Raiffeisen
Stavební spořitelna

Annual Report
2024

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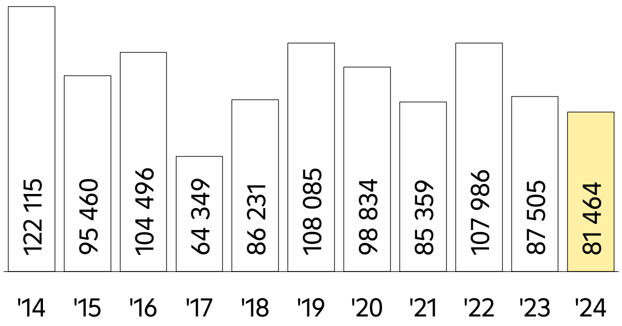
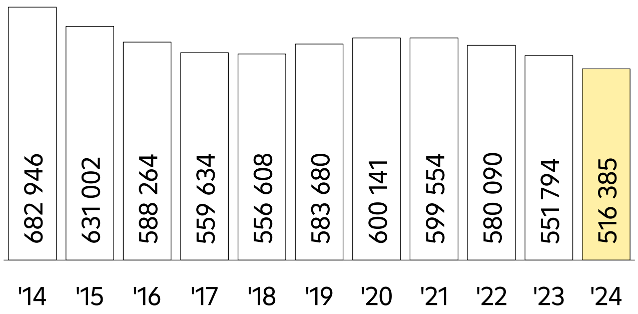
Survey of key economic indicators

	Units	2024	2023
Number of new building savings contracts by natural persons	pcs	75,959	80,260
Number of topped-up building savings contracts by natural persons	pcs	5,505	7,245
Number of valid building savings contracts by natural persons	pcs	516,385	551,794
Number of valid loan contracts by natural persons	pcs	78,153	79,356
Volume of new loans by natural persons and legal entities	M CZK	11,943	7,141
Balance sheet total	M CZK	78,705	81,186
Payables to clients	M CZK	58,902	59,434
Receivables from clients	M CZK	69,027	69,254
Registered capital	M CZK	650	650
Equity	M CZK	9,064	8,310
Profit/loss for the accounting period after taxation	M CZK	754	827
Total capital ratio	%	23.70	22.07
ROAA – Return on average assets	%	0.95	1.05
ROAE – Return on average equity Tier 1	%	9.66	12.50
Assets per employee	M CZK	1,109	1,015
Administrative expenses per employee	M CZK	-7.056	-6.538
Net earnings per employee	M CZK	10.620	10.338
Number of employees	Number of individuals	71	80

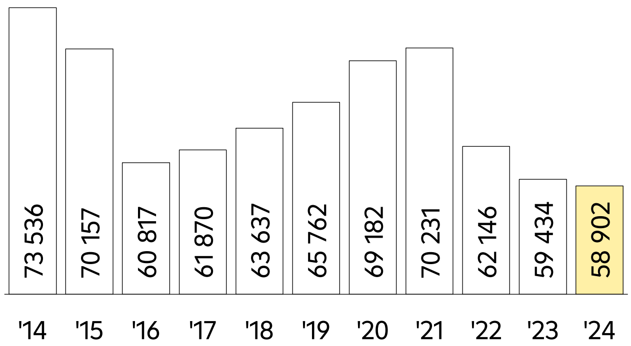
New building savings contracts by natural persons including topped-up contracts (quantity)



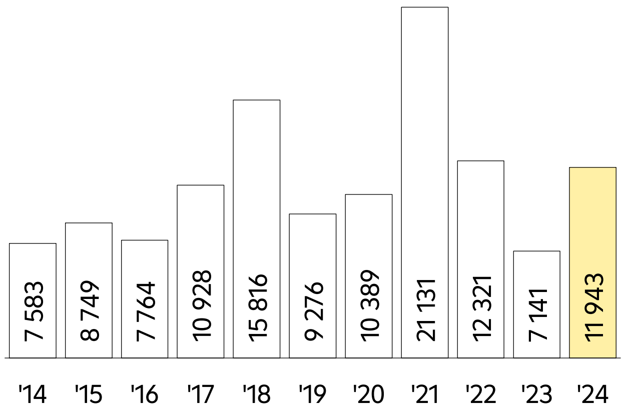
Valid building savings contracts by natural persons as at EOY (quantity)



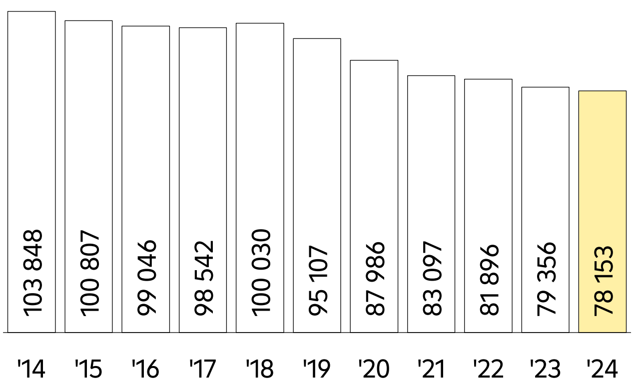
Deposits by building savings clients as at EOY (M CZK)



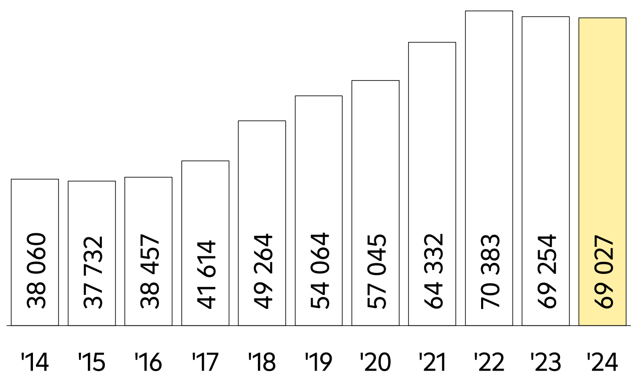
Volume of new loans by natural persons and legal entities (M CZK)



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 in the Czech Republic. As a Czech bank under Austrian ownership with its registered office in the Czech Republic, Raiffeisenbank is governed by business regulations set forth by the Czech National Bank. Raiffeisenbank is one of the five banks of systemic significance in the Czech Republic that are subject to the highest requirements for financial strength and stability.

Raiffeisenbank offers a wide array of services and products to private individuals, entrepreneurs and companies. We focus on making our clients' lives easier through accessible online services and in-person support via an extensive branch network. Our products and services are designed to be simple, clear and easy to use in a digital environment. The range of products and services includes personal and business accounts, credit, savings and investment products, specialised financial services and consulting for corporate clients and large corporations. A detailed overview of all products and services is available at http://www.rb.cz.

In the Hospodářské noviny Visa Best Bank awards, Raiffeisenbank took first place in the ESG banking enterprise of the year category for its Flexible Work project. In the international Euromoney Awards for Excellence 2024, Raiffeisenbank received the award for Best Bank for Corporates in the Czech Republic. The Bank was also recognised in other competitions, including international awards programs.

Apart from its business activities, Raiffeisenbank is also involved in a number of community service activities related to education, charity, and culture. The Bank has a longstanding tradition of responsible business practices and sustainability, and monitors its impacts, particularly in the economic, social and environmental spheres.

As at the end of 2024, Raiffeisenbank served 1.740 million clients through a network of 118 branches and a client centre based in Teplice. The Bank employs almost 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 2024, the sole shareholder acting as the General Meeting issued three decisions: on 19 March, 16 April and 10 December, 2024.

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

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

Reelected to office on 4 July, 2023

Member of the Board of Directors in office since 1 July, 2020 (reelected on 1 July, 2023)

Ing. Yvona Tošnerová

Deputy Chairwoman of the Board of Directors

Member of the Board of Directors in office since 1 July, 2021 (reelected on 1 July, 2024)

Bc. Jiří Antoš

Deputy Chairman of the Board of Directors

Member of the Board of Directors in office since 1 June, 2021 (reelected on 1 June, 2024)

Organizational structure of the Company valid as at 31 December, 2024

Supervisory Board

Audit committee

Board of Directors

Chief Executive Officer
Ing. Pavel Čejka, MBA

- Change Management
- Product Management
- Financial
- IT

Chief Commercial Officer
Bc. Jiří Antoš

- Sales Support
- External Sales Networks
- Sales Network Care

Chief Risk Officer
Ing. Yvona Tošnerová

- Legal
- Credit Risk Management
- Risk Controlling
- Process Development and State Contributions

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 & Controls Committee
Change Management Committee
Security Committee
Marketing and PR Committee
Sales Committee
IT Management Committee

Activities not listed here are outsourced to Raiffeisenbank a.s.

Board of Directors' Report on the Company's business activity and status of assets

Business performance

2024 was a successful year for our clients, sales representatives and employees. The decrease in interbank rates, along with subsiding inflation and growing client demand, generated numerous positive business outcomes. We are very pleased to see that once again, our sales representatives and employees are able to cope with new and challenging situations and support our clients.

The Czech Republic continues to face a difficult task: its building energy efficiency level, especially of single-family houses, is one of the lowest in the EU. Tens of billions of Czech crowns need to be expended on housing renovations and upgrades. Our new role as a building society in subsidy advisory services and in the provision of discounted loans to increase residential energy efficiency opens up new business options and introduces new opportunities. We provide major support to clients implementing energy-saving measures, including e.g. building insulation, window replacement, installation of renewable energy sources and heating upgrades. Our sales representatives advise clients on the documentation required for subsidies and can also submit subsidy applications on behalf of clients. Through these activities, we are helping to transform housing in the Czech Republic and to reach increased energy efficiency targets. We are seeing significant growth in the volume and quantity of loans for housing renovations and upgrades, both standard and discounted, which are mainly provided by building societies. We are very pleased to be one of the market leaders both in advisory services and the volume of these loans.

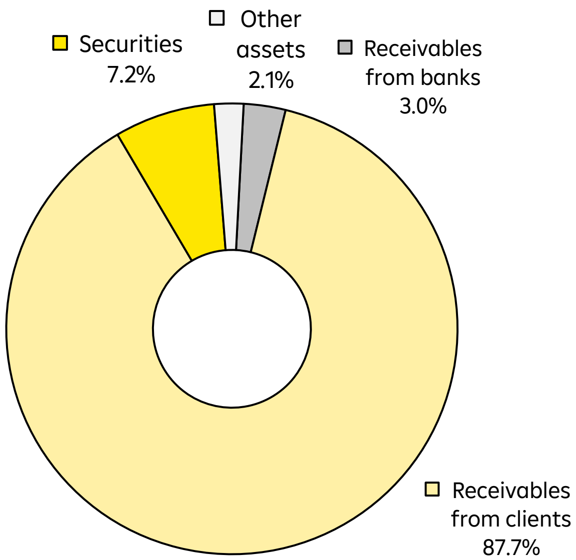
We saw continued growth in our key products and despite the highly competitive environment we achieved record sales results, particularly in unsecured loans, where we are the market leader. Collaboration in the cross-selling of Raiffeisen stavební spořitelna and Raiffeisenbank products continues to expand; for example, clients can open a current account or take out a consumer loan or a mortgage. Clients can purchase a building savings product or apply for a housing renovation loan at a Raiffeisenbank branch or in its mobile banking app or internet banking. 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.

Our business performance showed growth in new volumes of both unsecured and secured loans. The market is growing, and our growth rate is even slightly higher, as demonstrated by Raiffeisen stavební spořitelna's growing market share in loans. We provided loans totalling more than CZK 11.9 billion. We increased sales by 62% year-on-year in unsecured loans, and by 77% in mortgages. Raiffeisen stavební spořitelna concluded almost 82,000 new building savings contracts with natural persons and legal entities, including top-ups to the savings target amounts. Despite the 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.

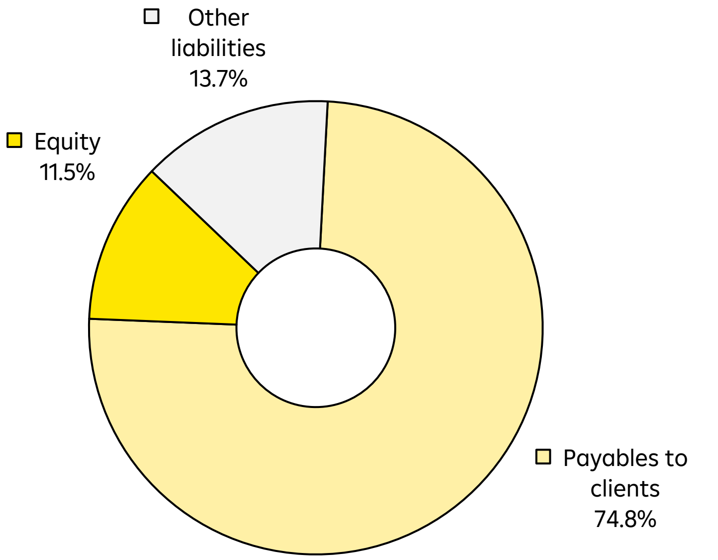
Additional services in various types of insurance, supplementary retirement savings, consumer loans or current and savings accounts continue to appeal to our clients. In collaboration with Uniqa and Generali we offer loan repayment, life and property insurance products.

Raiffeisen stavební spořitelna's professional team of in-house financial advisors, who provide high quality advisory services at almost 160 advisory centres throughout the Czech Republic, continues to be a key 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 2024



Structure of liabilities in 2024



Commentary on financial results

Raiffeisen stavební spořitelna's 2024 financial results were very good. The combination of subsiding inflation, decreasing interest rates and stable employment rates created the ideal conditions for heightened client interest in acquiring or renovating properties, which led to increased use of the RSTS's services.

Raiffeisen stavební spořitelna's profit in 2024 was CZK 754.5 million, which was a year-on-year decrease of 9%. However, this decrease was caused by one-off effects in 2023, particularly the release of provisions.

RSTS's total assets equalled CZK 78.7 billion, which equals a year-on-year decline of 3.1%. This decline is due primarily to a decrease in receivables from banks, which declined by CZK 2.3 billion.

Total client deposits as at EOY equalled CZK 58.9 billion, which is a year-on-year decline of 0.9%. The slight decline in total client deposits is encouraging, especially considering the reductions in previous years that were driven by legal uncertainties surrounding building savings in the Czech market. The number of building savings contracts in force at EOY 2024 was CZK 2.96 million, a year-on-year decrease of 6.9%. Raiffeisen stavební spořitelna's share of that number was 551,000 contracts (18.6%), which is a year-on-year decrease of 5.7%.

Raiffeisen stavební spořitelna provided a total volume of CZK 11.9 billion in client loans in 2024, which equals a year-on-year increase of 67.2%. The total building savings lending market grew by 45.1%. The total balance of loans provided to Raiffeisen stavební spořitelna clients equalled CZK 69.0 billion, which is a year-on-year decrease of CZK 0.2 billion (0.3%). Falling interest rates created loan refinancing opportunities.

The total volume of receivables from clients comprised 117.2% of client deposits, which is a year-on-year increase of 0.7 percentage points. The higher loan-to-deposit ratio was offset by interbank loans from the parent company Raiffeisenbank, which equalled CZK 9.4 billion as at EOY 2024, including accrued interest.

The volume of securities held by RSTS was CZK 5.7 billion, which is a year-on-year decrease of 0.2%. Securities constitute a liquidity reserve against potential liquidity fluctuations. Additional available liquidity is reinvested in the Czech National Bank under the 14-day repo facility.

The sum of net interest income and net fee and commission income amounted to CZK 1.55 billion, a year-on-year increase of 23%. Net interest income equalled CZK 1,319.4 million in 2024, which is a year-on-year increase of 24.6%. The robust demand for loans stimulated interest income, which increased by 11.8% year-on-year. Client deposit financing costs rose by 11.9% year-on-year.

The balance of payables to clients decreased by CZK 0.5 billion, while interest expense increased to CZK 1,232.4 million. The development of subordinated liabilities remained unchanged year-on-year at CZK 602 million. Interest expense related to servicing subordinated debt equalled CZK 30.5 million in 2024.

Net gain from fees and commissions equalled CZK 232.7 million, which is a year-on-year increase of 13.4%. Raiffeisen stavební spořitelna paid CZK 10.1 million for a guarantee issued by the parent company to be used in case of resolution proceedings (MREL).

Total operating expenses and depreciation were CZK 470.2 million in 2024, a year-on-year decrease of 8.7%. The total costs of subcontracted tasks secured by Raiffeisenbank equalled CZK 173.5 million. Depreciation decreased by CZK 0.6 million year-on-year to CZK 68.9 million.

The development of risk costs is consistent with a prudent approach to credit risk and favourable macroeconomic indicators, in particular the unemployment rate. The impact of high interest rates was offset by the use of provisions created for these purposes. 2024 cannot be compared to 2023, when a significant part of the provisions was released due to the implementation of the Internal Ratings Based (IRB) approach to capital requirements for credit risk.

The impairment loss on financial assets recognised at amortised cost was CZK 62 million in 2024, which was offset by income from written-off and assigned receivables of CZK 16 million. Net risk costs therefore equalled CZK 46 million.

The Company's overall liquidity is very good. In addition to its own liquidity reserve, the Company has the option of drawing on the resources of the parent company Raiffeisenbank through interbank loans. As at EOY 2024, we had drawn down resources totalling CZK 9.5 billion through interbank loans, which is a year-on-year decrease of 21%.

Information about acquisition of own shares or stock

Raiffeisen stavební spořitelna did not acquire any own shares or stock in the 2024 accounting period.

Awards, achievements, points of interest

Similarly to previous years, Raiffeisen stavební spořitelna strove to connect with its clients as much as possible. The Company further simplified the arranging of services through the mobile app and setting up of building savings contracts for underaged clients. As a result, it reached the younger age group of potential clients.

In 2024, alongside its excellent business performance and financial results, Raiffeisen stavební spořitelna clearly showed that it is on track with implementing its strategy that is focused on client satisfaction, financial advisory services, expansion of loans and an ever-broader range of digital services. Raiffeisen stavební spořitelna succeeded in taking advantage of the growing demand for housing loans, launching subsidy advisory services and energy efficiency loans, and increasing client satisfaction. Through these measures, RSTS is a key partner for clients striving for enhanced housing and financial security.

RSTS also showed its market strength by winning an award in the Zlatá koruna competition in the Building savings category. Its product REKOpůjčka (loan for renovations), offering up to CZK 1.5 million with low repayment rates and no real estate guarantee, took third place. With its profitable savings account, it also offered one of the best building savings interest rates in the savings bank segment. Clients were also eligible for a cash bonus when opening a new account at Raiffeisenbank. RSTS's building savings product took third place in the Product of the Year category in Scott & Rose's Finparáda.cz assessment.

RSTS also sees great potential in collaboration with associations of unit owners and cooperatives. For these groups, RSTS finances mainly external insulation, solar panels and, more recently, community energy projects.

Services and products in 2024

Services

In 2024, we continued to dedicate intensive efforts to our Customer Experience project. We believe that for many clients, customer experience is now one of the deciding factors when choosing and staying with a financial institution.

We focused on simplifying processes and accelerating services, and we initiated a review of communication aimed at clients. We aim to ensure that our communication – whether it is an email, a document or other information – is clear to clients during the first reading.

Service delivery has seen a major qualitative change in digital banking. We discontinued our Internet service and made modern internet and mobile tools available to our clients. With these tools, clients can see all of their Raiffeisen stavební spořitelna products, documents, account balances, etc. in one place. We will continue to expand the scope of information and account services available through these digital tools.

These new tools allowed us to speed up communication with clients in 2024; we now direct most documents and communication to clients' internet and mobile banking, or to their data box and e-mail. In this way we significantly expanded paperless documentation.

We use modern technologies, learn with them and consider how to integrate AI into our processes and activities where it makes sense, so that our employees can turn their attention to more interesting tasks.

Products

A new chapter of building savings began in 2024. Two major changes occurred that affect how building savings banks operate across the board.

The amendment to the Building savings act lowered the maximum state contribution to CZK 1000, which will actually be credited to clients for the first time in 2025.

The second major change was expanding the portfolio by adding the option of providing subsidy advisory services to clients – primarily for the New green savings programme – and related discounted loans.

We continued to compete for building savings clients and their deposits, mainly against savings accounts, where interest rates remained higher. Although building savings offer a guaranteed interest rate for a minimum of 6 years, a significant number of clients choose a savings account with a higher, although unguaranteed rate.

In 2024, the combination of high rates and reduced state contributions affected the number of concluded contracts, just as it had in 2023. However, other distribution channels where our clients can purchase a buildings savings contract are gradually coming into play – including both Raiffeisenbank branches and completely online processes.

We constantly look for ways to leverage the Group's strength. In 2024, we introduced a new market innovation: bonuses for concluding a building savings account credited to the client's current account.

Full use of the Group's digital channels by RSTS clients is already a matter of course. Our efforts to motivate more and more clients to actively use these channels have been successful.

In lending, 2024 was a record year for unsecured loans, primarily for clients' home improvements, including energy-efficient solutions. The option of offering subsidy advisory services, as well as subsidies in general that are related to enhancing housing, fit perfectly into this mosaic.

In March 2024, we enriched our portfolio with discounted loans designed for clients using the Repair grandma's house subsidy programme. These clients can also obtain a loan for roughly half the standard market rate.

In the second half of the year, the secured real estate loan market also began to recover, despite the fact that the loan rate was higher than had been typical in the past.

We continue to offer loans, as well as savings, for housing cooperatives and associations of unit owners. We help these clients acquire entire apartment buildings intended for cooperative ownership or renovate existing buildings. We are also gradually rolling out subsidy assistance for this segment.

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; therefore, 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.

In 2024, Raiffeisen stavební spořitelna used the standardized approach to calculate capital adequacy for credit risks 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

Raiffeisen stavební spořitelna's staff strategy is focused on achieving targets and implementing the corporate strategy. The policy stresses development of a pleasant and dynamic work environment, where relationships are based on friendship, trust and cooperation and respect for each individual. Sharing knowledge, promoting innovation and supporting digitalization are key elements of our corporate culture. There is an environment of open communication, and feedback is provided through both formal and informal channels.

In 2024, we organised a number of successful off-site meetings that strengthened relations and enhanced cooperation between employees of Raiffeisenbank and Raiffeisen stavební spořitelna. We held several joint events outside of the office, such as teambuilding activities and company-wide gatherings. Employees meet regularly with the Company's Board of Directors, which gives them the opportunity to learn about the Company's corporate strategy and business performance and suggest new ideas.

The Company's remuneration system is designed to support healthy, effective risk management. Its main goal is to recognize and motivate employees for their contribution and achievements. This creates an atmosphere that supports employees' professional growth and helps achieve excellent results. We use the approach employed throughout the Raiffeisen group to determine categories of employees with a significant impact on the risk profile.

We promote systematic employee development and education. Through our collaboration with Raiffeisenbank, we expand the development opportunities available to employees of Raiffeisen stavební spořitelna. The range of employee benefits is constantly updated to reflect market developments and employees' preferences.

We value our employees and support them in various situations that arise in their lives. We offer supportive programmes and benefits to improve our employees' professional and personal lives.

Corporate social responsibility

In 2024, Raiffeisen stavební spořitelna continued to support non-profit organizations, having distributed over half a million CZK in donations. This last year, the main focus was on organizations that centre their attention on single parents, debt consultancy, male health, and palliative care. A new line of focus was on organizations dedicated to intergenerational relations and support of young adults exiting institutional child care.

Raiffeisen stavební spořitelna continues to support receiving organizations from previous years. When choosing support beneficiaries, the Board of Directors accentuates organizations that target groups most affected by current economic developments. Thus the aid is distributed to a varied range of non-profit organizations.

In 2024, Raiffeisen stavební spořitelna's Board of Directors resolved to donate CZK 50,000 to each of the following organizations: Klub svobodných matek (Single Mothers' Club), Cesta domů (Journey Home), the Muži proti rakovině (Men Against Cancer) Endowment Fund, and the Diaconia of the Evangelical Church of the Czech Brethren which among others provides debt counselling. Over twenty years lasting support to Akord, a day care centre for handicapped people, has also continued.

Among those newly supported by Raiffeisen stavební spořitelna was Mezi námi (Between Us), an organization which promotes intergenerational activities especially through connecting children with senior people. A donation of CZK 50,000 has also been made to Dejme dětem šanci (Let's Give Children a Chance) which helps young adults who exit institutional child care.

Through its regional directors, Raiffeisen stavební spořitelna has been also helping in regions. It gave a donation to Krtek Children's Oncology Endowment Fund in Brno and an individual financial contribution to an ill boy in Jindřichův Hradec.

Employees also personally engaged in the Movember campaign and participated in a volunteer day at the Children's Centre of the Thomayer University Hospital.

Research and development costs

Raiffeisen stavební spořitelna did not have any research and development costs in the 2024 accounting period.

Branches abroad

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

Environmental protection

In association with Raiffeisenbank, Raiffeisen stavební spořitelna actively implements ESG principles. Sustainability is our priority. We are increasing our energy efficiency and reducing our carbon footprint by installing energy-efficient electricity, heating and cooling technologies. We aim at reducing our water consumption and use environmentally-friendly cleaning products. We follow measures in place for the collection, sorting and recycling of secondary raw materials such as plastics, paper, glass, biological and electronic waste. We promote active modes of transport and encourage everyone to use a bicycle for commuting.

In accord with Raiffeisenbank, we proactively uphold environmental initiatives of our employees and promote their training on the significance of sustainability. We believe that treating the environment responsibly is crucial for the future of our society and the entire planet. Our association with Raiffeisenbank gives us the opportunity to collaborate with domestic and foreign organizations and stakeholders in the field of sustainability and actively contribute to development of corporate social responsibility in the Czech Republic.

Raiffeisen stavební spořitelna is covered by the Sustainability Report issued by Raiffeisenbank a.s. At the date of publication of this Annual Report, the Sustainability Report has not been published yet.

Prague, 18 March 2025

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's 2024 Business activity report

Over the course of 2024, Raiffeisen stavební spořitelna a.s.'s (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 2024. The meetings took place on 4 April, 27 June and 28 November, 2024. 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 no changes to the composition of the Supervisory Board in 2024.

Throughout 2024, the Supervisory Board supervised business and economic performance, developments in liquidity, risk management, the internal audit, and implementation of corrective actions in regard to audit findings. The Supervisory Board also supervised compliance and anti-money laundering tasks. The Company Board of Directors regularly informed the Supervisory Board about long-term plans, important projects and other significant events in the Company. The Supervisory Board did not find any inadequacies in any of these areas.

The Company Board of Directors informed the Supervisory Board about the progress, accomplishments and completion of the IT transformation program. Over the course of the year, the Supervisory Board endorsed updates of the Company's organizational structure and to outsource certain activities to Raiffeisenbank a.s. The Supervisory Board also proposed to the single shareholder to appoint Deloitte Audit s.r.o. as the Company's statutory auditor for accounting periods 2025–2027.

Since the terms of office of Yvona Tošnerová and Jiří Antoš in the Board of Directors expired, the Supervisory Board reelected them in April 2024 as members of the Raiffeisen stavební spořitelna's Board of Directors.

The Supervisory Board took note of the internal audit report assessing the management and control system, in which the Company's management and control system was found to be functional and effective.

The Supervisory Board assessed the professional competence and experience of the members of the Board of Directors, i.e. both as the Company's executive body and as individual members, in relation to performance of their tasks. The Supervisory Board did not find any inadequacies in these areas. The Supervisory Board also monitored application of and adherence to principles underlying compensation of Company staff over the entire year.

At its meeting on 24 March, 2025 the Supervisory Board discussed the Board of Directors' 2024 Annual Report and the report on related parties, reviewed the Financial Statement as at 31 December, 2024, 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' 2024 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, 24 March 2025

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

Deloitte.

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Court in Prague, Section C,
File 24349
ID. No.:49620592
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

Opinion

We have audited the accompanying financial statements of Raiffeisen stavební spořitelna a.s. (hereinafter also the "Company") prepared on the basis of IFRS Accounting Standards as adopted by the European Union, which comprise the statement of financial position as at 31 December 2024, and**,** the statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended, and notes to the financial statements, including material accounting policy 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 2024, and of its financial performance and its cash flows for the year then ended in accordance with with IFRS Accounting Standards as adopted by the European Union.

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.

Key audit matter	**Related audit procedures**
Allowances for losses from loans and advances to customers	
(Note 2.13.2 to the Financial Statements) As at 31 December 2024, gross loans and advances to customers (hereinafter "loans") amounted to	Based on our risk assessment and industry knowledge, we assessed the amount of allowances and methodology applied and the assumptions used in the calculation

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Key audit matter	Related audit procedures
CZK 69,620 million, against which allowances for expected credit losses (hereinafter "allowances") of CZK 593 million were recorded. The allowances are determined using statistical models for both performing loans (Stage 1 and 2) and non-performing exposures (Stage 3). The measurement of allowances for loans is deemed a key audit matter due to the level of judgement applied by Management especially with regard to identifying impairment of receivables and quantifying loan impairment. 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 2024 financial reporting has significantly increased. The most significant judgements applied in determining allowances relate to: • 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. Management provided further information about loan impairment in Note 2.3.1.6.3 and Note 2.30.2 to the Financial Statements.	of allowances. Together with our specialists, we performed re- calculation of the allowances. 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. With the assistance of our IT specialists, we tested IT controls relating to access rights and change management of relevant IT applications. <u>Assumptions used in the expected credit loss models</u> 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. 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. <u>Identification of exposures with a significant increase in credit risk and non-performing loans</u> 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. We performed comparison of allowance levels to industry benchmarks.
Interest and fee income recognition	
(Note 2.4 and 2.5 to the Financial Statements) For the year ended 31 December 2024 the interest income and similar income recognized through the effective interest rate method amounted to CZK 3 121 million. The fee and commission income for the same period amounted to CZK 420 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. While interest income is recognised on an accrual's basis over the expected life of a financial instrument,	Based on our risk assessment and industry knowledge, we evaluated the methodology applied in revenue recognition and the assumptions used by management. We tested the design and operating effectiveness of the key internal controls and focused on: • 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,

Key audit matter	Related audit procedures
the recognition of fee income depends on the nature of the fees as follows: • 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. 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. Management provided further information about interest income in Note 2.3.1.1 to the Financial Statements.	• IT controls relating to access rights and change management of relevant IT applications with the assistance of our IT specialists. We also performed the following procedures with regard to interest and fee income recognition: • We evaluated the accounting policy applied by the entity to determine whether the methodology complies with the requirements of the relevant accounting standard. • We considered appropriateness of the length of the period for recognition of fee and commission income and expense. We focused our testing on verification of the correct classification of: • Fees that are identified as directly attributable to a financial instrument; and • Fees that are not identified as directly attributable to a financial instrument. We evaluated the mathematical formulae used for amortisation of relevant income over the expected life of the financial instrument. We analysed the accuracy of the recognised amount of interest income and fee and commission income using substantive analytical tests and data analytics.

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.

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 IFRS Accounting Standards as adopted by the European Union 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 skepticism 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 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.

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 2024 which is included in this annual report on pages 76 to 82 This related party transactions report is the responsibility of the Board of Directors. 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 2024 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 2024 by the General Meeting of Shareholders on 17 June 2020 and our uninterrupted engagement has lasted for 4 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 18 March 2025 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 24 March 2025

Audit firm:	Statutory auditor:
Deloitte Audit s.r.o. registration no. 079	Ivana Smejkalová registration no. 2417

Financial section

Raiffeisen stavební spořitelna a.s.

Separate Financial Statement
compiled in compliance with
International Accounting Standards (IFRS)
as adopted by the European Union
for the year ending 31 December, 2024

The Financial Statement includes:

- Statement of Comprehensive Income
- Statement of Financial Position
- Statement of Changes in Equity
- Cash Flow Statement
- Annex

1 Financial Statements

1.1 STATEMENT OF COMPREHENSIVE INCOME

M CZK	Chapter	2024	2023
Interest income and similar income recognized through the effective interest rate method		3,121	2,751
Interest expense and similar expense recognized through the effective interest rate method		-1,802	-1,692
Net interest income	**2.4**	**1,319**	**1,059**
Fee and commission income		420	414
Fee and commission expense		-188	-209
Net fee and commission income	**2.5**	**232**	**205**
Net gain (+) / net loss (-) from financial operations		-1	-1
Net gain (+) / net loss (-) from hedge accounting	2.6	1	0
Gain (+) / loss (-) from financial asset impairment at amortized cost	2.7	-62	355
Gain (+) / loss (-) from derecognition of financial assets recognized at amortized cost	2.8	16	19
Employee expenses	2.9	-135	-127
General operating expense	2.10	-401	-446
Depreciation of tangible and intangible assets	2.14	-69	-70
Other operating income	2.11	59	46
Other operating expense	2.11	-57	-47
Profit before income tax		**902**	**993**
Income tax	**2.28**	**-148**	**-166**
Net profit/loss for the accounting period		**754**	**827**

1.2 STATEMENT OF FINANCIAL POSITION

M CZK	Chapter	31/ 12/ 2024	31/ 12/ 2023
ASSETS			
Cash & cash equivalents	**2.12**	**74**	**4**
Financial assets at amortized cost	**2.13**	**77,035**	**79,576**
Receivables from banks	2.13.1	2,301	4,608
Receivables from clients	2.13.2	69,027	69,254
Debt securities	2.13.3	5,668	5,682
Other receivables at amortized cost	2.13.4	39	32
Revaluation at fair value of items measured as part of a portfolio	2.13.2	**0**	**0**
Hedging derivatives with a positive fair value	**2.14**	**81**	**0**
Shares in subsidiaries	**2.15**	**0**	**0**
Intangible fixed assets	**2.16**	**282**	**263**
Tangible fixed assets	**2.16**	**23**	**15**
Other assets	**2.17**	**1,210**	**1,328**
Total assets		**78,705**	**81,186**
LIABILITIES AND EQUITY			
Financial liabilities at amortized cost	**2.18**	**69,489**	**72,654**
Payables to banks	2.18.1	9,463	12,033
Payables to clients	2.18.2	58,902	59,434
Subordinated liabilities	2.18.3	602	602
Other financial liabilities at amortized cost	2.18.4	522	585
Revaluation at fair value of items measured as part of a portfolio	2.18.2	**-21**	**0**
Hedging derivatives with a negative fair value	**2.19**	**0**	**0**
Provisions	**2.20**	**45**	**41**
Liability for tax due		**22**	**67**
Deferred tax liability		**17**	**18**
Other liabilities	**2.21**	**89**	**96**
Total liabilities		**69,641**	**72,876**
Registered capital	**2.22**	**650**	**650**
Other capital funds	**2.23**	**1,600**	**1,600**
Reserve fund	**2.23**	**130**	**130**
Retained earnings from previous years		**5,930**	**5,103**
Profit for the current period		**754**	**827**
Total equity		**9,064**	**8,310**
Total equity and liabilities		**78,705**	**81,186**

1.3 STATEMENT OF CHANGES IN EQUITY

M CZK	Registered capital	Share buy-back	Share premium	Reserve funds	Other funds	Capital funds	Gains (losses) from revaluation	Retained earnings	Profit (loss)	Total
Balance as at 1/ 1/ 2023	650	0	0	130	0	0	0	4,635	468	**5,883**
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/net loss for the accounting period	0	0	0	0	0	0	0	0	827	**827**
Paid share in profit	0	0	0	0	0	0	0	0	0	**0**
Transfers to funds	0	0	0	0	0	0	0	468	-468	**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	1,600	0	0	0	**1,600**
Balance as at 31/ 12/ 2023	**650**	**0**	**0**	**130**	**0**	**1,600**	**0**	**5,103**	**827**	**8,310**
Balance as at 1/ 1/ 2024	650	0	0	130	0	1,600	0	5,103	827	**8,310**
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/net loss for the accounting period	0	0	0	0	0	0	0	0	754	**754**
Paid share in profit	0	0	0	0	0	0	0	0	0	**0**
Transfers to funds	0	0	0	0	0	0	0	827	-827	**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/ 2024	**650**	**0**	**0**	**130**	**0**	**1,600**	**0**	**5,930**	**754**	**9,064**

1.4 CASH FLOW STATEMENT

M CZK	Chapter	31/ 12/ 2024	31/ 12/ 2023
Profit before tax		**903**	**993**
Adjustments for non-cash transactions			
Creation of loss allowances and provisions for credit risks	2.7	62	-355
Depreciation of tangible and intangible assets	2.16	69	70
Change in fair values of derivatives	2.25	-81	0
Gain (-) / loss (+) on sale of tangible and intangible assets	2.11	0	0
Change in revaluation of hedged items in fair value hedges	2.13.2, 2.18.2	20	0
Exchange rate gains (-) / losses (+)		1	1
Change in accruals and amortization of financial assets and liabilities		305	467
Other non-cash adjustments		-123	-83
Operating profit before changes in operating assets and liabilities		**1,156**	**1,120**
Increase/decrease in operating assets			
Mandatory minimum reserves at the CNB	2.17	-244	10
Receivables from banks	2.13.1	2,308	-3,306
Receivables from clients	2.13.2	251	1,566
Debt securities at amortized cost	2.13.3	14	-1,804
Other assets	2.17	362	114
Increase/decrease in operating liabilities			
Payables to banks	2.18.1	-2,714	3,800
Payables to clients	2.18.2	-718	-2,761
Other financial liabilities	2.18.4	-73	-120
Other liabilities	2.21	-8	-13
Net cash flow from operating activities before tax		**334**	**-1,421**
Income tax paid	2.28	-195	-103
Net cash flow from operating activities		**139**	**-1,524**
Expenses for acquisition of tangible and intangible assets	2.16	-81	-76
Income from the sale of tangible and intangible assets	2.11	2	1
Net cash flow from investment activities		**-79**	**-75**
Income from contributions to other capital funds	2.23	0	1,600
Change in lease contract liabilities	2.16.3	10	-4
Net cash flow from financing activities		**10**	**1,596**
Net increase/decrease in cash and cash equivalents		**70**	**-3**
Cash and cash equivalents at the beginning of the year		**4**	**5**
Cash and cash equivalents at the end of the year		**74**	**4**
Interest received		3,063	2,612
Interest paid		-1,737	-1,620

2 Annex to the Financial Statement for the year ending 31 December, 2024

2.1 COMPANY DETAILS

Basic information about Raiffeisen stavební spořitelna a.s.

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, as amended
Initiation of business activity	7 September, 1993
Business ID	49241257
Tax ID	CZ699003154
Registered office	Hvězdova 1716/2b 140 78 Prague 4
E-mail	rsts@rsts.cz
Internet	www.rsts.cz
Info line	412 446 408
Data box	f6qr5pb
Amendments recorded in the Commercial Registry in 2024	14 February, 2024 correction in the details of the Chairman of the Board of Directors 27 August, 2024 entry of renewed membership of Deputy Chairpersons of the Board of Directors
Legal form	Joint stock company
Shareholder and consolidated unit that compiles the consolidated Financial Statement for the smallest 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, 2024	Ing. Pavel Čejka, MBA – Chairman Ing. Yvona Tošnerová – Deputy Chairwoman Bc. Jiří Antoš – Deputy Chairman
Members of the Supervisory Board as at 31 December, 2024	PhDr. Vladimír Kreidl, MSc. – Chairman Ing. Igor Vida – Deputy Chairman Ing. Ondřej Hák – Member Kamila Makhmudova – Member Mag. Dr. Martin Stotter – Member

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/). The Raiffeisen stavební spořitelna Financial Statement was compiled in compliance with the following major accounting policies.

2.2 BASIS FOR THE FINANCIAL STATEMENT

This mandatory financial statement was compiled in compliance with the international Accounting Standards (IFRS) as adopted by the European Union and with interpretations approved by the International Accounting Standards Board – hereinafter "IASB".

The Financial Statement comprises the Statement of Financial Position, Statement of Comprehensive Income, Statement of Changes in Equity, Cash Flow Statement, and an annex to the financial statements containing accounting rules and explanatory remarks.

The Financial Statement was prepared on an accrual basis, meaning that transactions and other facts were recorded upon their occurrence and recognized in the financial statement for the period to which they are factually and temporally related, and on the assumption of the Company's continuous operation.

This Financial Statement was compiled based on historical costs (reflecting any impairment), with the exception of financial assets and financial liabilities measured at fair value through profit or loss (including hedging derivatives used for fair value hedges). For financial assets and financial liabilities that constitute hedged items in fair value hedges, which would otherwise be valued at amortized cost unless they were part of the hedging relationship, the book value is adjusted by changes in fair value occurring in correspondence to the hedged risk in the hedging relationship.

The Company compiles a separate financial statement in compliance with Act No. 563/1991 Coll., on accounting, as amended.

Figures in this Financial Statement are presented in Czech crowns (CZK). The unit of measurement is million CZK, unless stated otherwise. This Financial Statement is unconsolidated.

The preparation of the Financial Statement in conformity with IFRS requires the Company's management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities as at the date of the Financial Statement and the reported amounts of income and expenses during the reporting period. These estimates are based on information available as at the date of the Financial Statement, and actual values in the future may differ from these estimates. The key source of estimation uncertainty as at the end of the reporting period is the classification of financial assets, the estimation of impairment of financial assets measured at amortized cost, the determination of the fair value of financial assets and liabilities measured at fair value and the determination of provisions equalling the expected amount of utilized funds.

2.3 A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PRACTICES

2.3.1 ACCOUNTING POLICIES

2.3.1.1 Interest income and expense

Interest income and expense are reported in the Statement of Comprehensive Income 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 and expense. When applying the EIR method, the accounting unit identifies income and expense which comprise an inseparable part of the financial instrument's EIR. The EIR of a financial instrument includes the following income and expense, in particular:

- 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;
- Real estate appraisals;
- Interest premiums and interest benefits related to acquisition,
- Any other transaction costs and income associated with acquisition.

These items, as well as any premiums or discounts, are recognized sequentially as part of "Interest income and similar income accounted for using the effective interest rate method" or "Interest expense and similar expense accounted for using the effective interest rate method", to arrive at an income or expense equal to the effective interest rate determined at inception of the financial instrument over the expected life of the financial instrument. Assets and liabilities are recognized for a maximum of 15 years.

Interest income and expense also includes accrued interest on derivatives (interest rate swaps) that the Bank has entered into for the purpose of fair value hedging.

2.3.1.2 Fees and commissions

Fee and commission income from contracts with clients is measured based on the consideration specified in the contract with the client. Income is recognized when the Bank provides the service to clients.

Fees and commissions paid or received that are directly attributable to the issuance or acquisition of a financial asset or financial liability are an integral part of the effective interest rate of the financial asset or financial liability and are included in the calculation of the effective interest rate. These include, for example, fees for granting a loan or processing a loan application, commissions paid, etc.

Deposit and loan account management fees are deducted from the client's account on a regular basis and are debited when the client uses the relevant benefits.

2.3.1.3 Dividends

Dividend income from equity interests is recognized when the right to receive the dividend payment arises and is reported in the Statement of Financial Position as a receivable under "Other assets" and in the Statement of Comprehensive Income as income under "Dividend income". At the time of actual payment of the dividend, the receivable is offset against the cash collected.

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

2.3.1.4 Other income and expense reported in the Statement of Comprehensive Income

Other income and expense presented in the Statement of Comprehensive Income are accounted for on an accrual basis, i.e. in the period to which they relate in terms of time and substance, irrespective of the moment of their payment or receipt.

2.3.1.5 Taxation

The resulting amount of taxation shown in the Statement of Comprehensive Income includes tax payable for the accounting period adjusted for the value of any change in the tax liability from previous years and the value of deferred tax. The tax payable for the accounting period is calculated on the basis of taxable income using the tax rate and tax laws in force as at the balance sheet date.

Deferred tax is determined using the liability method and is calculated on all temporary differences between the reported book value of assets and liabilities and their valuation for tax purposes. The main temporary differences arise from certain non-tax-deductible provisions and differences between the book and tax values of tangible and intangible assets.

If the resulting amount represents a deferred tax asset and if it is not probable that the tax asset will be realized, the asset is recognized only to the extent of its expected realization.

Deferred tax is calculated using the expected tax rate applicable to the period when the tax asset is realized or the tax liability is settled. Deferred tax is calculated on all temporary differences using the liability method, by applying a basic income tax rate of 21%.

The impact of changes in tax rates on deferred tax is recognized directly in the Statement of Comprehensive Income except to the extent that the changes relate to accounting items charged directly to equity.

Deferred tax assets and liabilities are offset if there is a legal right to offset them and the deferred taxes relate to the same tax authority.

Raiffeisen stavební spořitelna is part of the RBI financial group, which is subject to the Pillar II top-up tax. For 2024, the Group is not expected to pay a top-up tax in the Czech Republic.

2.3.1.6 Financial assets and liabilities

2.3.1.6.1 Time of recognition and derecognition of financial instruments in/from the Statement of Financial Position

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

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

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

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

The substance of trade date accounting is as follows:

- Recognition of an asset to be received by the accounting unit as at the trade date; and
- Derecognition of a sold asset and recognition of the gain or loss upon disposal and recognition of a receivable from the buyer as at the trade date.

The interest on financial assets and financial liabilities is accrued from the settlement date when the ownership rights are transferred.

Financial derivatives are remeasured at fair value from the trade date until the settlement date, i.e. delivery of the last related cash flow.

The Bank recognizes financial liabilities when it becomes party to a contractual provision relating to the financial instrument and derecognizes them on the date the obligation is extinguished, i.e. when the obligation defined in the contract is discharged, cancelled or expires.

2.3.1.6.2 Principles of fair value measurement

Fair value is the price that would be obtained from a 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 need not be limited to, the accounting unit's own credit risk.

The fair value of not publicly traded derivatives is determined as the amount which the Bank would receive upon the sale of the asset or pay upon the transfer of the liability. When determining the fair value of not publicly traded derivatives, the Bank reflects current market conditions and creditworthiness of the counterparties.

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 measured at fair value, the accounting unit shall measure:

- 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 measured based on the price that could be obtained from a 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 considered less than active;
- 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.

2.3.1.6.3 Classification and measurement of financial assets and liabilities

The classification of financial assets under IFRS 9 reflects the cash flow characteristics (the "SPPI test") and the business model under which the assets are held. Based on these criteria, the Bank classifies financial instruments as:

- Financial assets measured at amortized cost ("AC");

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

Financial assets measured at amortized cost ("AC")

Financial assets may be measured at amortized cost if they are held under a model that seeks to hold financial assets to collect contractual cash flows and the cash flows meet the conditions of the SPPI test.

In the Statement of Financial Position, financial assets at amortized cost are recognized under "Financial assets at amortized cost" and include loans and receivables from banks and clients and debt securities not held for trading.

The amortized cost is the acquisition cost plus accrued interest minus principal repayments and expected credit losses through loss allowances. The Bank uses the effective interest rate method to calculate the amortized cost. Fees and related transaction costs are an integral part of the effective interest rate. All loans are recognized when funds are provided to clients (or banks). Interest income from financial assets measured at amortized cost is reported in the Statement of Comprehensive Income under "Interest income and similar income calculated using the effective interest rate method". Impairment losses are reported in the Statement of Comprehensive Income under "Gain (+) / loss (-) from financial asset impairment at amortized cost".

Analysis of contractual cash flow characteristics

For the purpose of this assessment, the principal is defined as the fair value of the financial asset on initial recognition. Interest is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding over a specific time period and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as 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 events 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 of cash flows from specific assets;
- Terms modifying the time value of money (e.g. ways of periodically resetting the interest rate).

The Bank classifies financial assets into the "Hold and collect contractual cash flows" business model:

- Loans and debt securities classified by the Bank as part of the "Hold and collect contractual cash flows" business model are held to collect contractual cash flows over the entire useful life of the instrument. 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.
- The Bank has the intention and ability to hold these loans and debt securities to maturity and expects to do so. In determining whether cash flows will be realized by collecting contractual cash flows from financial assets, the Bank assesses the frequency, value and timing of sales in prior periods, the reasons for those sales and expectations about future sales activity on the portfolio.
- The Bank considers the following sales to be consistent with the "Hold and collect contractual cash flows" business model:
- A sale as a result of an increase in the credit risk associated with a financial instrument, irrespective of the frequency and value;
- A sale carried out to manage credit risk concentration if this sale is unique (even if material in terms of its value) or immaterial in terms of value but frequent.

Impairment of financial assets

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, the Bank 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, the Bank 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 2.30.2.4.

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 are the most important types of management overlays as defined by IFRS 9. 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 2024 are shown in the table below and are broken down by category.

Accumulated impairment losses (Stage 1 and 2) as at 31 December, 2024

M CZK	Modelled credit losses	Post-modelling adjustments		Total
		HF – rising interest rates	Other	
Retail exposure	184	55	2	**241**
Non-retail exposure	5	0	0	**5**
Total	**189**	**55**	**2**	**246**

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 2.30.2.4.1.

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. Measuring impairment is consistent with measuring default, which is explained in more detail in Chapter 2.30.2.4.3.

Presentation of impairment losses in ECL in the Statement of Financial Position:

- 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 "Gain (+) / loss (-) from financial asset impairment at amortized cost". 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 "Gain (+) / loss (-) from financial asset impairment at amortized cost";
- Write-offs of receivables are included in the income statement under "Gain (+) / loss (-) from financial asset impairment at amortized cost". 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 as "Gain (+) / loss (-) from financial asset impairment at amortized cost".

2.3.1.6.4 Modification of financial assets

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

In determining whether changes in contractual terms are material or immaterial, the Bank assesses changes in contractual cash flows of financial assets based on qualitative indicators, such as a change in currency or type of instrument, and quantitative criteria, such as a change in net present value. If the terms are materially modified, the existing asset is derecognized and a new financial asset (including the new classification and new impairment stage) is recognized at its fair value as at the date of modification. Immaterial changes in the contractual terms do not result in derecognition, but in an adjustment to the gross book value of the financial asset calculated using the original effective interest rate. The gain or loss on the modification is reported under "Other operating income" and "Other operating expense", respectively.

In assessing the materiality of a change in quantitative criteria, the Bank calculates the change in the net present value (NPV) of the past and current cash flows. If the change in NPV is material, the existing asset is derecognized and a new financial asset is recognized. The difference in the book value is reported as a gain or loss on derecognition. The new financial asset (including the new classification and new impairment stage) is carried at fair value as at the date of modification and at the new effective interest rate. The date of modification is treated as the date of origination of the financial asset, in particular to determine whether there has been a significant increase in credit risk. Immaterial changes in the contractual terms (change in NPV lower than 10%) do not result in derecognition of a financial asset, but in an adjustment to the gross book value of the financial asset calculated using the original effective interest rate and the new cash flow. The assessment of materiality of the modification is not dependent on the portfolio to which the financial asset belongs; it is only affected by the change in financial flows.

The only modification relevant in the Raiffeisen stavební spořitelna environment would be restructuring of financial assets or loans. However, cash flows following restructuring are not substantially different (the modification consists merely in different timing of instalments). Therefore, such modified financial assets are not derecognized. However, such modified financial assets are considered to be in default.

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 a loan repayment deferral of 1 to 6 months between 1 May, 2020 and 31 October, 2020. As at 31 December, 2024, Raiffeisen stavební spořitelna recorded 2,012 contracts totalling CZK 1.8 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 8.1 million.

2.3.1.6.5 Derecognition of financial assets

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;
- If a debt is assessed as unrecoverable or its further recovery is uneconomical, it shall be written off.

2.3.1.6.6 Financial liabilities

The Bank classifies its financial liabilities, other than financial guarantees and commitments issued, as valued at amortized cost. After initial recognition, all other financial liabilities are subsequently measured at amortized cost using the effective interest rate method. The Bank derecognizes a financial liability when its contractual obligations are fulfilled, cancelled or expire.

2.3.1.6.7 Repurchase agreements

Raiffeisen stavební spořitelna carries out operations where 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 or 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". Securities received under reverse repo agreements are only kept in off-balance sheet accounts. Loans provided under reverse repurchase agreements are included in "Receivables from banks". Interest on bonds transferred under repurchase agreements is accrued while interest on bonds received under reverse repurchase agreements is not. Income and expense arising under repurchase 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 calculated using the effective interest rate method" or "Interest expense and similar expense calculated using the effective interest rate method".

2.3.1.6.8 Subordinated loan

A subordinated loan is a loan that has been contractually agreed to be repaid in the event of liquidation, bankruptcy, compulsory settlement or debt settlement only after all other liabilities to other creditors have been satisfied in full, except for liabilities that are subject to the same or similar subordination condition.

The principal amount of the subordinated loan and the related interest are recognized from the drawdown date to the maturity date of the subordinated loan. The subordinated loan, including accrued and unpaid interest, is reported in the Statement of Financial Position under "Subordinated liabilities". The amount of interest expense on a subordinated deposit is reported in the Statement of Comprehensive Income under "Interest expense and similar expense".

2.3.1.6.9 Financial derivatives

The Company carries out operations with financial derivatives as a part of its regular activities. The Company uses derivatives to hedge against interest-rate risks, namely interest rate swaps (IRS) denominated in CZK. All IRS in the Bank are held for hedging purposes and serve for fair value hedging of assets and liabilities with a fixed interest rate.

The Company keeps hedge accounting in a way to minimize the impacts of IRS revaluation. Thus, only ineffective hedging relationships are reflected in the Company's profit/loss. In a given hedging relationship, the IRS serve as a hedging instrument and the hedged items are the respective assets or liabilities, depending on the type of hedging relationship.

The Company monitors hedging effectiveness on a monthly basis, comparing the volume of the hedging instrument with the volume of the hedged item.

All financial derivatives are initially recorded in the Statement of Financial Position at their fair value, and subsequently revalued and recognized at their current fair value.

Fair values of hedging financial derivatives are reported in the Statement of Financial Position under "Hedging derivatives with a positive fair value" and "Hedging derivatives with a negative fair value". Interest income and expense pertaining to financial derivatives used as hedging instruments for fair value hedges are reported depending on whether the hedged item generates interest income or interest expense. The net interest income from/expense of hedging derivatives used to hedge financial assets at amortized cost is reported in the Statement of Comprehensive Income under "Interest income and similar income accounted for using the effective interest rate method" – "Hedging interest-rate derivatives", while the net interest income from/expense of hedging derivatives used to hedge financial liabilities at amortized cost is reported in the Statement of Comprehensive Income under "Interest expense" – "Hedging interest-rate derivatives".

The fair value of financial derivatives also comprises the credit or debit adjustments due to credit risks on the part of the derivative trade counterparty.

Over the course of 2024, the Company recorded the following hedging relationships that meet the criteria for hedge accounting according to IAS 39.

Fair value hedging:

- Hedging the fair value of the portfolio of receivables from retail and corporate loans;
- Hedging the fair value of the portfolio of building savings (client deposits).

2.3.1.6.10 Hedge accounting

The Company keeps hedge accounting according to IAS 39, rather than the current IFRS 9 principles. Hedging derivatives are derivatives which the Bank may use to hedge against interest-rate risks.

A hedging relationship is accounted for as a hedge only if the following conditions are met cumulatively:

a) At inception, the hedging relationship is formally established and documented, and the accounting unit's targets in risk management and strategies for realization of the hedge are also documented;

b) The hedging is expected to be highly efficient in compensating changes in fair value related to the hedged risk in line with the initial documentation on company risk management strategy in the given hedging relationship;

c) The hedging effectiveness can be reliably measured, i.e. the fair value of the hedged item pertaining to the hedged risk and the fair value of the hedging instrument can both be reliably measured;

d) The hedging is continuously reviewed over the course of the applicable accounting periods and is rated as highly efficient;

e) Current changes in fair values of hedged items and hedging instruments are nearly balanced (ranging between 80% to 125%).

The Company only uses fair value hedging to hedge against interest-rate risks. Changes in fair value of hedging derivatives classified as fair value hedges are reported in the Statement of Comprehensive Income under "Net gain from hedge accounting", while the net interest income from/expense of such derivatives (both realized and accrued) is reported in the Statement of Comprehensive Income under "Interest income and similar income accounted for using the effective interest rate method" or "Interest expense and similar expense". In case of hedging the fair value of a portfolio of hedged items, the change in fair value of the hedged items is reported in the Statement of Financial Position under the respective items "Change in fair value of items measured as part of a portfolio" and under "Net gain from hedge accounting" in the Statement of Comprehensive Income.

The hedging effectiveness is tested prospectively and retrospectively on a regular monthly basis. If the hedging ceases to meet the criteria for hedge accounting, the hedging instrument expires, the hedging instrument is sold, terminated or applied, the Bank shall cancel the hedging relationship and the adjusted book value of the hedged interest-bearing financial instrument is reported in the Statement of Comprehensive Income until the maturity of the hedged item.

2.3.1.6.11 Offsetting of financial assets and liabilities

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.

2.3.1.7 Equity investments

Equity investments in companies with controlling and substantial influence and jointly controlled entities are recognized at acquisition cost, including transaction costs, net of any loss allowances made due to temporary impairment of their value or net of any write-offs due to permanent impairment of their value.

As at the date of the Financial Statement or interim Financial Statement, the Bank assesses equity investments in companies with a controlling or substantial influence or jointly controlled entities for impairment. Impairment of any equity investment in companies with a controlling or substantial influence is measured as the difference between the book value and the recoverable amount of the investment. The recoverable amount is the higher of either the investment's fair value less the cost of disposal, or its value in use determined as the sum of the discounted expected cash flows.

2.3.1.8 Tangible and intangible fixed assets

Tangible fixed assets are assets that have a tangible substance, whose useful life is longer than one year and whose entry price is higher than CZK 80,000.

Intangible fixed assets are assets that do not have a tangible substance, whose useful life is longer than one year and whose entry price is higher than CZK 80,000.

Tangible and intangible fixed assets are carried at acquisition cost less accumulated amortization and loss allowances and are depreciated in the Statement of Comprehensive Income under "Depreciation of tangible and intangible assets" from the moment they are ready for use, evenly over their estimated useful lives.

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

Type of asset	Depreciation period
Software	4–21 years
Machinery and equipment	4–5 years
Computer equipment	4 years
Furniture and fixtures	5–6 years
Vehicles	5 years
Right of use	as per the anticipated validity of the lease contract

2.3.1.9 Lease contracts

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.

The Bank in the position of a lessee reports the right-of-use asset and the related lease liability 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;
- 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 dismantling and removal of the leased asset; commissions paid to a 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 "Tangible fixed assets" 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 "Depreciation of 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 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 valuation is thus adjusted, 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 either as an income, or as an expense.

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

Interest expense ensuing from lease liabilities is reported in the income statement under the "Interest expense and similar expense calculated using the effective interest rate method" item.

Raiffeisen stavební spořitelna leases non-residential premises.

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.

2.3.1.10 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 particular to:

- Provisions for commitments made in accordance with IFRS 9;
- Other provisions – their creation is not stipulated by law (tax non-deductible provisions).

2.3.1.11 Reporting foreign currency operations

Foreign currency transactions are initially valued at the official exchange rate announced by the Czech National Bank (hereinafter referred to as "CNB") on the transaction date. Foreign currency assets and liabilities are translated into the local currency at CNB's exchange rate applicable as at the reporting date of the Statement of Financial Position. Realized and unrealized exchange rate gains and losses are recognised in the Statement of Comprehensive Income under "Net gain (+) / loss (-) from financial operations". Non-cash items valued at fair value denominated in a foreign currency are translated using the exchange rate as at the date the fair value is determined. Non-cash items measured at historical cost denominated in a foreign currency are not translated.

2.3.1.12 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.

2.3.1.13 Cash & cash equivalents

Cash in hand, deposits with central banks except for mandatory minimum reserves, and deposits with other banks with one-day maturity are considered to be cash equivalents.

2.3.1.14 Mandatory minimum reserves

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

2.3.1.15 Employee benefits

Employee benefits include wages and other cash and non-cash benefits granted to employees based on their contracts or internal guidelines. Provided employee benefits are recognized under "Employee expenses" for the period to which they are factually and temporally related.

Wage expenses include also discretionary bonuses tied to fulfilment of predefined targets. There are different targets defined for different employee groups and [the bonuses] are recognized under "Employee expenses" for the period in which the targets were fulfilled.

2.3.1.16 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 Raiffeisen stavební spořitelna uses professional judgement, 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 judgements are based on the information available as at the date of the Financial Statement and relate, in particular, to the determination of:

- Amount 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 the value of and provisions for credit risks in respect of financial assets valued at amortized cost, provided loan 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.

When determining the volume of interest premiums and interest benefits that the Bank started offering in connection with client deposits in 2024, the Bank made projections of anticipated clients' behaviour.

Information on key accounting judgements 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.

2.3.1.17 Changes in accounting rules in 2024

2.3.1.17.1 Newly adopted standards and interpretations whose application had a material impact on the financial statements

In 2024, the Company began to apply no new standards and interpretations whose application would have a material impact on the financial statement.

2.3.1.17.2 Newly adopted standards and interpretations whose application did not have a material impact on the financial statements

The following amendments to existing standards issued by the International Accounting Standards Board (IASB) and adopted by the European Union became effective for the first time in the current period:

- Amendments to IFRS 16 (Lease Obligations under Sale and Leaseback Arrangements), issued by the IASB on 22 September, 2022. The amendments require the seller/lessee to subsequently measure the lease liability arising from leaseback in order not to recognize a gain or loss related to the right of use that they have retained. The amendments do not affect the gain or loss recognized by the seller/lessee in connection with the partial or complete termination of the lease.
- Amendments to IAS 1 (Classification of Liabilities as Current and Non-current), issued by the IASB on 23 January, 2020. The amendments provide a more general approach to the classification of liabilities under IAS 1 based on contractual arrangements existing at the date of the financial statements.
- Amendments to IAS 1 (Non-current liabilities with covenants), issued by the IASB on 31 October, 2022. The amendments clarify how the conditions that an entity is required to comply with within twelve months after the balance sheet date affect the classification of a liability.
- Amendments to IAS 7 and IFRS 7 (Supplier Finance Arrangements), issued by the IASB on 25 May, 2023. The amendments add disclosure requirements and other indicators to the existing disclosure requirements to provide qualitative and quantitative information on supplier finance arrangements.

The commencement of compliance with these amendments to existing standards did not result in any changes to the Company's accounting policies.

2.3.1.17.3 Standards and interpretations issued by the IASB and adopted by the European Union that are not yet effective

- Amendments to IAS 21 (Lack of Exchangeability), issued by the IASB on 15 August, 2023. The amendments include guidelines to specify when a currency is exchangeable and how to determine a spot exchange rate if it is not.

2.3.1.17.4 Standards and interpretations issued by the IASB but not yet adopted by the European Union

Currently, the IFRS accounting standards adopted by the European Union do not differ significantly from the standards endorsed by the International Accounting Standards Board (IASB). Exceptions are the following new standards and amendments to existing standards that had not been adopted for use in the EU at the date of approval of the financial statements:

- IFRS 18 (Presentation and Disclosure in Financial Statements), effective date according to the IASB: 1 January, 2027;
- IFRS 19 (Subsidiaries without Public Accountability: Disclosures), effective date according to the IASB: 1 January, 2027;
- Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7 (Annual Improvements to IFRS Accounting Standards), effective date according to the IASB: 1 January, 2026;
- Amendments to IFRS 9 and IFRS 7 (Contracts Referencing Nature-dependent Electricity), effective date according to the IASB: 1 January, 2026;

- Amendments to IFRS 10 and IAS 28 (Sale or Contribution of Assets between an Investor and its Associate or Joint Venture and Other Amendments), the effective date has been postponed indefinitely by the IASB, but earlier adoption is possible.

The Company estimates that compliance with the above amendments to existing standards will not have a material impact on the Company's financial statements in the period of initial adoption.

2.4 NET INTEREST INCOME

M CZK	2024	2023
Interest income from loans granted	2,712	2,425
Interest income from interbank transactions	181	130
Interest income from securities	228	196
Income from hedging derivatives	0	0
Interest income and similar income	**3,121**	**2,751**
Interest expense – banks	-485	-559
Interest expense on client deposits	-1,233	-1,102
Interest expense on lease liabilities	0	0
Interest expense on subordinate loan received	-30	-31
Expense on hedging derivatives	-54	0
Interest expense and similar expense	**-1,802**	**-1,692**
Net interest income	**1,319**	**1,059**

All interest income is calculated at the effective interest rate and only relates to financial assets and liabilities at amortized cost.

Raiffeisen stavební spořitelna does not claim interest on late payments (penalty interest) in defaulted loans prior to repayment. In 2024, the value of unclaimed interest was CZK 61 million (in 2023: CZK 65 million), which is recognized in off-balance sheet accounts.

Interest expense on lease liabilities reached CZK 189,000 in 2024 (in 2023: CZK 286,000).

2.5 NET FEE AND COMMISSION INCOME

M CZK	2024	2023
Fee income from building savings	218	241
Fee income from loans	69	58
Other income	133	115
Fee and commission income	**420**	**414**
Fee expense	-14	-49
Commission expense	-173	-159
Other expense	-1	-1
Fee and commission expense	**-188**	**-209**
Net fee and commission income	**232**	**205**

Fee income from building savings and loans includes in particular fees for account management, account statements and account closing. The fees are not accrued.

"Other income" mainly includes income from cross-selling commissions.

In 2024, the "Fee expenses" item included the cost of the fee of CZK 10 million for the guarantee issued by the parent company in favour of Raiffeisen stavební spořitelna for the sake of potential resolution proceedings (MREL) (in 2023: CZK 37 million).

"Commission expense" includes commissions paid to sales representatives that are not accrued – in particular, cross-selling commissions and incentive and target commissions.

2.6 NET GAIN/NET LOSS FROM HEDGE ACCOUNTING

M CZK	2024	2023
Change in fair value of hedging derivatives in fair value hedges	-20	0
Change in fair value of hedged items in fair value hedges	21	0
Net gain (+) / net loss (-) from hedge accounting	**1**	**0**

2.7 GAIN/LOSS FROM IMPAIRED FINANCIAL ASSETS RECOGNIZED AT AMORTIZED COST

M CZK	2024	2023
Creation of loss allowances for receivables from clients	-244	-211
Release of unneeded loss allowances for receivables from clients	182	551
Creation of loss allowances for other receivables	-2	-2
Release of unneeded loss allowances for other receivables	1	0
Creation of provisions for loan commitments	-1	7
Release of provisions for loan commitments	2	10
Gain (+) / loss (-) from financial asset impairment at amortized cost	**-62**	**355**

2.8 GAIN/LOSS FROM DERECOGNITION OF FINANCIAL ASSETS RECOGNIZED AT AMORTIZED COST

M CZK	2024	2023
Use of loss allowances for receivables from clients	64	75
Use of loss allowances for other receivables	0	0
Receivable write-offs and assignments	-64	-75
Income from written-off and assigned receivables	16	19
Gain (+) / loss (-) from derecognition of financial assets recognized at amortized cost	**16**	**19**

2.9 EMPLOYEE EXPENSES

M CZK	2024	2023
Salaries and remuneration paid to Members of the Board of Directors	-21	-20
Remuneration paid to Members of the Supervisory Board	-1	-1
Salaries and remuneration paid to other executives	-15	-15
Salaries and remuneration paid to other employees	-60	-59
Social security and health insurance	-29	-28
Other employee expenses	-9	-4
Employee expenses	**-135**	**-127**

Either in 2024 or in 2023, Raiffeisen stavební spořitelna 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 recorded no bonuses tied to equity.

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

Count	2024	2023
Average number of employees in a given year	80	83
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	5
Number of other members of management as at 31 December	8	8

2.10 GENERAL OPERATING EXPENSE

M CZK	2024	2023
Information technology	-63	-58
Rent and associated expenses	-2	-4
Advertising and marketing	-57	-58
Audit, legal and tax advisory	-4	-10
Of which: Statutory audit of the Financial Statement (Deloitte Audit s.r.o.)	-1	-6
Other verification jobs performed by auditors (Deloitte Audit s.r.o.)	0	-2
Other verification jobs performed by auditors (other companies)	0	-2
Costs of consultancy services provided by non-audit companies	-3	0
Contributions to the Crisis Resolution Fund	-5	-7
Contributions to the Deposit Insurance Fund	-25	-43
Other	-245	-266
Other administrative expenses	**-401**	**-446**

The 2024 audit costs include a part of the cost for the audit of the 2024 Financial Statements. The 2023 costs include the cost of the audit of the 2023 and 2022 Financial Statements.

The statutory audit of the 2024 Financial Statement was performed by Deloitte Audit s.r.o. The cost of this audit is contractually set at CZK 2.1 million excluding VAT, of which CZK 1.2 million excluding VAT were charged to 2024 costs and the remainder will be charged to 2025 costs. The total cost of the audit of the Financial Statements recognized in the 2023 accounting period was CZK 5.0 million excluding VAT (of which CZK 2.5 million excluding VAT for the audit of the Financial Statements as at 31 December, 2023, and CZK 2.5 million excluding VAT for the audit of the Financial Statements as at 31 December, 2022).

In addition to the statutory audit of the statutory Financial Statement, Deloitte Audit s.r.o. provided other verification services, namely the verification (audit) of the financial information for consolidation purposes prepared in accordance with the accounting instructions of the Raiffeisen Bank International Group. The cost of this audit is contractually set at CZK 0.7 million excluding VAT and will be will be charged to 2025 costs. The total cost of this verification recognized in the 2023 accounting period was CZK 1.4 million excluding VAT (of which CZK 0.7 million excluding VAT for the year ending 31 December, 2023, and CZK 0.7 million excluding VAT for the year ending 31 December, 2022).

The item "Other verification jobs performed by auditors (other companies)" in 2024 mainly includes the costs of preparing a corporate income tax return, paid to KPMG Česká republika, s.r.o. In 2023, these mainly include the cost of auditing models developed as part of the IRBA project; the audit was conducted by Ernst & Young, s.r.o.

The line item "Costs of consultancy services provided by non-audit companies" in 2024 mainly includes legal services provided by a law firm.

2.11 OTHER OPERATING INCOME AND EXPENSE

M CZK	2024	2023
Gain on sale of non-financial assets	2	1
Changes in operating provisions	2	-3
Expenses on the transfer of assets	-2	-1
Other	0	2
Gain (+) / loss (-) from other operating income or expense	**2**	**-1**

2.12 CASH & CASH EQUIVALENTS

M CZK	31/ 12/ 2024	31/ 12/ 2023
Deposits repayable on demand	74	4
Cash & cash equivalents – total	**74**	**4**

Demand deposits include an overnight time deposit with the CNB of CZK 70 million as at 31 December, 2024. A loss allowance in the range of single-digit crowns to thousands of crowns was made for demand deposits as at 31 December, 2024 and 31 December, 2023.

2.13 FINANCIAL ASSETS AT AMORTIZED COST

2.13.1 RECEIVABLES FROM BANKS

M CZK	31/ 12/ 2024	31/ 12/ 2023
Reverse repo operations with the CNB	2,301	4,608
Receivables from banks – total	**2,301**	**4,608**

As at 31 December, 2024, Raiffeisen stavební spořitelna acquired state zero coupon bonds and other securities in reverse repo operations as collateral at a nominal value of CZK 2,277 million (as at 31 December, 2023: CZK 4,620 million).

2.13.1.1 Analysis of receivables from banks by type of collateral received

M CZK	31/ 12/ 2024	31/ 12/ 2023
Securities	2,236	4,519
Unsecured	65	89
Total	**2,301**	**4,608**

2.13.2 RECEIVABLES FROM CLIENTS

2.13.2.1 Receivables from clients by type

M CZK	31/ 12/ 2024	31/ 12/ 2023
Receivables from loans	69,535	69,766
Other receivables	85	82
Receivables from clients – gross	**69,620**	**69,848**
Allowances for expected losses	-593	-594
Receivables from clients – net	**69,027**	**69,254**

All receivables from clients as at 31 December, 2024 and 31 December, 2023 were valued at amortized costs as per IFRS 9.

The assessment method for losses from impairment of receivables from clients is described in Chapter 2.30.2.

Raiffeisen stavební spořitelna applies hedge accounting to hedge the fair value of its portfolio of loans receivable from clients. The revaluation of hedged items as at 31 December, 2024 was CZK 170,000 (as at 31 December, 2023: CZK 286,000).

Concessional loans to clients and concessional borrowings from the State Environmental Fund as sources of financing:

Starting in March 2024, Raiffeisen stavební spořitelna began offering a product called Concessional Loan. This is a special-purpose unsecured loan provided in accordance with the rules of the State Environmental Fund (hereinafter the "SEF") for financing the reconstruction and insulation of real estate under the Repair Grandma's House scheme.

The loan has a guaranteed maximum APR announced by the SEF as a cap for a specified period. This is approximately ½ of the market interest rates for similar loans.

To compensate the banks providing these loans, the SEF provides a borrowing to finance these loans at 50% of the loan amount. The cost of these resources is 0%. Repayment is governed by a contractually agreed repayment schedule. The maturity of the borrowing is the average maturity of the tranche of loans granted in a given month. For the first five years, the borrowing is non-repayable, after which a lump sum equivalent to 60 months is repaid on a straight-line basis. Thereafter, the borrowing is repaid monthly on a straight-line basis until maturity.

Due to the limitations in the Bank's main transaction system, CIBIS, loans granted and received are recognized at their nominal value.

The volume of loans granted in nominal value as at 31 December, 2024 amounts to CZK 302 million. The volume of loans granted at fair value as at 31 December, 2024 amounts to CZK 242 million. The volume of borrowings received in nominal value as at 31 December, 2024 amounts to CZK 136 million. The volume of borrowings received in fair value as at 31 December, 2024 amounts to CZK 96 million.

The difference between the nominal and fair value of loans granted (deferred fair value difference) and the difference between the nominal and fair value of loans received (deferred grant income) are both considered immaterial.

This unrecognized immaterial difference between the nominal value and the fair value in the income statement amounts to CZK 117,000.

2.13.2.2 Receivables from clients by degree of impairment

Receivables from clients by degree of impairment as at 31 December, 2024

M CZK	Receivables from clients – gross	Loss allowances	Receivables from clients – net
Stage 1	49,817	-26	**49,791**
Stage 2	18,903	-241	**18,662**
Stage 3	900	-326	**574**
Total	**69,620**	**-593**	**69,027**

Receivables from clients by degree of impairment as at 31 December, 2023

M CZK	Receivables from clients – gross	Loss allowances	Receivables from clients – net
Stage 1	44,395	-20	**44,375**
Stage 2	24,680	-291	**24,389**
Stage 3	773	-283	**490**
Total	**69,848**	**-594**	**69,254**

2.13.2.3 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.

2.13.3 DEBT SECURITIES

Debt securities by issuer

M CZK	31/ 12/ 2024	31/ 12/ 2023
Government bonds	5,463	5,477
Other bonds	205	205
Debt securities – total	**5,668**	**5,682**

As at 31 December, 2024, a loss allowance for debt securities was created in the amount of CZK 374,000 (as at 31 December, 2023: CZK 934,000).

Government bonds can be used for refinancing through repo transactions with the CNB.

2.13.4 OTHER RECEIVABLES AT AMORTIZED COST

The "Other receivables at amortized cost" item includes in particular estimated receivables, accrued revenues and receivables from other debtors.

2.14 HEDGING DERIVATIVES WITH A POSITIVE FAIR VALUE

M CZK	31/ 12/ 2024	31/ 12/ 2023
Fair value hedging	81	0
Total hedging derivatives with a positive fair value	**81**	**0**

2.15 SHARES IN SUBSIDIARIES

2.15.1 PARTICIPATION INTERESTS WITH CONTROLLING INFLUENCE

As at 31 December, 2024 or 31 December, 2023, Raiffeisen stavební spořitelna did not record any participation interests with controlling influence.

2.16 FIXED INTANGIBLE AND TANGIBLE ASSETS

2.16.1 CHANGES IN INTANGIBLE FIXED ASSETS

Changes in intangible fixed assets in 2024

M CZK	Software	Other intangible assets	Intangible assets not in use	Total
Acquisition cost as at 31/ 12/ 2023	901	3	35	**939**
Additions	79	5	82	**166**
Disposals	0	0	-87	**-87**
Acquisition cost as at 31/ 12/ 2024	**980**	**8**	**30**	**1,018**
Adjustments as at 31/ 12/ 2023	-675	-1	0	**-676**
Additions	-59	-1	0	**-60**
Disposals	0	0	0	**0**
Adjustments as at 31/ 12/ 2024	**-734**	**-2**	**0**	**-736**
Net book value as at 31/ 12/ 2024	**246**	**6**	**30**	**282**
Depreciation 2024	**-58**	**-2**	**0**	**-60**

Changes in intangible fixed assets in 2023

M CZK	Software	Other intangible assets	Intangible assets not in use	Total
Acquisition cost as at 31/ 12/ 2022	843	3	21	**867**
Additions	62	0	76	**138**
Disposals	-3	0	-62	**-65**
Acquisition cost as at 31/ 12/ 2023	**902**	**3**	**35**	**940**
Adjustments as at 31/ 12/ 2022	-621	-1	0	**-622**
Additions	-58	0	0	**-58**
Disposals	3	0	0	**3**
Adjustments as at 31/ 12/ 2023	**-676**	**-1**	**0**	**-677**
Net book value as at 31/ 12/ 2023	**226**	**2**	**35**	**263**
Depreciation 2023	**-58**	**0**	**0**	**-58**

The “Software” line item contains new software acquired by Raiffeisen stavební spořitelna. The newly acquired software is mainly the result of the evaluation of Raiffeisen stavební spořitelna’s main client system, CIBIS, and ECM software, which is the main system for creating, collecting, managing, securing, storing, presenting and viewing digital content. In addition, two new business network systems were brought into use in 2024: VYDRA and Moduly pro OZ. The addition in “Other intangible assets” is due to the acquisition and subsequent activation of two audiovisual works (TV spots).

2.16.2 CHANGES IN TANGIBLE FIXED ASSETS

Changes in tangible fixed assets in 2024

M CZK	Land and buildings for operating activities	Right of use	Operating tangible assets	Non-operating tangible assets	Tangible assets not in use	Total
Acquisition cost as at 31/ 12/ 2023	1	28	21	2	0	**52**
Additions	0	18	0	0	0	**18**
Disposals	0	-4	-3	0	0	**-7**
Acquisition cost as at 31/ 12/ 2024	**1**	**42**	**18**	**2**	**0**	**63**
Adjustments as at 31/ 12/ 2023	-1	-19	-18	0	0	**-38**
Additions	0	-7	-2	0	0	**-9**
Disposals	0	4	3	0	0	**7**
Adjustments as at 31/ 12/ 2024	**-1**	**-22**	**-17**	**0**	**0**	**-40**
Net book value as at 31/ 12/ 2024	**0**	**20**	**1**	**2**	**0**	**23**
Depreciation 2024	**0**	**-7**	**-2**	**0**	**0**	**-9**

Changes in tangible fixed assets in 2023

M CZK	Land and buildings for operating activities	Right of use	Operating tangible assets	Non-operating tangible assets	Tangible assets not in use	Total
Acquisition cost as at 31/ 12/ 2022	1	26	62	2	2	**93**
Additions	0	2	1	0	0	**3**
Disposals	0	0	-42	0	-2	**-44**
Acquisition cost as at 31/ 12/ 2023	**1**	**28**	**21**	**2**	**0**	**52**
Adjustments as at 31/ 12/ 2022	0	-12	-55	0	0	**-67**
Additions	0	-7	-5	0	0	**-12**
Disposals	0	0	42	0	0	**42**
Adjustments as at 31/ 12/ 2023	**0**	**-19**	**-18**	**0**	**0**	**-37**
Net book value as at 31/ 12/ 2023	**1**	**9**	**3**	**2**	**0**	**15**
Depreciation 2023	**0**	**-7**	**-5**	**0**	**0**	**-12**

The amounts under "Right of use" correspond to a leasing contract in Raiffeisen stavební spořitelna's accounting concerning a lease contract for real estate and six leasing contracts (four concluded in 2023 and two concluded in 2024) on the lease of vehicles:

- Sublease agreement with Raiffeisenbank a.s., premises on the 8th floor of the CTW building,
- Six leasing contracts with Raiffeisen – leasing s.r.o., operating lease of vehicles.

The decrease of CZK 3 million under "Operating tangible assets" is due to the disposal and subsequent liquidation of assets in the "Furniture and fixtures" asset class and items in the "Other machinery and equipment" asset class. These assets were outdated and damaged and no longer useful for Raiffeisen stavební spořitelna. Furthermore, two vehicles were sold in 2024.

2.16.3 TANGIBLE FIXED ASSETS ACQUIRED UNDER LEASING CONTRACTS AS PER IFRS 16

Raiffeisen stavební spořitelna rents the building where it has its registered seat. In 2021, the Company changed its seat and executed 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.

In April 2024, 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.

In December 2024 (as at 31 December, 2024), Raiffeisen stavební spořitelna reflected in its accounting another modification of the sublease contract with Raiffeisenbank a.s. The subject of the amendment was an extension of the sublease/lease for office space through 30 April, 2028. The sublease agreement was also amended with a reduction of the floor area by 101 sqm. Raiffeisen stavební spořitelna took the lease amendment into account in its accounting as early as December 2024 on the basis of draft Amendment No. 3 to the Sublease Agreement for Business Premises, although this amendment was not signed by both parties until January 2025. The Company was reasonably certain that the amendments to the said agreement, as set out above, would become valid and effective in accordance with the terms of the Amendment.

Raiffeisen stavební spořitelna recognized and reported the amendment of the leases consisting in the reduction of the floor area as a revaluation of liabilities (reduction of lease liabilities) and a reduction in the book value of the right-of-use assets. Gains and losses arising from the lease modifications were recognized and reported in the income statement under “Other operating income”.

Raiffeisen stavební spořitelna recognized and reported the amendment of the leases consisting in the extension of the sublease agreement as an increase in the lease liability and an increase in the book value of the right-of-use assets.

In 2024, Raiffeisen stavební spořitelna concluded two new leasing contracts with Raiffeisen – leasing s.r.o. The subject matter of the contracts was operating lease of vehicles. One contract was concluded in February 2024 and the other in September 2024.

2.17 OTHER ASSETS

M CZK	31/ 12/ 2024	31/ 12/ 2023
Estimated receivables – state premiums	313	672
Mandatory minimum reserves	888	644
Other	9	12
Total other assets	**1,210**	**1,328**

“Estimated receivables – state premiums” include an estimate of state 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”.

Mandatory minimum reserves are deposits the amount of which is determined on the basis of a CNB regulation; their drawing is limited. Without being sanctioned, the Group may only draw an amount from mandatory minimum reserves which exceeds the actual average amount of the mandatory minimum reserves for the given period calculated according to the CNB regulation.

2.18 FINANCIAL LIABILITIES AT AMORTIZED COST

2.18.1 PAYABLES TO BANKS

M CZK	31/ 12/ 2024	31/ 12/ 2023
Received term deposits	9,377	12,033
Received collateral	86	0
Payables to banks	**9,463**	**12,033**

Received term deposits include mainly deposits from related parties. All transactions are arranged under fair market conditions.

The received collateral relates to Raiffeisen stavební spořitelna's interest rate swap portfolio and corresponds to the market value of future cash flows in the interest rate swap portfolio. The collateral accrues interest at the CZEONIA interest rate.

2.18.2 PAYABLES TO CLIENTS

Payables to clients by type

M CZK	31/ 12/ 2024	31/ 12/ 2023
Building savings deposits of households	**58,493**	**59,147**
Of that: Savings accounts on demand	1,319	3,622
Building savings deposits with fixed maturity	35,844	34,561
Building savings notice deposits	21,330	20,964
Building savings deposits of non-financial and financial institutions and government institutions	**146**	**165**
Of that: Savings accounts on demand	3	3
Building savings deposits with fixed maturity	57	56
Building savings notice deposits	86	106
Other	**263**	**122**
Total payables to clients	**58,902**	**59,434**

The "Other" item includes liabilities from unpaid payables to clients after the termination of their building savings contract, and liabilities associated with overpaid client loans.

According to the methodology of the CNB, 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.

Raiffeisen stavební spořitelna applies hedge accounting to hedge the fair value of its portfolio of client deposits. The revaluation of hedged items as at 31 December, 2024 was CZK 21 million (as at 31 December, 2023: CZK 0 million).

Payables to clients by sector – residents

M CZK	31/ 12/ 2024	31/ 12/ 2023
Households	58,493	59,147
Non-financial and financial institutions	82	90
Government institutions	64	75
Other	263	122
Total payables to clients	**58,902**	**59,434**

2.18.3 SUBORDINATED LIABILITIES

M CZK	31/ 12/ 2024	31/ 12/ 2023
Subordinate loans	602	602
Total subordinated liabilities	**602**	**602**

As at 31 December, 2024; 31 December, 2023; and 1 January, 2023, Raiffeisen stavební spořitelna recognized two subordinate loans. The remaining maturity of both loans as at 31 December, 2024 was: CZK 2 million 3–12 months, CZK 300 million 4–5 years, CZK 300 million more than 5 years (as at 31 December, 2023 and 1 January, 2023: CZK 2 million 3–12 months, CZK 600 million more than 5 years).

The parameters of the two loans are as follows:

- The former loan 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 latter 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. is applicable for five years, i.e. until 27 December, 2026; the interest is paid once a year; there is a put option for premature repayment after five 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.

2.18.4 OTHER FINANCIAL LIABILITIES AT AMORTIZED COST

M CZK	31/ 12/ 2024	31/ 12/ 2023
Clearing accounts for the Czech National Bank	281	338
Estimated payables	112	125
Accrued expenses	36	34
Lease liabilities	20	9
Other	73	79
Other financial liabilities at amortized cost – total	**522**	**585**

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.

2.19 HEDGING DERIVATIVES WITH A NEGATIVE FAIR VALUE

M CZK	31/ 12/ 2024	31/ 12/ 2023
Fair value hedging	0	0
Total hedging derivatives with a negative fair value	**0**	**0**

2.20 PROVISIONS

M CZK	31/ 12/ 2024	31/ 12/ 2023
Provisions for loan commitments	2	**4**
Other provisions	43	**37**
Of that: Provisions for litigations	7	9
Provisions for wages	36	28
Provisions total	**45**	**41**

Provisions for wages include provisions for bonuses to the Board of Directors and for bonuses and extraordinary bonuses to employees.

Changes in other provisions in 2024

M CZK	Provisions for litigations	Provisions for wages	Other provisions	Total
Status as at 31/ 12/ 2023	9	28	0	**37**
Created	3	21	52	**76**
Used	-1	-11	-29	**-41**
Released	-4	-2	-23	**-29**
Status as at 31/ 12/ 2024	**7**	**36**	**0**	**43**
Of that: Short-term	0	14	0	**14**
Long-term	7	22	0	**29**

Changes in other provisions in 2023

M CZK	Provisions for litigations	Provisions for wages	Other provisions	Total
Status as at 31/ 12/ 2022	5	29	0	**34**
Created	4	19	43	**66**
Used	0	-15	-43	**-58**
Released	0	-5	0	**-5**
Status as at 31/ 12/ 2023	**9**	**28**	**0**	**37**
Of that: Short-term	0	11	0	**11**
Long-term	9	17	0	**26**

“Other provisions” include provisions for contributions to the Financial Market Guarantee System.

2.21 OTHER LIABILITIES

M CZK	31/ 12/ 2024	31/ 12/ 2023
Settlement of the withholding income tax on interest	88	93
Other	1	3
Total other liabilities	**89**	**96**

2.22 REGISTERED CAPITAL

Composition of Raiffeisen stavební spořitelna shareholders as at 31 December, 2024

Name	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, 2023

Name	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 recorded no bonuses tied to equity.

Raiffeisen stavební spořitelna issued no shares in the reported periods.

2.23 OTHER EQUITY COMPONENTS

One of the equity components is a reserve fund (as at 31 December, 2024: CZK 130 million; as at 31 December, 2023: CZK 130 million). The reserve fund, currently corresponding to 20% of the registered capital, was created upon the establishment of the accounting unit and subsequently gradually increased by allocations from profit after tax.

In 2023, other capital funds were created through the monetary contribution of CZK 1,600 million by the single shareholder. The decision on the use of other capital funds is at the discretion of the General Meeting.

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

M CZK	Profit/loss in 2024	Accumulated losses from previous years	Reserve fund	Retained earnings
Balance as at 31 December, 2024	754	0	130	5,930
Paid share in profit	-754	0	0	0
	0	**0**	**130**	**5,930**

2.25 FINANCIAL DERIVATIVES – HEDGING DERIVATIVES

2.25.1 HEDGING DERIVATIVES – SUMMARY OF FAIR AND NOMINAL VALUE

The bank uses interest rate swaps (IRS) in CZK for fair value hedging of assets and liabilities with a fixed interest rate.

Over the course of 2024, the Bank recorded the following hedging relationships that meet the criteria for hedge accounting according to IAS 39.

- Hedging the fair value of the portfolio of receivables from retail and corporate loans;
- Hedging the fair value of the building savings portfolio (client deposits).

Hedging derivatives – summary of fair and nominal value as at 31 December, 2024

M CZK	Fair value – assets	Fair value – liabilities	Nominal value
Interest rate swaps to hedge fair value	81	0	4,010
Total as at 31/ 12/ 2024	**81**	**0**	**4,010**

Hedging derivatives – summary of fair and nominal value as at 31 December, 2023

M CZK	Fair value – assets	Fair value – liabilities	Nominal value
Interest rate swaps to hedge fair value	0	0	10
Total as at 31/ 12/ 2023	**0**	**0**	**10**

2.25.2 HEDGING DERIVATIVES – REMAINING MATURITY OF THE CONTRACTUAL AMOUNT (NOMINAL VALUE)

M CZK	Up to 1 year	1–5 years	Over 5 years	Total
Interest rate swaps to hedge fair value	10	2,000	2,000	**4,010**
Average interest rate	6.10%	3.47%	3.63%	**3.56%**
Total hedging derivatives as at 31/ 12/ 2024	**10**	**2,000**	**2,000**	**4,010**

The “Total” column in the “Average interest rate” line shows the weighted average.

M CZK	Up to 1 year	1–5 years	Over 5 years	Total
Interest rate swaps to hedge fair value	0	10	0	**10**
Average interest rate	-	6.10%	-	**6.10%**
Total hedging derivatives as at 31/ 12/ 2023	**0**	**10**	**0**	**10**

The “Total” column in the “Average interest rate” line shows the weighted average.

2.25.3 FAIR VALUE HEDGING

2.25.3.1 Hedging instruments

Hedging instruments as at 31 December, 2024

M CZK	Nominal values	Fair values		The line in the Statement of Financial Position where the hedging instrument is reported	Change in fair value	The line in the Statement of Comprehensive Income where hedge ineffectiveness is reported
		Assets	Liabilities			
Interest rate swaps	4,010	81	0	Hedging derivatives with a positive/negative fair value	-20	Net gain / net loss from hedge accounting

Hedging instruments as at 31 December, 2023

M CZK	Nominal values	Fair values		The line in the Statement of Financial Position where the hedging instrument is reported	Change in fair value	The line in the Statement of Comprehensive Income where hedge ineffectiveness is reported
		Assets	Liabilities			
Interest rate swaps	10	81	0	Hedging derivatives with a positive/negative fair value	-20	Net gain / net loss from hedge accounting

2.25.3.2 Hedged items

Hedged items as at 31 December, 2024

M CZK	Book value		Accumulated revaluation of hedged items		The line in the Statement of Financial Position where the hedged item is reported	Change in fair value used in the calculation of the ineffective portion of the hedge
	Assets	Liabilities	Assets	Liabilities		
Receivables from clients	10	0	0	0	Financial assets at amortized cost	0
Payables to clients	0	0	0	0	Financial liabilities at amortized cost	0

Hedged items as at 31 December, 2023

M CZK	Book value		Accumulated revaluation of hedged items		The line in the Statement of Financial Position where the hedged item is reported	Change in fair value used in the calculation of the ineffective portion of the hedge
	Assets	Liabilities	Assets	Liabilities		
Receivables from clients	10	0	0	0	Financial assets at amortized cost	0
Payables to clients	0	0	0	0	Financial liabilities at amortized cost	0

2.26 COMMITMENTS AND GUARANTEES RECEIVED

M CZK	31/ 12/ 2024	31/ 12/ 2023
Guarantees received for client loans	246	304
Guarantees received (MREL)	700	700
Commitments and guarantees received	**946**	**1,004**

In 2024, Raiffeisen stavební spořitelna received no new MREL guarantees issued by Raiffeisenbank a.s.; no guarantee expired. The balance of received (MREL) guarantees as at 31 December, 2024 was CZK 700 million (as at 31 December, 2023: CZK 700 million). A guarantee worth CZK 700 million was issued in 2022 for 7 years.

2.27 COLLATERALS AND PLEDGES RECEIVED

M CZK	31/ 12/ 2024	31/ 12/ 2023
Real property pledges for client loans	39,847	42,461
Cash collaterals for client loans	5,915	6,027
Securities – collateral received (MREL)	800	800
Collaterals – securities	2,277	4,620
Collaterals and pledges received	**48,839**	**53,908**

As at 31 December, 2024, Raiffeisen stavební spořitelna reported a total of CZK 800 million worth of securities received as collateral for MREL guarantees issued by Raiffeisenbank a.s. (as at 31 December, 2023: CZK 800 million).

2.28 INCOME TAX AND DEFERRED TAX LIABILITY / DEFERRED TAX ASSET

Expenses pertaining to income tax

M CZK	2024	2023
Tax payable for the current accounting period	-149	-164
Deferred tax	1	-2
Total	**-148**	**-166**

The income tax differs from the supposed amount of tax calculated from profit before tax by applying the applicable rate as follows:

M CZK	2024	2023
Tax calculated using the applicable tax rate (2024: 21%, 2023: 19%)	-149	-164
Effect of income subject to special tax rate	51	29
Effect of non-tax-deductible expenses	-31	-23
Other	-19	-8
Total	**-148**	**-166**

Deferred tax liability / deferred tax asset

M CZK	31/ 12/ 2024	31/ 12/ 2023
Other	11	10
Deferred tax assets	**11**	**10**
Asset book and tax value difference	-28	-28
Deferred tax liabilities	**-28**	**-28**
Deferred tax liability or deferred tax asset	**-17**	**-18**
Change in deferred tax recognized in expenses	1	-1
Effect of tax rate change	0	-2

For the purpose of calculating the deferred tax in 2023, the tax rate was increased from 19% to 21% (rate applicable in 2024). The effect of the changed tax rate on the total deferred tax liability was CZK 2 million (i.e. the tax liability increased). The effect of the tax rate change was reported in item "Income tax" in the Statement of Comprehensive Income. In line with IAS 12, Raiffeisen stavební spořitelna did not include the potential effect of the top-up tax in the deferred tax liability.

2.29 TRANSACTIONS WITH RELATED PARTIES

For the purposes of reporting transactions with related parties, Raiffeisen stavební spořitelna considers its parent company to be Raiffeisenbank a.s. (direct parent company) and Raiffeisen Bank International AG (company with indirect controlling influence over Raiffeisen stavební spořitelna). Other related parties include other companies within the Group. Transactions with related parties are made under usual business terms and at fair market prices.

Transactions with related parties as at 31 December, 2024

M CZK	Parent companies	Board of Directors, Supervisory Board	Other related parties	Total
Receivables	7	0	205	**212**
Positive fair values of financial derivatives	81	0	0	**81**
Payables	9,539	3	1	**9,543**
Negative fair values of financial derivatives	0	0	0	**0**
Subordinated liabilities	300	0	302	**602**
Nominal value of financial derivatives (off-balance sheet liabilities)	4,010	0	0	**4,010**
Guarantees received (MREL)	700	0	0	**700**
Interest income	1	0	8	**9**
Interest expense – excluding derivatives	-498	0	-15	**-513**
Interest expense – derivatives	-54	0	0	**-54**
Fee and commission income	54	0	0	**54**
Fee and commission expense	-23	0	0	**-23**
Net gain or net loss from financial operations	-20	0	0	**-20**
General operating expense	-187	-23	0	**-210**

Receivables include mainly:

- Securities of Raiffeisenlandesbank Oberösterreich AG in the amount of CZK 205 million.

Payables include mainly:

- Term deposits of Raiffeisenbank a.s. in the amount of CZK 9,377 million (including accrued interest);
- Payables in the amount of CZK 46 million recorded in estimated payables to Raiffeisenbank a.s. arising from outsourcing contracts;
- Lease payables in the amount of CZK 19 million arising from a sublease agreement with Raiffeisenbank a.s.

In 2024, Raiffeisen stavební spořitelna and Raiffeisenbank a.s. concluded eight interest rate swaps with a total nominal value of CZK 4 billion. Raiffeisen stavební spořitelna records one (testing) interest rate swap with Raiffeisenbank a.s. concluded in 2022 with a nominal value of CZK 10 million.

Fee and commission expense includes a CZK 10 million fee for the MREL pledge received.

Raiffeisen stavební spořitelna did not provide the members of the management and supervisory bodies with any advance payment, earnest money or loans in the reported periods. Raiffeisen stavební spořitelna provides loans and building saving schemes to individuals with a special relationship to the Bank under normal market conditions.

Transactions with related parties as at 31 December, 2023

M CZK	Parent companies	Board of Directors, Supervisory Board	Other related parties	Total
Receivables	7	0	205	**212**
Payables	12,104	2	1	**12,107**
Negative fair values of financial derivatives	0	0	0	**0**
Subordinated liabilities	300	0	302	**602**
Nominal value of financial derivatives (off-balance sheet liabilities)	10	0	0	**10**
Guarantees received (MREL)	700	0	0	**700**
Interest income	2	0	8	**10**
Interest expense	-575	0	-15	**-590**
Fee and commission income	57	0	0	**57**
Fee and commission expense	-43	0	0	**-43**
Net gain or net loss from financial operations	0	0	0	**0**
General operating expense	-184	-21	0	**-205**
Other operating income	0	0	1	**1**

Receivables include mainly:

- Securities of Raiffeisenlandesbank Oberösterreich AG in the amount of CZK 205 million.

Payables include mainly:

- Term deposits of Raiffeisenbank a.s. in the amount of CZK 12,033 million (including accrued interest);
- Payables in the amount of CZK 50 million recorded in estimated payables to Raiffeisenbank a.s. arising from outsourcing contracts;
- Lease payables in the amount of CZK 8 million arising from a sublease agreement with Raiffeisenbank a.s.

Fee and commission expense includes a CZK 37 million fee for the MREL pledge received.

Raiffeisen stavební spořitelna did not provide the members of the management and supervisory bodies with any advance payment, earnest money or loans in the reported periods. Raiffeisen stavební spořitelna provides loans and building saving schemes to individuals with a special relationship to the Bank under normal market conditions.

2.30 RISK MANAGEMENT

2.30.1 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.

2.30.1.1 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.

2.30.2 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).

2.30.2.1 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 settled only when both parties fulfil their contractual obligations. Settlement limits form part of the credit approval process and subsequent credit risk monitoring and evaluation.

2.30.2.2 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 (a reduction in credit risk associated with exposure arises 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.

The model to calculate expected loss from impairment was adjusted in the course of 2023. The adjustments included especially:

- Use of PD rating in the calculation of expected loss;
- Adjusted rules for receivables classification to Stages 1 and 2 based on quantitative criteria;
- Inclusion of new holistic flags that serve to identify risks unrecognized in the rating model.

The impact of the change in methodology is quantified in chapter 2.30.2.5.

2.30.2.3 Debt recovery

Raiffeisen stavební spořitelna has a Recovery Unit that manages receivables with a non-recoverability risk. Classified receivables' recovery is urged 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.

2.30.2.4 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.

2.30.2.4.1 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:

- Number of days past due (DPD) exceeding 30 (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 developing 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 individually 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:

- 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).

In the course of 2023, rules for reclassification of non-defaulted receivables between Stages 1 and 2 were expanded by quantitative criteria which assess the change in probability of default between the loan granting date and the balance sheet date. The new rules were applied to all unpaid loans.

2.30.2.4.2 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.

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, so 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 default (typically with six-month deferrals).

2.30.2.4.3 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.

2.30.2.4.4 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 like 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, 2023 include the following range of key indicators for the Czech Republic for the years ending on 31 December, 2023 and 31 December, 2024.

	2025	**2026**
Unemployment rate	Baseline: 3.42% Range: 3.02–4.33%	Baseline: 3.50% Range: 3.28–4.01%
Inflation (year-on-year growth in CPI)	Baseline: 2.4% Range: 0.83–3.87%	Baseline: 2.1% Range: 1.23–2.92%
Growth in GDP (year-on-year)	Baseline: 2.2% Range: 0.23–3.46%	Baseline: 2.5% Range: 1.41–3.2%
Growth in real property prices (year-on-year)	Baseline: 4.00% Range: 1.63–9.31%	Baseline: 4.00% Range: 2.39–6.95%
3M interbank interest rate	Baseline: 3.51% Range: 2.18–4.62%	Baseline: 3.31% Range: 2.57–3.93%

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.

2.30.2.4.5 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.

2.30.2.5 Reconciliation of opening and closing loss allowance balances for financial assets at amortized cost

Total loss allowances for financial assets at amortized cost – 31/ 12/ 2024

M CZK	Stage 1	Stage 2	Stage 3	POCI	Total
Status as at 31/ 12/ 2023	**-22**	**-291**	**-285**	**0**	**-598**
Transfer to/from Stage 1	122	-71	-51	0	**0**
Transfer to/from Stage 2	-2	66	-63	0	**1**
Transfer to/from Stage 3	0	-2	2	0	**0**
Increase due to creation and acquisition	-9	-9	-3	0	**-21**
Decrease due to derecognition	2	42	58	0	**102**
Changes due to change in credit risk (net)	-118	24	13	0	**-81**
Status as at 31/ 12/ 2024	**-27**	**-241**	**-329**	**0**	**-597**

In May 2023, Raiffeisen stavební spořitelna started using rating models to calculate expected credit losses from retail loans. The PD vectors estimated for each rating grade are now used both for the evaluation of the quantitative criterion for inclusion in Stage 2 and for the actual calculation of expected credit losses. At the same time, new LGD models were deployed.

Total loss allowances for financial assets at amortized cost – 31/ 12/ 2023

M CZK	Stage 1	Stage 2	Stage 3	POCI	Total
Status as at 31/ 12/ 2022	**-150**	**-426**	**-434**	**0**	**-1,010**
Transfer to/from Stage 1	194	-129	-65	0	**0**
Transfer to/from Stage 2	-1	35	-34	0	**0**
Transfer to/from Stage 3	0	-1	1	0	**0**
Increase due to creation and acquisition	-6	-8	-2	0	**-16**
Decrease due to derecognition	11	53	113	0	**177**
Changes due to change in credit risk (net)	-203	26	-11	0	**-188**
Changes due to change in methodology	133	159	147	0	**439**
Status as at 31/ 12/ 2023	**-22**	**-291**	**-285**	**0**	**-598**

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. Parameter changes fall under “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 2023 and transferred to Stage 2 or 3 before 31 December, 2023.

The gross value of receivables from clients by stages is stated in Chapter 2.13.2.2, while the gross value of financial assets at amortized cost is stated in Chapter 2.30.2.8.3.

2.30.2.6 Sensitivity analysis

As mentioned above, key macroeconomic indicators with 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/ 2024

M CZK	Reported	Optimistic	Baseline	Pessimistic
Retail exposure	262	246	262	283
Non-retail exposure	5	5	5	5
Total	**267**	**251**	**267**	**288**

Amount of loss allowances under each scenario (Stages 1 and 2) – 31/ 12/ 2023

M CZK	Reported	Optimistic	Baseline	Pessimistic
Retail exposure	307	289	306	325
Non-retail exposure	6	6	6	6
Total	**313**	**295**	**312**	**331**

2.30.2.7 Maximum credit risk exposure

Maximum credit risk exposure – 31/ 12/ 2024

M CZK	Balance sheet	Off-balance sheet	Total credit risk exposure	Collateral received	Main type of collateral
Cash & cash equivalents	74	0	**74**	0	
Receivables from banks	2,301	0	**2,301**	2,277	CNB treasury bills
Receivables from clients	69,073	2,204	**71,277**	40,791	Real property
Debt securities	5,668	0	**5,668**	0	
Positive fair values of financial derivatives	81	0	**81**	86	Financial means
Other assets	1,554	0	**1,554**	0	

Maximum credit risk exposure – 31/ 12/ 2023

M CZK	Balance sheet	Off-balance sheet	Total credit risk exposure	Collateral received	Main type of collateral
Cash & cash equivalents	4	0	4	0	
Receivables from banks	4,608	0	4,608	4,620	CNB treasury bills
Receivables from clients	69,324	2,444	71,768	42,762	Real property
Debt securities	5,682	0	5,682	0	
Positive fair values of financial derivatives	0	0	0	0	
Other assets	1,638	0	1,638	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.

2.30.2.8 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.

2.30.2.8.1 Concentration by sectors

Concentration by sectors – 31/ 12/ 2024

M CZK	Financial institutions	Non-financial institutions	Government sector and central banks	Households	Total
Cash & cash equivalents	4	0	70	0	**70**
Receivables from banks	0	0	2,301	0	**2,301**
Receivables from clients	0	4,243	8	64,822	**69,073**
Debt securities	205	0	5,463	0	**5,668**
Positive fair values of financial derivatives	81	0	0	0	**81**
Other assets	33	1	1,203	8	**1,245**
Commitments and guarantees issued	0	320	0	1,884	**2,204**
Total	**323**	**4,564**	**9,045**	**66,714**	**80,646**

Concentration by sectors – 31/ 12/ 2023

M CZK	Financial institutions	Non-financial institutions	Government sector and central banks	Households	Total
Cash & cash equivalents	4	0	0	0	**4**
Receivables from banks	0	0	4,608	0	**4,608**
Receivables from clients	0	4,428	10	64,886	**69,324**
Debt securities	205	0	5,477	0	**5,682**
Positive fair values of financial derivatives	0	0	0	0	**0**
Other assets	27	1	1,319	5	**1,352**
Commitments and guarantees issued	0	249	0	2,195	**2,444**
Total	**236**	**4,678**	**11,414**	**67,086**	**83,414**

2.30.2.8.2 Concentration by geographical criteria

Except for the debt securities worth CZK 205 million (as at 31 December, 2023: CZK 205 million) issued by an issuer based in the EU, all exposures are to Czech natural persons or legal entities.

2.30.2.8.3 Financial assets at amortized cost – change in gross book value

M CZK	Stage 1	Stage 2	Stage 3	POCI	Total
Status as at 31/ 12/ 2023	**54,720**	**24,679**	**775**	**0**	**80,174**
Transfer to/from Stage 1	-5,262	5,123	139	0	**0**
Transfer to/from Stage 2	6,378	-6,635	257	0	**0**
Transfer to/from Stage 3	4	101	-105	0	**0**
Transfers	1,120	-1,411	291	0	**0**
Increase due to creation and acquisition	9,389	459	7	0	**9,855**
Decrease due to derecognition and total repayment	-7,215	-4,753	-170	0	**-12,138**
Partial repayment	-188	-71	0	0	**-259**
Adjustments for exchange rate differences	0	0	0	0	**0**
Status as at 31/ 12/ 2024	**57,826**	**18,903**	**903**	**0**	**77,632**

M CZK	Stage 1	Stage 2	Stage 3	POCI	Total
Status as at 31/ 12/ 2022	**57,008**	**18,916**	**644**	**0**	**76,568**
Transfer to/from Stage 1	-10,817	10,597	220	0	**0**
Transfer to/from Stage 2	1,551	-1,697	146	0	**0**
Transfer to/from Stage 3	4	42	-46	0	**0**
Transfers	-9,262	8,942	320	0	**0**
Increase due to creation and acquisition	11,270	404	5	0	**11,679**
Decrease due to derecognition and total repayment	-4,048	-3,446	-194	0	**-7,688**
Partial repayment	-248	-137	0	0	**-385**
Adjustments for exchange rate differences	0	0	0	0	**0**
Status as at 31/ 12/ 2023	**54,720**	**24,679**	**775**	**0**	**80,174**

2.30.3 LIQUIDITY

2.30.3.1 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:

	2024	2023
As at 31 December	735.9%	1,515.0%
Average	593.3%	825.0%
Maximum	797.5%	1,515.0%
Minimum	256.7%	299.0%

2.30.3.2 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.

2.30.3.3 Estimated remaining maturity

Estimated remaining maturity of the Bank's financial liabilities as at 31 December, 2024

M CZK	Up to 3 months	3–12 months	1–5 years	More than 5 years	Unspecified	Total
Payables to banks	1,253	4,442	3,682	0	86	**9,463**
Payables to clients	2,136	42	17,634	38,415	675	**58,902**
Revaluation at fair value of items revalued as part of a portfolio	0	0	0	0	-21	**-21**
Subordinated liabilities	0	2	600	0	0	**602**
Other liabilities at amortized cost	429	37	14	0	42	**522**
Provisions	0	0	0	0	45	**45**
Other liabilities	89	22	0	0	17	**128**
Total financial liabilities	**3,907**	**4,545**	**21,930**	**38,415**	**844**	**69,641**
Off-balance sheet items	2,204	0	0	0	0	**2,204**

Building savings contracts are concluded with clients for an indefinite period, with a mandatory saving period of 6 years. After the expiration of this mandatory period, the client may terminate the building savings contract without penalty. The standard notice period is three months. Building savings contracts terminated prior to the expiration of the mandatory saving period lose their eligibility for state contributions; early termination may also result in a penalty subject to the current price list of Raiffeisen stavební spořitelna.

A model forecasting estimated maturity for certain types of deposits is applied to payables to clients. Payables to banks and subordinated liabilities correspond to contractual remaining maturity excluding non-discounted cash flows.

Raiffeisen stavební spořitelna reports estimated remaining maturity due to a lack of data on non-discounted cash flows needed to report contractual remaining maturity. As at 31 December, 2024, contractual maturity excluding non-discounted cash flows was CZK 23 billion for payables to clients with maturity up to 3 months, CZK 8 billion with maturity

3–12 months, CZK 24 billion with maturity 1–5 years, and CZK 4 billion with maturity above 5 years (as at 31 December, 2023: CZK 25 billion with maturity up to 3 months, CZK 6 billion with maturity 3–12 months, CZK 24 billion with maturity 1–5 years, and CZK 4 billion with maturity above 5 years). Contractual maturity up to 3 months is reported for all contracts with an expired mandatory saving period and for contracts terminated prior to expiration of mandatory saving period that are currently in their notice period. Contractual maturity of 3–12 months is reported for contracts with their mandatory saving period expiring within 3–12 months. Contractual maturity of 1–5 years is reported for contracts with their mandatory saving period expiring within 1–5 years. Contractual maturity above 5 years is reported for contracts with their mandatory saving period expiring within more than 5 years. Off-balance sheet items include loan commitments available to clients at any time within less than two years; the contractual remaining maturity of these payables is thus up to 3 months.

Estimated remaining maturity of the Bank's financial liabilities as at 31 December, 2023

M CZK	Up to 3 months	3–12 months	1–5 years	More than 5 years	Unspecified	Total
Payables to banks	1,060	847	10,126	0	0	**12,033**
Payables to clients	4,816	7,747	20,475	25,827	569	**59,434**
Subordinated liabilities	0	2	300	300	0	**602**
Other liabilities at amortized cost	431	111	3	0	40	**585**
Provisions	0	0	0	0	41	**41**
Other liabilities	94	69	0	0	18	**181**
Total financial liabilities	**6,401**	**8,776**	**30,904**	**26,127**	**668**	**72,876**
Off-balance sheet items	2,444	0	0	0	0	**2,444**

2.30.3.4 Liquidity reserve

As part of management of liquidity risk resulting from the its 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.

2.30.4 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.

2.30.4.1 Interest-rate risk

2.30.4.1.1 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.

The Bank monitors its interest rate position using the method of position sensitivity to the yield curve shift (Basis Point Value method). The BPV method describes the change in the present value (overall as well as in different time intervals) of the portfolio if the interest rate changes by one basis point (0.01%).

The table below shows the change in the economic value of a given portfolio in case of the yield curve shift according to predefined scenarios. It is thus an indicator of sensitivity to interest rate changes.

M CZK	2024 overall BPV (1 bp)	2023 overall BPV (1 bp)
Impact on the change in economic value	-4,07	-2,00

2.30.4.1.2 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 net interest income to various changes in interest rates. An appropriate limit is set on the net interest rate yield.

2.30.4.2 Currency risk

Currency risk results from exchange rate movements and the existence of 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.

2.30.4.3 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 determines the Value at Risk using a parametric method. The Value at Risk is measured for 20-day holding periods and at a 99% confidence level.

Value at Risk for interest rate risk

M CZK	As at 31 December, 2024	Average 2024	As at 31 December, 2023	Average 2023
VaR of interest-rate instruments	264	226	157	164

As at 31 December, 2024, the VaR equalled CZK 264 million (as at 31 December, 2023: CZK 157 million).

2.30.4.4 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.

2.30.4.5 Stress testing

Raiffeisen stavební spořitelna conducts stress testing of interest-rate risks on a monthly basis by applying improbable scenarios and modelling 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.

2.30.5 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 the individual responsibility of each employee for identification and escalation of operational risks and timely and accurate reporting of incidents. In Raiffeisen stavební spořitelna, there is a centrally established operational risk management function which is responsible for methodology setting and measurements and analysis performance, and it 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 not only aggregation, but especially 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 repeated occurrence of similar events, or to completely avoid them. Any changes to be implemented have their accountable sponsors and the 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 their reflection 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 measures within qualitative risk management.

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 risk exposure to operational risks. 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 confronts the identified risks with the risk appetite; for risks exceeding the determined level, a mitigation plan is created.

All tools are applied on a regular yearly basis.

2.31 FAIR VALUE

2.31.1 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, 2024

M CZK	Book value 31/ 12/ 2024	Fair value 31/ 12/ 2024
Cash & cash equivalents	74	74
Financial assets at amortized cost	77,035	77,681
Of that: Receivables from banks	2,301	2,301
Receivables from clients	69,027	69,658
Debt securities	5,668	5,683
Other receivables at amortized cost	39	39
Other assets	1,210	1,210
Total financial assets	**78,319**	**78,965**
Financial liabilities at amortized cost	69,489	69,333
Of that: Payables to banks	9,463	9,867
Payables to clients	58,902	58,361
Subordinated liabilities	602	583
Other financial liabilities at amortized cost	522	522
Other liabilities	173	172
Total financial liabilities	**69,662**	**69,505**

Financial assets and financial liabilities at book and fair values as at 31 December, 2023

M CZK	Book value 31/ 12/ 2023	Fair value 31/ 12/ 2023
Cash & cash equivalents	4	4
Financial assets at amortized cost	79,576	78,659
Of that: Receivables from banks	4,608	4,608
Receivables from clients	69,254	68,268
Debt securities	5,682	5,751
Other receivables at amortized cost	32	32
Other assets	1,328	1,328
Total financial assets	**80,908**	**79,991**
Financial liabilities at amortized cost	72,654	72,322
Of that: Payables to banks	12,033	12,380
Payables to clients	59,434	58,801
Subordinated liabilities	602	556
Other financial liabilities at amortized cost	585	585
Other liabilities	222	222
Total financial liabilities	**72,876**	**72,544**

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

Cash & cash equivalents – the book value is equal to the fair value. These financial assets are classified as Level 1 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 for government bonds and Level 3 for foreign debt securities in the fair value hierarchy.

Receivables from banks – due to the short maturity of these receivables, the book value approximates their fair value. These financial assets are classified as Level 3 in the fair value hierarchy.

Receivables from clients – 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.

Payables to banks – due to the short maturity of these payables, the book value approximates their fair value. These financial liabilities are classified as Level 3 in the fair value hierarchy.

Payables to clients – 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.

Subordinated liabilities – the fair value 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.

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

2.32 MAJOR EVENTS SUBSEQUENT TO THE FINANCIAL STATEMENT DATE

No major events occurred between the financial statement date and the date of financial statement approval that would require any amendments thereto.

Prague, 18 March 2025

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

3 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 2024 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.

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

3.1.1 CONTROLLING PARTIES AND STRUCTURE OF THE CONSOLIDATION UNIT

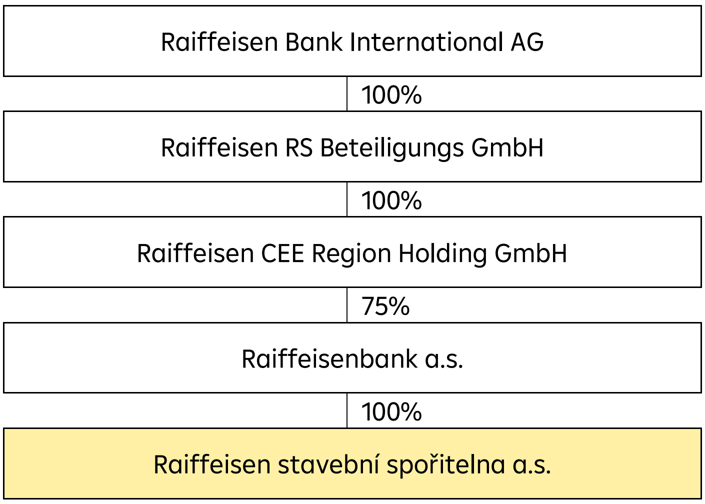
3.1.1.1 Controlling parties

Raiffeisenbank a.s.
With its seat at Hvězdova 1716/2b, Prague, Czech Republic
100% share in Raiffeisen stavební spořitelna

Raiffeisen Bank International AG
With its seat 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.

3.1.1.2 Ownership structure of the consolidation unit



3.1.2 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.

3.1.3 OTHER RELATED PARTIES

3.1.3.1 Companies controlled by the Reporting Party

Raiffeisen stavební spořitelna controlled no companies in 2024.

3.1.3.2 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

3.2 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.
Current Account Agreement Anhang	13/ 6/ 2000 16/ 7/ 2024	Raiffeisenbank a.s.
Current Investment Account Agreement	2/ 10/ 2001	Raiffeisenbank a.s.
Agreement to Buy or Sell Securities, to Settle Trades with Securities, and to Administer Securities + Annexes No. 1–5 Amendment No. 1	10/ 4/ 2007 25/ 9/ 2013	Raiffeisenbank a.s.
Framework Contract – Preferential Financing for Employees Amendment No. 1	13/ 6/ 2011 8/ 8/ 2011	Raiffeisen – Leasing, s.r.o.
Treasury Master Agreement No. HS/02/TMAPO/02/49241257	29/ 2/ 2012	Raiffeisenbank a.s.
Direct Banking Service Agreement	15/ 11/ 2013	Raiffeisenbank a.s.
Service Level Agreement	26/ 1/ 2016	Raiffeisen Bank International AG
Personal Data Processing Verification Agreement pursuant to Article 28 of the GDPR	21/ 5/ 2018	Raiffeisen Bank International AG
Tip Brokerage Agreement Amendment No. 1 Amendment No. 2 Amendment No. 3 Amendment No. 4	10/ 10/ 2018 30/ 4/ 2019 18/ 11/ 2019 28/ 2/ 2020 31/ 1/ 2021	Raiffeisenbank a.s.
Contract for the Provision of Call Centre Services	12/ 11/ 2018	Raiffeisenbank a.s.
Subordinate Loan Contract Amendment No. 1	23/ 10/ 2019 5/ 12/ 2019	Raiffeisen Bausparkassen Holding GmbH
Debit Card Agreement	10/ 7/ 2020	Raiffeisenbank a.s.
Cooperation Contract S/2020/00099	5/ 8/ 2020	Raiffeisenbank a.s.
Cooperation Contract S/2020/00191	15/ 10/ 2020	Raiffeisenbank a.s.
Confidentiality Agreement CDR10722	21/ 10/ 2020	Raiffeisenbank a.s.

Contract	Closing date	Counterparty
Contract of Cooperation in Provision of Services Consisting in Informing Clients on Raiffeisen stavební spořitelna Active Products	15/ 2/ 2021	Raiffeisenbank a.s.
Framework Contract for Trading on the Financial Market	25/ 2/ 2021	Raiffeisenbank a.s.
Sales Representation Agreement	9/ 3/ 2021	Raiffeisenbank a.s.
Agreement on Mutual Cooperation	30/ 3/ 2021	Raiffeisenbank a.s.
Framework Service Agreement	26/ 4/ 2021	Raiffeisenbank a.s.
Framework Contract on Data Protection and Transfer	26/ 4/ 2021	Raiffeisenbank a.s.
Sales Representation Agreement CDR17260	28/ 4/ 2021	Raiffeisenbank a.s.
Product Appendix	2/ 5/ 2022	
Amendment No. 1	13/ 10/ 2022	
Product Appendix	13/ 10/ 2022	
Amendment No. 2	4/ 4/ 2023	
Amendment No. 3	12/ 6/ 2023	
Amendment No. 4	26/ 2/ 2024	
Product Appendix	30/ 9/ 2024	
Contract for the Sublease of Business Premises	28/ 4/ 2021	Raiffeisenbank a.s.
Amendment No. 1	15/ 12/ 2021	
Amendment No. 2	31/ 7/ 2023	
Agreement to Provide Contact Centre Services	29/ 4/ 2021	Raiffeisenbank a.s.
Annex Amendment Agreement	1/ 1/ 2022	
Annex Amendment Agreement	1/ 7/ 2022	
Annex Amendment Agreement	2/ 11/ 2023	
Annex Amendment Agreement	1/ 4/ 2024	
Annex Amendment Agreement	22/ 4/ 2024	
Agreement to Provide General Administration (OVS) and Archiving Services	29/ 4/ 2021	Raiffeisenbank a.s.
Annex Amendment Agreement	1/ 1/ 2022	
Annex Amendment Agreement	1/ 7/ 2022	
Terms Amendment Agreement	18/ 10/ 2022	
Terms Amendment Agreement	1/ 7/ 2023	
Annex Amendment Agreement	2/ 8/ 2023	
Annex Amendment Agreement	12/ 12/ 2023	
Terms Amendment Agreement	20/ 2/ 2024	
Annex Amendment Agreement	1/ 4/ 2024	
Annex Amendment Agreement	21/ 4/ 2024	
Agreement to Provide Services (Back Office)	29/ 4/ 2021	Raiffeisenbank a.s.
Annex Amendment Agreement	1/ 1/ 2022	
Annex Amendment Agreement	1/ 7/ 2022	
Annex Amendment Agreement	1/ 1/ 2023	
Annex Amendment Agreement	21/ 6/ 2023	
Annex Amendment Agreement	21/ 11/ 2023	
Annex Amendment Agreement	22/ 11/ 2023	
Annex Amendment Agreement	1/ 4/ 2024	
Annex Amendment Agreement	22/ 4/ 2024	
Annex Amendment Agreement	1/ 7/ 2024	
Agreement to Provide Comprehensive Loan Processing and Approval Services Including Credit Risk Management	29/ 4/ 2021	Raiffeisenbank a.s.
Annex Amendment Agreement	1/ 1/ 2022	
Annex Amendment Agreement	7/ 3/ 2022	
Annex Amendment Agreement	1/ 7/ 2022	
Annex Amendment Agreement	21/ 7/ 2023	
Annex Amendment Agreement	21/ 3/ 2024	
Annex Amendment Agreement	1/ 4/ 2024	
Annex Amendment Agreement	11/ 4/ 2024	
Annex Amendment Agreement	9/ 7/ 2024	

Contract	Closing date	Counterparty
Agreement to Provide Risk Controlling Services	29/ 4/ 2021	Raiffeisenbank a.s.
Annex Amendment Agreement	1/ 1/ 2022	
Annex Amendment Agreement	1/ 7/ 2022	
Annex Amendment Agreement	1/ 7/ 2023	
Annex Amendment Agreement	12/ 9/ 2023	
Annex	1/ 4/ 2024	
Annex Amendment Agreement	11/ 4/ 2024	
Agreement to Provide Debt Recovery Services	29/ 4/ 2021	Raiffeisenbank a.s.
Annex Amendment Agreement	1/ 1/ 2022	
Annex Amendment Agreement	5/ 4/ 2022	
Annex Amendment Agreement	1/ 7/ 2022	
Annex Amendment Agreement	21/ 7/ 2023	
Annex Amendment Agreement	1/ 4/ 2024	
Annex Amendment Agreement	11/ 4/ 2024	
Annex Amendment Agreement	22/ 4/ 2024	
Cooperation Contract for Joint Use of RB Appraiser Services	30/ 4/ 2021	Raiffeisenbank a.s.
Agreement on the Sublease of Non-Residential Premises and Payment for Services Associated with their Use and Preparation	20/ 5/ 2021	Raiffeisenbank a.s.
Amendment No. 1	30/ 6/ 2021	
Agreement to Provide Internal Audit Services	25/ 5/ 2021	Raiffeisenbank a.s.
Annex Amendment Agreement	1/ 1/ 2022	
Annex Amendment Agreement	1/ 7/ 2022	
Annex Amendment Agreement	14/ 8/ 2023	
Annex Amendment Agreement	1/ 4/ 2024	
Annex Amendment Agreement	15/ 5/ 2024	
Agreement to Provide Marketing Services	31/ 5/ 2021	Raiffeisenbank a.s.
Annex Amendment Agreement	1/ 1/ 2022	
Annex Amendment Agreement	1/ 7/ 2022	
Annex Amendment Agreement	2/ 8/ 2023	
Annex Amendment Agreement	1/ 4/ 2024	
Agreement to Provide Information Security and BCM Services	31/ 5/ 2021	Raiffeisenbank a.s.
Annex Amendment Agreement	1/ 1/ 2022	
Terms Amendment Agreement	31/ 10/ 2022	
Annex Amendment Agreement	1/ 7/ 2022	
Annex Amendment Agreement	1/ 1/ 2023	
Annex Amendment Agreement	1/ 4/ 2023	
Annex Amendment Agreement	1/ 4/ 2024	
Annex Amendment Agreement	11/ 4/ 2024	
Annex Amendment Agreement	16/ 9/ 2024	
Agreement to Provide CRM Services	31/ 5/ 2021	Raiffeisenbank a.s.
Annex Amendment Agreement	1/ 1/ 2022	
Annex Amendment Agreement	1/ 7/ 2022	
Annex Amendment Agreement	2/ 8/ 2023	
Annex Amendment Agreement	1/ 4/ 2024	
Annex Amendment Agreement	21/ 5/ 2024	
Agreement to Provide Personnel and HR Management Services	17/ 6/ 2021	Raiffeisenbank a.s.
Annex Amendment Agreement	1/ 1/ 2022	
Annex Amendment Agreement	1/ 7/ 2022	
Annex Amendment Agreement	21/ 7/ 2023	
Annex Amendment Agreement	1/ 4/ 2024	
Annex Amendment Agreement	11/ 4/ 2024	
Agreement to Provide Early Debt Recovery Services	23/ 6/ 2021	Raiffeisenbank a.s.
Annex Amendment Agreement	1/ 1/ 2022	
Annex Amendment Agreement	1/ 7/ 2022	
Annex Amendment Agreement	27/ 7/ 2023	

Contract	Closing date	Counterparty
Annex Amendment Agreement	26/ 3/ 2024	
Annex Amendment Agreement	1/ 4/ 2024	
Agreement to Provide Selected Compliance Services	30/ 6/ 2021	Raiffeisenbank a.s.
Annex Amendment Agreement	1/ 1/ 2022	
Annex Amendment Agreement	7/ 3/ 2022	
Annex Amendment Agreement	1/ 7/ 2022	
Annex Amendment Agreement	1/ 8/ 2022	
Annex Amendment Agreement	21/ 7/ 2023	
Annex Amendment Agreement	1/ 4/ 2024	
Annex Amendment Agreement	31/ 5/ 2024	
Annex Amendment Agreement	18/ 6/ 2024	
Cooperation Contract	20/ 7/ 2021	Raiffeisenbank a.s.
Cooperation Contract – Acceptance of Risk	22/ 7/ 2021	
Agreement to Provide Analysis and Application Development Services (OAV)	31/ 8/ 2021	Raiffeisenbank a.s.
Annex Amendment Agreement	1/ 1/ 2022	
Annex Amendment Agreement	28/ 8/ 2023	
Annex Amendment Agreement	1/ 4/ 2024	
Annex Amendment Agreement	22/ 4/ 2024	
Agreement to Provide IT Services (OIT)	31/ 8/ 2021	Raiffeisenbank a.s.
Annex Amendment Agreement	1/ 1/ 2022	
Annex Amendment Agreement	1/ 6/ 2023	
Annex Amendment Agreement	1/ 1/ 2024	
Annex Amendment Agreement	2/ 1/ 2024	
Annex Amendment Agreement	26/ 1/ 2024	
Annex Amendment Agreement	26/ 1/ 2024	
Annex Amendment Agreement	1/ 4/ 2024	
Annex Amendment Agreement	22/ 5/ 2024	
Annex Amendment Agreement	20/ 9/ 2024	
Contract of Cooperation and Personal Data Processing	31/ 8/ 2021	Raiffeisenbank a.s.
Amendment No. 1	30/ 12/ 2021	
Commission Memorandum	8/ 2/ 2022	
Agreement on the Assignment of Agreement to Provide Record Management Services	20/ 10/ 2021	Raiffeisenbank a.s.
CZK 300,000,000 Subordinated Loan Agreement	22/ 12/ 2021	Raiffeisenbank a.s.
MREL Commitment Agreement	1/ 3/ 2022	Raiffeisenbank a.s.
MREL Pledge Agreement	1/ 3/ 2022	Raiffeisenbank a.s.
Debit Card Agreement	31/ 3/ 2022	Raiffeisenbank a.s.
Debit Card Agreement	18/ 7/ 2022	Raiffeisenbank a.s.
Debit Card Agreement	29/ 8/ 2022	Raiffeisenbank a.s.
Debit Card Agreement	8/ 9/ 2022	Raiffeisenbank a.s.
Contract of Purchase	20/ 3/ 2023	Raiffeisen – Leasing, s.r.o.
Lease Contract No. 5019007392	20/ 3/ 2023	Raiffeisen – Leasing, s.r.o.
Contract of Purchase	20/ 3/ 2023	Raiffeisen – Leasing, s.r.o.
Lease Contract No. 5019007412	20/ 3/ 2023	Raiffeisen – Leasing, s.r.o.
Contract of Purchase	20/ 3/ 2023	Raiffeisen – Leasing, s.r.o.
Lease Contract No. 5019007393	20/ 3/ 2023	Raiffeisen – Leasing, s.r.o.
Contract on Additional Contribution Outside Registered Capital	18/ 4/ 2023	Raiffeisenbank a.s.
Contract on the Use of Electronic Banking	20/ 4/ 2023	Raiffeisenbank a.s.
Annex – Change of authorization (signature) rights	17/ 7/ 2024	
Annex – Change of authorization (signature) rights	30/ 7/ 2024	
Agreement to Provide Balance Management Services	30/ 5/ 2023	Raiffeisenbank a.s.
Annex Amendment Agreement	1/ 4/ 2024	
Annex Amendment Agreement	21/ 4/ 2024	

Contract	Closing date	Counterparty
Debit Card Agreement	13/ 9/ 2023	Raiffeisenbank a.s.
Lease Contract No. 5019006679	18/ 9/ 2023	Raiffeisen – Leasing, s.r.o.
Framework Agreement Including Annexes 1–8	1/ 10/ 2023	Raiffeisen Bank International AG
Framework Agreement on Supply Terms of Vehicles for Sales Representatives	5/ 12/ 2023	Raiffeisen – Leasing, s.r.o.
Service Level Agreement – Group Risk Controlling	20/ 12/ 2023	Raiffeisen Bank International AG
Service Level Agreement – Retail Risk Validation	15/ 1/ 2024	Raiffeisen Bank International AG
Lease Contract No. 5019007876	26/ 1/ 2024	Raiffeisen – Leasing, s.r.o.
Purchase contract for the sale of computer equipment	4/ 4/ 2024	Raiffeisenbank a.s.
Lease Contract No. 5019008645	3/ 7/ 2024	Raiffeisen – Leasing, s.r.o.
Pledge Agreement	10/ 7/ 2024	Raiffeisenbank a.s.
Debit Card Agreement	29/ 7/ 2024	Raiffeisenbank a.s.
Debit Card Agreement	19/ 9/ 2024	Raiffeisenbank a.s.
Lease Contract No. 5019008960	7/ 10/ 2024	Raiffeisen – Leasing, s.r.o.
Agreement to Provide Financial Services	29/ 10/ 2024	Raiffeisenbank a.s.
Insurance Participation Agreement	5/ 11/ 2024	Raiffeisenbank a.s.

No contract details are included due to business/banking secrecy.

3.3 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 1,700 million worth of borrowings from Raiffeisenbank a.s. in 2024.

In 2024, Raiffeisen stavební spořitelna received no new MREL guarantees from Raiffeisenbank a.s.

3.4 BENEFITS AND DRAWBACKS ARISING FROM RELATIONS AMONG THE CONTROLLING AND CONTROLLED PARTIES STATED IN CHAPTER 3.1

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 IFRS accounting standards as adopted by the European Union, IT risk management systems, as well as experience in selling a wide range of financial products.

3.5 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 2024 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, 18 March 2025

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

Information on capital

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, 2024 and 31 December, 2023, allowing thus full reconciliation of regulatory capital items with the institution's capital and balance sheet.

REGULATORY CAPITAL

M CZK	31/ 12/ 2024	31/ 12/ 2023
Paid-up registered capital entered in the Commercial Register	650	650
Capital funds	1,600	1,600
Retained earnings or accumulated losses from previous years	5,930	5,103
Reserve funds	130	130
(-) Intangible assets other than goodwill	-282	-263
(-) Insufficient non-performing exposure coverage	-6	-2
(-) Deferred tax liabilities associated with other intangible assets	28	28
Total capital meeting the criteria for Tier 1	**8,050**	**7,246**
Total amount of Tier 2 capital	591	600
Capital relevant for calculation of limits for major exposures, for qualified interests, and the capital ratio	**8,641**	**7,846**

EQUITY

M CZK	31/ 12/ 2024	31/ 12/ 2023
Paid-up registered capital entered in the Commercial Register	650	650
Other capital funds	1,600	1,600
Retained earnings from previous periods	5,930	5,103
Current year profit	754	827
Reserve funds	130	130
Total equity	**9,064**	**8,310**

CAPITAL REQUIREMENTS

M CZK	31/ 12/ 2024	31/ 12/ 2023
Exposures to public sector entities	4	5
Exposures to institutions	13	8
Exposures to enterprises	193	198
Retail exposures	1,472	1,365
Exposures secured with real property	938	988
Defaulting exposures	59	49
Exposures to other items	56	53
Total capital requirements for credit risk	**2,735**	**2,666**
Capital requirement pursuant to Title III, Chapter 2 of Regulation No. 2013/575/EU	182	178
Total capital requirements for operational risk	**182**	**178**
Total capital requirements	**2,917**	**2,844**

Contact Details

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:	+420 412 446 408 (Monday–Friday 8am–6pm)

Raiffeisen
Stavební spořitelna