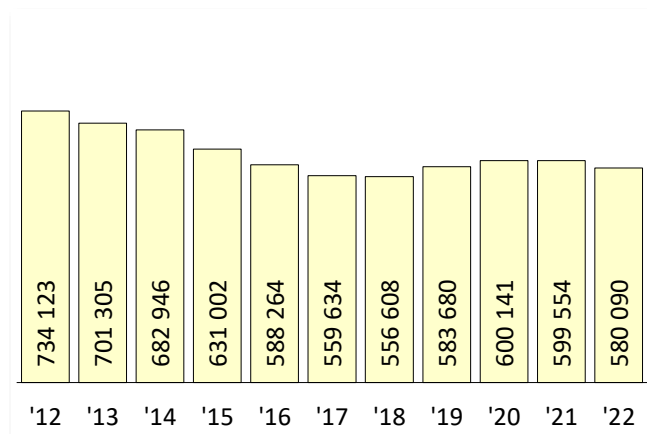
SURVEY OF KEY ECONOMIC INDICATORS

	Units	2022	2021
Number of new building savings contracts by natural persons	pcs	103,964	77,828
Number of topped-up building savings contracts by natural persons	pcs	4,022	7,531
Number of valid building savings contracts by natural persons	pcs	580,090	599,554
Number of valid loan contracts by natural persons	pcs	81,896	83,097
Volume of new loans by natural persons and legal entities	M CZK	12,321	21,131
Balance sheet total	M CZK	77,286	78,990
Client deposits	M CZK	62,146	70,231
Client loans	M CZK	70,383	64,332
Registered capital	M CZK	650	650
Equity	M CZK	5,890	5,422
Profit/loss for the accounting period after taxation	M CZK	468	443
Total capital ratio	%	15.91	15.20
ROAA – Return on average assets	%	0.61	0.58
ROAE – Return on average equity Tier 1	%	9.23	9.28
Assets per employee	M CZK	859	868
Administrative expenses per employee	M CZK	-5.533	-5.745
Net earnings per employee	M CZK	5.200	4.868
Number of employees	Number of individuals	90	91

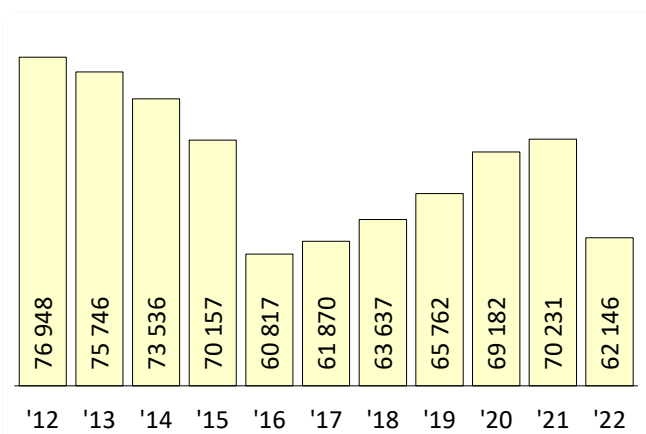
New building savings contracts by natural persons, including topped-up contracts (quantity)



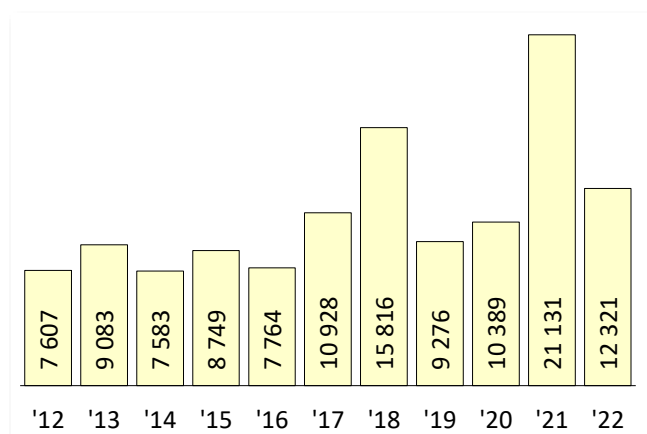
Valid building savings contracts by natural persons as at EOY (quantity)



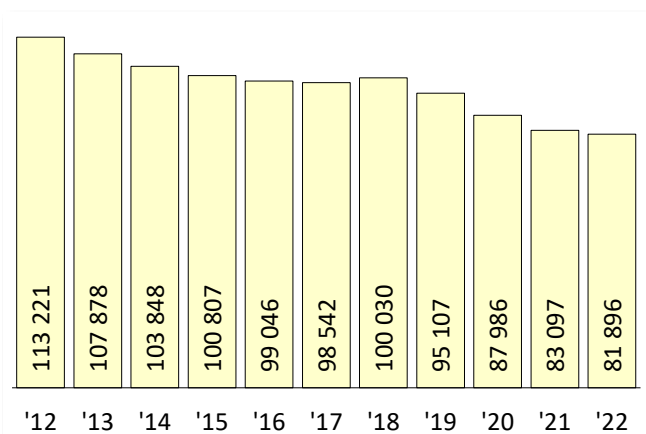
Deposits by building savings clients as at EOY (M CZK)



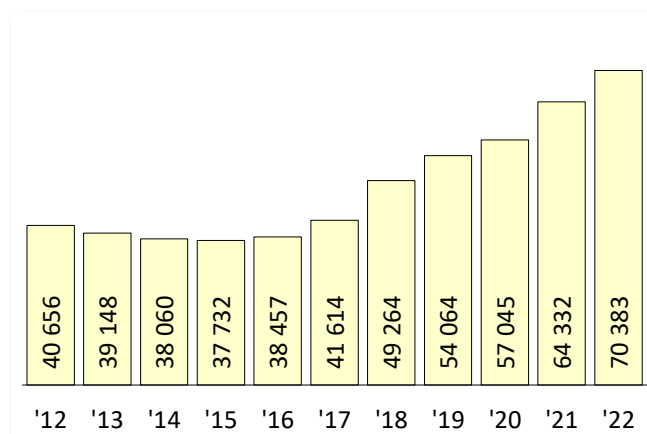
Volume of new loans by natural persons and legal entities (M CZK)



Valid loan contracts by natural persons as at EOY (quantity)



Client loans as at EOY (M CZK)



SHAREHOLDERS

Raiffeisenbank a.s.

The sole shareholder of Raiffeisen stavební spořitelna is Raiffeisenbank a.s. (Raiffeisenbank), which owns 6,500 shares of Raiffeisen stavební spořitelna a.s. and its share in the registered capital and voting rights is 100%.

Raiffeisenbank is a general bank active on the Czech banking market since 1993 and is one of the largest banks on the domestic market. It is a Czech bank under Austrian ownership with its registered office in the Czech Republic. It is governed by the business rules set forth by the Czech National Bank and it is one of the five most important “banks of systemic significance”, on which the Czech National Bank imposes the most strenuous requirements in regard to financial strength and stability.

Raiffeisenbank offers services and products to natural persons, entrepreneurs and companies. Raiffeisenbank prides itself on offering services that simplify its clients’ lives. Clients can access its services online and in person through Raiffeisenbank’s broad network of branches. Raiffeisenbank creates simple and clear products and services that clients can easily manage online. The range of products and services includes personal and business accounts, credit, savings and investment products, specialized financial services and consulting for corporate clients and large corporations. A detailed overview of all of Raiffeisenbank’s services is available at www.rb.cz.

Raiffeisenbank was voted the Best bank of 2022 and the Most client-friendly bank of 2022 in a survey by the Hospodářské noviny daily.

In addition to its business activities, the bank is also involved in a number of public benefit activities, including educational, charitable and cultural projects. Raiffeisenbank has a tradition of responsible business practices and sustainability. The bank monitors its impacts, with particular attention to economic, social and environmental impacts.

As at the end of 2022, Raiffeisenbank served 1.446 million clients through a network of 125 branches and a client centre based in Teplice. The bank has 3,400 employees.

The Austrian financial group Raiffeisen Bank International (RBI) owns 75% of Raiffeisenbank and the Austrian Raiffeisenlandesbank Oberösterreich owns 25%.



COMPANY BODIES AND ORGANIZATIONAL STRUCTURE

General Meeting

The General Meeting is the supreme body of Raiffeisen stavební spořitelna. Raiffeisenbank a.s. is the sole shareholder of Raiffeisen stavební spořitelna. In 2022, the sole shareholder acting as the General Meeting issued five decisions: on 22 March, on 26 April, two decisions on 18 October and one on 20 December, 2022.

Supervisory Board

PhDr. Vladimír Kreidl, MSc. – Chairman	
In office	Chairman since 22 June, 2020 (Member since 17 June, 2020)
Company	Raiffeisenbank a.s., Prague
Ing. Igor Vida – Deputy Chairman	
In office	Deputy Chairman since 21 March, 2022 (Member since 21 December, 2022, member from 15 December, 2016 to 15 December, 2021, Deputy Chairman from 22 June, 2020 to 15 December, 2021)
Company	Raiffeisenbank a.s., Prague
Ing. Ondřej Hák – Member	
In office	Member since 20 December, 2022
Company	Raiffeisenbank a.s., Prague
Kamila Makhmudova – Member	
In office	Member since 20 December, 2022
Company	Raiffeisenbank a.s., Prague
Mag. Dr. Martin Stotter – Member	
In office	Member since 1 October, 2020
Company	Raiffeisenbank a.s., Prague
Mag. Hans-Christian Vallant – Member	
In office	Member from 30 June, 2014 to 28 August, 2022
Company	Raiffeisen Bausparkassen Holding GmbH, Vienna

Audit committee

Ing. Stanislav Staněk – Chairman	
In office	Chairman since 19 January, 2022 (Member since 1 December, 2021)
Mag. Dr. Martin Stotter – Deputy Chairman	
In office	Reelected as Deputy Chairman on 19 January, 2022 (Member since 1 October, 2020)
Ing. Martin Smekal – Member	
In office	Member since 1 December, 2021

Board of Directors

Ing. Pavel Čejka, MBA
Chairman of the Board of Directors

In office since 7 July, 2020
Member of the Board of Directors since 1
July, 2020



Ing. Yvona Tošnerová
**Deputy Chairwoman of the Board of
Directors**

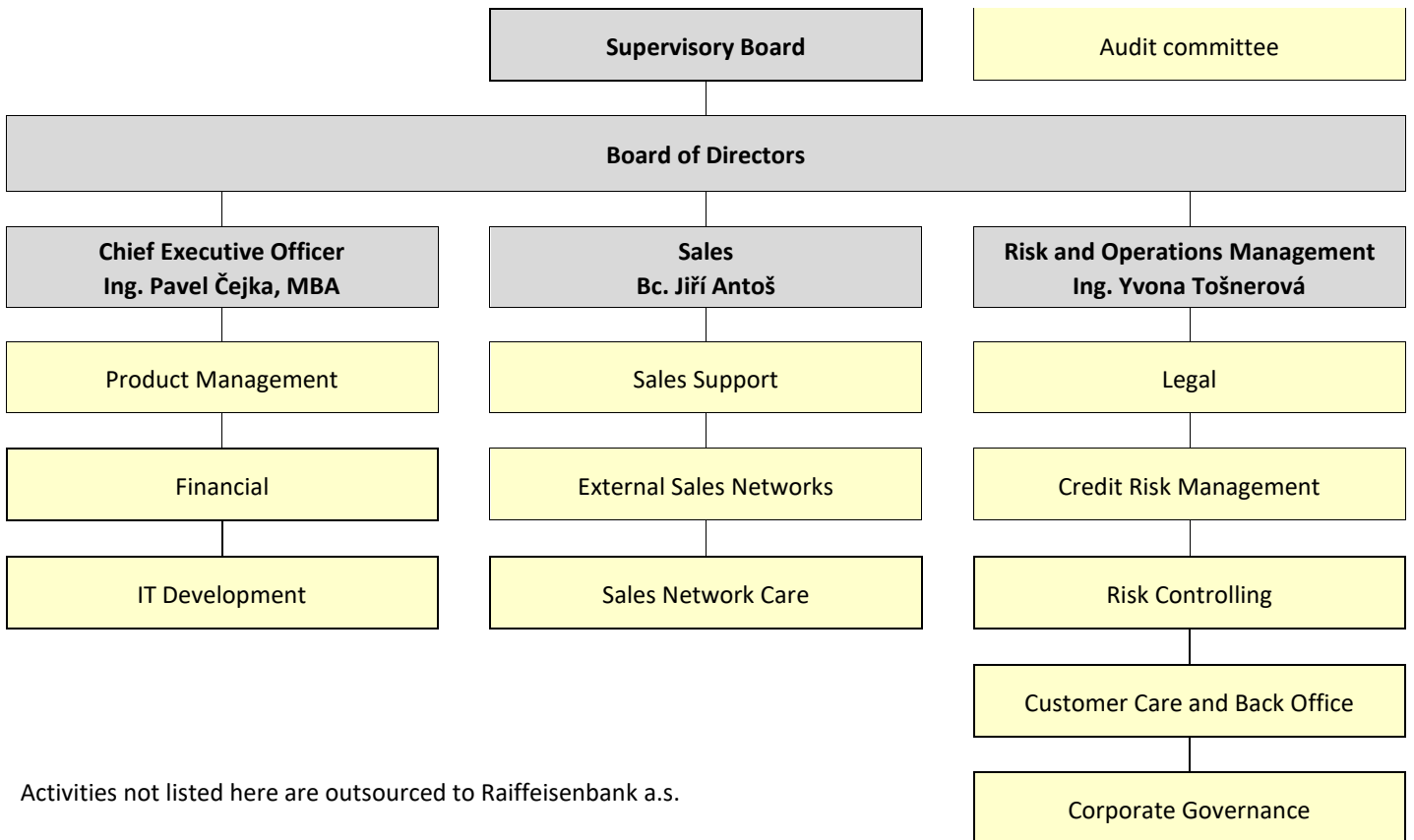
Member of the Board of Directors in
office since 1 July, 2021



Bc. Jiří Antoš
**Deputy Chairman of the Board of
Directors**

Member of the Board of Directors in
office since 1 June, 2021

Organizational structure of the Company valid as at 31 December, 2022

**Advisory Bodies to the Board of Directors**

Outsourcing Management Committee

Executive Bodies of the Board of Directors

Assets and Liabilities Committee

Credit Risk Management Committee

Operational Risk Management Committee

Change Management Committee

Security Committee

Marketing and PR Committee

Sales Committee

IT Management Committee

BOARD OF DIRECTORS' REPORT ON THE COMPANY'S BUSINESS ACTIVITY AND STATUS OF ASSETS

Business performance

2022 was another extraordinary year for our clients, sales staff and employees. The Czech National Bank's new mortgage loan regulatory measures, rising basic interest rates, geopolitical changes, increasing inflation and related price growth across the market resulted in many changes to the market. We are very pleased to see that once again, despite difficult and challenging times, our sales representatives are able to cope with new and challenging situations and support our clients.

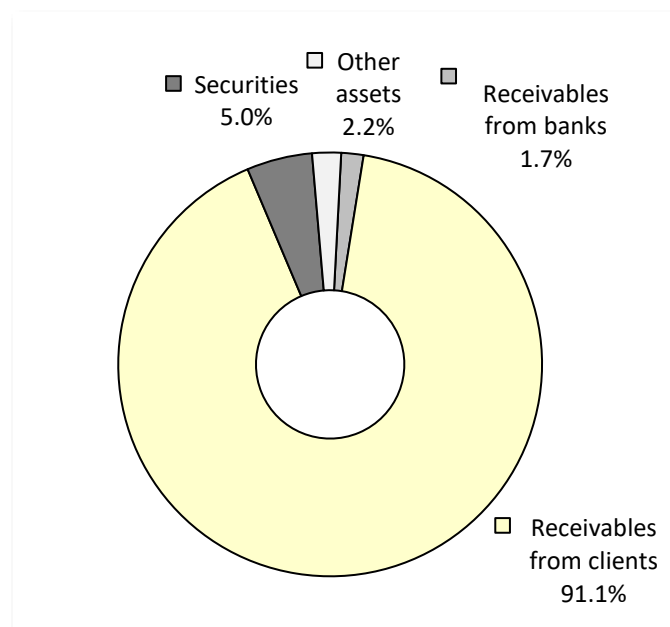
We saw continued growth in our key products and despite the highly competitive environment we achieved record sales results, particularly in unsecured loans and building savings contracts. We increased cross-marketing of Raiffeisen stavební spořitelna and Raiffeisenbank products – for example, clients can open a current account or take out a consumer loan at Raiffeisenbank and also conclude a buildings savings contract, apply for a home renovation loan – either at a branch or through the bank's direct online channels. We continue to work collaboratively with brokerage companies, especially in the distribution of loans for renovation or acquisition of cooperative housing and, of course, building savings products.

In sales results, there was a significant decrease in the volume of new loans, primarily due to the fall of the mortgage market. We provided loans totalling more than CZK 12.3 billion. There was pronounced growth in the volume of new unsecured loans, with an increase of almost 53% from 2021. Raiffeisen stavební spořitelna concluded more than 108,000 new building savings contracts with natural persons and legal entities, including increases to the savings target, and had the highest percentage growth of new contracts on the market. Despite the relatively dramatic changes in this traditional product, we believe that building savings will continue to thrive and remain the most popular savings product on the market. We have almost 580,000 building savings contracts in our portfolio.

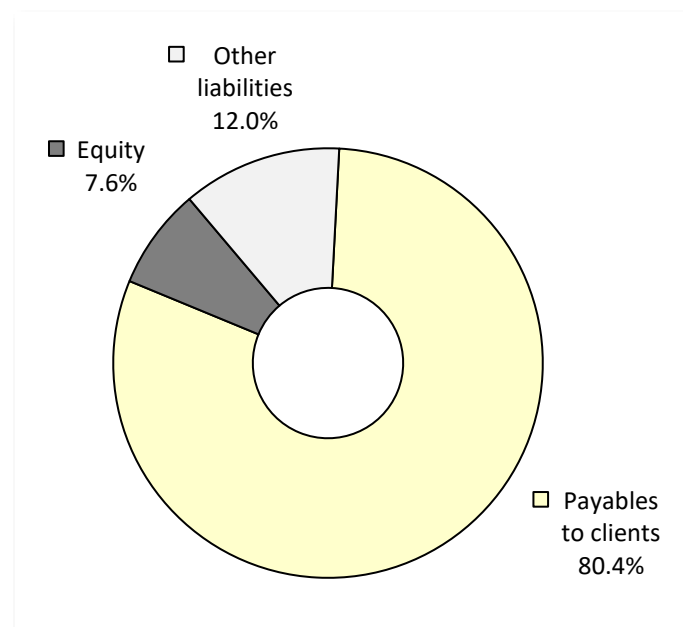
Additional services in insurance, retirement savings, non-purpose consumer loans or current accounts remain very popular with our clients. In collaboration with Uniqa and Generali we offer loan repayment, life and property insurance products. We have continued to sell our parent company's products very successfully. In addition to traditional current accounts, we have also continued to offer unsecured consumer loans.

Raiffeisen stavební spořitelna's professional team of in-house financial advisors, who provide high quality advisory services at 170 advisory centres throughout the Czech Republic, continues to be our most important distribution channel for all types of products in our portfolio. Online channels and Raiffeisenbank branches play increasingly important roles in our distribution mix.

Structure of assets in 2022



Structure of liabilities in 2022



Commentary on financial results

Business in 2022 was affected by significant external and internal factors. Significant external factors included growth in consumer prices and in market interest rates. Growth in consumer prices at the end of 2022 reached 15.1%. The Czech National Bank tightened monetary conditions by raising the key interest rate to 7%. Along with geopolitical factors, particularly the war in Ukraine, there were also factors shaping demand for real estate and subsequently for housing loans. Raiffeisen stavební spořitelna's profit was CZK 468 million, which is a 5.5% year-on-year increase.

Total assets equalled CZK 77.3 billion, which equals a year-on-year decline of 2.2%. Total client deposits decreased year-on-year by 11.5% to CZK 62.1 billion. The decrease in deposits is quite significant in a year-on-year comparison; in absolute figures it is more than CZK 8 billion. The reasons are similar to last year – pronounced growth in short-term interest rates and the discounted demand savings accounts that banks offered in response. The inverse income curve paradoxically disadvantages long-term deposits, because short-term deposits yield higher income.

Raiffeisen stavební spořitelna provided client loans in a total volume of CZK 12.3 billion in 2022, which equals a year-on-year decrease of 41.7%. The key reason is the year-on-year decrease in the demand for secured housing loans. In the buildings savings bank sector, the volume of loans decreased year-on-year by 50%. The total balance of loans provided was CZK 70.4 billion, which equals year-on-year growth of 9.4%. The total volume of receivables from clients comprized 113.3% of client deposits, which is a year-on-year change of 21.7 percentage points. This relatively significant change was the result of both growth in the loan balance and the decrease in client deposits. For the first time in its history, Raiffeisen stavební spořitelna has a higher volume of loans provided than of client deposits. Another source of financing is long-term borrowings from the parent company, Raiffeisenbank. At the end of 2022, these long-term loans equalled CZK 7.8 billion.

The volume of securities held was CZK 3.9 billion, which was a year-on-year decrease of 18.9%. The decline in the volume of securities held is due to the natural redemption of the portfolio. The securities were not reinvested but rather used as a source for lending to clients. Free liquidity is reinvested in the Czech National Bank under the 14-day repo facility.

Net interest income equalled CZK 887.4 million in 2022, which was a year-on-year decrease of 5.6%. Owing to high market interest rates, loan income developed favourably, with year-on-year growth of 17.8%, although client deposit financing costs also increased, with year-on-year growth of 13%.

The balance of payables to clients decreased by CZK 8 billion, while interest expenses increased to CZK 939 million. The development of subordinated liabilities remained unchanged year-on-year at CZK 602 million. Interest expenses related to servicing subordinated debt equalled CZK 30.4 million in 2022.

In 2022, Raiffeisen stavební spořitelna received extraordinary profit from the sale of a 100% share in its subsidiary KONEVOVA s.r.o. in the amount of CZK 83 million.

Net profit from fees and commissions equalled CZK 238.7 million, which is an increase of 17% year-on-year. Positive fee profits were affected by income from Raiffeisenbank product sales, which grew year-on-year. On the contrary, the new fee of CZK 9.5 million for the guarantee issued by the parent company in favour of Raiffeisen stavební spořitelna for the sake of potential resolution proceedings (MREL) had a negative effect.

Total administrative expenses and depreciation were CZK 569.4 million in 2022, a year-on-year decrease of 8.4%. Thanks to the optimization of activities and deeper integration with the parent company Raiffeisenbank, employee costs fell by CZK 90.2 million to CZK 125 million. This is partly offset by a CZK 63.9 million increase in other operating expenses, which include, among other things, costs for tasks secured by the parent company Raiffeisenbank as a subcontractor. Total costs of subcontracted tasks secured by Raiffeisenbank equalled CZK 165 million. Write-offs decreased by CZK 27.2 million year-on-year to CZK 71.4 million.

The balance of receivables from clients increased by more than CZK 6 billion year-on-year. Given the significant decline in consumer demand for secured loans, this can be considered a solid result. Total risk costs in 2022 were CZK 55.7 million, an increase of CZK 106 million year-on-year. However, 2021 was exceptional due to the release of the loss allowances made for the Covid-19 pandemic. We therefore consider the 2022 result in terms of risk costs to be better than our expectations.

The Company's overall liquidity is very good. In addition to its own liquidity reserve, the company has the possibility of drawing on the resources of the parent company Raiffeisenbank through interbank borrowings. At the end of 2022, we had drawn down resources totalling CZK 7.8 billion through interbank borrowings.

As at 30 June, 2022, Raiffeisen stavební spořitelna sold 100% of its shares in the subsidiary KONEVOVA s.r.o., which was an auxiliary banking services company.

The development of the public finance deficit is forcing the ruling five-coalition to seek savings on the expenditure side of the state budget. One of the focus areas is state support for building savings. Specific adjustments will be discussed by an expert working group of the Ministry of Finance and representatives of the banking sector during the spring of 2023. The resulting bill will be submitted to the Czech House of Deputies in late 2023.

Information about acquisition of own shares or stock

Raiffeisen stavební spořitelna did not acquire any own shares or stock in the 2022 accounting period.

Awards, achievements, points of interest

Raiffeisen stavební spořitelna's marketing activities were also affected during 2022 by the Covid-19 pandemic and, in particular, by the outbreak of war in Ukraine.

In the area of client communication, Raiffeisen stavební spořitelna focused primarily on online activities and further development of social media, following the latest trends and using several new formats in content creation.

The SAMOZŘEJMĚ ("OF COURSE") communication concept was further developed and reflected in all of Raiffeisen stavební spořitelna's communication channels.

In 2022, Raiffeisen stavební spořitelna's clients could fully benefit from product and service linkages between the savings bank and Raiffeisenbank. An example is the combination of an RB account and an RSTS loan, where we are now able to calculate pre-approved limits for home improvement loans as well.

Services and products in 2022

Services

Raiffeisen stavební spořitelna focused on improving the quality and speed of its services in 2022.

We decreased the processing time for client requests thanks in part to the development and deployment of robots for processing of some requests. Processing is not only in the "hands of robots" but also in the hands of our employees. Our long-term goal is to increase the expertise of our employees; by increasing their knowledge and skills, we seek to get even closer to our clients and provide fast, quality services.

We opt for direct client communication when dealing with complaints, we contact the client by phone after receiving a complaint in order to better understand the reason for the complaint, and due to the complexity of building savings we prefer personal communication over written text.

In the Raiffeisenbank contact centre, we created a dedicated team for calls from our building savings bank clients in mid-2022. As a result, our contact centre advisors are able to provide a wider range of information and quality service and deal with certain types of requests straight away. This will accelerate the processing of client requests and needs.

During processing, we also focus on incomplete documents, find out what is bothering clients, what would make it easier for them to communicate with us and simplify the process for submitting required documents, which is often administratively taxing. Based on analyses, we are preparing to update and expand the information on our company's website so that clients can easily find guidance on how to deal with situations related to housing or our loans and savings products.

Products

2022 as a whole was marked by rising interest rates, both for credit and for savings.

The year started with a major change – we cancelled the fee for concluding a building savings contract.

Throughout the year, we addressed interest rates on deposits until we broke through the magic threshold of 3% p.a., which is, in addition, guaranteed for at least 6 years against standard savings accounts. In addition, the competitive environment enabled additional one-off bonuses for savings clients for concluding building savings contracts. As a result, we entered into more than 108,000 new contracts with natural persons and legal entities, including top-ups. The number of building savings contracts sold can also be partially attributed to Raiffeisenbank branches as well as mobile and internet banking, where clients can purchase the Bank's products online.

Housing funding experienced record declines in both the volume and number of mortgage loans. On the other hand, the volume and number of upgrade loans increased by more than 50% compared to last year. This was related to rising interest rates and the availability of loans in general as well as stricter DSTI and DTI indicator limits.

At the end of the year, we were also able to promote upgrade loans by launching pre-approved limits for clients right from the beginning of 2023.

Our portfolio still contains a special product for the purchase of cooperative housing, granting up to CZK 2 million without real property collateral. Interest in this product continues to rise each year.

In the area of corporate products, we continue in our cooperation on a project to finance newly established cooperatives and their expansion over time. Similarly, our products are available for privatization of housing stock or modernization of apartment buildings, whether owned by associations of housing unit owners, housing cooperatives or municipalities.

General information about risk management

Raiffeisen stavební spořitelna manages all risks associated with its business activities in compliance with valid legal standards and regulations stipulated by relevant regulatory institutions, particularly the Czech National Bank. It monitors and manages risks inherent to its area of business, particularly credit, interest rate, liquidity and operational risks.

Since 1 December, 2020, Raiffeisenbank a.s. has been the 100% owner of Raiffeisen stavební spořitelna while risk management is outsourced to Raiffeisenbank.

The key risk management task is identification of assumed risks and subsequent development and implementation of risk management strategies for specific assumed risks. The specific strategies define measurement and management methods for given risk areas, determine procedures including control mechanisms, and set limits leading to minimization of assumed risks.

Aside from the Risk Controlling Department, the Board of Directors, Credit Risk Management Committee and Assets and Liabilities Committee are involved in the risk management system. They get an overview of risk exposure through regular monthly reports on risk status and development and have the opportunity to conduct appropriate controls and give feedback. Other parts of the system include the Operational Risk Management Committee, Change Management Committee and Security Committee. The risk management system continues to develop in alignment with product and process changes, new activities and all requirements to refine risk management.

Raiffeisen stavební spořitelna used the standardized approach to calculate capital adequacy for credit risks in 2022 and the basic indicator method to calculate capital needs for operational risks. Raiffeisen stavební spořitelna regularly conducts an Internal Capital Adequacy Assessment Process (ICAAP) including reporting within the financial group and for the Czech National Bank. Raiffeisen stavební spořitelna publishes information about fulfilment of prudential rules (Pillar 3) on an individual basis in abbreviated form.

Staff policy

Our staff policy is fully aligned with the goals and objectives outlined in the Raiffeisen stavební spořitelna business strategy. The key points include a pleasant and dynamic environment, relationships based on friendship, trust, cooperation and respect for others. Through these ties, knowledge and innovation are spread through the company. The atmosphere in the company is very open and both formal and informal tools are in place to provide feedback and two-way dialogue.

Also in terms of personnel, 2022 was dedicated to further integration of Raiffeisen stavební spořitelna's processes into Raiffeisenbank, searching for synergies and optimal functioning. Due to the favourable epidemiological situation, we were able to resume both off-site and on-site meetings and face-to-face interaction this year, which contributed to the strengthening of our relations and better collaboration across Raiffeisen stavební spořitelna and Raiffeisenbank. We held several joint events, where we had the opportunity to spend time together beyond our work duties – namely at departmental team building events, management team building events, and several corporate meetings.

Raiffeisen stavební spořitelna's compensation system corresponds to and supports healthy, effective risk management and does not underestimate the overstepping of tolerated risk limits. We use the approach employed throughout the Raiffeisen group to determine categories of employees with a significant impact on the risk profile.

Employee care includes systematic employee development and education. In this area, we use synergies with Raiffeisenbank, thus expanding the development opportunities available to employees of Raiffeisen stavební spořitelna. At the beginning of the year, we updated our portfolio of employee benefits and unified it with Raiffeisenbank's benefit portfolio; we continue to develop employee benefits.

We value our employees and try to support them in their everyday life situations. We offer them a number of supporting programs and contributions.

Corporate social responsibility

In 2022, Raiffeisen stavební spořitelna donated over half a million CZK to more than a dozen non-profit organizations. Employees raised over CZK 70,000 in the Movember campaign and some employees became regular donors of the foundation Dobrý anděl (Good angel). Raiffeisen stavební spořitelna also continued in its long-term support of the Akord Day Care Centre, dating back nearly 25 years, and The Homolka Hospital Endowment Fund.

Most of the organizations to which Raiffeisen stavební spořitelna distributed funds for charitable purposes were proposed by employees themselves, ranging from the health and social sphere, culture and sports, nature and financial literacy. In 2022,

Raiffeisen stavební spořitelna thus provided donations to, e.g., Theresa's Asylum House in Karlín, Cesta domů, z.ú. (Journey Home), Klub svobodných matek z.s. (Single Mothers' Club), Dog Shelter in Broumov and debt counselling rendered by the Diaconia. Employees also participated in a volunteer day in the sheltered workshop Lemniskáta, o.p.s.

In order to promote diversity, Raiffeisen stavební spořitelna became a partner of the Equilibrium program, organized by the British Chamber of Commerce, in which four managers took part as program mentees.

During #denproukrajinu, 1,039 employees from the entire group of Czech Raiffeisenbank, Equ bank, Raiffeisen stavební spořitelna, Raiffeisen leasing and Raiffeisen investiční společnost decided to donate their one day of wages in support of people affected by the war in Ukraine. In 2022, employees thus donated more than CZK 4,680,000 via the People in Need organization.

Research and development costs

Raiffeisen stavební spořitelna did not have any research and development costs in the 2022 accounting period.

Branches abroad

Raiffeisen stavební spořitelna has no branches or other business units abroad.

Environmental protection

Thanks to the association with Raiffeisenbank, Raiffeisen stavební spořitelna not only continues the trend of the past years, trying to reduce the environmental impact of the headquarters building to a minimum level, but also accelerates the adoption of other positive measures.

We started collecting bio-waste of plant origin at our headquarters as a new measure. We stick to the measures for the collection, sorting and recycling of secondary raw materials (plastics, paper, glass) and electronic waste.

We also more intensively pursue the ESG methodology; e.g., we reduce our CO₂ footprint by optimising microclimate management in our offices. Last but not least, we are implementing energy management, which will make us more efficient in all-type energy consumption. Overall, we are significantly reducing our CO₂ footprint and environmental burden, thus converging with the Paris Agreement's climate neutrality commitments.

RBI Group's sustainability reports can be viewed at [Sustainability Report \(rbinternational.com\)](https://rbinternational.com).

Prague, 21 March, 2022

Raiffeisen stavební spořitelna a.s. Board of Directors:



Ing. Pavel Čejka, MBA

Chairman of the Board of Directors



Ing. Yvona Tošnerová

Deputy Chairwoman of the Board of Directors



Bc. Jiří Antoš

Deputy Chairman of the Board of Directors

RAIFFEISEN STAVEBNÍ SPOŘITELNA SUPERVISORY BOARD 2022 BUSINESS ACTIVITY REPORT

In the course of 2022, Raiffeisen stavební spořitelna a.s. (hereinafter the “Company”) Supervisory Board managed tasks which it is authorized to perform in accordance with valid legal regulations and the Company’s Articles of Association.

There were three Supervisory Board meetings in 2022. The meetings took place on 21 March, 22 June and 24 November, 2022. When needed, the Supervisory Board also took decisions outside these meetings (per rollam) on issues where legal or internal regulations or the Articles of Association require a statement by the Supervisory Board. The Supervisory Board meetings were attended by the members of the Company Board of Directors, other invited Company employees and employees of the sole shareholder in cases of reports concerning outsourced areas of business.

There were significant changes to the composition of the Supervisory Board in 2022. In March 2022, Igor Vida, CEO of Raiffeisenbank, was re-elected Deputy Chairman of the Supervisory Board. In June 2022, Hans-Christian Vallant resigned from the Supervisory Board and his term of office expired at the end of August 2022. Subsequently, the sole shareholder exercising the powers of the General Meeting decided to amend the Articles of Association. One of the significant changes was an increase in the number of Supervisory Board members. The Supervisory Board now has five members. In December 2022, the sole shareholder exercising the powers of the General Meeting elected two new Supervisory Board members as recommended by the Supervisory Board. The new members are Kamila Makhmudova, member of the Board of Directors of Raiffeisenbank, and Ondřej Hák, Director of the Retail Credit Department at Raiffeisenbank.

Throughout 2022, the Supervisory Board supervised business and economic performance, developments in liquidity, developments in risk management, the internal audit, and meeting compliance and anti-money laundering requirements. Due to an increase in the number of audit findings, the Supervisory Board was also regularly informed about the implementation of remedial measures pertaining to audit findings, and setting of implementation processes. In June 2022, the Supervisory Board approved a corporate IT transformation program and agreed to sell the subsidiary KONEVOVA s.r.o. During the year, the Supervisory Board also dealt with the MREL guarantee provided by Raiffeisenbank. The Company Board of Directors regularly informed the Supervisory Board about long-term plans and other significant events in the Company. The Supervisory Board did not find any inadequacies in any of these areas.

The Supervisory Board reviewed the functionality and efficiency of the Company system of management and control and stated that the management and control system was functional.

The Supervisory Board regularly evaluated the expertise and experience of each Director, as well as the Board of Directors as the Company’s executive body, in relation to performance of their tasks. The Supervisory Board did not find any inadequacies in these areas either. The Supervisory Board also monitored application of and adherence to principles underlying compensation of Company staff over the entire year.

At its meeting on 3 April, 2023 the Supervisory Board discussed the Board of Directors’ 2022 Annual Report and the report on related parties, reviewed the financial statement as at 31 December, 2022, including the respective draft statement by Deloitte Audit s.r.o., and discussed the profit distribution proposal.

The Supervisory Board had no objections to the submitted Board of Directors’ 2022 Annual Report, report on related parties, financial statement or profit distribution proposal and recommended that the sole shareholder exercising the powers of the General Meeting approve these documents.

Prague, 3 April, 2023



PhDr. Vladimír Kreidl, MSc.
Chairman of the Supervisory Board

AUDITOR'S REPORT



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File 24349
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Tax ID. No.: CZ49620592

INDEPENDENT AUDITOR'S REPORT

To the Shareholder of
Raiffeisen stavební spořitelna a.s.

Having its registered office at: Hvězdova 1716/2b, Nusle, 140 00 Praha 4

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Raiffeisen stavební spořitelna a.s. (hereinafter also the "Company") prepared on the basis of accounting regulations applicable in the Czech Republic, which comprise the balance sheet as at 31 December 2022, and the profit and loss account, statement of changes in equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Raiffeisen stavební spořitelna a.s. as at 31 December 2022, and of its financial performance for the year then ended in accordance with accounting regulations applicable in the Czech Republic.

Basis for Opinion

We conducted our audit in accordance with the Act on Auditors and Auditing Standards of the Chamber of Auditors of the Czech Republic, which are International Standards on Auditing (ISAs), as amended by the related application guidelines. Our responsibilities under this law and regulation are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Act on Auditors and the Code of Ethics adopted by the Chamber of Auditors of the Czech Republic and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

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This is a translation for information purposes of the original auditor's report issued in the Czech language to the accompanying financial statements translated into the English language.

Key audit matter	Related audit procedures
Allowances for losses from loans and advances to customers	
(Note 1.4.7 to the Financial Statements)	
<p>At 31 December 2022, net loans and advances to customers (hereinafter "loans") amounted to CZK 71 390 million, against which allowances for expected credit losses (hereinafter "allowances") of CZK 1007 million were recorded.</p> <p>The allowances are determined using statistical models for performing loans (Stage 1 and 2) and non-performing exposures (Stage 3).</p> <p>The measurement of allowances for loans is deemed a key audit matter due to the level of judgement applied by the Management especially with regard to identifying impaired receivables and quantifying loan impairment.</p> <p>In addition, due to the current geopolitical and macroeconomic situation, the level of uncertainty and the degree of subjectivity of management's judgements in relation to the 2022 financial reporting has significantly increased.</p> <p>The most significant judgements applied in determining allowances relate to:</p> <ul style="list-style-type: none"> Assumptions used in the expected credit loss (ECL) statistical models such as probability of default, recovery rates and macroeconomic factors reflected in forward looking information, Timely identification of exposures with a significant increase in credit risk (Stage 2) and non-performing exposures (Stage 3) Valuation of collateral used in allowances calculations. <p>Management provided further information about loan impairment in Note 1.4.2.1.13 and Note 1.4.43.2 to the Financial Statements.</p>	<p>Based on our risk assessment and industry knowledge, we assessed the amount of allowances and methodology applied and the assumptions used in the calculation of allowances. Together with our specialists, we performed re-calculation of the allowances.</p> <p>We tested the design and operating effectiveness of selected key internal controls the management of the Bank has established for the impairment assessment and allowance recognition.</p> <p>With the assistance of our IT specialists, we tested IT controls relating to access rights and change management of relevant IT applications.</p> <p><u>Assumptions used in the expected credit loss models</u></p> <p>In cooperation with our specialists, we assessed the model methodology and internal validation reports. We assessed whether the modelling assumptions considered relevant material risks, were relevant in the light of historical experience and future outlook, economic climate and the circumstances of customers. We assessed the adequacy of the risk parameters used in the calculation of loss allowances.</p> <p>In light of the high volatility in economic scenarios caused by the current geopolitical and macroeconomic situation, we assessed whether the macroeconomic and other parameters used in the ECL statistical models fairly reflect the expected degree of defaults and recoverability of loans in the future.</p> <p><u>Identification of exposures with a significant increase in credit risk and non-performing loans</u></p> <p>We tested system-based and manual controls of the timely classification of loans to the relevant stage. In cooperation with our specialists, we evaluated the appropriateness of the Company's methodology and the assumptions used for staging models including post-model adjustments and performed selected recalculations related to the inclusion into individual stages.</p> <p>We performed comparison of allowance levels to industry benchmarks.</p>

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Key audit matter	Related audit procedures
<p>Interest and fee income recognition</p> <p>(Note 1.4.32 a 1.4.33 to the Financial Statements)</p> <p>For the year ended 31 December 2022 the net interest income amounted to CZK 887 million. Total net fee and commission income for the same period amounted to CZK 239 million. These items are the main contributors to the operating income of the Company affecting their profitability, with their main source being building savings loans and bridge loans.</p> <p>While interest income is recognised on an accrual's basis over the expected life of a financial instrument, the recognition of fee income depends on the nature of the fees as follows:</p> <ul style="list-style-type: none"> • Fees that are directly attributable to origination of financial instruments are recognised over the anticipated lifetime of the instrument and reported as interest income. • Fees for the services rendered are recognised over time when services are rendered and reported as fee and commission income. • Fees for transaction acts are recognised when the act is performed and reported as fee and commission income. <p>The specifics of revenue recognition and a large volume of individually small transactions, which depends on the quality of input data relating to interest and fees and on IT solutions for their recognition, resulted in this matter being identified as a key audit matter.</p> <p>Management provided further information about interest and fee income in Note 1.4.2.1.5 to the Financial Statements.</p>	<p>Based on our risk assessment and industry knowledge, we evaluated the methodology applied in revenue recognition and the assumptions used by management.</p> <p>We tested the design and operating effectiveness of the key internal controls and focused on:</p> <ul style="list-style-type: none"> • Input of interest/fees on customer loans and deposits, including authorisation of changes in the interest and fee tables. • Recognition of fees and interest income and management oversight; and • IT controls relating to access rights and change management of relevant IT applications with the assistance of our IT specialists. <p>We also performed the following procedures with regard to interest and fee income recognition:</p> <ul style="list-style-type: none"> • We evaluated the accounting policy applied by the entity to determine whether the methodology complies with the requirements of the relevant accounting standard. • We considered appropriateness of the period for recognition of fee and commission income and expense. <p>We focused our testing on verification of the correct classification of:</p> <ul style="list-style-type: none"> • Fees that are identified as directly attributable to a financial instrument; and • Fees that are not identified as directly attributable to a financial instrument. <p>We evaluated the mathematical formulae used for amortisation of relevant income over the expected life of the financial instrument.</p> <p>We analysed the accuracy of the recognised amount of interest income and fee and commission income using substantive analytical tests and data analytics.</p>

Other Information in the Annual Report

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

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

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

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

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

Responsibilities of the Company's Board of Directors and Supervisory Board for the Financial Statements

The Board of Directors is responsible for the preparation and fair presentation of the financial statements in accordance with accounting regulations applicable in the Czech Republic and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

Report on Report on Relations among Related Entities (the "Report on Relations")

We have reviewed the factual accuracy of the information included in the accompanying related party transactions report of Raiffeisen stavební spořitelna a.s. for the year ended 31 December 2022 which is included in this annual report on pages 75 to 79. This related party transactions report is the responsibility of the Company's Statutory Body. Our responsibility is to express our view on the related party transactions report based on our review.

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

Nothing has come to our attention based on our review that indicates that the information contained in the related party transactions report of Raiffeisen stavební spořitelna a.s. for the year ended 31 December 2022 contains material factual misstatements.

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

Report on Other Legal and Regulatory Requirements

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

Appointment of the Auditor and the Period of Engagement

We were appointed as the auditors of the Company for year 2022 by the General Meeting of Shareholders on 17 June 2020 and our uninterrupted engagement has lasted for 2 years.

Consistence with the Additional Report to the Audit Committee

We confirm that our audit opinion on the financial statements expressed herein is consistent with the additional report to the Audit Committee of the Company, which we issued on 3 April 2023 in accordance with Article 11 of Regulation (EU) No. 537/2014 of the European Parliament and the Council.

Provision of Non-audit Services

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

In Prague on 3 April 2023

Audit firm:

Deloitte Audit s.r.o.
registration no. 079

Statutory auditor:

David Batal
registration no. 2147

FINANCIAL SECTION

Date of financial statement: 21 March, 2023

1 FINANCIAL STATEMENT

1.1 BALANCE SHEET AS AT 31 DECEMBER, 2022

Assets as at 31 December, 2022

M CZK		Chapter	31/12/2022	31/12/2021
1.	Cash and balances with central banks	1.4.4	654	508
2.	State zero coupon bonds and other securities eligible for refinancing with the central bank	1.4.5	3,645	4,544
	a) issued by government institutions		3,645	4,544
3.	Receivables from banks and cooperative savings associations	1.4.6	1,307	7,918
	a) repayable on demand		1,307	7,918
4.	Receivables from clients – cooperative savings associations' members	1.4.7	70,383	64,332
	b) other receivables		70,383	64,332
5.	Debt securities	1.4.8	205	205
	b) issued by other entities		205	205
8.	Participation interests with controlling influence	1.4.10	0	370
	b) in other entities		0	370
9.	Intangible fixed assets	1.4.11	245	240
	b) other		245	240
10.	Tangible fixed assets	1.4.12	26	59
	a) land and buildings for operating activities		15	41
	b) other		11	18
11.	Other assets	1.4.13	807	795
13.	Pre-paid expenses and accrued revenues		14	19
Total assets			77,286	78,990

Liabilities as at 31 December, 2022

M CZK		Chapter	31/12/2022	31/12/2021
1.	Payables to banks and cooperative savings associations b) other payables	1.4.14	7,763 7,763	2,002 2,002
2.	Payables to clients – cooperative savings associations' members a) repayable on demand b) other payables	1.4.15	62,146 5,187 56,959	70,231 8,408 61,823
4.	Other liabilities	1.4.17	788	571
5.	Accrued expenses and deferred income		40	102
6.	Provisions c) other	1.4.18	57 57	60 60
7.	Subordinated liabilities	1.4.19	602	602
Total liabilities			71,396	73,568
8.	Registered capital a) paid-up registered capital	1.4.20	650 650	650 650
10.	Reserve funds and other funds from profit a) reserve funds and risk funds b) other reserve funds c) other funds from profit		4,772 130 4,634 8	4,329 130 4,191 8
14.	Retained earnings or accumulated losses from previous years		0	0
15.	Profit or loss for the accounting period	1.4.23	468	443
Total equity			5,890	5,422
Total liabilities			77,286	78,990

Off-balance sheet items as at 31 December, 2022

M CZK		Chapter	31/12/2022	31/12/2021
1.	Commitments and guarantees issued	1.4.24	4,934	7,308
4.	Receivables from fixed-term transactions	1.4.25	10	0
6.	Receivables written-off	1.4.24	321	322
Total off-balance sheet assets			5,265	7,630
9.	Commitments and guarantees received	1.4.28	2,291	501
10.	Collaterals and pledges received	1.4.29	55,010	54,270
12.	Payables from fixed-term transactions	1.4.25	10	0
Total off-balance sheet liabilities			57,311	54,771

1.2 INCOME STATEMENT FOR YEAR ENDING 31 DECEMBER, 2022

M CZK		Chapter	31/12/2022	31/12/2021
1.	Interest income and similar income	1.4.32	2,104	1,833
	a) interest on debt securities		110	129
	b) other		1,994	1,704
2.	Interest expense and similar expense	1.4.32	-1,217	-893
	b) other		-1,217	-893
3.	Income from shares and participation interests		0	5
	b) income from participation interests with controlling influence		0	5
4.	Fee and commission income	1.4.33	366	347
5.	Fee and commission expense	1.4.33	-127	-143
6.	Gain or loss from financial operations	1.4.34	0	0
7.	Other operating income	1.4.35	138	5
8.	Other operating expenses	1.4.35	-67	-49
9.	Administrative expenses	1.4.36	-498	-523
	a) employee expenses		-125	-216
	aa) wages and salaries		-92	-161
	ab) social security and health insurance		-27	-47
	ac) other		-6	-8
	b) other administrative expenses		-373	-307
11.	Write-offs, creation and use of provisions and loss allowances for tangible and intangible fixed assets	1.4.11, 1.4.12	-71	-99
12.	Release of loss allowances and provisions for receivables, securities and guarantees, income from written-off receivables	1.4.18, 1.4.37	287	500
13.	Write-offs, creation and use of provisions and loss allowances for receivables, securities and guarantees	1.4.38	-342	-450
16.	Release of other provisions	1.4.18	2	17
17.	Creation and use of other provisions	1.4.18	-16	4
19.	Current year profit or loss from ordinary activities before tax		559	554
23.	Income tax	1.4.39	-91	-111
24.	Profit/loss for the accounting period after taxation		468	443

1.3 STATEMENT OF CHANGES IN EQUITY FOR YEAR ENDING 31 DECEMBER, 2022

M CZK	Registered capital	Share buy-back	Share premium	Reserve funds	Other funds	Capital funds	Gains (losses) from revaluation	Accumulated losses from previous years	Profit (loss)	Total
Balance as at 1/1/2021	650	0	0	4,354	8	0	0	0	217	5 229
Changes in accounting policies	0	0	0	0	0	0	0	0	0	0
Corrections of fundamental errors	0	0	0	0	0	0	0	0	0	0
Exchange rate differences and gains (losses) from revaluation not included in P/L	0	0	0	0	0	0	0	0	0	0
Net profit/loss for the accounting period	0	0	0	0	0	0	0	0	443	443
Paid share in profit	0	0	0	-33	0	0	0	0	-217	-250
Transfers to funds	0	0	0	0	0	0	0	0	0	0
Use of funds	0	0	0	0	0	0	0	0	0	0
Issue of shares	0	0	0	0	0	0	0	0	0	0
Reduction in registered capital	0	0	0	0	0	0	0	0	0	0
Own shares purchased	0	0	0	0	0	0	0	0	0	0
Other changes	0	0	0	0	0	0	0	0	0	0
Balance as at 31/12/2021	650	0	0	4,321	8	0	0	0	443	5,422
Balance as at 1/1/2022	650	0	0	4,321	8	0	0	0	443	5,422
Changes in accounting policies	0	0	0	0	0	0	0	0	0	0
Corrections of fundamental errors	0	0	0	0	0	0	0	0	0	0
Exchange rate differences and gains (losses) from revaluation not included in P/L	0	0	0	0	0	0	0	0	0	0
Net profit/loss for the accounting period	0	0	0	0	0	0	0	0	468	468
Paid share in profit	0	0	0	0	0	0	0	0	0	0
Transfers to funds	0	0	0	443	0	0	0	0	-443	0
Use of funds	0	0	0	0	0	0	0	0	0	0
Issue of shares	0	0	0	0	0	0	0	0	0	0
Reduction in registered capital	0	0	0	0	0	0	0	0	0	0
Own shares purchased	0	0	0	0	0	0	0	0	0	0
Other changes	0	0	0	0	0	0	0	0	0	0
Balance as at 31/12/2022	650	0	0	4,764	8	0	0	0	468	5,890

1.4 NOTES TO THE FINANCIAL STATEMENT

1.4.1 GENERAL INFORMATION

1.4.1.1 About the Bank – status as at 31 December, 2022

Corporate name	Raiffeisen stavební spořitelna a.s. (hereinafter “Raiffeisen stavební spořitelna” or the “Company” or “Bank”)
Business objects	Operation of buildings savings as defined in S. 1 of Act No. 96/1993 Coll., on building savings and state support for building savings, and execution of activities listed in S. 9(1) of Act No. 96/1993 Coll.
Initiation of business activity	7 September, 1993
Business ID	49241257
Tax ID	CZ49241257
Registered office	Hvězdova 1716/2b 140 78 Prague 4
E-mail	rsts@rsts.cz
Internet	www.rsts.cz
Info hotline	412 446 408
Data box	f6qr5pb
Amendments recorded in the Commercial Registry in 2022	17 March, 2022 – change in the data of a Supervisory Board Member 19 March, 2022 – change in the Company’s registered office delivery number 5 August, 2022 – change in the data of a Supervisory Board Member 27 October, 2022 – change in the Board of Directors’ proceedings, change in the number of Supervisory Board Members
Legal form	Joint stock company
Consolidated unit that compiles the consolidated financial statement for the entire group of accounting units to which the Bank belongs	Raiffeisenbank a.s., Prague, Czech Republic (100% of registered capital)
Registered capital	CZK 650,000,000
Consolidated unit that compiles the consolidated financial statement for the entire group of accounting units to which the Bank belongs	Raiffeisen Bank International AG with its registered office at Am Stadtpark 9, Vienna, Austria
Members of the Board of Directors as at 31 December, 2022	Ing. Pavel Čejka, MBA – Chairman Ing. Yvona Tošnerová – Deputy Chairwoman Bc. Jiří Antoš – Deputy Chairman
Members of the Supervisory Board as at 31 December, 2022	PhDr. Vladimír Kreidl, MSc. – Chairman Ing. Igor Vida – Deputy Chairman Ing. Ondřej Hák – Member Kamila Makhmudova – Member Mag. Dr. Martin Stotter – Member

1.4.1.2 Basis for financial statement

The financial statement of Raiffeisen stavební spořitelna was compiled on the basis of accounting maintained in compliance with Act No. 563/1991 Coll., on accounting (hereinafter the “Accounting Act”), as amended, and Decree No. 501/2002 Coll. of the Ministry of Finance of the Czech Republic as applicable from 1 January, 2018, and the Czech accounting standards for financial institutions of the Ministry of Finance.

This financial statement was compiled in compliance with Decree No. 501/2002 Coll. of the Ministry of Finance of the Czech Republic, as applicable from 1 January, 2018, which stipulates the structure, coding and content of the items in the financial statement. S. 4a(1) of the Decree also stipulates that the accounting unit shall proceed in line with international accounting standards governed by directly applicable legislation of the European Union on the application of international accounting standards (hereinafter the

“international accounting standards” or “IFRS”) for the purpose of reporting, evaluating and informing about financial instruments in the notes to the financial statement.

The financial statement was compiled based on the accrual principle and historical prices. The financial statement is based on the assumption that Raiffeisen stavební spořitelna will uninterruptedly continue its operation and that there is no matter that would restrict or prevent its operation in the foreseeable future.

The balance sheet date is 31 December, 2022. The current accounting period is from 1 January, 2022 until 31 December, 2022. The previous accounting period was from 1 January, 2021 until 31 December, 2021.

All data are listed in Czech crowns (CZK). The unit of measurement is million CZK, unless stated otherwise. This financial statement is unconsolidated.

The business activity of Raiffeisen stavební spořitelna is comprized of operating buildings savings as defined by S. 1 of Act No. 96/1993 Coll., on building savings and state support for building savings, as amended (hereinafter the “Building Savings Act”), and execution of activities listed in S. 9(1) of the Building Savings Act. The Bank’s license was issued by the Ministry of Finance of the Czech Republic on 15 April, 1993 and by the Czech National Bank on 7 September, 1993.

Based on equivalent disclosure of information, which the Company conducted pursuant to accounting or other requirements, information is provided in the financial statement and on the Company’s website.

Mandatorily disclosed information pursuant to Part Eight of Regulation (EU) No. 575/2013 of the European Parliament and of the Council of 26 June, 2013 is published on the Bank’s website in the Mandatory Disclosure section (<https://www.rsts.cz/povinne-uverejnovane-informace/>).

1.4.2 SIGNIFICANT ACCOUNTING POLICIES

The Raiffeisen stavební spořitelna financial statement was compiled in compliance with the following major accounting policies.

1.4.2.1 Accounting policies

1.4.2.1.1 Receivables from banks and cooperative savings associations

The balance sheet item “Receivables from banks and cooperative savings associations” includes the following:

- Receivables from banks arising from term deposits and current account deposits. Raiffeisen stavební spořitelna creates loss allowances for these receivables due to impairment. Loss allowances are created on a monthly basis.
- Loans from reverse repurchase agreements with the Czech National Bank. Income arising under reverse repurchase agreements as the difference between the sale and repurchase prices is accrued evenly over the term of the agreement and reported in the income statement as “Interest income and similar income”. Securities received under reverse repo agreements are only kept at their nominal value in off-balance sheet accounts under “Collaterals and pledges received”.

Policies and procedures for classification of receivables are presented in Chapter 1.4.43.

1.4.2.1.2 Receivables from clients – cooperative savings associations’ members

The item includes loans valued at their amortized cost that were valued at fair price including additional direct transaction costs upon their initial recognition; subsequently they are valued at amortized cost applying the effective interest rate. Accrued interest is recognized in the respective accounting groups for individual assets and it is reported with the respective asset. Interest income is accounted for the period to which it is factually and temporally related. Raiffeisen stavební spořitelna creates loss allowances for these receivables due to impairment. Loss allowances are created on a monthly basis.

Policies and procedures for classification of receivables are presented in Chapter 1.4.43.

1.4.2.1.3 Securities

In accordance with the Building Savings Act, Raiffeisen stavební spořitelna is only allowed to purchase mortgage bonds and similar products issued by the Member States of the Organization for Economic Cooperation and Development, bonds issued by the Czech Republic, bonds for which the Czech Republic assumed guarantees, bonds issued by the Czech National Bank, bonds issued by the Member States of the Organization for Economic Cooperation and Development, central banks and financial institutions of such states and banks domiciled in such states, bonds for which these states assumed guarantees, and bonds issued by the European Investment Bank, the Nordic Investment Bank and the European Central Bank. Following a business model whose objective is to

hold assets to collect their contractual cash flows, Raiffeisen stavební spořitelna classifies securities in the portfolio of securities valued at amortized cost (AC). These securities may be sold, but frequent sales are not expected. Upon initial recognition, the securities are measured at acquisition cost. It includes direct transaction costs related to the purchase known at the time of purchase.

Accrued interest income is accounted for on a monthly basis. For coupon bonds classified as securities valued at amortized cost, accrued interest income (coupon) is recognized on a monthly basis. Coupon accruals are obtained using the linear method. Premium or discount accruals (amortization) are obtained using the effective interest rate or linear method. The linear method is used for zero-coupon bonds with a maturity of up to one year and for variable-coupon bonds.

Raiffeisen stavební spořitelna creates loss allowances for securities classified in the portfolio of securities valued at amortized cost due to impairment. Loss allowances are created on a monthly basis.

For the purpose of financial asset impairment and creation of loss allowances, securities are categorized as Stages 1 through 3.

Securities are reported under “Debt securities” or “State zero coupon bonds and other securities eligible for refinancing with the central bank”. Interest income and expenses are reported in the income statement as “Interest income and similar income”. Upon sale, gains and losses are reported in the income statement as “Gain or loss from financial operations”.

Policies and procedures for classification of receivables are presented in Chapter 1.4.43.

1.4.2.1.4 Participation interests with controlling and substantial influence

Raiffeisen stavební spořitelna sold its share in KONEVOVA s.r.o. in 2022.

The share amounting to CZK 369.68 million was cleared from the balance sheet. Profit of CZK 82.88 million from the sale of the share was reported in the Profit and Loss Statement.

1.4.2.1.5 Interest

Interest income and expense are reported in the income statement as “Interest income and similar income” and “Interest expense and similar expense” using the effective interest rate method.

The effective interest rate (EIR) is a rate discounting the anticipated future incoming or outgoing cash flows over the financial instrument’s expected life. When applying the amortized cost valuation, the accounting unit uses the EIR method to calculate the interest income or expense. When applying the EIR method, the accounting unit identifies fees which comprise an inseparable part of the financial instrument’s EIR. Raiffeisen stavební spořitelna considers the following expenses and income inseparable parts of the financial instrument’s EIR that need to be accrued:

- Initial fees for the conclusion of building savings contracts and loans;
- Commissions associated with the conclusion of building savings contracts and loans;
- Contributions to client campaigns;
- Any other transaction costs/income associated with acquisition.

When applying the EIR method, the accounting unit shall usually amortize all fees, paid and received interest, transaction costs (fees and commissions to financial advisors) and other premiums or discounts included in EIR calculation over the financial instrument’s expected life.

1.4.2.1.6 Guarantees and loan commitments issued

Loan commitments issued are commitments to provide loans under agreed terms.

Raiffeisen stavební spořitelna did not issue any loan commitments to be valued at fair value through profit or loss (FVTPL).

The loan commitments issued are reported in the off-balance sheet items “Commitments and guarantees issued”.

1.4.2.1.7 Recognition and initial valuation

Selected financial assets and financial liabilities, e.g. receivables from clients, payables to clients, etc., shall be initially recognized as of the time of their establishment. All other financial instruments (including spot purchases and sales of financial assets) shall be recognized as of the transaction settlement date, i.e. the date on which the accounting unit becomes the party to the contractual provisions of the given financial instrument.

A financial asset or liability shall be initially recognized at fair value adjusted for transaction costs. Transaction costs are costs directly assignable to acquisition or issue.

1.4.2.1.8 Classification

Financial assets

Upon first recognition the financial asset is classified as valued at amortized cost (AC):

The financial asset is valued at amortized cost (AC) if both of the following conditions are met cumulatively and at the same time the asset is not valued at fair value through profit or loss (FVTPL):

- The asset is held under a business model whose objective is to hold financial assets to collect their contractual cash flows;
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interests on the outstanding principal amount (the SPPI test).

Assessing the business model

The business model of the accounting unit is determined at a level that reflects how groups of financial assets are managed to achieve a certain business objective. This condition therefore does not reflect classification of individual instruments but is determined rather at a higher level of aggregation. The accounting unit considers all relevant information and evidence available as at the date of assessment. This relevant information and evidence include but are not limited to:

- Set methods and objectives for the portfolio and a practical approach to such methods. Namely, whether the accounting unit's strategy is focused on income from contractual interest, maintaining the interest rate profile, correspondence between the duration of financial assets and duration of their underlying liabilities which serve as a source of financing for these assets, or generation of cash flow by selling the assets;
- How the performance of the business model and the financial assets held within that model are evaluated and reported to the accounting unit's key management personnel;
- Risks that affect the performance of the business model and the financial assets held within the model, and in particular the way those risks are managed;
- How the accounting unit's managers and unit heads are compensated, e.g. whether the compensation is based on the fair value of the assets managed or the contractual cash flows collected;
- Frequency, volume and timing of sales in prior periods, the reasons for these sales and the expectations about future sales activity. However, sales information is not considered in isolation, but as a part of an overall assessment of achievement of the accounting unit's stated financial asset management objective and implementation of cash flows.

Assessing whether cash flows are solely payments of principal and interests on the principal amount outstanding (the SPPI test)

For the purpose of this assessment "principal" is defined as the fair value of the financial asset on initial recognition. "Interest" is consideration for the time value of money and credit risk associated with the outstanding principal over a specific time period and other basic lending risks and costs (e.g. liquidity risk and administrative costs), and a profit margin.

When assessing whether cash flows meet the "solely payments of principal and interest" criterion, the accounting unit assesses the contractual terms of the given instrument. This includes consideration of whether the financial asset's contractual terms allow for changes to the timing and amount of the contractual cash flows. As a part of the assessment, the accounting unit considers:

- Contingent features that may change the timing and amount of the contractual cash flows;
- The leverage effect;
- Early termination and term extension;
- Terms limiting the accounting unit's collection options from specific asset cash flows;
- Terms modifying the time value of money (e.g. ways of periodically resetting the interest rate).

Reclassification

Once initially recognized, financial assets are not reclassified except for situations where the accounting unit changes the business model during a current accounting period. Afterwards, reclassification of the respective financial assets takes place in the following accounting period.

Financial liabilities

The accounting unit classifies its financial liabilities, other than financial guarantees and commitments issued, as valued at amortized cost.

1.4.2.1.9 Derecognition

A financial asset shall be derecognized if the contractual rights to collect cash flows from the asset expire:

- Rights to collect cash flows from the financial asset are transferred to a third party; the overall objective of the receivable assignment is to generate an immediate financial return higher than the estimated net present value of the future

recovered performance under other instruments. Beside cash generation from the assigned receivables, another objective is one-off streamlining of the liabilities portfolio;

- Following a recommendation of the Credit Risk Management Committee and in line with the NPL reduction strategy, Raiffeisen stavební spořitelna, through a Board of Directors decision, writes off debts that continue to be recovered and recognized in off-balance sheet records;
- If a debt is assessed as unrecoverable or its further recovery is uneconomical, it shall be written off.

Write-offs of receivables from clients are tax-optimized. Costs associated with write-offs are compensated by means of loss allowances. Written-off receivables that continue to be recovered are kept on off-balance sheet accounts until the process of recovering the due amounts is over.

1.4.2.1.10 Modification of financial assets and financial liabilities

Following modification of the terms of a financial asset or liability, Raiffeisen stavební spořitelna shall assess whether the cash flows from such modified financial asset or liability are substantially different.

The only modification relevant in the Raiffeisen stavební spořitelna environment would be restructuring of financial assets or loans, as the case may be. However, cash flows following restructuring are not substantially different (the modification consists merely in different timing of instalments). Therefore such modified financial asset is not derecognized. However, a modified financial asset is considered default (see the definition of default in Chapter 1.4.43.2.4.3).

Following the offer by Raiffeisen stavební spořitelna, and later on the basis of Act No. 177/2020 Coll. (on certain measures regarding the repayment of loans during the Covid-19 pandemic), clients had the opportunity to apply for loan repayment deferral of 1 to 6 months between 1 May, 2020 and 31 October, 2020. As at 31 December, 2022, Raiffeisen stavební spořitelna recorded 2,717 contracts in the total amount of CZK 2.6 billion under the government moratorium. Raiffeisen stavební spořitelna calculated the difference between the net present value of the original cash flow with the original instalment plans, and the new cash flow with the deferred instalments. The loss added up to CZK 11.7 million.

1.4.2.1.11 Off-set and reporting in net value

Financial assets and financial liabilities may be offset and their net value reported in the balance sheet only if Raiffeisen stavební spořitelna holds an enforceable right to offset the given balances and Raiffeisen stavební spořitelna plans either to settle them at net value or realize the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis only when permitted under IFRS, or for gains and losses arising from a group of similar transactions such as in the accounting unit's trading activity.

1.4.2.1.12 Fair value measurement

"Fair value" is the price that would be obtained from sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal (or most advantageous) market that the accounting unit can access at the given date. The fair value of a liability reflects the risk of default. The risk of default includes, but is not limited to, the accounting unit's own credit risk.

The accounting unit measures the fair value of an instrument using the quoted price in an active market for the instrument, if available. An active market means a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If no quoted price from an active market is available, the accounting unit shall apply valuation techniques that use relevant observable inputs to the maximum extent and minimize the use of unobservable inputs. The selected valuation technique shall consider all factors that market participants would consider for valuation of such transaction.

The best evidence for the fair value of a financial instrument upon initial recognition is usually the transaction price (i.e. the fair value of the provided or received consideration).

Should the accounting unit determine that the fair value at initial recognition differs from the transaction price and the fair value is supported neither by a price quoted on the active market for an identical asset or liability nor based on a valuation technique where unobservable inputs are disregarded as insignificant for the valuation, the financial asset shall be initially valued at fair value and subsequently the difference between the initial fair value and the transaction price shall be accrued in the income statement over the remaining life of the instrument. The accrual may apply only over the period for which such valuation remains supported by observable market data or until the transaction is closed.

Where there is a bid and ask price for an asset or liability valued at fair value, the accounting unit shall value:

- Assets and long positions at the bid price; and
- Liabilities and short positions at the ask price.

Portfolios of financial assets and financial liabilities exposed to market and credit risks, managed by the accounting unit based on their net exposure to market or credit risks, shall be valued based on the price that could be obtained from sale of the net long position (or paid for transfer of the net short position) of the given risk exposure. Modifications at the portfolio level (e.g. modification of bid and ask prices or modification of credit risks that reflect the valuation on the basis of net position) shall be allocated to each asset and liability correspondingly to the respective risk modification of the given instrument in the portfolio.

The fair value of a financial liability with a demand feature (e.g. a demand deposit) is not less than the amount payable on demand, discounted from the first date that the amount could be required to be paid.

Fair value hierarchy

The accounting unit measures fair value by applying the following fair value hierarchy, which reflects the significance of inputs used in valuation techniques.

Level 1 inputs: Level 1 inputs are (unadjusted) quoted prices in active markets for identical assets or liabilities that the accounting unit can access at the measurement date.

Level 2 inputs: Level 2 inputs are inputs other than quoted market prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (as derived from prices). Level 2 inputs include instruments measured using:

- Quoted prices for similar instruments in active markets;
- Quoted prices for identical or similar instruments in markets that are not considered active; or
- Other valuation methods where all significant inputs are observable directly or indirectly from market data.

Level 3 inputs: Level 3 inputs are unobservable inputs. Level 3 inputs include all instruments where valuation methods involve unobservable inputs which have a significant impact on the instrument valuation. This level includes instruments measured based on quoted prices for similar instruments for which significant unobservable modifications or assumptions are required to reflect the differences between the instruments.

For more on fair value, refer to Chapter 1.4.44.

1.4.2.1.13 Impairment

The accounting unit reports loss allowances for expected credit loss (ECL) from the following financial instruments that are not measured at FVTPL:

- Loans and loan commitments;
- Debt securities and term deposits;
- Receivables from the Czech National Bank;
- Trade receivables;
- Other receivables not measured at FVTPL.

For financial instruments on which no significant increase in credit risk has appeared since initial recognition, Raiffeisen stavební spořitelna uses the 12-month ECL loss allowance.

For financial instruments on which a significant increase in credit risk, or indeed credit impairment (default) has appeared, Raiffeisen stavební spořitelna uses the lifetime ECL loss allowance.

12-month ECLs represent the portion of lifetime expected credit losses that result from default events on the financial instrument that may occur within the 12 months following the balance sheet date.

Measuring expected credit loss (ECL)

ECL represents the probability-weighted estimate of credit loss and is determined as follows:

- Financial assets that are not impaired: as the present value of all cash shortfalls (i.e. difference between the contractual cash flows credited to the accounting unit and cash flows that the accounting unit expects to receive);
- Financial assets that are impaired: as the difference between the gross book value of the given financial asset and the present value of estimated future cash flows;
- As-yet unused loan commitments: as the present value of the difference between contractual cash flows credited to the accounting unit, if the loan commitment has already been used, and cash flows that the accounting unit expects to receive,
- they are quantified on a case-by-case basis.

For further information see Chapter 1.4.43.

Management overlays as defined by IFRS9

In situations where existing input parameters, assumptions and modelling do not cover all relevant risk factors, post-modelling adjustments and other risk factors are the most important types of management overlays as defined by IFRS9. These are used in circumstances where existing inputs, assumptions and modelling techniques do not capture all relevant risk factors. Existing inputs, assumptions and modelling techniques may not capture all relevant risk factors due to temporary circumstances, lack of time to properly incorporate relevant new information into the rating process or changes in portfolio segmentation, and/or if individual credit exposures within a group of credit exposures react to factors or events differently than originally expected.

For the retail segment, these are post-modelling adjustments, which is a holistic approach. The adjustments applicable to 2022 are shown in the table below and are broken down by category.

Accumulated impairment losses (Stage 1 and 2) as at 31 December, 2022

M CZK	Modelled credit losses	Other risk factors		Post-modelling adjustments		Total
		Covid-19	Other	Covid-19	Other	
Retail exposure	337.5	-	-	0.2	254.3	592.0
Non-retail exposure	4.4	0.0	0.0	-	-	4.4
Total	341.9	0.0	0.0	0.2	254.3	596.4

The accumulated losses table includes loss allowances for loan receivables from clients, loss allowances for receivables related to building savings and provisions for loan commitments.

Further information on the holistic approach is provided in Chapter 1.4.43.2.4.

Restructured financial assets

- When the financial asset's contractual terms are modified, or it is restructured, such asset is usually not derecognized at Raiffeisen stavební spořitelna. A restructured financial asset is considered impaired, i.e. default, and a lifetime ECL loss allowance is measured.

Impaired financial assets

The accounting unit shall assess as at each balance sheet date whether its financial assets valued at amortized cost are impaired. A financial asset is impaired if one or more events occurred that have a negative impact on the estimated future cash flows from such financial asset. Assessing impairment is consistent with assessing default, which is explained in more detail in Chapter 1.4.43.

Presentation of loss allowances for ECL in the balance sheet:

- Financial assets measured at amortized cost: the loss allowance is deducted from the gross book value of the assets;
- Loan commitments: as provisions;
- Loss allowances and provisions for ECL created by debiting expenses are reported in the income statement as "Write-offs, creation and use of loss allowances and provisions for receivables and guarantees". This item also includes possible subsequent use of loss allowances;
- Release of allowances and provisions for ECL when no longer needed is reported in the income statement under "Release of loss allowances and provisions for receivables and guarantees, income from written-off receivables";
- Tax-deductible loss allowances – the tax-deductible portion of the total loss allowances created for losses from loans for the accounting period is calculated according to S. 5 ("Banking provisions and loss allowances"). Loss allowances are recorded in the analytical accounts for the purpose of calculating the tax liability;
- Write-offs of receivables are included under "Write-offs, creation and use of loss allowances and provisions for receivables and guarantees" in the income statement. When writing off a receivable for which a loss allowance has been created in the full amount, loss allowances under the same item of the income statement are decreased by the same amount. Income from written-off loans is reported in the income statement under "Release of loss allowances and provisions for receivables and guarantees, income from written-off receivables".

1.4.2.1.14 Classification of a financial instrument into a category measured at fair value through profit or loss (FVTPL)

N/A to Raiffeisen stavební spořitelna.

1.4.2.1.15 Payables to clients

Deposits on building savings accounts are recognized as clients' savings deposits, which are monitored and classified into three basic types of deposits with a fixed maturity. The first type are deposits with the saving period of up to 5 or 6 years inclusive, which are classified as savings term deposits with a fixed maturity of 5 or 6 years matching the minimum saving period needed for the payout

of government support stipulated by the Building Savings and Government Support of Building Savings Act (hereinafter referred to as “the mandatory saving period”). The second type are deposits made during the extended period of the building savings contract after the expiry of the mandatory saving period, which are classified as savings term deposits with a notice period, the maturity period of which matches the notice period of the contract (3 months). The third type are deposits on building savings accounts after the granting of a building savings loan, or after the conclusion of a loan agreement with a condition of deposit payout prior to the use of the loan, which are classified as savings non-term deposits repayable on demand. This classification of deposits complies with the measure of the Czech National Bank establishing the methodology for the compilation of statements submitted to the Czech National Bank.

The item includes deposits measured at amortized cost that are initially recognized at fair value with the inclusion of additional direct transaction costs and subsequently measured at amortized cost using the effective interest rate method. Accrued interest is recognized in the respective accounting groups for individual liabilities and it is reported together with the respective liability. Interest expenses are accounted for the period to which they are factually and temporally related.

1.4.2.1.16 Tangible and intangible fixed assets

Tangible fixed assets include assets with an initial price higher than CZK 80,000 (an initial price higher than CZK 40,000 until 31/12/2020) and a useful life longer than 1 year. Intangible fixed assets include assets with no physical substance with an acquisition cost higher than CZK 60,000 (or CZK 40,000 for taxation periods 2014 through 2020) and a useful life longer than 1 year. Book depreciation of tangible and intangible fixed assets takes place indirectly through accumulated amortization. The assets are kept in the accounting books at acquisition cost until disposed of.

Small tangible fixed assets include assets with an acquisition cost from CZK 10,000 up to 80,000 with a useful life longer than 1 year (or with an acquisition cost from CZK 1,000 up to 80,000 until 30/06/2021). They are recognized as administrative costs. Small intangible fixed assets include assets with an acquisition cost from CZK 10,000 up to 60,000 with a useful life longer than 1 year (or with an acquisition cost from CZK 1,000 up to 60,000 until 30/06/2021). They are recognized as administrative costs. Small tangible and intangible fixed assets are recognized as administrative costs and are at the same time kept in operational records until disposed of. The accrual method is used for costs related to mass purchases of a larger quantity of small tangible and intangible assets (over CZK 500,000).

Raiffeisen stavební spořitelna further recognizes fixed tangible assets, or leased right-of-use assets, pursuant to IFRS 16. When in the position of a lessee, Raiffeisen stavební spořitelna classifies leased assets in the category of fixed tangible assets – leasing.

Tangible and intangible assets are measured at acquisition cost. The acquisition cost includes the cost at which the asset was acquired and the costs associated with its acquisition.

Right-of-use assets that constitute fixed tangible assets are valued by the accounting unit at acquisition cost as at the date of initial recognition of the lease in the accounting books. Right-of-use asset means the lessee’s right to use the underlying asset over the lease period.

The value of a given tangible fixed asset will be increased by completed technical appreciation if its expenses exceed CZK 80,000 in aggregate per accounting period and the technically appreciated asset is put in use.

The value of a given intangible fixed asset will be increased by completed technical appreciation if the technically appreciated asset is put in use and the appreciation expenses exceed:

- CZK 40,000 in aggregate per accounting period for assets acquired up to 31/12/2000;
- CZK 60,000 in aggregate per accounting period for assets acquired from 01/01/2001 to 31/12/2003;
- CZK 40,000 for assets acquired on or after 01/01/2004; each partial performance of completed technical appreciation of an intangible fixed asset is considered individually per S. 32a(6) of the Income Tax Act;
- CZK 60,000 in aggregate per accounting period for assets acquired on or after 01/01/2021;

The depreciation period for right-of-use assets is determined by Raiffeisen stavební spořitelna on a case-by-case basis depending on a particular lease contract. The depreciation period determined in this manner is based on the lease period and the time period during which the accounting unit is sure to be leasing the asset. Raiffeisen stavební spořitelna applies the linear depreciation method to right-of-use assets depending on each lease period.

Accounting and tax depreciation is governed by the applicable depreciation schedule.

Depreciation periods for individual categories of tangible and intangible fixed assets are the following:

Type of asset	Depreciation period
Software	Book depreciation: 4–20 years/tax depreciation: 3–18 years
Machinery and equipment	Book depreciation: 4–5 years/tax depreciation: 3–5 years
Computer equipment	Book depreciation: 4 years/tax depreciation: 3 years
Furniture and fixtures	Book depreciation: 5–6 years/tax depreciation: 5 years
Vehicles	Book depreciation: 5 years/tax depreciation: 5 years
Right of use	as per the anticipated validity of the lease contract

1.4.2.1.17 Financial leasing from the lessee's perspective

Starting from 1 January, 2019, Raiffeisen stavební spořitelna has applied the international accounting standard IFRS 16 Leases. A contractual arrangement is considered a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

An accounting unit in the position of a lessee reports the right-of-use asset and the related lease liabilities in the balance sheet, unless:

- the lease period is shorter than 12 months;
- the underlying asset has a low acquisition cost.

Right-of-use asset

A right-of-use asset is initially valued at the acquisition cost which includes:

- initial valuation of the lease liability;
- lease payments made as at the start date or earlier, reduced by any received lease incentives;
- initial direct costs;
- estimated costs to be expended by the lessee for the dismantle and removal of the leased asset; commissions paid to the real estate agent. These are costs to acquire the lease that would not have been expended if the lease had not come into effect.

Right-of-use assets are reported in the balance sheet under the "Tangible fixed assets" item and are subject to linear depreciation during the underlying asset's economic life or until the lease termination, whichever occurs first. Respective depreciation is reported in the income statement under the "Write-offs, creation and use of provisions and loss allowances for tangible and intangible fixed assets" item.

Lease liabilities

A lease liability is initially valued at the present value of lease payments that have not been paid as at the initial recognition date. Lease payments are discounted applying the interest rate (incremental interest rate) that the lessee would be obliged to pay if it borrowed funds to purchase the underlying asset while respecting conditions related to the lease (i.e. lease/loan duration, loan amount, etc.).

Subsequently, the lease liability is revalued (lease modification) if any changes in the future lease payments occur (e.g. due to reassessment of extension or early termination of the lease, etc.). When a lease liability is thus revalued (modified), the right-of-use asset shall also be revalued. For zero-value right-of-use assets the revaluation of the lease liability shall be recognized in the income statement.

Lease liabilities are reported in the balance sheet under the "Other liabilities" item.

Interest expenses ensuing from lease liabilities are reported in the income statement under the "Interest expense and similar expense" item.

Raiffeisen stavební spořitelna leases non-residential premises. The following steps were taken upon introduction of the IFRS 16 standard:

- Analysis of valid existing lease contracts as at 1 January, 2019;
- Identification of leases as per IFRS 16 requirements;
- Definition of the transition method;
- Determination of the incremental interest rate;
- Determination of particular lease periods for each lease contract.

Raiffeisen stavební spořitelna measured and reported its lease liabilities at the present value of future lease payments that had not been paid as at the start date of the lease, and discounted them subsequently applying the incremental interest rate.

The right-of-use assets are subject to depreciation. The depreciation period was determined individually depending on particular lease contracts. The depreciation period determined in this manner is based on the lease period and the time period over which the Company is sure to be leasing the asset. The accounting unit applies the linear depreciation method to right-of-use assets depending on each lease period.

M CZK	
Lease liabilities as at 1 January, 2022	20
Right-of-use assets as at 1 January, 2022	20

M CZK	
Lease liabilities as at 31 December, 2022 (modified)	14
Right-of-use assets as at 31 December, 2022 (modified)	14

1.4.2.1.18 Derivatives held for risk management and hedge accounting purposes

Financial derivatives at Raiffeisen stavební spořitelna include only hedging interest rate swaps. Derivatives are recognized at fair value and are recognized as assets if they have a positive fair value and as liabilities if they have a negative fair value. Changes in the net fair value of derivatives (fair value less interest accruals) intended for hedging are recognized in net profit/loss on financial instruments recognized at fair value through profit or loss. Interest income or expenses on derivatives intended for hedging are recognized as net interest income.

1.4.2.1.19 Embedded derivatives

N/A to Raiffeisen stavební spořitelna.

1.4.2.1.20 Repurchase and reverse repurchase agreements and short sales

Raiffeisen stavební spořitelna carries out operations where the securities are sold under the commitment to repurchase them (repo) at a predetermined price or purchased under the commitment to resell them (reverse repo), which are treated as collateralized borrowing and lending transactions. The legal title to the securities is transferred to the lender. Securities legally transferred under a repurchase agreement are accounted for in an unchanged manner for the duration of the repo agreement, i.e. they continue to be included under the relevant securities items in the Bank's balance sheet and continue to be measured in the same way. These securities are kept on separate analytical accounts and the amount obtained from the transfer of securities under repurchase agreements is reported under "Payables to banks and cooperative savings associations". Securities received under reverse repo agreements are only kept in off-balance sheet accounts under "Collaterals and pledges received". Loans provided under reverse repurchase agreements are included in "Receivables from banks and cooperative savings associations". Interest on bonds transferred under repurchase agreements is accrued while interest on bonds received under reverse repurchase agreements is not. Income and expenses arising under repurchase and/or reverse repurchase agreements as the difference between the sale and purchase prices are accrued evenly over the term of the agreement and reported in the income statement as "Interest income and similar income" or "Interest expense and similar expense".

1.4.2.1.21 Received deposits, issued debt securities and subordinated liabilities

Subordinated liabilities are reported under the "Subordinated liabilities" item. A received loan was initially valued at fair value; no additional direct transaction costs were incurred. Subsequently, it is valued at amortized cost.

1.4.2.1.22 Transactions with securities for clients

Raiffeisen stavební spořitelna does not undertake any securities transactions on behalf of its clients.

1.4.2.1.23 Creation of provisions

Provisions represent a probable performance of an obligation with an uncertain timespan and amount. Provisions are created to the debit of expenses at an amount equal to the best estimate of the expenses necessary to settle the existing debt. Provisions are recognized in the balance sheet for cases meeting the following criteria:

- There is a (legal or material) duty to perform resulting from past events;

- It is probable that performance will occur and that it will require cash outflow representing economic benefit; “probable” means a probability exceeding 50%;
- The value of such performance can be reasonably and reliably estimated.

Provisions are broken down according to the purpose of their use. In addition, they are classified as statutory provisions, provisions for commitments, and other provisions:

- Statutory provisions – their creation is set out by the Provisions Act and taken into account by the Income Tax Act (tax-deductible provisions);
- Provisions for commitments made in accordance with IFRS 9;
- Other provisions – their creation is not stipulated by law (tax non-deductible provisions).

1.4.2.1.24 Date of transaction

Depending on the type of transaction, the date of the transaction is the day on which cash is paid or collected, the day of purchase or sale of foreign currency or securities, day of execution of a payment, or collection from a client’s account, day of settlement of bank payment orders with the Czech National Bank clearing centre, day of conclusion and day of settlement of transactions with securities, foreign currency, options, or other derivatives, day of issuance or acceptance of guarantees and commitments, day of acceptance of values for custody, and day of confirmation of building savings contracts.

Transactions pertaining to purchase and sale of financial assets with ordinary delivery dates (spot operations) as well as fixed-term and option contracts are managed on off-balance sheet accounts from the moment of conclusion of the transaction until settlement of the transaction.

Financial assets or parts of financial assets are derecognized from the balance sheet in cases where there was a loss of control over contractual rights to these financial assets or parts of financial assets. Raiffeisen stavební spořitelna loses such control in the event that it exercises its rights to the benefits defined by the contract, the rights expire, or the Bank waives such rights.

1.4.2.1.25 Dividends received

In 2022, Raiffeisen stavební spořitelna did not receive any dividends.

1.4.2.1.26 Fee and commission income

Fees and commissions not included in the calculation of the effective interest rate are recognized on an accrual basis as at the date when the service is rendered. Income from and expenses on commissions from cross-selling transactions are recorded as prepaid expenses and accrued income for the given year. Commissions that have not been settled yet are recognized as estimated payables.

1.4.2.1.27 Foreign currency translation

Accounting transactions denominated in foreign currencies are recorded in Czech crowns. The exchange rate used for conversion is the rate announced by the Czech National Bank for the date of the transaction. For specific cases relating to the date of taxable supply according to the applicable VAT Act, the date of transaction is deemed to be the mandatory tax return date.

When preparing the financial statement, Raiffeisen stavební spořitelna measures all assets and liabilities denominated in foreign currencies by their conversion into Czech crowns using the exchange rate of the Czech National Bank prevailing on the balance sheet date.

Any exchange rate gains and losses are reported in the income statement as “Gain or loss from financial operations”.

1.4.2.1.28 Taxation

The corporate income tax base is calculated in accordance with Act No. 586/1992 Coll., on income tax, as amended, based on profit or loss of the current year before taxation by adding non-tax-deductible expenses and other items increasing the tax base and subtracting revenues not subject to income tax and other tax-deductible items, as well as tax discounts and relevant credits. In the balance sheet, the income tax is included together with pre-paid tax and the net value is reported as other assets or other liabilities.

Deferred tax is determined from any temporary differences between the book and tax values of assets and liabilities using the expected tax rate applicable to the following period. Raiffeisen stavební spořitelna only accounts for a deferred tax receivable if there is no doubt about its further use in subsequent accounting periods.

1.4.2.1.29 Value added tax

Raiffeisen stavební spořitelna is a registered value added tax payer. Due to the high proportion of financial activity, Raiffeisen stavební spořitelna is not entitled to tax deductions on a majority of received taxable supplies.

1.4.2.1.30 Off-balance sheet transactions

Loan commitments are recognized at the nominal value of the loan upon approval of the loan contract. Loan commitments are reduced by the respective amount when drawn. The value of loan commitments reflects any potential increase or decrease in the nominal amount of the loan.

Collaterals, pledges and guarantees received are recognized at the net disposable value of the collateral at the moment of conclusion of the loan contract, up to the amount of the receivable. They are derecognized upon termination of the loan contract.

1.4.2.2 Key accounting estimates and assumptions

When applying accounting rules to prepare each financial statement in accordance with IFRS, it is necessary that the management of the Bank uses professional judgment, makes estimates and assumptions with an impact on the amounts of assets and liabilities reported as at the date of the financial statement compilation, on information published on contingent assets and liabilities, as well as on the revenues and costs reported in the period in question. Such estimates and accounting judgments are based on the information available as at the date of the financial statement and relate, in particular, to the determination of:

- Decrease in the value of assets;
- Provisions recognized under liabilities;
- Amount of deferred tax assets that can be recognized on the basis of the probable timing and amount of future taxable income, together with the future tax planning strategy;
- Amount of decrease in value of and provisions for credit risks in respect of financial assets valued at amortized cost, provided credit commitments valued on the basis of models or internal assumptions, while taking into account past, present and future data;
- Lease periods for lease contracts concluded for an indefinite period of time;
- Value of intangible fixed assets.

Information on key accounting judgments and assumptions relating to the future and other important sources of uncertainty in estimates as at the date of the financial statement which pose a high risk that they will cause significant adjustments to the accounting amounts of assets and liabilities during the following accounting period is provided, where appropriate, in the following chapters.

1.4.3 IMPACT OF CHANGES IN ACCOUNTING POLICIES AND CORRECTIONS OF FUNDAMENTAL ERRORS

1.4.3.1 Impact of changes in accounting policies

There were no modifications to the accounting policies in 2022.

1.4.3.2 Impact of corrections of fundamental errors

No corrections were made in 2022 in respect of any fundamental errors of the past accounting periods.

Items from accounting periods other than those to which they belong in terms of taxation and accounting and changes in accounting policies are recognized as income or expenses in the income statement for the current accounting period with the exception of corrections of fundamental errors in the accounting of income and expenses of past accounting periods that are recorded under "Retained earnings or accumulated losses from previous years" in the Bank's balance sheet.

1.4.4 CASH AND BALANCES WITH CENTRAL BANKS

1.4.4.1 Cash and balances with central banks by type of instrument

M CZK	31/12/2022	31/12/2021
Cash	0	0
Mandatory minimum reserves	654	508
Total cash and balances with central banks	654	508

1.4.4.2 Balances with central banks – loss allowances

M CZK	31/12/2022	31/12/2021
Gross amount	654	508
Loss allowances	0	0
Total balances with central banks	654	508

As at 31 December, 2022 and 31 December, 2021, deposits with central banks were not credit-impaired or exposed to a significant increase in credit risk. As at 31 December, 2022 and 31 December, 2021, loss allowances were calculated based on a 12-month expected credit loss.

1.4.5 STATE ZERO COUPON BONDS AND OTHER SECURITIES ELIGIBLE FOR REFINANCING WITH THE CENTRAL BANK

1.4.5.1 State zero coupon bonds and other securities eligible for refinancing with the central bank by type of instrument

M CZK	31/12/2022	31/12/2021
Government bonds	3,645	4,544
Total state zero coupon bonds and other securities eligible for refinancing with the central bank	3,645	4,544

1.4.5.2 Classification of state zero coupon bonds and other securities eligible for refinancing with the central bank by measurement categories

M CZK	31/12/2022	31/12/2021
At amortized cost	3,645	4,544
Total state zero coupon bonds and other securities eligible for refinancing with the central bank	3,645	4,544

All state zero coupon bonds and other securities eligible for refinancing with the central bank as at 31 December, 2022 and 31 December, 2021 were valued at amortized cost per IFRS 9.

1.4.5.3 Total state zero coupon bonds and other securities eligible for refinancing with the central bank – loss allowances

M CZK	31/12/2022	31/12/2021
Gross amount	3,645	4,544
Loss allowances	0	0
Total state zero coupon bonds and other securities eligible for refinancing with the central bank	3,645	4,544

As at 31 December, 2022 and 31 December, 2021, state zero coupon bonds and other securities eligible for refinancing with the central bank were not impaired. As at 31 December, 2022 and 31 December, 2021, loss allowances were calculated based on a 12-month expected credit loss.

1.4.5.4 Repurchase and reverse repurchase agreements

As at 31 December, 2022, Raiffeisen stavební spořitelna acquired state zero coupon bonds and other securities at a nominal value of CZK 1,311 million (as at 31 December, 2021: CZK 7,891 million) as part of reverse repurchase agreements, which are recognized as “Collaterals and pledges received”.

1.4.6 RECEIVABLES FROM BANKS

1.4.6.1 Receivables from banks by type

M CZK	31/12/2022	31/12/2021
Current accounts	5	13
Reverse repurchase agreements with the Czech National Bank	1,302	7,905
Receivables from banks – gross	1,307	7,918
Loss allowances for potential losses from receivables	0	0
Receivables from banks – net	1,307	7,918

1.4.6.2 Classification of receivables from banks by measurement categories

M CZK	31/12/2022	31/12/2021
Receivables from banks at amortized cost	1,307	7,918
Receivables from banks – net	1,307	7,918

1.4.6.3 Receivables from banks – loss allowances

M CZK	31/12/2022	31/12/2021
Gross amount	1,307	7,918
Loss allowances	0	0
Receivables from banks – net	1,307	7,918

As at 31 December, 2022 and 31 December, 2021, receivables from banks were not credit-impaired or exposed to a significant increase in credit risk. As at 31 December, 2022 and 31 December, 2021, loss allowances were calculated based on a 12-month expected credit loss.

1.4.6.4 Analysis of receivables from banks by type of collateral received

M CZK	31/12/2022	31/12/2021
Securities	1,274	7,739
Unsecured	33	179
Receivables from banks – gross	1,307	7,918

1.4.6.5 Loans of a special nature (subordinated)

As at the end of the reported accounting periods, Raiffeisen stavební spořitelna did not record any granted (subordinated) loans of a special nature.

1.4.7 RECEIVABLES FROM CLIENTS

1.4.7.1 Receivables from clients by type

M CZK	31/12/2022	31/12/2021
Receivables from loans	71,305	65,195
Other receivables	85	101
Receivables from clients – gross	71,390	65,296
Allowances for expected losses	-1,007	-964
Receivables from clients – net	70,383	64,332

As at 31 December, 2022, Raiffeisen stavební spořitelna recorded a total of 308 restructured receivables from natural persons and legal entities worth CZK 163 million (as at 31 December, 2021: 326 restructured receivables worth CZK 158 million).

1.4.7.2 Receivables from clients by measurement categories

M CZK	31/12/2022	31/12/2021
Receivables from clients at amortized cost	70,383	64,332
Receivables from clients – net	70,383	64,332

All receivables from clients as at 31 December, 2022 and 31 December, 2021 were valued at amortized costs as per IFRS 9.

1.4.7.3 Receivables from clients by degree of impairment

Receivables from clients by degree of impairment as at 31 December, 2022

M CZK	31/12/2022 Receivables from clients – gross	31/12/2022 Loss allowances	31/12/2022 Receivables from clients – net
Stage 1	51,955	-150	51,805
Stage 2	18,793	-425	18,368
Stage 3	642	-432	210
Total	71,390	-1,007	70,383

Receivables from clients by degree of impairment as at 31 December, 2021

M CZK	31/12/2021 Receivables from clients – gross	31/12/2021 Loss allowances	31/12/2021 Receivables from clients – net
Stage 1	52,214	-170	52,044
Stage 2	12,433	-330	12,103
Stage 3	649	-464	185
Total	65,296	-964	64,332

The amount of loss allowances for receivables from clients is described in more detail in Chapter 1.4.43.

1.4.7.4 Provided subordinated receivables from clients

As at the end of the reporting periods, Raiffeisen stavební spořitelna did not record any provided subordinated receivables from clients.

1.4.7.5 Consortium loans

As at the end of the reporting periods, Raiffeisen stavební spořitelna did not record any consortium loans.

1.4.8 DEBT SECURITIES

1.4.8.1 Debt securities by type

M CZK	31/12/2022	31/12/2021
Bonds issued by financial institutions	205	205
Debt securities – net	205	205

1.4.8.2 Debt securities by measurement categories

M CZK	31/12/2022	31/12/2021
At amortized cost	205	205
Debt securities – net	205	205

All debt securities as at 31 December, 2022 and 31 December, 2021 were valued at amortized costs as per IFRS 9.

1.4.8.3 Debt securities at amortized cost

Debt securities at amortized cost as at 31 December, 2022

M CZK	Stage 1	Stage 2	Stage 3	Other	Total
Gross amount	205	0	0	0	205
Loss allowances	0	0	0	0	0
Debt securities – net	205	0	0	0	205

Debt securities at amortized cost as at 31 December, 2021

M CZK	Stage 1	Stage 2	Stage 3	Other	Total
Gross amount	205	0	0	0	205
Loss allowances	0	0	0	0	0
Debt securities – net	205	0	0	0	205

1.4.8.4 Analysis of debt securities measured at amortized cost

M CZK	31/12/2022	31/12/2021
Listed on a Czech stock exchange	0	0
Listed on another securities market	205	205
Issued by financial institutions	205	205
Debt securities – net	205	205

1.4.8.5 Debt securities as collateral provided under repurchase agreements

As at the end of the accounting periods, Raiffeisen stavební spořitelna did not record any securities as collateral provided under repurchase agreements.

1.4.9 SHARES, UNITS AND OTHER PARTICIPATION INTERESTS

As at the end of the reporting periods, Raiffeisen stavební spořitelna did not record any shares, units or other participation interests.

1.4.10 PARTICIPATION INTERESTS WITH CONTROLLING AND SUBSTANTIAL INFLUENCE

1.4.10.1 Participation interests with controlling influence

As at 31 December, 2022, Raiffeisen stavební spořitelna did not record any participation interests with controlling influence. In 2022, the participation interest with controlling influence in KONEVOVA s.r.o. was divested.

Participation interests with controlling influence as at 31 December, 2021

M CZK	Registered office	Business objects	Registered capital	Other equity components	Share in registered capital	Share in voting rights	Book value
KONEVOVA s.r.o.	Koněvova 2747/99, Prague 3	Production, trade and services not specified in Annexes 1 to 3 of the Trade Licensing Act	50	224	100%	100%	370

As at 31 December, 2021, Raiffeisen stavební spořitelna recognized and reported the pre-paid rental in accordance with the wording of the debt settlement agreement concluded with KONEVOVA s.r.o. as an increase in its ownership interest under "Participation interests with controlling influence". The equity of KONEVOVA s.r.o. was increased year-on-year by the same amount.

Based on the decision by the Czech National Bank not to include KONEVOVA s.r.o. in the consolidation unit of Raiffeisen stavební spořitelna, Raiffeisen stavební spořitelna is not required to compile a consolidated financial statement. This is due to the negligible importance of KONEVOVA s.r.o. in relation to the objectives of conducting supervision over credit institutions.

1.4.10.2 Participation interests with substantial influence

As at the end of the reporting periods, Raiffeisen stavební spořitelna did not record any participation interests with substantial influence.

1.4.10.3 Information on controlled entities by individual Member States and non-Member States

M CZK	31/12/2022	31/12/2021
Turnover	0	46
Number of workers (full-time equivalent)	0	2
Pre-tax profit or loss	0	17
Corporate income tax	0	3
State aid received	0	0

As at 31 December, 2021, Raiffeisen stavební spořitelna had one controlled entity, which was based in the Czech Republic. The activities performed by the controlled entity included management of own real property.

As at 31 December, 2022, Raiffeisen stavební spořitelna did not record any controlled entities.

1.4.11 INTANGIBLE FIXED ASSETS**1.4.11.1 Changes in intangible fixed assets****Changes in intangible fixed assets in 2022**

M CZK	Status as at 31/12/2021	Additions	Disposals	Status as at 31/12/2022	Accumulated amortization	Net book value in 2022	Depreciation in 2022
Software	801	53	11	843	-621	222	-59
Other intangible assets	29	0	26	3	-1	2	0
Intangible assets not in use	8	66	53	21	0	21	0
Intangible fixed assets	838	119	90	867	-622	245	-59

Changes in intangible fixed assets in 2021

M CZK	Status as at 31/12/2020	Additions	Disposals	Status as at 31/12/2021	Accumulated amortization	Net book value in 2021	Depreciation in 2021
Software	725	79	3	801	-572	229	-57
Other intangible assets	28	1	0	29	-26	3	-1
Intangible assets not in use	10	78	80	8	0	8	0
Intangible fixed assets	763	158	83	838	-598	240	-58

Net book value of intangible fixed assets

M CZK	31/12/2022	31/12/2021
Software	222	229
Other intangible assets	2	3
Intangible assets not in use	21	8
Intangible fixed assets – net	245	240

1.4.12 TANGIBLE FIXED ASSETS**1.4.12.1 Changes in tangible fixed assets****Changes in tangible fixed assets in 2022**

M CZK	Status as at 31/12/2021	Additions	Disposals	Status as at 31/12/2022	Accumulated amortization	Net book value in 2022	Depreciation in 2022
Land and buildings for operating activities	65	0	38	27	-12	15	-7
Of that: right of use	26	0	0	26	-12	14	-6
Operating tangible assets	93	0	31	62	-55	7	-5
Non-operating tangible assets	5	0	3	2	0	2	0
Tangible assets not in use	0	2	0	2	0	2	0
Tangible fixed assets	163	2	72	93	-67	26	-12

The values under “Right of use” reflect two leasing contracts in Raiffeisen stavební spořitelna’s accounting:

- sublease agreement with Raiffeisenbank a.s., premises on the 8th floor of the CTW building;
- lease agreement with Kvanta, a.s., premises in Kischova street in Prague.

The decrease in the “Land and buildings for operating activities” item by CZK 38 million is due to the change of the headquarters of Raiffeisen stavební spořitelna, the disposal of the technical improvement of the office building in Koněvova street in Prague (the bank’s former headquarters) and the sale of a plot of land in Koněvova street to KONEVOVA s.r.o.

The decrease in the “Operating tangible assets” item by CZK 31 million is due to the disposal of multiple assets as a result of the Company’s restructuring and relocation.

Changes in tangible fixed assets in 2021

M CZK	Status as at 31/12/2020	Additions	Disposals	Status as at 31/12/2021	Accumulated amortization	Net book value in 2021	Depreciation in 2021
Land and buildings for operating activities	72	24	31	65	-24	41	-35
Of that: right of use	35	22	31	26	-6	20	-33
Operating tangible assets	123	0	30	93	-80	13	-6
Non-operating tangible assets	5	0	0	5	0	5	0
Tangible assets not in use	0	2	2	0	0	0	0
Tangible fixed assets	200	26	63	163	-104	59	-41

Net book value of tangible fixed assets

M CZK	31/12/2022	31/12/2021
Land and buildings for operating activities	15	41
Of which: right of use	14	20
Operating tangible assets	7	13
Non-operating tangible assets	2	5
Tangible assets not in use	2	0
Tangible fixed assets – net	26	59

1.4.12.2 Tangible fixed assets acquired under leasing contracts as per IFRS 16

Raiffeisen stavební spořitelna rents the building primarily for the purpose of its headquarters. The Company changed its seat in 2021. This major decision was associated with the execution of a new lease contract (a sublease contract with Raiffeisenbank a.s., premises on the 8th floor of the CTW building in Prague) for a period of four years. The original lease contract with KONEVOVA s.r.o. was terminated as at 31 December, 2021 by an agreement on the termination of the Agreement on the Lease of Non-Residential Premises, Parking Stalls, and Flats.

In April 2022, Raiffeisen stavební spořitelna reflected in its accounting the modification of the sublease contract with Raiffeisenbank a.s. The aim of the modification was to increase the rent for the office space by the coefficient specified in the sublease contract. The Company recognized and reported the modification as an increase in the book value of the right to use the asset and an increase in the lease liability.

The lease agreements include additional rental payments related to the development of the inflation rate in the coming years. In July 2022, the Company recognized and reported a modification to the lease agreement with Kvanta a.s. The lessor exercised its right to increase the rent by 100% of the inflation rate for the previous calendar year. Raiffeisen stavební spořitelna recognized and reported the modification as an increase in the book value of the right to use the asset and an increase in the lease liability.

1.4.13 OTHER ASSETS

M CZK	31/12/2022	31/12/2021
Estimated receivables – government premiums	785	769
Estimated receivables	18	23
Clearing accounts for the state budget	2	2
Operating advances paid	1	1
Sundry debtors	4	3
Loss allowances for receivables	-3	-3
Other	0	0
Total other assets	807	795

“Estimated receivables – government premiums” include an estimate of government contributions to building savings to be received by Raiffeisen stavební spořitelna in the following year. At the same time, this estimate is entered under “Payables to clients – cooperative savings associations’ members”.

1.4.14 PAYABLES TO BANKS AND COOPERATIVE SAVINGS ASSOCIATIONS

M CZK	31/12/2022	31/12/2021
Received term deposits	7,763	2,002
Total payables to banks and cooperative savings associations	7,763	2,002

1.4.15 PAYABLES TO CLIENTS

1.4.15.1 Payables to clients by type

M CZK	31/12/2022	31/12/2021
Building savings deposits by natural persons	60,804	68,611
Of that: savings accounts on demand	5,172	8,369
building savings deposits with fixed maturity	31,891	32,815
building savings notice deposits	23,741	27,427
Building savings deposits by legal entities	396	671
Of that: savings accounts on demand	15	39
building savings deposits with fixed maturity	85	261
building savings notice deposits	296	371
Other	946	949
Total payables to clients	62,146	70,231

As at 31 December, 2022, “Other” includes in particular uncredited state support for building savings clients worth CZK 787 million (as at 31 December, 2021: CZK 770 million). In addition, the “Other” item includes the estimated payables made in respect of interest bonuses.

1.4.15.2 Payables to clients by sector – residents

M CZK	31/12/2022	31/12/2021
Non-financial institutions	303	547
Government institutions	93	124
Households	60,804	68,611
Other	946	949
Total payables to clients	62,146	70,231

According to the methodology of the Czech National Bank, building savings deposits with a running saving period are recognized as deposits with fixed maturity until the expiry of the mandatory saving period stipulated by the Building Savings Act. Deposits with a notice period are deposits made during the extension of the building savings contract after the expiry of the mandatory saving period, and deposits payable on demand are non-term deposits and deposits made after the granting of a building savings loan.

1.4.16 PAYABLES FROM DEBT SECURITIES

As at the end of the reported accounting periods, Raiffeisen stavební spořitelna did not record any payables from debt securities.

1.4.17 OTHER LIABILITIES

M CZK	31/12/2022	31/12/2021
Estimated payables	120	75
Clearing accounts for the Czech National Bank	384	178
Clearing accounts for the state budget	111	156
Sundry creditors	156	144
Of that: lease liabilities	14	20
Operating advances received	0	3
Deferred tax liability	17	15
Total other liabilities	788	571

The item “Clearing accounts for the Czech National Bank” contains liabilities to clients and suppliers, which will be paid on the following business day through the Czech National Bank clearing centre.

Any liabilities under “Clearing accounts for the social security authorities” and “Clearing accounts for the state budget” were paid on or before the dates due. Raiffeisen stavební spořitelna does not record any past due liabilities under these items.

“Clearing accounts for the state budget” include mainly settlement of the withholding income tax on interest in the amount of CZK 105 million (in 2021: CZK 102 million) and settlement of corporate income tax in the amount of CZK 6 million (in 2021: CZK 52 million).

“Sundry creditors” include lease liabilities and also mainly liabilities arising from commissions to financial advisors and other liabilities to suppliers to be paid in the following accounting period.

The negative fair value of derivatives as at 31 December, 2022 was CZK 39,000 (in 2021, Raiffeisen stavební spořitelna did not use any derivatives in hedge accounting).

The lease liabilities of CZK 14 million as at 31 December, 2022 (2021: CZK 20 million) represent lease liabilities under IFRS 16. The remaining maturity of these liabilities as at 31 December, 2022 is: CZK 14 million up to 3 years (as at 31 December, 2021: CZK 3 million up to 3 months, CZK 5 million 3–12 months, CZK 12 million 1–5 years and CZK 0 million more than 5 years).

In 2022, Raiffeisen stavební spořitelna recognized an increase in the lease liability (for both lease contracts) as a result of the modification of the subject of the lease. The subject of the modification in the contract with Raiffeisenbank was an increase in the rent for the office space by the coefficient specified in the sublease contract. As for the contract with Kvanta a.s., the lessor increased the rent by the inflation coefficient (100% of the inflation rate for the previous calendar year).

1.4.18 PROVISIONS

1.4.18.1 Provisions for taxes

As at the end of the reported accounting periods, Raiffeisen stavební spořitelna did not record any provisions for taxes.

1.4.18.2 Other provisions

Creation and use of provisions in 2022

M CZK	Status as at 31/12/2021	Created	Used	Released	Status as at 31/12/2022
Provisions for litigations	6	0	-1	0	5
Provisions for loan commitments	38	-5	0	-12	21
Provisions for restructuring	0	0	0	0	0
Other provisions	16	67	-50	-2	31
Total	60	62	-51	-14	57

Creation and use of provisions in 2021

M CZK	Status as at 31/12/2020	Created	Used	Released	Status as at 31/12/2021
Provisions for litigations	29	0	-10	-13	6
Provisions for loan commitments	15	36	0	-13	38
Provisions for restructuring	5	0	-4	-1	0
Other provisions	9	51	-41	-3	16
Total	58	87	-55	-30	60

“Other provisions” include provisions for contributions to the Financial Market Guarantee System. Out of a provision of CZK 40 million created in 2022, CZK 39 million was used and CZK 1 million was released in the same year. Out of a provision of CZK 38 million created in 2021, CZK 38 million was used in the same year.

1.4.19 SUBORDINATED LIABILITIES

M CZK	31/12/2022	31/12/2021
Subordinate loans	602	602
Subordinated liabilities	602	602

As at 31 December, 2022 and 31 December, 2021, Raiffeisen stavební spořitelna recognized two subordinate loans. The remaining maturity of both loans as at 31 December, 2022 was: CZK 2 million 3–12 months, CZK 600 million more than 5 years (as at 31 December, 2021: CZK 2 million 3–12 months, CZK 600 million more than 5 years).

The parameters of the two loans are as follows:

- The first of the loans was drawn on 8 November, 2019; its nominal value is CZK 300 million; it is repayable on 8 November, 2029; the interest rate of 5% p. a. applies until repayment; the interest is paid once a year; there is no option of premature repayment.
- The second subordinate loan was drawn on 27 December, 2021; its nominal value is CZK 300 million; it is repayable on 29 December, 2031; the interest rate of 4.99% p. a. applies for 5 years, i.e. until 27 December, 2026; the interest is paid once a year; there is a put option of early repayment after 5 years.

Both subordinate loans comply with the purpose below: The loan must be used by the debtor as a subordinate loan constituting a capital instrument in accordance with Article 62(a) of (EU) Regulation No. 575/2013, on prudential requirements for credit institutions and investment firms and on amendment to (EU) Regulation No. 648/2012, as amended (“CRR”), so that the debtor can meet the relevant capital requirements in accordance with the CRR.

Both subordinate loans meet the required prerequisites to be recognized as Tier 2 capital, and therefore have been accepted by the Czech National Bank as such.

1.4.20 REGISTERED CAPITAL

Composition of Raiffeisen stavební spořitelna shareholders as at 31 December, 2022

Title	Registered office	Relationship to the Bank	Number of shares (units)	Share in registered capital (in %)	Type of share	Nominal share value
Raiffeisenbank a.s.	Czech Republic	Controlling company	6,500	100%	Ordinary	CZK 100,000
Total			6,500	100%	Ordinary	CZK 100,000

Composition of Raiffeisen stavební spořitelna shareholders as at 31 December, 2021

Title	Registered office	Relationship to the Bank	Number of shares (units)	Share in registered capital (in %)	Type of share	Nominal share value
Raiffeisenbank a.s.	Czech Republic	Controlling company	6,500	100%	Ordinary	CZK 100,000
Total			6,500	100%	Ordinary	CZK 100,000

The share in the registered capital is equal to the share in voting rights.

As at the end of the reporting periods, Raiffeisen stavební spořitelna did not record any bonuses tied to equity.

Raiffeisen stavební spořitelna did not issue any shares in the reported periods.

1.4.21 GAINS (LOSSES) FROM REVALUATION

As at 31 December, 2022, or 31 December, 2021, Raiffeisen stavební spořitelna did not report any gains (losses) from revaluation of assets and liabilities.

1.4.22 USE OF PROFIT OR SETTLEMENT OF LOSS FROM PREVIOUS ACCOUNTING PERIODS

M CZK	Retained earnings	Accumulated losses from previous years	Reserve fund	Voluntary reserve fund	Other funds from profit
Balance as at 31 December, 2021	0	0	130	4,191	8
Profit/loss in 2021	443	0	0	0	0
Allocations to funds from profit	-443	0	0	443	0
Other use of funds from profit	0	0	0	0	0
Other use of earnings	0	0	0	0	0
Share in profit	0	0	0	0	0
Royalties	0	0	0	0	0
Balance as at 31 December, 2022	0	0	130	4,634	8

1.4.23 PROPOSAL FOR USE OF PROFIT OR SETTLEMENT OF LOSS FROM THE CURRENT ACCOUNTING PERIOD

M CZK	Retained earnings	Accumulated losses from previous years	Reserve fund	Voluntary reserve fund	Other funds from profit
Balance as at 31 December, 2022	0	0	130	4,634	8
Profit/loss in 2022	468	0	0	0	0
Allocations to funds from profit	-468	0	0	468	0
Other use of funds from profit	0	0	0	0	0
Other use of earnings	0	0	0	0	0
Share in profit	0	0	0	0	0
Royalties	0	0	0	0	0
	0	0	130	5,102	8

1.4.24 COMMITMENTS AND GUARANTEES ISSUED, RECEIVABLES WRITTEN-OFF

“Commitments and guarantees issued” include as-yet unused credit lines for bridge loans and building savings loans.

“Receivables written-off” record written-off financial receivables and receivables from customer-supplier relationships which are still being legally enforced.

1.4.25 RECEIVABLES AND PAYABLES FROM FIXED-TERM TRANSACTIONS AND OPTION TRANSACTIONS

M CZK	31/12/2022	31/12/2021
Receivables from fixed-term transactions – with interest rate instruments	10	0
Receivables from fixed-term transactions	10	0
Payables from fixed-term transactions – with interest rate instruments	10	0
Payables from fixed-term transactions	10	0

1.4.26 VALUES PLACED INTO CUSTODY, ADMINISTRATION AND DEPOSIT

As at the end of the reporting periods, Raiffeisen stavební spořitelna did not record any values placed into custody, administration and deposit.

1.4.27 VALUES PLACED UNDER MANAGEMENT

As at the end of the reporting periods, Raiffeisen stavební spořitelna did not record any values placed under management.

1.4.28 COMMITMENTS AND GUARANTEES RECEIVED

M CZK	31/12/2022	31/12/2021
Guarantees received for client loans	391	501
Guarantees received (MREL)	1,900	0
Commitments and guarantees received	2,291	501

In 2022, Raiffeisen stavební spořitelna received a total of CZK 1,900 million worth of MREL guarantees issued by Raiffeisenbank a.s. (in 2021: CZK 0 million). CZK 1,200 million worth of guarantees were provided for 3 years, CZK 700 million worth of guarantees were provided for 7 years.

1.4.29 COLLATERALS AND PLEDGES RECEIVED

M CZK	31/12/2022	31/12/2021
Real property pledges for client loans	45,288	40,879
Cash collaterals for client loans	6,011	5,500
Securities – collateral received (MREL)	2,400	0
Collaterals – securities	1,311	7,891
Collaterals and pledges received	55,010	54,270

In 2022, Raiffeisen stavební spořitelna received a total of CZK 2,400 million worth of securities as collateral for MREL guarantees issued by Raiffeisenbank a.s. (in 2021: CZK 0 million).

1.4.30 VALUES TAKEN INTO CUSTODY, ADMINISTRATION AND DEPOSIT

Raiffeisen stavební spořitelna accepts into custody only blank bills of exchange in connection with loans granted to legal entities.

1.4.31 VALUES TAKEN UNDER MANAGEMENT

As at the end of the reporting periods, Raiffeisen stavební spořitelna did not record any values taken under management.

1.4.32 NET INTEREST INCOME

M CZK	2022	2021
Interest income from loans granted	1,837	1,642
Interest income from interbank transactions	157	62
Interest income from securities	110	129
Interest income and similar income	2,104	1,833
Interest expense – banks	-247	-2
Interest expense on client deposits	-939	-875
Interest expense on lease liabilities	0	-1
Interest expense on subordinate loan received	-31	-15
Interest expense and similar expense	-1,217	-893
Net interest income	887	940

Raiffeisen stavební spořitelna does not claim interest on late payments in defaulted loans prior to repayment. As at 31 December, 2021, the value of unclaimed interest was CZK 78 million (in 2021: CZK 95 million). All interest income is calculated at the effective interest rate and only relates to financial assets and liabilities at amortized cost.

Interest income from hedging derivatives as at 31 December, 2022 was CZK 26,000 (in 2021, Raiffeisen stavební spořitelna did not use any derivatives in hedge accounting).

1.4.33 FEE AND COMMISSION INCOME AND EXPENSE

M CZK	2022	2021
Fee income from building savings	235	226
Fee income from loans	53	49
Other income	78	72
Fee and commission income	366	347
Fee expense	-15	-14
Commission expense	-111	-128
Other expense	-1	-1
Fee and commission expense	-127	-143
Gain or loss from fees and commissions	239	204

In 2022, the “Fee expenses” item included the cost of the fee of CZK 9.5 million for the guarantee issued by the parent company in favour of Raiffeisen stavební spořitelna for the sake of potential resolution proceedings (MREL).

1.4.34 GAIN OR LOSS FROM FINANCIAL OPERATIONS

M CZK	2022	2021
Exchange rate gain or loss	0	0
Gain or loss from the sale of securities	0	0
Gain or loss from financial operations	0	0

As at 31 December, 2022, the cost of derivatives revaluation was CZK 65,000 (in 2021, Raiffeisen stavební spořitelna did not use any derivatives in hedge accounting).

As at 31 December, 2022, the revenues from revaluation of the hedged item were CZK 63,000 (in 2021, Raiffeisen stavební spořitelna did not use any derivatives in hedge accounting).

1.4.35 OTHER OPERATING INCOME AND EXPENSES

M CZK	2022	2021
Gains from the transfer of assets	54	1
Profits from the transfer of ownership interests	83	0
Other	1	4
Other operating income	138	5
Contributions to the Financial Market Guarantee System	-41	-38
Expenses on the transfer of assets	-24	0
Other	-2	-11
Other operating expenses	-67	-49
Gain or loss from other operating income or expenses	71	-44

As at 31 December, 2022, the "Gains from the transfer of assets" item mainly included proceeds from the sale of a plot of land.

As at 31 December, 2022, the "Profits from the transfer of ownership interests" item included the gain on the sale of KONEVOVA s.r.o.

1.4.36 ADMINISTRATIVE EXPENSES

1.4.36.1 Employee expenses

M CZK	2022	2021
Salaries and remuneration paid to Members of the Board of Directors	-20	-23
Remuneration paid to Members of the Supervisory Board	-1	-1
Salaries and remuneration paid to other executives	-15	-27
Salaries and remuneration paid to other employees	-56	-110
Social security and health insurance	-27	-47
Other employee expenses	-6	-8
Employee expenses	-125	-216

As at 31 December, 2022 or as at 31 December, 2021, the Bank did not report any pension liabilities incurred or contracted by former members of the management and supervisory bodies.

As at the end of the reporting periods, Raiffeisen stavební spořitelna did not record any bonuses tied to equity.

Average number of employees, number of Board of Directors, Supervisory Board and other management team members

	2022	2021
Average number of employees in a given year	90	161
Number of members of the Board of Directors as at 31 December	3	3
Number of members of the Supervisory Board as at 31 December	5	4
Number of other members of management as at 31 December	9	9

1.4.36.2 Other administrative expenses

M CZK	2022	2021
Information technology	-46	-37
Rent and associated expenses	-1	-10
Advertising and marketing	-65	-62
Audit, legal and tax advisory	-4	-3
Of which: Statutory audit of the financial statement	-3,0	-1,8
Other assurance services	-0,2	-0,4
Tax advisory	-0,5	-0,4
Other non-audit services	-0,0	-0,3
Other	-257	-195
Other administrative expenses	-373	-307

The statutory audit of the 2022 financial statement was performed by Deloitte Audit s.r.o. The total cost of the 2022 audit is CZK 2.5 million excl. VAT. In 2022, Raiffeisen stavební spořitelna also used KPMG for tax and other advisory services. The cost of the approved non-audit services provided by Deloitte for 2022 is CZK 8,000 excl. VAT (for 2021: CZK 110,000 excl. VAT).

The high year-on-year increase in the "Other" item is due to outsourced personnel costs.

KONEVOVA s.r.o., a subsidiary of Raiffeisen stavební spořitelna (divested in 2022), paid Deloitte and KPMG a total of CZK 0.5 million excl. VAT in 2022, of which CZK 0.4 million excl. VAT for the audit of the financial statement (in 2021 to KPMG: CZK 0.2 million excl. VAT, of which CZK 0.1 million excl. VAT for the audit of the financial statement).

1.4.37 RELEASE OF LOSS ALLOWANCES AND PROVISIONS FOR RECEIVABLES AND GUARANTEES, INCOME FROM WRITTEN-OFF RECEIVABLES

M CZK	2022	2021
Release of unneeded loss allowances for receivables from clients	253	459
Release of unneeded provisions for losses from loans and guarantees	12	13
Income from receivables written off	22	28
Total	287	500

1.4.38 WRITE-OFFS, CREATION AND USE OF LOSS ALLOWANCES AND PROVISIONS FOR RECEIVABLES AND GUARANTEES

M CZK	2022	2021
Write-off of receivables	-52	-46
Creation of loss allowances for receivables from clients	-348	-413
Creation of loss allowances for other receivables	0	-2
Creation of provisions for losses from loans and guarantees	6	-36
Use of loss allowances for receivables from clients	52	45
Use of loss allowances for other receivables	0	2
Total	-342	-450

1.4.39 INCOME TAX AND DEFERRED TAX LIABILITY/ASSET**1.4.39.1 Income tax**

M CZK	2022	2021
Tax payable for the current accounting period	-90	-105
Deferred tax	-1	-6
Total	-91	-111

1.4.39.2 Tax payable for the current accounting period

M CZK	2022	2021
Pre-tax profit or loss for current year	559	555
Non-taxable income	-188	-124
Non-tax-deductible expenses	104	122
Total	475	553
Tax calculated using a 19% rate (2021: 19%)	-90	-105

1.4.39.3 Deferred tax liability/asset

M CZK	2022	2021
Other	9	7
Deferred tax assets	9	7
Asset book and tax value difference	-26	-22
Deferred tax liabilities	-26	-22
Deferred tax liability or asset	-17	-15
Tax rate	19%	19%
Deferred tax recognized through profit and loss	-17	-15
Deferred tax recognized through equity	0	0

1.4.40 INCOME AND EXPENSES BY GEOGRAPHICAL MARKETS

With the exception of CZK 8 million worth of interest income from securities (2021: CZK 8 million), all income and expenses listed above are realized in the Czech Republic.

1.4.41 TRANSACTIONS WITH, RECEIVABLES FROM AND PAYABLES TO RELATED PARTIES**1.4.41.1 Transactions with related parties – income and expenses**

M CZK	2022	2021
Interest income	0	0
Interest expense	-278	-18
Income from shares and participation interests	0	5
Fee and commission income	21	14
Fee and commission expense	-13	-1
Administrative expenses	-175	-108
Other operating income	0	1

The increase in the “Interest expense” item is due to the interest expense on the Raiffeisenbank term deposit with Raiffeisen stavební spořitelna.

The increase in the “Fee and commission expense” item is mainly due to the fee of CZK 9.5 million paid to Raiffeisenbank as a remuneration for the guarantee issued by the parent company Raiffeisenbank in favour of Raiffeisen stavební spořitelna for the sake of potential resolution proceedings (MREL).

The significant increase in “Administrative expenses” was due to the outsourcing of a large number of activities to Raiffeisenbank. These activities include IT, risk management, back office, marketing, human resources management, internal audit, facility management, compliance and BCM.

1.4.41.2 Transactions with related parties – receivables and payables

M CZK	31/12/2022	31/12/2021
Receivables from banks	5	14
Other assets	2	1
Payables to banks	7,763	2,002
Other liabilities	64	48
Subordinated liabilities	602	602
Accrued expenses and deferred income	5	1

The “Payables to banks” item reflects term deposits received from Raiffeisenbank.

“Other liabilities” include, among other things, liabilities of CZK 14 million arising from leased assets (in 2021: CZK 20 million). The remaining maturity of these liabilities as at 31 December, 2022 is: CZK 14 million up to 3 years (2021: CZK 3 million up to 3 months, CZK 5 million 3–12 months and CZK 12 million more than 1 year).

1.4.41.3 Receivables from companies in which the Bank has controlling or substantial influence and income and expenses from transactions with participation interests with controlling influence

Raiffeisen stavební spořitelna sold its share in KONEVOVA s.r.o. in 2022.

The share amounting to CZK 369.68 million was cleared from the balance sheet. The prepaid rental of CZK 113 million recognized and reported by Raiffeisen stavební spořitelna in December 2021 as an increase in the ownership interest under “Participation interests with controlling influence” was part of the above transaction.

Receivables from companies in which the Bank has controlling influence

M CZK	KONEVOVA s.r.o. (controlling influence)
As at 31/12/2020	113
As at 1/1/2021	113
Additions	0
Disposals	-113
As at 31/12/2021	0
As at 1/1/2022	0
Additions	0
Disposals	0
As at 31/12/2022	0

Income and expenses from transactions with participation interests with controlling influence

M CZK	2022	2021
Income from dividends	0	5
Other operating income	0	1
Interest expense on lease liabilities	0	0
Other administrative expenses	0	-11

1.4.41.4 Receivables from individuals with a special relationship to the Bank

The building savings products listed below concluded with individuals with a special relationship to the Bank were granted under normal commercial conditions applicable to regular clients of Raiffeisen stavební spořitelna.

M CZK	Administration bodies	Management bodies	Supervisory bodies	Other	Total
As at 31/12/2022	0	0	0	0	0
As at 31/12/2021	0	0	0	0	0

Raiffeisen stavební spořitelna did not provide the members of the management and supervisory bodies with any advance payment, earnest money or loan in the reported periods.

Terms of loans granted to the members of the management and supervisory bodies

M CZK	Amount	Interest rate	Form of collateral	Amount repaid	Amount waived	Amount written off
As at 31/12/2022	0	-	-	0	0	0
As at 31/12/2021	0	-	-	0	0	0

Raiffeisen stavební spořitelna provides loans to individuals with a special relationship to the Bank under normal market conditions.

1.4.41.5 Payables to companies in which the Bank has controlling or substantial influence

As at 31 December, 2022, and as at 31 December, 2021, Raiffeisen stavební spořitelna did not record any payables to the company in which it had controlling influence.

1.4.41.6 Payables to individuals with a special relationship to the Bank

M CZK	Administration bodies	Management bodies	Supervisory bodies	Other	Total
As at 31/12/2022	0	0	0	2	2
As at 31/12/2021	0	0	0	2	2

All payables to persons with a special relationship to the Bank arise from building savings products concluded by such persons with Raiffeisen stavební spořitelna.

1.4.41.7 Guarantees issued to persons with a special relationship to the Bank

Raiffeisen stavební spořitelna did not grant any guarantees to individuals with a special relationship to the Bank.

1.4.41.8 Guarantees issued to companies in which the Bank has controlling or substantial influence

Raiffeisen stavební spořitelna did not issue any guarantees to companies in which it had controlling or substantial influence in the reported periods.

1.4.41.9 Guarantees received from companies in which the Bank has controlling or substantial influence

Raiffeisen stavební spořitelna did not receive any guarantees from companies in which it had controlling or substantial influence in the reporting periods.

1.4.42 CLASSIFICATION OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

As at 31 December, 2022, and 31 December, 2021, Raiffeisen stavební spořitelna classified all financial assets and financial liabilities at amortized cost.

1.4.43 RISK MANAGEMENT

1.4.43.1 Introduction

The risk management strategy is in line with other strategies of Raiffeisen stavební spořitelna. The risk management strategy responds to these strategies in a timely manner to identify risks arising from new business activities, operations and processes to keep these risks at an acceptable level. The strategic risk management documents cover the credit risk management strategy, the market risk management strategy, the liquidity management strategy and the operational risk management strategy.

The risk that Raiffeisen stavební spořitelna is willing to undertake in pursuing its business and enforcing its goals and plans is quantified through risk appetite. The risk appetite of Raiffeisen stavební spořitelna is reflected in a system of limits. The acceptable level of credit risk is reflected in the setting of criteria and conditions for the provision of credit products and the execution of transactions, as well as in the credit processes, the credit risk system and limits, while taking into account other risks.

1.4.43.1.1 Risk management system

In Raiffeisen stavební spořitelna, a member of the Board of Directors acts as the Chief Risk Officer (CRO) to the effect of the Raiffeisen group's banking corporate governance, management control system and regulations. The CRO is the guarantor of supervision over outsourcing of job functions pertaining to Raiffeisen stavební spořitelna's risk management.

The Board of Directors has set up advisory, working and executive bodies for the purpose of collective assessment of, discussion on and/or decision-making on and approval of fundamental expert issues of Raiffeisen stavební spořitelna management and activities. The advisory body for the Board of Directors is the Outsourcing Management Committee (OMCO).

The executive bodies of the Board of Directors are:

- Asset Liability Management Committee (ALCO);
- Credit Risk Committee (CRCO);
- Operational Risk Management & Controls Committee (ORMCC).

Risk management principles and methods are used to:

- Identify and analyze the risks that Raiffeisen stavební spořitelna is exposed to;
- Set appropriate limits and controls;
- Monitor risks and comply with the appropriate limits.

Risk management principles and methods are regularly reviewed to reflect changes in market conditions and activities pursued by Raiffeisen stavební spořitelna. The goal of Raiffeisen stavební spořitelna is to create a control environment in which all employees understand their roles and responsibilities, with the help of training and management and setting of standards and methodologies.

The Audit Committee of Raiffeisen stavební spořitelna assesses the effectiveness of the risk management systems. The internal audit department performs both regular and ad hoc audits of risk management controls and procedures, and the results are then presented to the Audit Committee and the Board of Directors.

1.4.43.2 Credit risk

Credit risk is the risk of loss arising from the failure of the counterparty (debtor) to meet its obligations under the terms of the contract based on which the Bank became the creditor, causing loss to the holder of the receivable (creditor). These liabilities arise from lending activities, trading and investment activities, payment transactions and settlement of securities in trading on own account or someone else's behalf (i.e. when acting as an agent on behalf of clients).

1.4.43.2.1 Settlement risk in trading on financial markets

The following transactions are subject to settlement risk:

- Deposit operations on the interbank market in CZK;
- Bond trading on Raiffeisen stavební spořitelna's own account:
 - Trading in bonds issued by the Czech Republic, guaranteed by the Czech Republic or issued by the Czech National Bank on Raiffeisen stavební spořitelna's own account;
 - Trading in mortgage bonds and similar products issued by the member states of the Organization for Economic Cooperation and Development;
 - Trading in other bonds pursuant to S. 9(1)(f) of the Building Savings Act.

Raiffeisen stavební spořitelna reduces this risk for certain types of transactions by the use of settlement/clearing agents. This ensures that the transaction is only settled when both parties fulfil their contractual obligations. Settlement limits form part of the credit approval process and subsequent credit risk monitoring and evaluation.

1.4.43.2.2 Credit risk management

The Board of Directors of Raiffeisen stavební spořitelna has established a Credit Risk Management Committee as an executive body for credit risk management and supervision.

Credit risk management is governed by the following rules and principles:

- Credit risk management is fully in line with regulatory requirements, parent company regulations, BCBS standards and EBA guidelines;
- Credit risk management is fully in line with the risk appetite of Raiffeisen stavební spořitelna, so it is carried out in compliance with the regulatory, RBI and internal credit risk limits.

In managing credit risk, Raiffeisen stavební spořitelna uses in particular the following methods:

- Analysis of the contracting party's creditworthiness and credibility, and/or investment plan;
- Scoring (natural persons), rating (legal entities);
- Use of collateral;
- Purpose checking;
- Cross-checks of the internal blacklist and publicly available registers;
- Mathematical and statistical models;
- Setting of limits;
- Quality analysis of the credit portfolio including time series;
- Monitoring of:
 - Credit risk exposure;
 - The contracting party's financial and economic standing;
 - Compliance with the terms of the contract;
 - Collateral value;
 - The contracting party's current situation/problems;
 - Adequacy of loss allowances and provisions;
- Forecasts of future development of important risk management indicators and individual limits;
- Periodic review of product input parameters;
- Regular review of processes and procedures based on the results of analyses.

Credit risk measurement – credit risk at Raiffeisen stavební spořitelna is measured through:

- Assessment of loan portfolio quality;
- Evaluation of the success rate of the loan process;
- Evaluation of the effectiveness of recovery processes;
- Verification of adequate loss allowance creation;
- Stress testing.

Generally, Raiffeisen stavební spořitelna requires that certain creditors provide collateral when taking a loan. Raiffeisen stavební spořitelna considers the following types of collateral as eligible:

Funded credit protection (reduction of credit risk associated with exposure results from Raiffeisen stavební spořitelna's right to satisfy its receivable in the event of the debtor's default from the proceeds of collateral realization or by collateral appropriation):

- Financial collateral:
 - Pledged receivable – credit balance on own building savings contract;
 - Pledged receivable – credit balance on a third party's building savings contract;
- Real property;
- Other non-financial collateral – cash collateral with another bank, i.e. a lien on a receivable held by another bank.

Unfunded credit protection (reduction of credit risk associated with exposure results from a third party's obligation to pay Raiffeisen stavební spořitelna a certain amount in the event of the debtor's default):

- Guarantees/surety.

Determination of the net realizable value of collateralized real property ensues from the real-property price estimate based on market principles and/or from internal evaluations prepared by the Credit Risk Management Department. The net realizable value of the collateral is then determined from such value by applying a correction coefficient which reflects the ability of Raiffeisen stavební spořitelna to realize the collateral if needed. Raiffeisen stavební spořitelna conducts regular revaluation of collaterals and correction coefficients.

1.4.43.2.2.1 Types of collateral and conditions of eligibility for calculation of capital adequacy

Financial collateral – financial collateral in Raiffeisen stavební spořitelna includes in particular cash or cash instruments (hereinafter referred to as “cash collateral”) representing the liability of Raiffeisen stavební spořitelna, namely:

- Pledged receivable where the pledged asset is the credit balance on own building savings contract with Raiffeisen stavební spořitelna;
- Pledged receivable where the pledged asset is the credit balance on a third person's building savings contract with Raiffeisen stavební spořitelna.

Cash collateral can be considered eligible if the following conditions are met:

- There is no material positive correlation between the creditworthiness of the creditor and the value of the cash collateral;
- All contractual and regulatory requirements regarding the recoverability of liabilities arising from cash collateral contracts in the respective jurisdiction are met;
- Contracts relating to the cash collateral are duly documented and contain a clear and thorough procedure for timely settlement of the claim;
- The cash collateral or part thereof is not transferred to a third party or encumbered with third party rights; this shall be without prejudice to the right to deposit the cash collateral or part thereof into the custody of, or management with, a third party, provided that such third -party records it separately from its own assets;
- The remaining maturity of the cash collateral is at least equal to the remaining maturity of the exposure.

Real property – eligible real property collateral includes residential real property that is or will be occupied or rented for housing purposes by its owner.

Real property can be considered eligible if the following conditions are met:

- The value of the real property is not significantly dependent on the debtor's creditworthiness (this is without prejudice to situations where mere macroeconomic factors affect both the value of the real property and the debtor's performance);
- The debtor's risk is not significantly dependent on the operation of the real property or project, but rather on the debtor's ability to repay debt from other sources;
- The collateral is legally effective and enforceable in all jurisdictions relevant at the time of conclusion of the loan agreement; in particular, the agreement on the establishment of a lien on the real property qualifies for a fully enforceable lien. This lien is duly and timely registered and all legal requirements for the creation of lien are met;
- Regular monitoring of the value/revaluation of real property:
 - At least every 12 months in the case of residential real property;
 - More frequent monitoring/revaluation is conducted by Raiffeisen stavební spořitelna upon significant changes in market conditions;
 - Raiffeisen stavební spořitelna uses statistical methods to monitor/revise real property values and to identify real property needing revaluation;
 - If there is a reason to believe that the real property value may have been significantly reduced compared to general market values, the real property value is reviewed by an independent appraiser. An independent appraiser can be

considered a person who possesses the necessary qualifications, ability and experience in real property appraisal, is not involved in the loan approval process and is independent of it;

- Raiffeisen stavební spořitelna has well documented definitions of the types of real property it accepts as collateral, as well as policies and procedures for provision of loans secured by such collateral;
- The real property accepted as collateral is duly insured against damage.

Other funded credit protection – cash collateral with another bank may be eligible if the following conditions are met:

- The collateral provider is sufficiently reliable to provide reasonable assurance that the level of credit risk reduction achieved corresponds to the extent to which that reduction is recognized and taken into account in the calculation of the capital ratio;
- The debtor's claim to the third party's cash payment is pledged in favour of Raiffeisen stavební spořitelna and this pledge is legally effective and enforceable in all applicable jurisdictions;
- The cash collateral is the property of the debtor or co-debtor (including the debtor's spouse in case of estate in entirety);
- The third person is notified of the pledge;
- As a result of the notification, the third party provides performance exclusively for the benefit of Raiffeisen stavební spořitelna or other persons with the consent of Raiffeisen stavební spořitelna;
- The lien is unconditional and irrevocable.

1.4.43.2.3 Debt recovery

Raiffeisen stavební spořitelna has a Recovery Unit that manages receivables with a non-recoverability risk. Classified receivables are recovered by telephone, in writing, and where no agreement with the client is reached, also in court. The Recovery Unit takes legal steps in order to achieve maximum recoverability, including realization of collateral and representation of Raiffeisen stavební spořitelna in insolvency proceedings.

1.4.43.2.4 Expected credit losses

Raiffeisen stavební spořitelna classifies financial instruments into three groups:

- Non-defaulted financial instruments without a significant increase in credit risk ("Stage 1");
- Non-defaulted financial instruments with a significant increase in credit risk ("Stage 2");
- Defaulted financial instruments ("Stage 3").

For Stage 1 financial instruments, loss allowances are calculated at 12-month expected credit losses, and for Stage 2 and Stage 3 financial instruments, loss allowances are calculated at lifetime expected credit losses.

1.4.43.2.4.1 Significant increase in credit risk

In determining whether the risk of default arising from a financial instrument has increased significantly since initial recognition, Raiffeisen stavební spořitelna assesses reasonable and verifiable information that is available without expenditure of unreasonable cost or effort. This includes quantitative and qualitative information and analyses based on the historical experience of Raiffeisen stavební spořitelna and expert credit assessment, including forward-looking information.

The objective of this assessment is to identify whether there has been a significant increase in credit risk for a given credit exposure. The quantitative assessment component is based on a comparison of the probability of default (PD) for the remaining maturity determined as at the balance-sheet date with the probability of default (PD) for the remaining maturity determined for the balance-sheet date as at the date of initial recognition.

The qualitative assessment component takes into account the following information:

- More than 30 days past due (DPD) (including delinquency in relation to compulsory regular savings deposits for bridge loans);
- Significant increase in credit risk of the same client's other exposures;
- Minor credit fraud (serious frauds are classified as default – see the definition of default);
- Pending execution procedure related to building savings worth CZK 20,000+ in total;
- Forbearance;
- Other comprehensive information that can be obtained without unreasonable cost or effort (non-compliance with specific contractual conditions, client's default in another institution, risk of interest rate increase upon renewal of the fixed-interest-rate period, etc.).

The calculation of expected credit losses for non-retail financial instruments at Stages 1 and 2 is carried out by the parent RBI. Expected credit losses for retail financial instruments at Stages 1, 2, and 3 and for non-retail financial instruments at Stage 3 are calculated by Raiffeisen stavební spořitelna.

Due to the absence of a local rating system, the quantitative component is applied to non-retail financial instruments (the rating is obtained using the rating systems of the parent RBI), with the PD change threshold set at 250%.

The qualitative component is applied to assess a significant increase in credit risk for retail financial assets.

Development of the probability of default (PD) curve

Credit risk rating grades are an essential input in the development of the PD curve for credit exposure in relation to time. Raiffeisen stavební spořitelna collects information about performance and defaults relating to its credit exposures and analyzes this information from different perspectives.

Raiffeisen stavební spořitelna uses statistical models to analyze the acquired data and to create PD curves and their evolution over the remaining maturity of the given exposures (time structures) and to determine expected changes to these curves over time.

This analysis involves identification and calibration of correlations between changes in default rates and changes in key macroeconomic factors on the one hand and the risk of default on the other hand. Key macroeconomic indicators include in particular gross domestic product, unemployment rate, inflation rate, market interest rates and increase in real property prices (the last of these indicators primarily for LGD).

For non-retail credit exposures, PD curves are estimated by individual rating grades. For retail credit exposures, for the reasons given in the previous chapter, PD curves are estimated for each grade separately and the segmentation is based on the nature of Raiffeisen stavební spořitelna's product (secured and unsecured loans).

Raiffeisen stavební spořitelna uses development scenarios for macroeconomic variables generated by the parent RBI (for details refer to Forward-looking information). These scenarios are then used in conjunction with macroeconomic models developed in-house to modify the probability of default estimates.

Determining whether credit risk has increased significantly

The criteria for determining whether credit risk has increased significantly include quantitative changes in the probability of default and qualitative factors including defined delinquency limits and other risk attributes of the exposures.

It is assumed that a significant increase in credit risk since the initial recognition for that exposure has occurred when the probability of default (PD) for the remaining period to maturity has increased by more than 250%.

On the basis of an expert opinion and relevant historical experience (where available), Raiffeisen stavební spořitelna is able to state that credit risk for the exposure has increased significantly, as indicated by selected qualitative indicators. The factors listed at the beginning of this chapter are taken into account in this process.

Raiffeisen stavební spořitelna therefore set the following limit: regardless of other facts, a significant increase in credit risk occurs when the asset is more than 30 days past due. Days past due are calculated in two ways:

- The number of days that have transpired from the earliest due date when the full payment was not received ("the RSTS DPD counter");
- The number of days that a material credit obligation is past due irrespective of its time structure ("the EBA DPD counter").

Furthermore, Raiffeisen stavební spořitelna has set limits for a significant increase in credit risk within the framework of the holistic approach. The limits for each rule are set as follows:

- Failure to meet specific contractual conditions – if a client fails to meet more than one specific post-drawing condition for which a penalty has been charged or fails to meet exactly one specific post-drawing condition for which a penalty has been charged and the asset has been overdue for the last 12 months or the client has a lower credit rating (as measured by the CB score), the asset is categorized as showing a significant increase in credit risk.
- Client default at another institution – if a regular credit assessment (as measured by the CB score) indicates that a client has defaulted on their obligations at another institution and the asset has been overdue for the last 12 months, the asset is categorized as showing a significant increase in credit risk.
- Risk of interest rate increase upon renewal of the fixed-interest-rate period – if the DSTI limit calculated for assets with a future renewal date based on the estimated macroeconomic development of rates for a given interest-rate period exceeds the acceptable DSTI limit at the time of loan provision, which is determined on the basis of an inversely proportional non-linear logarithmic DSTI increase (a lower absolute increase is accepted for higher DSTI than for lower DSTI), the asset is categorized as showing a significant increase in credit risk.

Raiffeisen stavební spořitelna monitors the efficacy of criteria used to identify a significant increase in credit risk through regular analyses and control measures, to confirm that:

- The criteria are capable of identifying a significant increase in credit risk sooner than the exposure defaults;
- The criteria are not tied to the particular moment in time when the asset becomes 30 days past due;

- There is no unjustified volatility of the loss allowances from the transfer between the twelve-month probability of default (Stage 1) and lifetime probability of default (Stage 2).

1.4.43.2.4.2 Modified financial assets

The contractual terms of a loan may generally be modified for a variety of reasons, such as changes in market conditions, retention of the debtor, or other factors unrelated to the debtor's current or potential credit deterioration. Following modification of loan terms, Raiffeisen stavební spořitelna shall assess whether the cash flows from such modified loan are substantially different.

As mentioned in section 1.4.2.1.10, the only modifications Raiffeisen stavební spořitelna makes are loan repayment deferrals. These are provided individually subject to defined conditions, including the requirement that the client has no debt past due when applying for the deferral. However, the cash flows after the loan repayment deferral are not significantly different, so the loan is not derecognized.

Deferral of loan repayments is considered a forbearance (with the exception of the government's moratorium in connection with the Covid-19 pandemic). Forbearance is considered a qualitative indicator of a significant increase in credit risk and therefore the loan is classified at least as Stage 2 (typically with three-month deferrals). However, if the forbearance meets the definition of forced restructuring, the loan is directly classified as Stage 3, meaning it is considered to be in default (typically with six-month deferrals).

1.4.43.2.4.3 Definition of default

Raiffeisen stavební spořitelna considers a debtor to be in default if at least one of the following occurs:

- a) It is assumed that the debtor will probably not repay his/her credit liabilities in full;
- b) One of the debtor's important credit liabilities is more than 90 days past due (in the case of a bridge loan, related compulsory savings deposits are also considered).

Following the group methodology, Raiffeisen stavební spořitelna defines a default as follows:

- For individuals at the level of a payable, i.e. the default on a client's individual payable does not automatically mean default on that client's other payables;
- For legal entities at the level of a debtor, i.e. the default on any payable means default of the client and on all of its payables.

The materiality limit of the credit liability is divided into absolute and relative:

- The absolute limit of materiality is set at CZK 2,500 for retail receivables and CZK 12,600 for non-retail receivables.
- The relative limit of materiality is set to 1% of exposure.

In relation to a), Raiffeisen stavební spořitelna has defined the following 17 default indicators:

- Discontinued interest accrual;
- Specific credit risk adjustments (to maintain consistency between IFRS 9 grades and the definition of default);
- Sale of a receivable with an economic loss exceeding a defined limit;
- Forced restructuring;
- Bankruptcy/insolvency;
- Credit fraud;
- Death of the debtor;
- Loss of regular income;
- Significant indebtedness;
- Breach of contractual terms;
- Immediate repayability of the receivable prior to maturity;
- Realization of collateral or activation of guarantees;
- Acquisition or creation of a receivable with a material discount;
- Product-related cross default;
- Volume-related cross default;
- Cross effect of consolidated receivables;
- Cross effect of consolidated debtors.

The definition of default is consistent with the definition of default for the purposes of capital adequacy.

1.4.43.2.4.4 Forward-looking information (FLI)

FLI is taken into account during assessment of whether the credit risk of a financial instrument has significantly increased since the initial recognition (for non-retail exposures) as well as during calculation of expected credit losses.

Scenarios of macroeconomic variables generated by the parent RBI and supplied to Raiffeisen stavební spořitelna usually on a quarterly basis are used unless there is an emergency such as the Covid-19 pandemic (where significant deterioration of the foreseen macroeconomic situation had to be reflected as soon as possible). A total of 3 macroeconomic development scenarios are generated – basic, positive and negative – weighted at 50%, 25% and 25% respectively. The time horizon for macroeconomic forecasting is 3 years.

These scenarios are then used in combination with macroeconomic models developed in-house or within the group to adjust estimates of the probability of default (PD) and loss given default (LGD) in the calculation of expected credit losses for retail exposures or are used in combination with group models to calculate expected credit losses for non-retail exposures.

The basic outlook scenario shows the most likely result and is in line with information that Raiffeisen stavební spořitelna uses for other purposes such as strategic and short-term planning. The other two scenarios include a more optimistic scenario and a more pessimistic outcome.

Raiffeisen stavební spořitelna identified and documented key credit risk and credit loss indicators for each financial instrument credit portfolio and using analyses of historical data it determined the relationship between macroeconomic variables, credit risk and credit losses. The economic scenarios applied as at 31 December, 2022 include the following range of key indicators for the Czech Republic for the years ending on 31 December, 2023 and 31 December, 2024.

	2023	2024
Unemployment rate	Baseline: 3.42% Range: 2.45–4.37%	Baseline: 3.10% Range: 2.56–3.63%
Inflation (year-on-year growth in CPI)	Baseline: 6.80% Range: 3.60–8.07%	Baseline: 2.55% Range: 1.72–3.26%
Growth in GDP (year-on-year)	Baseline: 2.10% Range: -0.34–3.43%	Baseline: 3.10% Range: 1.74–3.84%
Growth in real property prices (year-on-year)	Baseline: 3.00% Range: -1.20–7.36%	Baseline: 4.00% Range: 1.67–6.43%
3M interbank interest rate	Baseline: 6.70% Range: 5.96–7.44%	Baseline: 4.20% Range: 3.35–4.61%

The expected relationships between key indicators and the default and loss rates of various financial asset portfolios are determined based on historical data, in a manner that enables coverage of the economic cycle, including economic recession. In addition, Raiffeisen stavební spořitelna regularly monitors the economic validity of the resulting model predictions.

1.4.43.2.4.5 Calculation of expected credit losses (ECL)

The key input for calculation of expected credit losses (ECL) consists of the time structure of the following variables/parameters:

- Probability of default (PD),
- Loss given default (LGD),
- Exposure at default (EAD).

These parameters are derived from proprietary statistical models (for retail exposures) or from the statistical models of the parent RBI (for non-retail exposures) and from historical data, which must be adjusted to correspond to forward-looking information (FLI), as stated above.

PD estimates are estimates as at a particular moment in time which are calculated on the basis of statistical models and rating instruments adapted for various counterparty and exposure categories. These statistical models are based on acquired data that includes both quantitative and qualitative factors. If the rating of a counterparty or exposure changes, the relevant PD estimate is changed. Exposure maturity is taken into account during estimation of probabilities of default (PD).

The LGD is the volume of the probable loss should default occur. LGD parameters are forecast on the basis of historical rates of recovery from debtors in default. LGD models take into account collateralization and the direct costs of receivable recovery.

LGD estimates are specified for various economic scenarios so that they also reflect possible changes in real property prices for the purposes of loans secured by real property.

Calculations are made on the basis of discounted cash flows.

The EAD is the expected credit exposure at the time of default. The EAD is calculated on the basis of current exposure in regard to a given counterparty and possible changes to the current exposure on the basis of contracts concluded with the counterparty.

The EAD of a financial asset equals the asset's gross book value. For loan commitments, the EAD includes the drawn amount and also possible future drawing which may occur based on the concluded contract.

As described above, aside from use of a max. 12-month PD for financial assets whose credit risk did not increase significantly, expected credit losses (ECL) are calculated with regard to the default risk during the expected lifespan of the subject financial assets (i.e. for the period during which Raiffeisen stavební spořitelna is exposed to the credit risk).

Raiffeisen stavební spořitelna does not have any revolving products in its portfolio.

For credit risk parameter estimates the portfolio is segmented by the very character of the product, i.e. primarily into secured and unsecured loans.

Calculation of expected credit losses (ECL) for credit-impaired loans

For credit-impaired loans, loss allowances are calculated based on the Best estimate of expected loss (BEEL). For retail exposures, BEEL parameters are estimated for the segments listed above; they are based on the LGD and increase as the exposure period in default increases up to 100% at the end of the effective recovery period. For non-retail exposures, BEEL parameters are calculated individually in regard to the very low number of historical defaults and only after the CRCO has reached a consensus.

1.4.43.2.5 Reconciliation of opening and closing loss allowance balances for receivables from clients

Total loss allowances for receivables from clients – 31/12/2022

M CZK	12-month ECL (Stage 1)	Lifetime ECL for financial assets that are not credit-impaired (Stage 2)	Lifetime ECL for financial assets that are credit- impaired (Stage 3)	Purchased or originated credit-impaired financial assets (POCI)	Total
Balance as at 1 January, 2022	170	330	464	0	964
Transfer to 12-month ECL (Stage 1)	63	-50	-13	0	0
Transfer to lifetime ECL for financial assets that are not credit impaired (Stage 2)	-22	35	-13	0	0
Transfer to lifetime ECL for financial assets that are credit impaired (Stage 3)	-1	-21	22	0	0
Newly purchased or originated financial assets	35	3	3	0	41
Derecognition of financial assets	-12	-22	-90	0	-124
Revaluation and changes in models/risk parameters	-83	150	59	0	126
Balance as at 31 December, 2022	150	425	432	0	1,007

Total loss allowances for receivables from clients – 31/12/2021

M CZK	12-month ECL (Stage 1)	Lifetime ECL for financial assets that are not credit-impaired (Stage 2)	Lifetime ECL for financial assets that are credit- impaired (Stage 3)	Purchased or originated credit-impaired financial assets (POCI)	Total
Balance as at 1 January, 2021	286	262	505	0	1,053
Transfer to 12-month ECL (Stage 1)	97	-78	-19	0	0
Transfer to lifetime ECL for financial assets that are not credit impaired (Stage 2)	-30	66	-36	0	0
Transfer to lifetime ECL for financial assets that are credit impaired (Stage 3)	-1	-27	28	0	0
Newly purchased or originated financial assets	44	51	1	0	96
Derecognition of financial assets	-43	-28	-77	0	-148
Revaluation and changes in models/risk parameters	-183	84	62	0	-37
Balance as at 31 December, 2021	170	330	464	0	964

Transfers are designed such that when the stage changes, the transfer of the loss allowance occurs first and the change of amount second. "Newly purchased or originated financial assets" include loss allowances that were created for newly originated financial assets during 2022. There are parameter changes in "Revaluation and changes in models/risk parameters". All newly originated assets are classified as Stage 1 (POCI = 0). The Stage 2 and 3 values under "Newly purchased or originated financial assets" are loss allowances for assets originated in 2022 and transferred to Stage 2 or 3 before 31 December, 2022.

The gross value of receivables from clients by stage is presented in Chapter 1.4.7.3.

1.4.43.2.6 Sensitivity analysis

As mentioned above, key macroeconomic indicators with an impact on the amount of loss allowances include in particular gross domestic product, unemployment rate, inflation rate, market interest rates and increase in real property prices (the last of these indicators primarily for LGD).

The table below compares the expected credit losses from financial assets in Stages 1 and 2 (weighted 25% for the optimistic scenario, 50% for the baseline scenario and 25% for the pessimistic scenario) and each scenario with a 100% weighting.

Amount of loss allowances under each scenario (Stages 1 and 2) – 31/12/2022

M CZK	Reported	Optimistic	Baseline	Pessimistic
Retail exposure	571.4	528.4	567.9	611.0
Non-retail exposure	4.4	4.2	4.3	4.7
Total	575.8	532.6	572.2	615.7

Amount of loss allowances under each scenario (Stages 1 and 2) – 31/12/2021

M CZK	Reported	Optimistic	Baseline	Pessimistic
Retail exposure	494.6	434.9	480.3	587.0
Non-retail exposure	5.9	5.7	5.8	6.2
Total	500.5	440.6	486.1	593.2

1.4.43.2.7 Maximum credit risk exposure

Maximum credit risk exposure – 31/12/2022

M CZK	Balance sheet	Off-balance sheet	Total credit risk exposure	Collateral received	Main type of collateral
Loans and receivables from banks and bank bonds	1,512	0	1,512	1,311	CNB treasury bills
Loans and receivables from clients	70,891	4,934	75,825	42,739	Real property
State zero coupon bonds	3,645	0	3,645	0	
Cash and balances with central banks	654	0	654	0	
Other exposure	1,358	0	1,358	0	

Maximum credit risk exposure – 31/12/2021

M CZK	Balance sheet	Off-balance sheet	Total credit risk exposure	Collateral received	Main type of collateral
Loans and receivables from banks and bank bonds	8,124	0	8,124	7,891	CNB treasury bills
Loans and receivables from clients	64,813	7,308	72,121	34,144	Real property
State zero coupon bonds	4,543	0	4,543	0	
Cash and balances with central banks	508	0	508	0	
Other exposure	1,736	0	1,736	0	

Any differences from items in the financial statement are due to accruals of input fees that are part of the effective interest rate. Since these fees have already been paid, they do not pose a credit risk to the Bank and are therefore excluded from loans and receivables from clients in this and the following sub-chapters.

1.4.43.2.8 Credit risk concentration

Credit risk concentration develops when there are credit receivables with similar economic characteristics which affect a debtor's ability to meet his or her obligations. Raiffeisen stavební spořitelna considers a receivable from a debtor or economically associated group of debtors that exceeds 25% of the Tier 1 capital as significantly exposed. If the debtor is a credit institution (i.e. a bank other than a central bank, an international development bank or a credit union), the limit is 25% of the Tier 1 capital or EUR 150 million, whichever is higher.

1.4.43.2.9 Concentration by sectors

Concentration by sectors – 31/12/2022

M CZK	Financial institutions	Non-financial institutions	Government sector and central banks	Households	Total
Balances with central banks	0	0	654	0	654
State zero coupon bonds and other securities eligible for refinancing with the central bank	0	0	3,645	0	3,645
Receivables from banks	5	0	1,302	0	1,307
Receivables from clients	0	5,155	11	65,725	70,891
Debt securities	205	0	0	0	205
Other receivables	18	1	788	3	810
Commitments and guarantees issued	0	129	0	4,805	4,934
Total	228	5,285	6,400	70,533	82,446

Concentration by sectors – 31/12/2021

M CZK	Financial institutions	Non-financial institutions	Government sector and central banks	Households	Total
Balances with central banks	0	0	508	0	508
State zero coupon bonds and other securities eligible for refinancing with the central bank	0	0	4,544	0	4,544
Receivables from banks	14	0	7,904	0	7,918
Receivables from clients	0	5,007	13	59,793	64,813
Debt securities	205	0	0	0	205
Other receivables	22	2	770	4	798
Commitments and guarantees issued	0	208	0	7,100	7,308
Total	241	5,217	13,739	66,897	86,094

1.4.43.2.10 Concentration by geographical criteria

Concentration by geographical criteria – 31/12/2022

M CZK	Czech Republic	European Union excluding the Czech Republic	Total
Balances with central banks	654	0	654
State zero coupon bonds and other securities eligible for refinancing with the central bank	3,645	0	3,645
Receivables from banks	1,307	0	1,307
Receivables from clients	70,891	0	70,891
Debt securities	0	205	205
Other receivables	810	0	810
Commitments and guarantees issued	4,934	0	4,934
Total	82,241	205	82,446

Concentration by geographical criteria – 31/12/2021

M CZK	Czech Republic	European Union excluding the Czech Republic	Total
Balances with central banks	508	0	508
State zero coupon bonds and other securities eligible for refinancing with the central bank	4,544	0	4,544
Receivables from banks	7,918	0	7,918
Receivables from clients	64,813	0	64,813
Debt securities	0	205	205
Other receivables	798	0	798
Commitments and guarantees issued	7,308	0	7,308
Total	85,889	205	86,094

1.4.43.3 Liquidity**1.4.43.3.1 Liquidity risk exposure**

One of the key liquidity risk exposure criteria is the liquidity coverage ratio (LCR). The LCR focuses on the Bank's short-term liquidity. Its objective is to ensure that banks maintain an adequate proportion of highly liquid assets to be able to cover their 30-day liquidity needs in the event of crisis scenarios. According to the LCR, banks must have a sufficient volume of highly liquid assets that is greater than their expected future net outflows over the ensuing 30 days. Highly liquid assets in the Raiffeisen stavební spořitelna environment include cash, state bonds, treasury bills securing reverse repo operations with the CNB and reserves with central banks that may be drawn.

Given the three-month notice period for building savings, the LCR indicator is above the regulatory minimum of 100%.

The LCR at the end of the accounting period and during the period was as follows:

	2022	2021
As at 31 December	456.0%	953.0%
Average	384.0%	1,114.0%
Maximum	589.0%	1,526.5%
Minimum	146.0%	744.5%

1.4.43.3.2 Liquidity risk management

Liquidity risk is defined as the risk of the Bank's loss of ability to meet its financial obligations at maturity (short-term liquidity risk), or inability to fund its assets (funding liquidity risk).

Risk materiality is calculated based on an assessment of the impact on the Company's capital or profit, or by an expert estimate.

Liquidity risk in the Raiffeisen stavební spořitelna environment is considered material. It is measured and managed only in CZK, because Raiffeisen stavební spořitelna's foreign currency assets are negligible. Raiffeisen stavební spořitelna holds foreign currencies only for internal purposes. Given the absence of a trading portfolio, the only relevant liquidity risk for Raiffeisen stavební spořitelna is that of the investment portfolio.

Raiffeisen stavební spořitelna holds two major types of assets in its portfolio. The first type consists of loans provided to clients. These include building savings loans, bridge loans and commercial loans. The second most important type of asset is debt instruments, primarily bonds issued by the Ministry of Finance of the Czech Republic or by financial institutions. Raiffeisen stavební spořitelna also conducts deposit transactions on the interbank market, repo operations, reverse repo operations and securities operations with a repurchase or sale obligation. The general rule is that all purchased instruments must fulfil the conditions of S. 9 of the Building Savings Act. The range of financial instruments available to building savings banks is more limited than that available to universal banks.

The majority of the Bank's liabilities are client deposits, which yield interest at a fixed interest rate for at least the six-year fixation period. The interest rate is defined by the rate at which the buildings savings contract was concluded or the rate to which the contract was changed.

Liquidity risk is a natural part of Raiffeisen stavební spořitelna's banking activities, for there is a maturity mismatch in the structure of assets and liabilities.

Raiffeisen stavební spořitelna manages its liquidity risk primarily through its investment policy with use of financial instruments defined by the Building Savings Act.

The investment policy determines the basic principles and opportunities for investment of available funding. Raiffeisen stavební spořitelna appreciates its unallocated free funds through deposit operations on the interbank market, the CNB deposit facility, reverse repo operations with the CNB and investments in bonds. Use of these instruments is an integral part of asset and liability management. The main goal is to ensure Raiffeisen stavební spořitelna's ability to meet its payment obligations at maturity under both ordinary and adverse circumstances, while respecting the specific nature of building savings, Raiffeisen stavební spořitelna's investment horizon and acceptable risk levels.

In general, Raiffeisen stavební spořitelna uses financial instruments that ensure Raiffeisen stavební spořitelna sufficient liquidity while maintaining acceptable risk levels from its investments. Raiffeisen stavební spořitelna holds part of its assets in highly liquid forms, which primarily include deposits on the interbank market with selected credit institutions with a 3-month maturity, the CNB deposit facility, reverse repo operations with the CNB, securities with a repo guarantee and other securities from issuing institutions with high credit quality.

Monitoring and management of liquidity risk is carried out using regulatory limits, limits set by the RBI group or internally set limits. These limits are assessed by the Assets and Liabilities Committee and approved by the Board of Directors.

1.4.43.3.3 Estimated remaining maturity

Estimated remaining maturity of the Bank's assets and liabilities as at 31 December, 2022

M CZK	Up to 3 months	3–12 months	1–5 years	More than 5 years	Unspecified	Total
Cash and balances with central banks	45	0	0	0	609	654
Securities eligible for refinancing with the central bank	0	3,074	571	0	0	3,645
Receivables from banks	1,307	0	0	0	0	1,307
Receivables from clients	1,750	5,021	24,902	38,157	553	70,383
Debt securities	7	0	198	0	0	205
Property	0	0	0	0	271	271
Participation interests with controlling influence	0	0	0	0	0	0
Other assets	24	785	0	0	-2	807
Pre-paid expenses and accrued revenues	0	0	0	0	14	14
Total assets	3,133	8,880	25,671	38,157	1,445	77,286
Payables to banks	3,020	503	4,240	0	0	7,763
Payables to clients	5,041	8,860	22,348	26,044	-147	62,146
Other liabilities	298	0	0	0	490	788
Accrued expenses and deferred income	0	0	0	0	40	40
Provisions	0	0	0	0	57	57
Subordinated liabilities	0	2	300	300	0	602
Registered capital	0	0	0	0	650	650
Reserve funds	0	0	0	0	4,772	4,772
Retained earnings or accumulated losses from previous years	0	0	0	0	0	0
Profit or loss for the accounting period	0	0	0	0	468	468
Total liabilities	8,359	9,365	26,888	26,344	6,330	77,286
Commitments	-4,918	37	417	4,464	0	0
GAP including commitments	-10,144	-448	-800	16,277	-4,885	0
Cumulative GAP including commitments	-10,144	-10,592	-11,392	4,885	0	0
CBC	3,186	467	0	0	0	-
Cumulative GAP including commitments and CBC	-6,958	-10,125	-11,392	4,885	0	0

CBC includes all unencumbered assets that can be accepted as collateral for currency transactions conducted by the central bank on the local money market. At Raiffeisen stavební spořitelna, these assets include government securities.

Estimated remaining maturity of the Bank's assets and liabilities as at 31 December, 2021

M CZK	Up to 3 months	3–12 months	1–5 years	More than 5 years	Unspecified	Total
Cash and balances with central banks	508	0	0	0	0	508
Securities eligible for refinancing with the central bank	0	975	3,569	0	0	4,544
Receivables from banks	7,918	0	0	0	0	7,918
Receivables from clients	2,652	7,247	27,597	26,280	556	64,332
Debt securities	7	0	0	198	0	205
Property	0	0	0	0	299	299
Participation interests with controlling influence	0	0	0	0	370	370
Other assets	30	768	0	0	-3	795
Pre-paid expenses and accrued revenues	0	0	0	0	19	19
Total assets	11,115	8,990	31,166	26,478	1,241	78,990
Payables to banks	0	0	2,002	0	0	2,002
Payables to clients	5,407	10,167	26,342	28,320	-5	70,231
Other liabilities	302	0	0	0	269	571
Accrued expenses and deferred income	0	0	0	0	102	102
Provisions	0	0	0	0	60	60
Subordinated liabilities	0	2	300	300	0	602
Registered capital	0	0	0	0	650	650
Reserve funds	0	0	0	0	4,329	4,329
Retained earnings or accumulated losses from previous years	0	0	0	0	0	0
Profit or loss for the accounting period	0	0	0	0	443	443
Total liabilities	5,709	10,169	28,644	28,620	5,848	78,990
Commitments	-7,277	82	486	6,709	0	0
GAP including commitments	-1,871	-1,097	3,008	4,567	-4,607	0
Cumulative GAP including commitments	-1,871	-2,968	40	4,607	0	0
CBC	4,091	3,211	0	0	0	-
Cumulative GAP including commitments and CBC	2,220	243	-40	4,607	0	0

CBC includes all unencumbered assets that can be accepted as collateral for currency transactions conducted by the central bank on the local money market. At Raiffeisen stavební spořitelna, these assets include government securities.

1.4.43.3.4 Liquidity reserve

As part of management of liquidity risk resulting from the Bank's financial obligations, Raiffeisen stavební spořitelna holds part of its assets in highly liquid instruments, such as cash, state bonds, treasury bills and reserves with central banks that may be drawn. Therefore, the following tables only show the volume of deposits on the mandatory minimum reserve account exceeding the prescribed amount, which amounted to CZK 609 million as at 31 December, 2022 and CZK 749 million as at 31 December, 2021.

Raiffeisen stavební spořitelna includes in its liquidity reserve only those financial assets that are not being provided as collateral in e.g. reverse repo operations at the given time.

Liquidity reserve components – 31 December, 2022

M CZK	Book value	Fair value
Cash and balances with central banks	0	0
State zero coupon bonds and other securities eligible for refinancing with the central bank not provided as collateral as at the balance sheet date	3,645	3,434
Securities as collateral for reverse repo operations	1,311	1,274
Total liquidity reserve	4,956	4,708

Liquidity reserve components – 31 December, 2021

M CZK	Book value	Fair value
Cash and balances with central banks	0	0
State zero coupon bonds and other securities eligible for refinancing with the central bank not provided as collateral as at the balance sheet date	4,544	4,387
Securities as collateral for reverse repo operations	7,891	7,739
Total liquidity reserve	12,435	12,126

1.4.43.4 Market risks

Market risk is the risk of the Bank incurring losses from changes in prices, exchange rates and other rates on the financial markets. It is a general term for interest-rate, currency, equity and other risks associated with the fluctuation of market prices.

In regard to the scope of building savings banks' activities, which is limited by the Buildings Savings Act, the main market risk that affects Raiffeisen stavební spořitelna is interest-rate risk. Raiffeisen stavební spořitelna does not have a trading portfolio and does not create capital requirements for market risk.

1.4.43.4.1 Interest-rate risk**1.4.43.4.1.1 Interest-rate risk management**

Interest-rate risk is the risk of a potential loss as a result of open interest-rate positions where net interest income or the market value of assets and liabilities may decrease due to adverse changes in market interest rates. Given the structure of interest-bearing assets and liabilities, which are characterized by a duration gap and have different maturity dates or intervals for interest rate changes, Raiffeisen stavební spořitelna is exposed to interest-rate risk. Due to the absence of a trading portfolio, only the interest-rate risk related to the investment portfolio is relevant and material to Raiffeisen stavební spořitelna.

Due to the nature of the building savings product and in view of its size, scale and nature and the complexity of the transactions and activities, Raiffeisen stavební spořitelna uses gap analysis, Basis Point Value (BPV) sensitivity analysis, Net Interest Income (NII) calculation and the Value at Risk (VaR) method to manage interest-rate risk.

The impact of regulatory interest-rate shock on capital by means of parallel shifts in the yield curve is measured in full accordance with the general EBA guidelines on the management of interest-rate risk arising from non-trading activities (EBA/GL/2018/02). Supervisory outlier testing is conducted in accordance with these guidelines and stress testing of interest-rate risk is also carried out on a regular basis. Monitoring and management of interest-rate risk is carried out using regulatory limits, limits set by the RBI group or internally set limits. These limits are assessed by the Assets and Liabilities Committee and approved by the Board of Directors.

1.4.43.4.1.2 Interest-rate risk sensitivity analysis

Part of Raiffeisen stavební spořitelna's revenue is generated by a deliberate discrepancy between interest-rate sensitive assets and liabilities. The table below summarizes the discrepancy between Raiffeisen stavební spořitelna's interest-rate sensitive assets and liabilities. The book value of these assets and liabilities is included in the period in which they mature or during which there is a change in interest rate, whichever comes first. Due to expected early repayment or undefined maturity, some assets or liabilities are allocated to specific periods based on expert estimates.

Interest-rate sensitivity of the Bank's assets and liabilities as at 31 December, 2022

M CZK	Up to 3 months	3–12 months	1–5 years	More than 5 years	Unspecified	Non-rate sensitive	Total
Cash and balances with central banks	0	0	0	0	0	654	654
Securities eligible for refinancing with the central bank	619	2,505	575	0	0	0	3,699
Receivables from banks	1,303	0	0	0	0	5	1,308
Receivables from clients including commitments	5,098	12,962	49,441	9,925	0	0	77,426
Debt securities	8	4	228	0	0	0	240
Property	0	0	0	0	0	271	271
Participation interests with controlling influence	0	0	0	0	0	0	0
Other assets	0	0	0	0	0	807	807
Pre-paid expenses and accrued revenues	0	0	0	0	0	14	14
Total assets including commitments and future interest payments	7,028	15,471	50,244	9,925	0	1,751	84,419
Payables to banks	3,050	521	4,660	0	0	0	8,231
Payables to clients	8,637	4,158	30,241	18,360	0	0	61,396
Other liabilities	0	0	0	0	0	788	788
Accrued expenses and deferred income	0	0	0	0	0	40	40
Provisions	0	0	0	0	0	57	57
Subordinated liabilities	0	30	409	328	0		767
Registered capital	0	0	0	0	0	650	650
Reserve funds	0	0	0	0	0	4,772	4,772
Retained earnings or accumulated losses from previous years	0	0	0	0	0	0	0
Profit or loss for the accounting period	0	0	0	0	0	468	468
Total liabilities including future interest payments	11,687	4,709	35,310	18,688	0	6,775	77,169
GAP including commitments	-4,659	10,762	14,934	-8,763	0	-5,024	7,250
Cumulative GAP including commitments	-4,659	6,103	21,037	12,274	12,274	7,250	14,500

There are several reasons why assets and liabilities are not equal. As regards receivables from customers, one of the main reasons is that, in addition to the amount of the loan, it is also the interest that is spread across the interest-rate gap. Commitments are included in the interest-rate gap under "Receivables from clients".

Securities eligible for refinancing with the central bank, receivables from banks, debt securities, payables to banks and subordinated liabilities include future interest payments as they fall due.

Interest-rate sensitivity of the Bank's assets and liabilities as at 31 December, 2021

M CZK	Up to 3 months	3–12 months	1–5 years	More than 5 years	Unspecified	Non-rate sensitive	Total
Cash and balances with central banks	508	0	0	0	0	0	508
Securities eligible for refinancing with the central bank	0	2,486	2,058	0	0	0	4,544
Receivables from banks	7,918	0	0	0	0	0	7,918
Receivables from clients	5,824	13,233	41,892	3,122	495	-234	64,332
Debt securities	7	0	0	198	0	0	205
Property	0	0	0	0	0	299	299
Participation interests with controlling influence	0	0	0	0	0	370	370
Other assets	0	0	0	0	0	795	795
Pre-paid expenses and accrued revenues	0	0	0	0	0	19	19
Total assets	14,257	15,719	43,950	3,320	495	1,249	78,990
Payables to banks	0	0	2,002	0	0	0	2,002
Payables to clients	19,979	11,721	22,927	14,796	43	765	70,231
Other liabilities	0	0	0	0	0	571	571
Accrued expenses and deferred income	0	0	0	0	0	102	102
Provisions	0	0	0	0	0	60	60
Subordinated liabilities	0	2	300	300	0	0	602
Registered capital	0	0	0	0	0	650	650
Reserve funds	0	0	0	0	0	4,329	4,329
Retained earnings or accumulated losses from previous years	0	0	0	0	0	0	0
Profit or loss for the accounting period	0	0	0	0	0	443	443
Total liabilities	19,979	11,723	25,229	15,096	43	6,920	78,990
Commitments	-7,273	110	6,096	1,067	0	0	0
GAP including commitments	-12,995	4,106	24,817	-10,709	452	-5,671	0
Cumulative GAP including commitments	-12,995	-8,889	15,928	5,219	5,671	0	0

The table below shows the results of the standardized interest-rate shock in the income statement and Raiffeisen stavební spořitelna's equity as at the balance sheet date. The calculation is based on the interest-rate gap, i.e. the difference between interest-rate sensitive assets and liabilities in each defined time period. It is assumed that the yield curve will move 200 basis points up and down, whereas the minimum interest rate floor as per EBA/GL/2018/02 is applied for movements in the downward direction.

M CZK	2022 Interest rate increase 200 basis points	2022 Interest rate decrease 200 basis points
Impact on the Income statement	-34	89
Impact on the Bank's equity	0.58%	0.00%

1.4.43.4.1.3 Simulation of net interest rate yield

Simulation and forecasting of the net interest rate yield is an additional component of interest-rate risk monitoring in the accounting unit. Raiffeisen stavební spořitelna regularly measures the sensitivity of the net interest rate yield on various changes to the interest rate (parallel shifts in both directions from 1 to 300 basis points). An appropriate limit is set on the net interest rate yield.

1.4.43.4.2 Currency risk

Currency risk results from exchange rate movements and from open currency positions. Raiffeisen stavební spořitelna's currency risk is immaterial as open foreign currency positions (cash in hand or foreign currency receivables and payables from customer-supplier relationships) are insignificant in terms of volume.

1.4.43.4.3 Market risk sensitivity analysis using Value at Risk (VaR)

Market risks related to Raiffeisen stavební spořitelna's trading activities (trading portfolio) are managed using the Value at Risk method. Value at Risk shows the potential loss from market volatility measured over a specific time frame at a particular confidence level. Raiffeisen stavební spořitelna sets the Value at Risk using two approaches: the variance-covariance (parametric) method and Monte Carlo simulation, i.e. stochastic simulation of a large quantity of financial market potential development scenarios. Value at Risk is measured for one-day holding periods and at a 99% confidence level.

Value at Risk results for interest-rate risk (calculated using Monte Carlo simulation)

M CZK	As at 31 December, 2022	Average 2022	As at 31 December, 2021	Average 2021
VaR of interest-rate instruments	61	93	105	78

As at 31 December, 2022 the VaR equalled CZK 61 million (in 2021 it was CZK 105 million).

Market risk management limits

All market risk management limits are proposed through a collaborative effort between the Risk Controlling Department and the Financial Department, discussed by the ALCO and approved by the Board of Directors of Raiffeisen stavební spořitelna.

1.4.43.4.4 Stress testing

Raiffeisen stavební spořitelna conducts stress testing of interest-rate risks on a monthly basis by applying historical financial market volatility scenarios and internally defined improbable scenarios, and models their impacts on Raiffeisen stavební spořitelna's profits. Raiffeisen stavební spořitelna has set limits for these stress scenarios which are part of the risk management process.

1.4.43.4.5 Equity risk

As at the end of the reporting periods, Raiffeisen stavební spořitelna did not record any shares, units or other participation interests.

1.4.43.5 Operational risk

Operational risk is defined in line with the applicable legislation as the risk of a loss incurred due to inadequacy or failure of internal processes, human factor or systems, or due to external events. Raiffeisen stavební spořitelna monitors, records and regularly assesses such risks and adopts measures to minimize losses. The basic indicator approach (BIA) is used to calculate capital adequacy for operational risk.

The elementary principle is each employee's responsibility to identify and escalate operational risks and report incidents in a timely and accurate manner. At Raiffeisen stavební spořitelna, there is a centrally established operational risk management function which is responsible for setting the methodology and conducting measurements and analyses and which also provides methodological support to managerial staff.

The cornerstones of operational risk management are:

- Event data collection;
- General ledger analysis;
- Risk assessment;
- Scenario analysis;
- Early warning indicators (EWI);
- Mitigation plans.

The objective of collecting data on loss incurred due to operational risk is aggregation and, in particular, analysis of such data. More serious cases are submitted to and discussed by the Operational Risk Management Committee. The Committee presents, discusses and approves measures to minimize the repeated occurrence of similar events, or to completely avoid them. Accountable sponsors are set for implementation of any proposed changes and implementation progress is monitored by the Operational Risk Management Committee. Other cases are resolved by the respective departments/units.

General ledger analysis ensures reconciliation between reported losses and reflection of such losses in the ledger.

Risk assessment serves to improve awareness of operational risks, clarify individual processes and mitigate identified operational risks. Risk assessment determines the risk level of individual processes, organizational units or activities. The risk level is relevant for the adoption of qualitative risk management measures.

Scenario analysis is a process through which Raiffeisen stavební spořitelna weighs the impacts of extreme, yet likely events on its activities, assesses the likelihood of their occurrence, and estimates the severity of impacts on a range of possible outcomes. The aim of scenario analysis is to (i) offer a method of potentially intercepting a specific event which has not yet occurred in the particular organization; (ii) educate and improve awareness of the management by providing insight into different risk types, and manage the corrective measure and investment plan.

EWIs are used for ongoing monitoring and reporting of operational risk exposure. They provide early warning of potential steps or changes in the risk profile which may activate executive measures.

Raiffeisen stavební spořitelna determines and regularly reviews the level of risk appetite. Utilizing all the above tools, it compares the identified risks with the risk appetite and creates mitigation plans for risks exceeding the determined level.

All tools are applied on a regular yearly basis.

1.4.44 FAIR VALUE

1.4.44.1 Financial instruments not carried at fair value in the balance sheet

The following table lists the book values and fair values of financial assets and financial liabilities that are not carried at fair value in Raiffeisen stavební spořitelna's balance sheet.

Financial assets and financial liabilities at book and fair values as at 31 December, 2022

M CZK	Book value 31/12/2022	Fair value 31/12/2022
Cash and balances with central banks	654	654
State zero coupon bonds and other securities eligible for refinancing with the central bank	3,645	3,433
Receivables from banks and cooperative savings associations	1,307	1,307
Receivables from clients – cooperative savings associations' members	70,383	65,773
Debt securities	205	167
Participation interests with controlling influence	0	0
Other assets	821	821
Total financial assets	77,015	72,155
Payables to banks and cooperative savings associations	7,763	7,625
Payables to clients – cooperative savings associations' members	62,146	60,903
Payables from the subordinate loan	602	518
Other liabilities	885	885
Total financial liabilities	71,396	69,931

Financial assets and financial liabilities at book and fair values as at 31 December, 2021

M CZK	Book value 31/12/2021	Fair value 31/12/2021
Cash and balances with central banks	508	508
State zero coupon bonds and other securities eligible for refinancing with the central bank	4,544	4,387
Receivables from banks and cooperative savings associations	7,918	7,918
Receivables from clients – cooperative savings associations' members	64,332	61,970
Debt securities	205	195
Participation interests with controlling influence	370	430
Other assets	814	815
Total financial assets	78,691	76,223
Payables to banks and cooperative savings associations	2,002	2,002
Payables to clients – cooperative savings associations' members	70,231	69,497
Payables from the subordinate loan	602	596
Other liabilities	733	733
Total financial liabilities	73,568	72,828

The accounting unit uses the following inputs and techniques to estimate fair values:

Cash and balances with central banks – the book value is equal to the fair value. These financial assets are classified as Level 2 in the fair value hierarchy.

State zero coupon bonds and other securities eligible for refinancing with the central bank – the difference between the fair value and the book value is mainly due to the different market and effective interest rates on the government bonds included in this portfolio. These financial assets are classified as Level 1 in the fair value hierarchy because their fair value is based on quoted prices in an active market.

Receivables from banks and cooperative savings associations – due to the short maturity of these receivables, the book value approximates their fair value. These financial assets are classified as Level 2 in the fair value hierarchy.

Receivables from clients – cooperative savings associations' members – estimates of the loan fair value are based on discounted expected future cash flows, using the interest rate applicable to loans associated with similar credit and interest risks and similar maturity. For credit-impaired loans, the basis is the present value of expected future cash flows including the expected proceeds from collateral realization, if applicable.

Estimating the cash flows used for discounting is based on assumptions and consideration of the expected course of repayment of the particular product or group of products. The applied discount rates are based on the rates of the Bank's main competitors or other comparable rates on similar types of assets.

These financial assets are classified as Level 3 in the fair value hierarchy.

Debt securities – the difference between the fair value and the book value is mainly due to the different market and effective interest rates on the government bonds included in this portfolio. These financial assets are classified as Level 1 in the fair value hierarchy because their fair value is based on quoted prices in an active market.

Participation interests with substantial influence and participation interests with controlling influence – the fair value is the value taken from the expert opinion adjusted for the Bank's expectations, which reflect the Company's current situation. These financial assets are classified as Level 3 in the fair value hierarchy. As at 31 December, 2022, Raiffeisen stavební spořitelna no longer reported any participation interest with substantial or controlling influence.

Payables to banks and cooperative savings associations – due to the short maturity of these payables, the book value approximates their fair value. These financial liabilities are classified as Level 2 in the fair value hierarchy.

Payables to clients – cooperative savings associations' members – the fair value of demand deposits and floating rate term deposits equals the book value of the deposits as at the balance sheet date.

The fair value of fixed rate term deposits is estimated on the basis of discounted cash flows applying the respective interest rates. The applied discount rates are based on main competitors' rates or other comparable rates on similar types of liabilities.

These financial liabilities are classified as Level 3 in the fair value hierarchy.

1.4.45 TRANSACTIONS NOT INCLUDED IN THE BALANCE SHEET

As at the date of the financial statement, the management of Raiffeisen stavební spořitelna is not aware of any major events that would require amendments to the financial statement as at 31 December, 2022.

1.4.46 SUBSEQUENT EVENTS

Starting from 1 January, 2023, Raiffeisen stavební spořitelna is switching to IFRS accounting and reporting. The estimated impacts on the balance sheet and equity are immaterial. In accordance with IFRS requirements, the information in the notes to the 2023 financial statement will be expanded. For example, the description of accounting policies in the notes to the financial statement will be modified, the structure of some statements in the notes will be modified, and the cash flow statement will be presented in the notes. In addition, impairment testing will be performed in accordance with IFRS requirements and impairment charges will be recognized where appropriate. We assume that the amount of impairment will be immaterial.

1.4.47 MAJOR EVENTS SUBSEQUENT TO THE FINANCIAL STATEMENT DATE

We assume that at its meeting on 3 April, 2023, the Supervisory Board of Raiffeisen stavební spořitelna will approve an increase to the company's capital of CZK 1.6 billion. The capital increase will be implemented through an additional contribution outside the registered capital to other capital funds. The contribution will be made through the acceptance of a deposit from Raiffeisenbank a.s. There are multiple reasons for the capital increase: to support Raiffeisen stavební spořitelna's lending business and to meet the capital MREL beyond 2024. Raiffeisen stavební spořitelna currently meets the requirements for eligible liabilities through a bank guarantee issued in its favour by Raiffeisenbank a.s.

Prague, 21 March, 2023

Raiffeisen stavební spořitelna a.s. Board of Directors:



Ing. Pavel Čejka, MBA

Chairman of the Board of Directors



Ing. Yvona Tošnerová

Deputy Chairwoman of the Board of Directors



Bc. Jiří Antoš

Deputy Chairman of the Board of Directors

Officer in charge of accounting and the financial statement:



Ing. Petr Zaremba

Financial Department Director

2 REPORT ON RELATED PARTIES

Raiffeisen stavební spořitelna a.s., with its registered office at Hvězdova 1716/2b, 140 78 Praha 4, Business ID: 49241257, incorporated in the Commercial Register administered by the Municipal Court in Prague, Section B, Insert 2102 (hereinafter the “Reporting Party”) is part of a business grouping (holding) with the following relations between the Reporting Party and the controlling party, and among the Reporting Party and other parties controlled by the same controlling party (hereinafter “Related Parties”).

This report on relations among the parties identified below was prepared for the accounting period of 2022 in line with the provisions of S. 82 of Act No. 90/2012 Coll., on business corporations (hereinafter the “Act”), as amended and applicable in the given accounting period.

Within the accounting period in question, the contracts and agreements identified below were concluded between the Reporting Party and the identified parties, the following legal acts were adopted or implemented, and other material measures stated in the Report were taken.

2.1 STRUCTURE OF RELATIONS AMONG THE PARTIES PURSUANT TO S. 82(2)(a) THROUGH (c) OF THE ACT

2.1.1 CONTROLLING PARTIES AND STRUCTURE OF THE CONSOLIDATION UNIT

2.1.1.1 Controlling parties

Raiffeisenbank a.s.

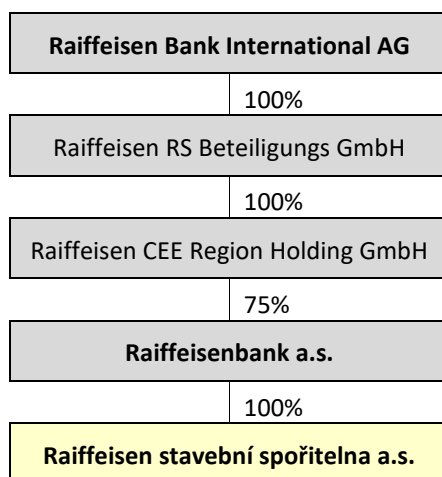
With its registered office at Hvězdova 1716/2b, Prague, Czech Republic
100% share in Raiffeisen stavební spořitelna

Raiffeisen Bank International AG

With its registered office at Am Stadtpark 9, Vienna, Austria
Ultimate beneficial owner of the group

The parties listed above take concerted action to the effect of S. 78 of the Act.

2.1.1.2 Ownership structure of the consolidation unit



2.1.2 ROLE OF THE CONTROLLED PARTY, METHODS AND MEANS OF CONTROL

The role of the Reporting Party is representation of the Raiffeisen financial group on the Czech market in the field of building savings. The method of control is through share or participation interest in the controlled party. The controlling parties control the Reporting

Party through voting at the General Meeting in compliance with the Reporting Party's Articles of Association. Representatives of the controlling party are members of the Supervisory Board of Raiffeisen stavební spořitelna.

2.1.3 OTHER RELATED PARTIES

2.1.3.1 Companies controlled by the Reporting Party

KONEVOVA s.r.o.

With its registered office at Koněvova 2747/99, Prague, Czech Republic

Raiffeisen stavební spořitelna controlled the company fully until 30 June, 2022, when it was divested and all contractual relations between Raiffeisen stavební spořitelna and KONEVOVA s.r.o. were terminated by that date at the latest.

2.1.3.2 Companies controlled by the same controlling party as the Reporting Party, with which the Reporting Party holds contractual relations

Raiffeisen – Leasing, s.r.o., Prague, Czech Republic

Raiffeisen Bausparkassen Holding GmbH, Vienna, Austria

2.2 LIST OF CONTRACTS PURSUANT TO S. 82(2)(e) OF THE ACT

Contract	Closing date	Counterparty
Current Account Certificate	15/12/1993	Raiffeisenbank a.s., Prague
Contract for Lease of Real Property – Land	1/12/1995	KONEVOVA s.r.o., Prague
Amendment No. 1	1/12/1995	
Amendment No. 2	19/9/1997	
Amendment No. 3	1/10/1999	
Amendment No. 4	19/11/2015	
Amendment No. 5	29/2/2016	
Contract for Lease of a Movable Asset	29/5/1998	KONEVOVA s.r.o., Prague
Amendment No. 1	1/12/1998	
Amendment No. 2	1/7/2002	
Current Account Agreement	13/6/2000	Raiffeisenbank a.s., Prague
Current Investment Account Agreement	2/10/2001	Raiffeisenbank a.s., Prague
Agreement to Buy or Sell Securities, to Settle Trades with Securities, and to Administer Securities Including Annexes No. 1–5	10/4/2007	Raiffeisenbank a.s., Prague
Amendment No. 1	25/9/2013	
Framework Contract – Preferential Financing for Employees	13/6/2011	Raiffeisen – Leasing, s.r.o.
Amendment No. 1	8/8/2011	
Agreement on the Lease of Non-Residential Premises, Parking Stalls, and Flats	1/1/2012	KONEVOVA s.r.o., Prague
Treasury Master Agreement	29/2/2012	Raiffeisenbank a.s., Prague
Direct Banking Service Agreement	15/11/2013	Raiffeisenbank a.s., Prague
Agreement to Provide X-business Internet Banking Services	3/2/2015	Raiffeisenbank a.s., Prague
Framework Agreement	26/1/2016	Raiffeisen Bank International AG, Vienna
Service Level Agreement	26/1/2016	Raiffeisen Bank International AG, Vienna
Debit Card Agreement	18/1/2017	Raiffeisenbank a.s., Prague
Personal Data Processing Verification Agreement pursuant to Article 28 of the GDPR	21/5/2018	Raiffeisen Bank International AG, Vienna
Service Level Agreement	7/9/2018	Raiffeisen Bank International AG, Vienna
Service Level Agreement	2/10/2018	Raiffeisen Bank International AG, Vienna

Contract	Closing date	Counterparty
Tip Brokerage Agreement	10/10/2018	Raiffeisenbank a.s., Prague
Amendment No. 1	30/4/2019	
Amendment No. 2	18/11/2019	
Amendment No. 3	28/2/2020	
Amendment No. 4	31/1/2021	
Contract for the Provision of Call Centre Services	12/11/2018	Raiffeisenbank a.s., Prague
Subordinate Loan Contract	23/10/2019	Raiffeisen Bausparkassen Holding GmbH, Vienna
Amendment No. 1	5/12/2019	
Debit Card Agreement	26/6/2020	Raiffeisenbank a.s., Prague
Debit Card Agreement	10/7/2020	Raiffeisenbank a.s., Prague
Cooperation Contract S/2020/00099	5/8/2020	Raiffeisenbank a.s., Prague
Cooperation Contract S/2020/00191	15/10/2020	Raiffeisenbank a.s., Prague
Confidentiality Agreement CDR10722	21/10/2020	Raiffeisenbank a.s., Prague
Contract of Cooperation in Provision of Services Consisting in Informing Clients on Raiffeisen stavební spořitelna Active Products	15/2/2021	Raiffeisenbank a.s., Prague
Framework Contract for Trading on the Financial Market	25/2/2021	Raiffeisenbank a.s., Prague
Sales Representation Agreement	9/3/2021	Raiffeisenbank a.s., Prague
Agreement on Mutual Cooperation	30/3/2021	Raiffeisenbank a.s., Prague
Framework Service Agreement	26/4/2021	Raiffeisenbank a.s., Prague
Framework Contract on Data Protection and Transfer	26/4/2021	Raiffeisenbank a.s., Prague
Sales Representation Agreement CDR17260	28/4/2021	Raiffeisenbank a.s., Prague
Product Appendix	2/5/2022	
Amendment No. 1	13/10/2022	
Product Appendix	13/10/2022	
Contract for the Sublease of Business Premises	28/4/2021	Raiffeisenbank a.s., Prague
Amendment No. 1	15/12/2021	
Contract for the Sublease of Business Premises and Lease of Movable Assets	29/4/2021	Raiffeisenbank a.s., Prague
Agreement to Provide Contact Centre Services	29/4/2021	Raiffeisenbank a.s., Prague
Annex Amendment Agreement	1/1/2022	
Annex Amendment Agreement	1/7/2022	
Agreement to Provide General Administration (OVS) and Archiving Services	29/4/2021	Raiffeisenbank a.s., Prague
Annex Amendment Agreement	1/1/2022	
Terms Amendment Agreement	18/10/2022	
Annex Amendment Agreement	1/7/2022	
Agreement to Provide Services (Back Office)	29/4/2021	Raiffeisenbank a.s., Prague
Annex Amendment Agreement	1/1/2022	
Annex Amendment Agreement	1/7/2022	
Agreement to Provide Comprehensive Loan Processing Services	29/4/2021	Raiffeisenbank a.s., Prague
Annex Amendment Agreement	1/1/2022	
Annex Amendment Agreement	7/3/2022	
Annex Amendment Agreement	1/7/2022	
Agreement to Provide Risk Controlling Services	29/4/2021	Raiffeisenbank a.s., Prague
Annex Amendment Agreement	1/1/2022	
Annex Amendment Agreement	1/7/2022	
Agreement to Provide Debt Recovery Services	29/4/2021	Raiffeisenbank a.s., Prague
Annex Amendment Agreement	1/1/2022	
Annex Amendment Agreement	5/4/2022	
Annex Amendment Agreement	1/7/2022	
Cooperation Contract for Joint Use of RB Appraiser Services	30/4/2021	Raiffeisenbank a.s., Prague
Agreement on the Sublease of Non-Residential Premises and Payment for Services Associated with their Use and Preparation	20/5/2021	Raiffeisenbank a.s., Prague
Amendment No. 1	30/6/2021	
Agreement to Provide Internal Audit Services	25/5/2021	Raiffeisenbank a.s., Prague
Annex Amendment Agreement	1/1/2022	

Contract	Closing date	Counterparty
Annex Amendment Agreement	1/7/2022	
Agreement to Provide Marketing Services	31/5/2021	
Annex Amendment Agreement	1/1/2022	Raiffeisenbank a.s., Prague
Annex Amendment Agreement	1/7/2022	
Agreement to Provide Information Security and BCM Services	31/5/2021	
Annex Amendment Agreement	1/1/2022	Raiffeisenbank a.s., Prague
Terms Amendment Agreement	31/10/2022	
Annex Amendment Agreement	1/7/2022	
Agreement to Provide CRM Services	31/5/2021	
Annex Amendment Agreement	1/1/2022	Raiffeisenbank a.s., Prague
Annex Amendment Agreement	1/7/2022	
Agreement to Provide HR Services	17/6/2021	
Annex Amendment Agreement	1/1/2022	Raiffeisenbank a.s., Prague
Annex Amendment Agreement	1/7/2022	
Agreement to Provide Early Debt Recovery Services	23/6/2021	
Annex Amendment Agreement	1/1/2022	Raiffeisenbank a.s., Prague
Annex Amendment Agreement	1/7/2022	
Agreement to Provide Selected Compliance Services	30/6/2021	
Annex Amendment Agreement	1/1/2022	
Annex Amendment Agreement	7/3/2022	Raiffeisenbank a.s., Prague
Annex Amendment Agreement	1/7/2022	
Annex Amendment Agreement	1/8/2022	
Cooperation Contract	20/7/2021	
Cooperation Contract – Acceptance of Risk	22/7/2021	Raiffeisenbank a.s., Prague
Agreement to Provide Analysis and Application Development Services (OAV)	31/8/2021	
Annex Amendment Agreement	1/1/2022	Raiffeisenbank a.s., Prague
Agreement to Provide IT Services	31/8/2021	
Annex Amendment Agreement	1/1/2022	Raiffeisenbank a.s., Prague
Contract of Cooperation and Personal Data Processing	31/8/2021	
Amendment No. 1	30/12/2021	Raiffeisenbank a.s., Prague
Commission Memorandum	8/2/2022	
Agreement on the Assignment of Agreement to Provide Record Management Services	20/10/2021	Raiffeisenbank a.s., Prague
Insurance Participation Agreement	8/12/2021	Raiffeisenbank a.s., Prague
Subordinate Loan Contract	22/12/2021	Raiffeisenbank a.s., Prague
Borrowing	21/12/2021	Raiffeisenbank a.s., Prague
MREL Commitment Agreement	1/3/2022	Raiffeisenbank a.s., Prague
MREL Pledge Agreement	1/3/2022	Raiffeisenbank a.s., Prague
Borrowing	24/3/2022	Raiffeisenbank a.s., Prague
Debit Card Agreement	31/3/2022	Raiffeisenbank a.s., Prague
Borrowing	30/5/2022	Raiffeisenbank a.s., Prague
Borrowing	9/6/2022	Raiffeisenbank a.s., Prague
Escrow Account Agreement	29/6/2022	Raiffeisenbank a.s., Prague
Debit Card Agreement	18/7/2022	Raiffeisenbank a.s., Prague
Borrowing	28/7/2022	Raiffeisenbank a.s., Prague
Borrowing	3/8/2022	Raiffeisenbank a.s., Prague
Debit Card Agreement	29/8/2022	Raiffeisenbank a.s., Prague
Debit Card Agreement	8/9/2022	Raiffeisenbank a.s., Prague
Borrowing	12/10/2022	Raiffeisenbank a.s., Prague
Borrowing	12/10/2022	Raiffeisenbank a.s., Prague
Borrowing	10/11/2022	Raiffeisenbank a.s., Prague
Borrowing	22/11/2022	Raiffeisenbank a.s., Prague
Borrowing	6/12/2022	Raiffeisenbank a.s., Prague
MREL Commitment Agreement	15/12/2022	Raiffeisenbank a.s., Prague
MREL Pledge Agreement	15/12/2022	Raiffeisenbank a.s., Prague

2.3 OVERVIEW OF ACTIONS IMPLEMENTED IN THE LATEST ACCOUNTING PERIOD TO THE BENEFIT OF THE CONTROLLING PARTY TO THE EFFECT OF S. 82(2)(d) OF THE ACT

Paid shares in profit and shares in equity: No shares in profit were paid out by the Reporting Party during the accounting period.

Raiffeisen stavební spořitelna received CZK 10,180 million in borrowings from Raiffeisenbank a.s. in 2022.

Raiffeisen stavební spořitelna obtained two MREL guarantees from Raiffeisenbank a.s. in 2022 at a total value of CZK 1,900 million.

2.4 BENEFITS AND DRAWBACKS ARISING FROM RELATIONS AMONG THE CONTROLLING AND CONTROLLED PARTIES STATED IN CHAPTER 2.1

The key benefit of relations among the entities within the Raiffeisen group is awareness of the Raiffeisen brand across Europe, and perception of Raiffeisen as a strong international banking group. Other benefits include strong methodological guidance on European banking regulation and international accounting standards, IT, risk management systems, as well as experience in selling a wide range of financial products.

Minor drawbacks of working within a large group include the need to reserve capacity for consolidated reporting and the complex risk management system. The language barrier also places higher demands on employees in their efforts to facilitate flawless communication.

2.5 CLOSING STATEMENT OF THE BOARD OF DIRECTORS

Having reviewed the legal relations between the Reporting Party and the related parties, we are certain that no harm was incurred by the Reporting Party in consequence of the contracts, other legal acts and/or other measures concluded, executed or adopted by the Reporting Party in the accounting period of 2022 in the interest or upon the impetus of any of the related parties.

Statement: Raiffeisen stavební spořitelna a.s. hereby declares that it has produced this report with due diligence on the basis of information available as at the date of the report's compilation.

Prague, 21 March, 2023

Raiffeisen stavební spořitelna a.s. Board of Directors:




Ing. Pavel Čejka, MBA

Chairman of the Board of Directors



Ing. Yvona Tošnerová

Deputy Chairwoman of the Board of Directors



Bc. Jiří Antoš

Deputy Chairman of the Board of Directors

3 INFORMATION ON CAPITAL

3.1 RECONCILIATION OF REGULATORY AND BOOK CAPITAL

The tables below summarize the composition of regulatory and book capital and of specific indicators as at 31 December, 2022 and 31 December, 2021, thus allowing full reconciliation of regulatory capital items with the institution's capital and balance sheet.

3.1.1 Regulatory capital

M CZK	31/12/2022	31/12/2021
Paid-up registered capital entered in the Commercial Register	650	650
Gains (losses) from revaluation of assets and liabilities	0	0
Retained earnings or accumulated losses from previous years	0	0
Reserve funds	4,764	4,321
(-) Additional value adjustment according to prudent valuation principles (AVA)	0	0
(-) Intangible assets other than goodwill	-245	-240
(-) Deferred tax liabilities associated with other intangible assets	25	22
Total capital meeting the criteria for Tier 1	5,194	4,753
Total amount of Tier 2 capital	600	600
Capital relevant for calculation of limits for major exposures, for qualified interests, and the capital ratio	5,794	5,353

3.1.2 Equity

M CZK	31/12/2022	31/12/2021
Paid-up registered capital entered in the Commercial Register	650	650
Retained earnings from previous periods	0	0
Current year profit	468	443
Gains (losses) from revaluation of assets and liabilities	0	0
Reserve funds	4,772	4,329
Total equity	5,890	5,422

3.2 CAPITAL REQUIREMENTS

M CZK	31/12/2022	31/12/2021
Exposure to central governments and central banks	0	0
Exposure to regional governments and local authorities	0	0
Exposures to institutions	15	16
Exposures to enterprises	244	38
Retail exposures	1,411	1,712
Exposures secured with real property	985	757
Defaulting exposures	26	23
Exposures in covered bonds	0	0
Exposures to shares	0	30
Exposures to other items	51	54
Total capital requirements for credit risk	2,731	2,630
Capital requirement pursuant to Title III, Chapter 2 of Regulation No. 2013/575/EU	182	187
Total capital requirements for operational risk	182	187
Total capital requirements	2,913	2,817

The total capital ratio is presented in the introductory chapter Survey of key economic indicators.

Raiffeisen stavební spořitelna a.s.

Hvězdova 1716/2b
140 78 Prague 4

Corporation registered in the Commercial Register maintained by the Municipal Court in Prague, Section B, Insert 2102

Year of founding: 1993

Legal Status: Joint-stock company

Business ID: 49241257

Tax ID: CZ699003154


Bank details: IBAN CZ82 5500 0000 0010 0100 5369

Data box ID: f6qr5pb

Internet: www.rsts.cz
[Facebook](#)
[Instagram](#)
[LinkedIn](#)

E-mail: rsts@rsts.cz

Info line: 412 446 408

A large, abstract yellow graphic on the left side of the page, consisting of several overlapping geometric shapes that form a stylized, angular shape. The shapes are solid yellow and vary in size and orientation, creating a dynamic, modern look.

Raiffeisen stavební spořitelna a.s.
Hvězdova 1716/2b, 140 78 Praha 4
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