

Semi-Annual Financial Report

Semi-Annual Financial Report as at 30 June 2022



Semi-Annual Financial Report 2022: An Overview

03-16	Interim Management Report	
	Economic Environment	04
	Development of Business and Earnings in the First Half of 2022	04
	Review of Business Segments	08
	Risk Management	10
	Human Resources	15
	Outlook	15
17	Statement of Legal Representatives pursuant to §125 Stock Exchange Act	
18-35	Interim Financial Statements as at 30 June 2022	
	Balance Sheet as at 30 June 2022	19
	Income Statement for the First Half of 2022	21
	Condensed Notes	22
36	Review Report	
37	Publisher's Details	

This is a translation from German. In case of any discrepancies between the English and German version, the German text shall prevail and be binding.

Interim Management Report of Raiffeisen Centrobank AG as at 30 June 2022

The addition of rounded numbers using automated systems, as was done for this report, may result in minor differences in amounts. The changes indicated in per cent refer to the actual amounts and not the rounded amounts shown in this report.

All designations that are used to refer to persons in this report apply equally to both genders unless reference is being made to a specific individual.

Economic Environment

The macroeconomic environment in the first half of 2022 was characterized by the meanwhile last Covid-related lockdown measures, a strong post-Covid recovery and the direct and indirect effects of the Russian invasion into Ukraine. Following the lockdown-related GDP drop in the final quarter of 2021, the Austrian economy experienced very strong momentum in the first quarter of this year, even relative to the overall euro area. Austria's economic performance gained 6.6 per cent which was a visibly stronger rise compared to the aggregate of the eurozone which posted an increase of 4.7 per cent. Even though the second quarter already indicated an economic slowdown, the first half of 2022 saw a sustained sound rebound of the economies in the CEE region, which is of particular importance for Raiffeisen Centrobank AG, shored up by rising consumption and investment activities. Due to its ties with Russia, Europe is particularly feeling the effects of the sanctions imposed on Russia in response to the war in Ukraine. Large increases in food and energy prices have sent European inflation rates soaring until recently. Inflation rates that overshoot the ECB's expectations by a wide margin prompted the central bank to propose normalizing monetary policy more quickly around mid-year. Net bond purchases ended at the beginning of July, followed by an initial 50 basis point increase in key interest rates in the same month. The ECB very clearly held out the prospect of further rate hikes or a longer cycle of rate hikes.

Financial Markets

The war in Ukraine, record high inflation rates, the strong inflation focus of major central banks and the associated end of low interest rates as well as the generous liquidity environment caused a significant repricing of the framework conditions on the equity markets. Against this backdrop, stock exchange indices saw a decrease which was more or less pronounced depending on the proximity to the war zone: Dow Jones: -15.3 per cent; Euro STOXX 50: -19.6 per cent; ATX: -25.4 per cent; Nasdaq 100: -29.5 per cent. Inflation was already one of the main issues at the end of 2021. However, the Ukraine war and the increases in commodity and energy prices, coupled with the hard lockdowns in several Chinese cities and the obligatory supply chain disruptions, further intensified the problem considerably. The significantly tighter monetary policy stance led to a repricing of fixed-income investments, both in terms of benchmark yields and risk premiums on corporate bonds. Higher refinancing costs combined with more attractive fixed-income investment alternatives subsequently triggered an adjustment of equity market valuations. The euro was noticeably weaker than the US dollar and fell from roughly 1.14 at the beginning of the year to 1.05 at the end of the first half of 2022. For the first time since 2002, the euro reached parity to the US dollar at the beginning of July.

Development of Business and Earnings in the First Half of 2022

Development of Earnings

Due a change in presentation that was carried out in 2022 for other taxes, operating expenses and taxes as well as the income statement positions and key figures calculated therefrom were adjusted for the first half of 2021 to ensure comparability with the previous year's period.

With an operating income of € 30,025 thousand (first half of 2021: € 25,741 thousand) and operating expenses of €25,947 thousand (first half of 2021: € 17,614 thousand) an operating result of € 4,078 thousand (first half of 2021: € 8,127 thousand) was generated in the first half of 2022. Taking into consideration net valuations and net proceeds in the amount of € minus 291 thousand (first half of 2021: € 13 thousand) the result on ordinary activities came to € 3,788 thousand. The previous year's result on ordinary activities of € 8,140 thousand was undercut by € 4,353 thousand or 53.5 per cent.

in € thousand	first half of 2022	first half of 2021	Change
Net interest result	(19,953)	(6,314)	>100.0%
Income from securities and financial investments	10,504	7,064	48.7%
Net fee and commission result	(3,147)	(2,658)	18.4%
Net profit on financial trading activities	38,043	22,682	67.7%
Other operating income	4,578	4,968	(7.8)%
Operating income	30,025	25,741	16.6%
Staff expenses	(9,653)	(7,672)	25.8%
Other administrative expenses	(15,320)	(9,500)	61.3%
Depreciation	(943)	(440)	>100.0%
Other operating expenses	(31)	(3)	>100.0%
Operating expenses	(25,947)	(17,614)	47.3%
Operating result	4,078	8,127	(49.8)%
Net valuations and net proceeds	(291)	13	<-100.0%
Result on ordinary activities	3,788	8,140	(53.5)%
Taxes	(581)	(1,943)	(70.1)%
Net income for the year	3,207	6,197	(48.3)%

Compared to the first half of 2021, operating income increased by 16.6 per cent or € 4,284 thousand to € 30,025 thousand (first half of 2021: € 25,741 thousand).

Net interest result fell from € minus 6,314 thousand in the first half of 2021 by € 13,639 thousand to € 19,953 thousand in the first half of 2022. This was mainly due to higher net coupon expenses for securitized liabilities (structured products) adding up to € 12,137 thousand. In detail the change can be put down to lower coupon income from structured products in the amount of € minus 6,330 thousand and to higher coupon expenses for securitized liabilities coming to € 5,807 thousand.

Compared to the first half of 2021, interest income dropped by € 6,528 thousand to € 6,554 thousand. The decrease of € 6,330 thousand was mainly due to lower coupon income from structured products.

Interest expenses went up by € 7,111 thousand to € 26,507 thousand compared to the previous year's period. Thereof a rise of € 5,807 thousand was attributable to higher coupon expenses for securitized liabilities. Moreover, interest expenses for liabilities to credit institutions also recorded a gain of € 1,303 thousand.

Depending on the hedge, coupon expenses for securitized liabilities were contrasted with interest income and – as described below in net profit on financial trading activities – with a positive valuation result from tradable money market deposits in the net profit on financial trading activities (trading profit).

Income from securities and financial investments went up by € 3,439 thousand to 10,504 thousand primarily due to higher dividend income from domestic shares adding up to € 1,365 as well as a dividend payment from Centrotech Holding GmbH coming to € 1,200 thousand. Dividend income from foreign shares also posted a rise coming to € 874 thousand.

Net fee and commission result was negative, both in the first half of 2022 and 2021. The decrease of € 489 thousand to € minus 3,147 thousand was primarily due to higher expenses for index and distribution fees.

Net profit on financial trading activities accounted for the main part of the operating income and posted a strong rise of € 15,362 thousand to € 38,043 thousand compared to € 22,682 thousand in the first half of 2021. This increase was attributable to the development of coupon payments for structured products as described under net interest result. These payments were hedged partly by tradable money market deposits without current coupons held in the trading book. In the previous year, these payments were primarily hedged via products with interest income contained in the net interest result whereas in the current year, they were hedged via tradable money market deposits which are held in the trading book and without current coupons. In total, net coupon expenses contained in the net interest result (coupon expenses minus coupon income) increased by € 12,137 thousand. Accordingly, the positive valuation effects from hedging transactions included in the net profit of financial trading activities recorded a rise. The total result of tradable money market deposits including interest were contained in net profit on financial trading activities (trading profit).

Moreover, the net profit on financial trading activities improved in comparison to the first half of 2021 against the backdrop of a rise in income generated in the Structured Products business segment.

Other operating income posted a decrease of € 389 thousand to € 4,578 thousand primarily caused by allocating fewer costs to Raiffeisen Bank International AG in relation to the demerger of the Equity Value Chain.

Operating expenses came to € 25,947 thousand and exceeded the previous year's result (€ 17,614 thousand) by 47.3 per cent or € 8,333 thousand.

Compared to the first half of 2021, staff expenses went up by € 1,981 thousand to € 9,653 thousand (first half of 2021: € 7,672 thousand). € 1,790 thousand thereof were primarily attributable to the increase of staff related to the new business segment Digital Retail Bank department of Raiffeisen Centrobank AG which started with establishing and offering various digital retail banking products on 1 July 2021.

Other administrative expenses included mainly IT expenses coming to € 3,517 thousand (first half of 2021: € 1,868 thousand), contributions to associations, domestic and foreign supervisory authorities and payments to the resolution fund adding up to € 2,787 thousand (first half of 2021: € 2,286 thousand), sundry administrative expenses coming to € 2,362 thousand (first half of 2021: € 833 thousand), expenses for legal, advisory and consultancy services coming to € 1,896 thousand (first half of 2021: € 1,324 thousand) and expenses for information services in the amount of € 1,800 thousand (first half of 2021: € 1,352 thousand).

The item strongly rose by € 5,820 thousand to € 15,320 thousand compared to the previous year's period. Aside from a rise of sundry expenses coming to € 1,529 thousand, IT expenses posted an increase of € 1,648 thousand and advertising and promotional expenses went up by € 1,242 thousand. The rise of other administrative expenses can with € 4,498 thousand primarily be put down to the new business segment Digital Retail Bank department. Moreover, contributions to associations, domestic and foreign supervisory authorities and payments to the resolution fund increased by € 501 thousand. Expenses for information services rose by € 448 thousand.

Depreciation came to € 943 thousand and went up by € 503 thousand compared to the previous year's period (€ 440 thousand). The increase was mainly due to higher depreciation on intangible fixed assets in the Digital Retail Bank department.

Other operating expenses came to € 31 thousand and remained at a comparatively low level (first half of 2021 € 3 thousand).

In the first half of 2022, the cost/income ratio came to 86.4 per cent compared to 68.4 per cent in the previous period. The rise is mainly attributable to higher operating expenses.

Net valuations and net proceeds were negative and came to € 291 thousand (first half of 2021: € 13 thousand) and contained primarily the current adjustment of general impairment allowances for the Digital Retail Bank department adding up to € minus 284 thousand which pursuant to the methodology laid down in IFRS 9 was also applied in the statements pursuant to the Austrian Banking Act and the Austrian Commercial Code.

In the reporting period, the result on ordinary activities came to € 3,788 thousand compared to € 8,140 thousand achieved in the previous year's period.

Current income taxes amounted to € 30 thousand (first half of 2021: € 1,420 thousand). The item contained income from group charges for the first half of 2022 adding up to € 780 thousand (first half of 2021: expenses of € 641 thousand) and for previous years in the amount of € 3 thousand (first half of 2021: expenses of € 26 thousand). Moreover, the item included withholding taxes on foreign dividend income in the amount of € 756 thousand (first half of 2021: € 695 thousand) and a provision for current corporate income taxes for the Slovak branch adding up to € 56 thousand (first half of 2021: € 58 thousand).

In the first half of 2022, expenses for deferred taxes amounted to € 31 thousand (first half of 2021: € 15 thousand).

Other taxes included the statutory bank levy of Raiffeisen Centrobank AG adding up to € 520 thousand (first half of 2021: € 508 thousand).

The net income for the first half of 2022 came to € 3,207 thousand compared to € 6,197 thousand achieved in the first half of 2021.

Balance Sheet Development

Compared to 31 December 2021, the balance sheet total decreased by 5.0 per cent from € 4,882,883 thousand to € 4,636,899 thousand.

On the asset side, "Deposits with central banks" (14.1 per cent of the balance sheet total on 30 June 2022 and 16.0 per cent on 31 December 2021) decreased by € 127,564 thousand to € 652,757 thousand due to liquidity management measures.

"Loans and advances to credit institutions" (74.4 per cent of the balance sheet total on 30 June 2022 and 72.0 per cent on 31 December 2021) posted a drop of € 63,256 thousand to € 3,451,030 thousand. Thereof tradable money market deposits fell by € 157,366 to € 3,129,954 and unlisted bonds recorded a decrease of € 41,563 thousand to € 105,834 thousand. In addition, the item also included collateral for the option business (€ 90,686 thousand) and interbank deposits (€ 63,893 thousand). Compared to the year-end 2021, collateral for the option business increased by € 60,252 and interbank deposits went up by € 39,121 thousand.

"Loans and advances to customers" (0.3 per cent of the balance sheet total on 30 June 2022 and 0.1 per cent on 31 December 2021) recorded a gain of € 12,108 thousand to € 16,053 thousand further to a rise of loans and advances to customers in the amount of € 11,195 thousand in the Digital Retail Bank department.

"Shares and other variable-yield securities" (6.3 per cent of the balance sheet total on 30 June 2022 and 7.1 per cent on 31 December 2021) dropped by € 54,834 thousand to € 291,781 thousand. The decrease is primarily related to foreign shares (€ 37,364 thousand) and was attributable to the current adjustment of the hedging strategy to continuously changing market conditions and volatilities. In addition, the item also included domestic shares and funds which dropped by € 8,256 thousand and € 9,213 thousand respectively.

"Intangible fixed assets" (0.2 of the balance sheet total on 30 June 2022 and 0.1 per cent on 31 December 2021) went up by € 3,954 thousand to € 11,062 thousand further to the business activities of the Digital Retail Bank department.

"Other assets" (4.0 per cent of the balance sheet total on 30 June 2022 and 4.2 per cent on 31 December 2021) which contained mainly positive fair values from trading in derivative financial instruments adding up to € 176,592 thousand (31 December 2021: € 196,219 thousand) went down by € 17,711 thousand to € 185,244 thousand compared to the previous year (31 December 2021: € 202,955 thousand).

Accruals and deferred income (0.1 per cent of the balance sheet total on 30 June 2022 and 0.0 per cent on 31 December 2021) rose by € 1,984 thousand compared to December 2021. Thereof a rise of € 1,021 thousand was attributable to the business activities of the Digital Retail Bank Department. In addition, the item increased due to intra-year deferred income from annual invoices.

On the equity and liabilities side, "Liabilities to credit institutions" (17.5 per cent of the balance sheet total on 30 June 2022 and on 31 December 2021) decreased by € 46,256 thousand to € 810,276 thousand due to the development of collateral for the option business which dropped by € 57,982 thousand.

"Securitized liabilities" (73.9 per cent of the balance sheet total on 30 June 2022 and 76.4 per cent on 31 December 2021) posted a price-related decrease of € 304,048 thousand to € 3,424,885 thousand. This can be put down to a decrease of issued bonds (capital protection certificates and reverse convertible bonds) coming to € 115,948 thousand as well as of other securitized liabilities (certificates with option character and warrants) adding up to € 188,099 thousand.

Tradable money market deposits purchased from Raiffeisen Bank International AG for hedging purposes were included in "Loans and advances to credit institutions" on the asset side and came to € 3,129,954 thousand (31 December 2021: € 3,287,320 thousand).

"Other liabilities" (5.4 per cent of the balance sheet total on 30 June 2022 and 3.1 per cent on 31 December 2021) increased by € 100,370 thousand to € 252,028 thousand due to a rise of negative fair values of derivative financial instruments (options, futures and forward exchange contracts) of € 107,109 thousand, whereas short-selling of trading assets dropped by € 6,023 thousand.

"Provisions" (0.2 per cent of the balance sheet total on 30 June 2022 and on 31 December 2021) rose from € 10,861 thousand as at 31 December 2021 to € 11,571 thousand as at 30 June 2022. Provisions for severance payments decreased by € 292 thousand due to a market-related higher calculatory interest rate, whereas other provisions went up by € 1,005 thousand. The rise of other provisions is attributable to the Digital Retail Bank department. Tax provisions came to € 172 thousand and remained almost unchanged to 31 December 2021 (€ 174 thousand).

"Retained earnings" (1.1 per cent of the balance sheet total on 30 June 2022 and 0.7 per cent on 31 December 2021) came to € 53,012 thousand (31/12/2021: € 35,324 thousand). The rise of € 17,688 thousand was due to the allocation of the profit as at 31 December 2021 to other reserves pursuant to the Annual General Assembly's resolution on the distribution of the profit.

The net profit (0.1 per cent of the balance sheet total on 30 June 2022 and 0.4 per cent on 31 December 2021) came to € 3,207 thousand and was equal to the net income for the period.

Financial Instruments

Please refer to the risk report and to the notes.

Related parties and related companies pursuant to § 125 (4) Stock Exchange Act

There were transactions with related parties neither in the first half of 2021 nor in the first half of 2022. Transactions with related companies were concluded at market-based prices.

Review of Business Segments

Raiffeisen Centrobank AG is one of the largest players in equities and structured products on the Vienna stock exchange and holds a key position in the markets in Central and Eastern Europe.

Structured Products

In the first half of 2022 the rise of interest rates provided particularly attractive terms for partial protection and capital protection certificates which bolstered the distribution of certificates. Inflation and market volatility triggered by the war in Ukraine as well as sustainability remained the key issues.

The 2022 annual kick-off for the Austrian Raiffeisen sector focused on the topic sustainability. In tandem with Mr. Reinhard Friesenbichler (founder and managing director at rfu) the Austrian Ecolabel, which inter alia certifies sustainable financial products, was presented and the importance of a sustainable transformation was emphasized. Capital protection certificates on sustainable underlyings enjoy great popularity both in subscription and on the secondary market.

In the wake of the current market environment bonus certificates with high safety buffers and intelligent mechanisms such as an inflation-adjusted yield component are in strong demand. As at 30/06/2022 investors were able to choose from an overall product range of almost 6,000 certificates. Digital tools such as the Certificate Finder and the website section "Products in Focus" assist investors in quickly and easily selecting the most appropriate investment solution. The product range of bonus certificates for saving plans was extended by four sustainable underlyings from the MSCI index family. Thus, as at 30/06/2022 seven certificates for savings plans were available. Communication with distribution partners was organized both in a digital format and via personal appointments such as trainings for advisors and customer events. In particular, the digital webinar format "Zertifikate im Blick" met with lively interest which was underlined by a participation number in the three-digit range.

A core topic was of the expansion of the sustainable product range, which already included 684 certificates as at 30/06/2022. The open interest of ESG certificates was increased to over one billion (€ 1,075 million), which equals a rise of 48 per cent compared to the previous year's period (€ 727 million). The percentage of ESG products in the total open interest rose substantially and came to 26.68 per cent (previous year's period: 16.53 per cent). The ESG share of the total sales volume amounted to 40.35 per cent as at 30/06/2022 which shows that sustainability has become an integral part of investment advice in Austria and the CEE region.

In April 2022, after passing the test, Raiffeisen Centrobank AG received the Austrian Ecolabel as first and so far sole Austrian certificates provider. The label certifies ethically oriented projects and companies which generate profit through sustainable investments. In February 2022, various Raiffeisen Centrobank AG's capital protection and bonus certificates on the MSCI World Climate Change Top ESG Select-Index were certified with the Austrian Ecolabel.

In the CEE region, Raiffeisen Centrobank AG generated a certificates' sales volume coming to € 137 million in the first half of 2022 which undercut the result of the previous year's period by 28 per cent. The decrease is mainly attributable to caution on the part of major distribution partners against the backdrop of the war in Ukraine. Raiffeisen Centrobank AG issued 36 customized products with partial protection and protection certificates in different currencies for the CEE region.

In the first half of 2022, Raiffeisen Centrobank AG received numerous major European awards including the SRP Awards in London, where Raiffeisen Centrobank AG was the sole Austrian certificates house among international leaders that won three awards: Best Distributor Austria, Best Performance Austria and Best Performance Germany.

Another major award was the Capital Market Leader Award in Poland. For the record number of 1,400 newly listed certificates on the Warsaw stock exchange in 2021 and its outstanding commitment to customer information and transparency Raiffeisen Centrobank AG was honored Capital Market Leader in the structured products segment for the fifth time.

For the Structured Products segment (including the branch in Slovakia) operating income excluding other operating income came to € 19.8 million and exceeded the result achieved in the previous year's period (€ 15.9 million) by roughly 25 per cent.

Trading & Treasury

In the first half of 2022, the spot market of the Vienna stock exchange, Raiffeisen Centrobank AG's home market, recorded a rise in sales volume of roughly € 21.4 billion (first half of 2022: € 19.4 billion, single counting according to FESE.eu). The leading international and European exchanges German stock exchange and Euronext also posted an increase in sales volume and came to € 927.3 billion and € 1,544.4 billion (first half of 2021: € 882 billion and € 1,136 billion). In the first half of 2022, the sales volume on the exchanges in Warsaw, Prague and Bucharest amounted to € 35.5 billion, € 4.1 billion and € 1.4 billion (first half of 2021: € 38.0 billion, € 2.7 billion and € 0.8 billion).

In the first half of 2022, Raiffeisen Centrobank AG's market share on the spot market of the Vienna stock exchange came to roughly 4.6 per cent and slightly undercut the share achieved in the previous year's period (first half of 2021: 4.8 per cent). In market making Raiffeisen Centrobank AG recorded a volume of € 834.1 billion, which was roughly 21.5 per cent above the result of the previous year's period and corresponds to a market share of 7.3 per cent (first half of 2021: € 686.3 billion, 7.2 per cent, double counting). Raiffeisen Centrobank AG remained the largest domestic liquidity provider in terms of sales volume.

With regard to the Vienna stock exchange, Raiffeisen Centrobank AG held 38 market maker mandates on the Prime Market (first half of 2021: 37 market maker and 1 specialist mandates).

On the German exchange XETRA Frankfurt, Raiffeisen Centrobank AG provided liquidity for 27 Austrian and German titles (first half of 2021: 32). In addition, Raiffeisen Centrobank AG acted as market maker for options and futures on 27 underlyings on the EUREX Frankfurt (first half of 2021: 27).

On the exchange in Warsaw, Raiffeisen Centrobank AG held 67 market making mandates on the spot market (first half of 2021: 69) and provided liquidity for 41 single stock futures (first half of 2021: 45) as well as for WIG20 and MWIG40 index derivatives.

On the exchanges in Prague and Bucharest Raiffeisen Centrobank AG held 30 and 12 market maker mandates, respectively (first half of 2021: 31 and 10).

Against the backdrop of the Russia/Ukraine crisis, the substantial price increases on the energy market and current interest rate levels, the first half of 2022 saw high volatilities and uncertainties which, particularly in the first quarter, were reflected both in pronounced price corrections and a challenging trading environment.

In the first half of 2022 operating income excluding other operating income for Trading & Treasury came to € 6.4 million and undercut the result achieved in the previous year's period (€ 7.5 million) by roughly 14 per cent.

Digital Retail Bank Department

In the first half of the year, the Digital Retail Bank department continued the roll-out and expansion of its innovative, state-of-the-art, digital-first, online consumer loans on the Polish market. At the same time, it kept laser-focused on delivering on the key value-added of its digital product to the customers, as well as further developing and refining the product based on real client feedback. All with the ultimate goal of making its consumer loan experience even quicker, simpler, more transparent, and more flexible.

Due to a material shift in the geopolitical situation in the CEE region in first half of the period, the business segment's teams had to start continuously adapting to an ever-changing situation and fluid market dynamics — to better support the customers. Nevertheless, the fundamental work on shaping up the technical basis for further digital products, services, and geographies, which started back in 2021, remained on track.

Operating income excluding other operating income for the Digital Retail Bank department amounted to € 0.1 million (first half of 2021: € 0 million).

Performance Indicators

Financial Performance Indicators

In per cent	30/06/2022	30/06/2021
Return-on-Equity before tax (Result on ordinary activities / Core capital before deductions)	2.8	7.0
Return-on-Equity after tax (Net income for the period / Core capital before deductions)	2.4	5.3
Cost/income ratio (operating expenses / operating income)	86.4	68.4
Own funds ratio (Own Funds / total Risk-Weighted assets)	28.0	21.5
Core capital ratio, total (Core capital / Total Risk-Weighted assets)	28.0	21.5
Return on assets after taxes (Net income for the period / Total assets)	0.1	0.1
Liquidity Coverage Ratio (Liquid assets / Net outflows)	366.1	135.1

Compared to the first half of 2021, the result on ordinary activities decreased which translated into a drop of the Return-on-Equity before tax from 7.0 per cent to 2.8 per cent and the Return-on-Equity after tax from 5.3 per cent to 2.4 per cent.

The cost/income ratio which had come to 68.4 per cent in the first half of 2021 deteriorated to 86.4 per cent due to a relatively stronger rise of operating expenses.

Non-Financial Performance Indicators

	30/06/2022	30/06/2021
Stock exchange memberships	10	10
Number of newly issued warrants and certificates	1,619	3,208

The number of stock exchange memberships came to 10 and remained unchanged to 30 June 2021 (for details kindly see the website of Raiffeisen Centrobank AG: www.rcb.at/en/).

The number of newly issued warrants and certificates went down by 1,589 to 1,619. The drop was mainly attributable to a decrease of flow products. The number of subscription and tailor-made products, which are more relevant in terms of volumes, remained almost unchanged and came 148 in the current business year compared to 155 in the first half of 2021.

Risk Management

Principles

Business opportunities and earnings potential are realized in Raiffeisen Centrobank AG based on active risk management by taking risk on in a targeted and controlled manner. In all relevant areas of risk, efficient monitoring and controlling instruments are available, enabling the relevant bodies to react to market opportunities and specific banking business risk. Active risk management resulted in a stable and little volatile trading result.

As a subsidiary of Raiffeisen Bank International AG (RBI), Raiffeisen Centrobank AG is integrated into the risk management process of the RBI Credit Institution Group, safeguarding that all major risks are identified, measured and controlled on Group-level and ensuring that transactions are concluded solely if particular risk/reward ratios are complied with.

Risk Governance

The Management Board of Raiffeisen Centrobank AG is responsible for all risks on the part of the Bank as well as for developing and implementing a risk strategy. The Management Board is supported in implementing these tasks by an independent risk management unit separated clearly from the front offices. Operational Risk and the Internal Control System together with Regulatory Affairs are bundled in an independent department (Regulatory Affairs & Operational Risk).

Risk management at Raiffeisen Centrobank AG is divided into two categories:

- Risk Management (inter alia market, credit, liquidity risks, overall bank risk management)
- Operational risk (non-financial risks)

The central risk management bodies are the Risk Management Committee (RMK), the Internal Limit Committee (ILC), the Operational Risk Management and Control Committee (ORMCC) and the Asset and Liability Committee (ALCO).

The RMK, which meets weekly, addresses all issues and regulations related to the risk management of the Bank focusing in particular on credit risk, market risk and operational risk. Overdrafts, overdue loans and advances as well as necessary value adjustments are reported in due course and recommendations for the Management Board are developed. The RMK is a decision-taking body, authorized to approve risk-related principles, measures, processes and parameters.

The ILC, which meets every two weeks, decides within its competency (depending on the type and amount of the limit) on counterparty, country and market risk limits. Large exposures require the approval of the Supervisory Board. In addition, the aggregate of large exposures is reported to the Supervisory Board once a year.

The ORMCC, which meets once a quarter, establishes an appropriate framework for operational risk management, defines and approves an adequate risk strategy and monitors and assesses the adequacy of internal controls. Moreover, risk assessments, scenario analyses and risk indicators are discussed and approved, and material cases of default and the resulting measures to be taken are analyzed.

The ALCO, which meets once a month, continuously evaluates the macro-economic environment and controls and assesses interest rate risk, liquidity risk and balance sheet structural risk.

Risk Management System at Raiffeisen Centrobank AG

Raiffeisen Centrobank AG employs a comprehensive risk management system taking into account all legal, business and regulatory requirements. The applied processes and models are subject to ongoing review and further development. The key components of the risk management systems are compliant with regulatory capital requirements, limiting specific banking risks and providing adequate risk coverage sums as well as permanent supervision and control of process risk within a comprehensive Internal Control System.

1. Capital requirements to limit market risk, credit risk and operational risk

To secure adequate capital for credit risk, market risk and operational risk, Raiffeisen Centrobank AG applies the standard approach. To calculate option-related non-linear risks the scenario matrix method is employed.

For details on regulatory capital requirements please refer to the notes (page 33f).

2. Identifying and limiting specific banking business risks (ICAAP)

As a subordinate company of RBI, Raiffeisen Centrobank AG is integrated into the ICAAP of RBI on a consolidated basis. The risk-bearing capacity analysis is prepared by RBI on a monthly basis both for the going concern (Value-at-Risk (VaR) with a confidence interval of 95 per cent) and target rating perspective (VaR with a confidence interval of 99.9 per cent) and is provided to Raiffeisen Centrobank AG to support the Management Board in managing the overall banking risk.

3. Internal Control System

Raiffeisen Centrobank AG has implemented a company-wide modern Internal Control System that meets RBI Group standards. All key processes and immanent risks as well as other key risks of the Bank are documented, and controls are set up and reviewed accordingly. Once a year, the controls are reviewed in terms of implementation, efficiency and efficacy. The results are centrally monitored and are reported to the Management Board and the Supervisory Board.

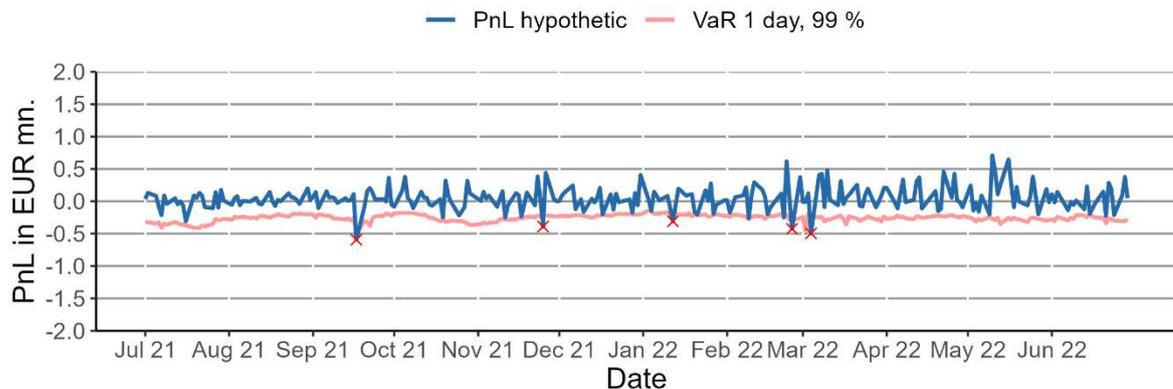
Major Risks

Market risk

Market risk is defined as the risk of possible losses in on and off-balance sheet positions arising from changes in market prices (equity and commodity prices, interest rates or exchange rates). As the main focus of the business activities of Raiffeisen Centrobank AG is on securities trading and the issue of equity-index based derivatives and structured products, the top priority of Raiffeisen Centrobank AG is to counteract market risk. Raiffeisen Centrobank AG measures, monitors and manages market risk by setting a variety of limits that are reviewed and approved on an annual basis. All market risk positions are compared with the respective limits in a mostly automated process. Limit overdrafts are handled in an escalation process. Currently, over 15,000 limits in roughly 25 categories are monitored. Limits for single shares account for the majority.

In market risk management, the VaR is employed, which provides forecasts on potential losses in adverse scenarios under normal market conditions and contrasts them with a particular limit. On the basis of the variance-covariance model, the VaR for equity and product-specific positions is calculated daily with a confidence interval of 99 per cent and a retention period of one day. As at 30 June 2022 the VaR for equity and product-specific positions came to € 240 thousand (31 December 2021: € 205 thousand).

Value at Risk backtesting



The above chart depicts the performance of the VaR and hypothetical P&L (profit and loss that would have occurred in a constant portfolio as well as actually recorded market movements) in the period between 01 July 2021 and 30 June 2022. In the period under review, backtesting revealed five VaR exceedances.

In addition to the VaR, Raiffeisen Centrobank AG uses regulatory and management-defined stress tests to evaluate market risk. The results are evaluated daily on operational level and are reported in the weekly Risk Management Committee. Stress tests simulate the performance of the portfolio under abnormal market situations and atypical price movements.

Credit risk

Credit risk represents the default risk that arises from the inability of a counterparty to fulfil contractually agreed financial obligations, when services have been rendered (e.g. liquidity, securities) or when unrealized profits from pending business transactions can no longer be recovered (counterparty default risk).

Raiffeisen Centrobank AG's major credit risks result from positions of purchased debt instruments, tradable money market deposits and OTC options serving primarily to hedge issued certificates and structured products as well as from margin positions relating to OTC and stock exchange transactions. This primarily affects members of the RBI Credit Institution Group and, to a limited extent, other financial institutions. In the business segment Digital Retail Bank Department credit risk comprises payment defaults on the part of the customers who fail to meet their payment obligations under an unsecured personal loan.

Credit risk management is based on counterparty-related nominal limits, which are comprehensively monitored by the internal limit system for credit risk. The limits are approved - depending on the type and size - by the relevant authority in the hierarchy. Credit decisions are taken depending on the assessment of the counterparty default risk, taking into account the rating and applicable credit risk mitigating measures like financial collateral (e.g. cash or securities collateral). In the Group-wide default and rating data base customers are registered and evaluated and cases of default are documented. The whole lending decision adheres to regulatory requirements and RBI Group Directives.

This credit risk as well as the risk of fraud in the course of the fully digitized loan application procedure are limited by online identification and customer review processes, income verification via PSD2 account queries, inquiry of loan history at credit agencies as well as by credit risk assessments via rating the credit worthiness and debt repayment capacities.

Operational risk

Operational risk is defined as the risk of unexpected losses resulting from internal processes and systems which are inadequate or have failed, from human error or from external events. This definition includes legal risk but excludes strategic and reputational risk. Operational risk is managed on the basis of the results of regular Bank-wide risk assessments, standardized key risk indicators, scenario analyses and Group-internal historical data.

Cases of default in operational risk are registered in the Group-wide data basis ORCA (Operational Risk Controlling Application) and are grouped by business segment and type of event. Measures taken are also documented and linked with the case of default.

Liquidity risk

Liquidity risk is calculated based on a liquidity model developed in cooperation with RBI. Daily balance sheet items of Raiffeisen Centrobank AG are split by maturity bands and currencies, their inflows and outflows are modeled based on pre-defined factors. The liquidity requirement in different maturity bands is limited by means of regulatory limits as well as by limits determined by RBI. Moreover, regular liquidity stress tests are carried out and the time-to-wall in the stress scenario is monitored in different currencies. Inflows need to exceed outflows for a particular period in a crisis scenario (market crisis, name crisis and scenario involving both).

The Liquidity Coverage Ratio (LCR) serves to measure the Bank's liquidity supply in a defined stress scenario (combination of market and name crisis). As at 30 June 2022, the LCR came to 365.7 per cent (31 December 2021: 134.6 per cent). Since January 2018, a minimum rate of 100 per cent has been mandatory on single-institution level. All key indicators confirmed the adequate liquidity supply of Raiffeisen Centrobank AG in the current 2022 financial year.

Risk Situation

The Risk Appetite Framework is an internal tool to define and communicate the risk appetite of Raiffeisen Centrobank AG. The management of risk is done according to a limit and monitoring system pursuant to particular warning levels and limits.

The following table depicts the Bank-wide key figures as at 30 June 2022 compared to 31 December 2021 as well as the respective minimum, maximum and average values for the current 2022 financial year.

Key figure		Status	Limits	06/2022	12/2021	Change	Max ¹	Min ¹	Avg ¹
Pillar I	Total Capital Ratio	●	16% 18%	28.0%	24.5%	3.5 PP	28.0%	22.6%	24.3%
	CET1 Ratio	●	16% 18%	28.0%	24.5%	3.5 PP	28.0%	22.6%	24.3%
	LCR	●	110% 117.5%	366.1%	134.6%	231.5 PP	365.7%	129.9%	267.1%
	Leverage Ratio	●	5% 6%	9.8%	8.1%	1.7 PP	9.8%	7.4%	8.3%
Pillar II (Internal Capital)	Total Capital Ratio in Stress	●	13% 15%	24.7%	24.4%	0.4 PP	24.7%	19.6%	21.4%
	Economic Capital Utilization	●	45% 35%	23.9%	19.7%	4.3 PP	27.3%	23.9%	25.5%
	HQLA Buffer	●	60 mn 120 mn	549 mn	290 mn	259 mn	621 mn	244 mn	504 mn
Risk-return figures	RORAC ²	●		(8.7%)	35.2%	(43.9 PP)	0.9%	(17.0%)	(7.4%)
	RORWA ²	●		(0.6%)	2.0%	(2.6 PP)	0.1%	(1.0%)	(0.5%)

¹ during 2022

² due to the expected impact on NPAT resulting from the setup of the retail business the limit and warning level for RORAC and RORWA are suspended until end of 2022 according to a resolution of the Supervisory Board.

The above key figures are defined as follows:

Total Capital Ratio and CET1 Ratio serve as quantitative measure to determine the credit institution's own funds in relation to the Risk-Weighted Assets (RWAs).

$$\text{CET1 Ratio} = \frac{\text{Common Equity Tier 1}}{\text{Total Risk-Weighted Assets}}$$

$$\text{Total Capital Ratio} = \frac{\text{Eligible own funds}}{\text{Total Risk-Weighted Assets}}$$

The LCR (Liquidity Coverage Ratio) measures the liquidity outflow in a 30-day stress scenario.

$$\text{LCR} = \frac{\text{Liquid assets}}{\text{Net outflows}}$$

The HQLA (High-Quality Liquid Assets) Buffer measures the liquidity surplus which exceeds regulatory requirements and serves to safeguard that the required LCR is met.

The Total Capital Ratio in stress measures the Total Capital Ratio in the going concern scenario (1-year horizon, 95 per cent confidence interval). Eligible own funds and expected profit are stressed at the VaR and contrasted with the Risk-Weighted Assets. A negative net income for the year is directly deducted from eligible own funds and is not considered additionally in the NPAT. The Total Capital Ratio acts as a floor.

$$\text{Total Capital Ratio in Stress} = \frac{\text{Eligible own funds} + \text{NPAT} - \text{VaR}}{\text{Total Risk-Weighted Assets}}$$

The Economic Capital (EC) Utilization depicts the utilization of the risk coverage sum in the target rating scenario (1-year horizon, 99.92 per cent confidence interval).

$$\text{Economic Capital Utilization} = \frac{\text{Economic Capital}}{\text{Risk-Taking Capacity}}$$

The Leverage Ratio limits the maximum business volume by the available core capital. The calculation of the Leverage Ratio excludes certain intragroup risk positions (e.g. funding passed on).

$$\text{Leverage Ratio} = \frac{\text{Core capital}}{\text{Balance sheet volume (excl. RBI)}}$$

The RORAC (Return on Risk-Adjusted Capital) and the RORWA (Return on Risk-Weighted Assets) are key figures of risk-adjusted return management. The net income is related to the allocated risk capital. Projects with higher risk profiles tie up more capital and should be more profitable.

$$\text{RORAC} = \frac{\text{NPAT}}{\text{Economic Capital (ytd avg)} + \text{Prudent Valuation (ytd avg)}}$$

$$\text{RORWA} = \frac{\text{NPAT}}{\text{Risk-Weighted Assets (ytd avg)}}$$

On overall bank level, all key figures were above the respective internal limits and warning levels. The internal warning levels and limits are defined conservatively, i.e. even if they are undercut, the regulatory levels are still complied with.

Risk-Weighted Assets by risk types are depicted in the below table:

RWAs acc. to type of risk	30/06/2022	31/12/2021	Change
Credit risk	97,383	100,817	(3.4)%
Market risk	117,645	136,227	(13.6)%
Operational risk	118,193	118,193	0.0%
Participation risk	6,239	6,240	0.0%
CVA risk	93,488	91,543	2.1%
Rest ¹	17,991	15,954	12.8%
	450,939	468,975	(3.8)%

¹ incl. settlement risk and owned property risk

Compared to 31 December 2021, the RWAs slightly decreased as at 30 June 2022. The change in market risk was within the normal fluctuation range. Owned property risk slightly increased due to software for the Digital Retail Bank department.

Human Resources

As at 30 June 2022 Raiffeisen Centrobank AG had 158 employees which, compared to 31 December 2021 and 30 June 2021, represented an increase of 29 and 36 employees, respectively. The rise was mainly due to the demerger pursuant to AVRAG in January 2022: The Digital Retail Bank department was demerged from Raiffeisen Bank International AG into Raiffeisen Centrobank AG as at 1 January 2022.

Outlook

The direct and indirect effects of the war in Ukraine and the significantly tighter monetary policy stance of central banks proved to be an economic burden. Larger cyclical effects are assumed for the European countries due to their energy dependency. Since the spring, Europe has experienced volume restrictions on gas purchased from Russia. In addition, natural gas has increased significantly in price. The base scenario assumes that this situation will continue for an extended period of time. This is expected to impact the industrial sector in particular, partly through price effects, and result in a recession in this sector. In the negative scenario, which assumes a prolonged and complete interruption of Russian gas supplies, Europe is almost inevitably heading for a general economic recession with visibly negative GDP growth rates for all of 2023. Large increases in food and energy prices have sent European inflation rates soaring until recently. Inflation is expected to remain clearly elevated in 2023 and, even after a certain normalization of commodity price dynamics, there will be no return to previous-year rates in the medium term. Accordingly, the stock markets are also finding themselves in different waters, in which the central banks will accept growth slowdowns in order to avoid a repeat of stagflation years.

In addition to implementing the full integration of the business segments Structured Products and Trading & Treasury into Raiffeisen Bank International AG by the end of 2022, Raiffeisen Centrobank AG focuses on further developing its business activities in particular with regard to digital distribution channels. Worthwhile emphasizing is Raiffeisen Centrobank AG's contribution to RBI's project EDI Easy Digital Investing, which achieved its MVP status in the Czech Republic.

Moreover, further expansion is planned in the business segment Digital Retail Bank Department which was set up in July 2021 within Raiffeisen Centrobank AG and which took up its operational activity in the past year by offering consumer loans in Poland. Currently, the technical basis for additional products and services to be offered by a digital bank is being developed including current accounts, debit cards, or payment services, focusing geographically on the CEE region.

The military conflict between Russia and Ukraine that broke out in February 2022 represents an ongoing challenge for all economic participants. The comprehensive focus is to take all possible measures to ensure banking operations and support for our customers within the given parameters, taking into account prudent and robust risk and sanction management.

As the further development of the military conflict can currently not be assessed, no reliable outlook on the further course of the 2022 financial year can be given. As Raiffeisen Centrobank AG's business model is premised on the comprehensive hedging of issued products, the immediate effects have not been significant so far. In view of a continuation of the conflict in Ukraine and imposed sanctions and trade restrictions Raiffeisen Centrobank AG might face a decrease of its business volume.

Based on a sustained containment of Covid-19 infection rates and no further escalation of the conflict between Russia and Ukraine and the related sanctions and countersanctions we anticipate a favorable development of business for the segments Structured Products and Trading & Treasury comparable to that achieved in the previous year. Considering start-up costs for

the new business segment Digital Retail Bank Department the net profit will be substantially below the level achieved in 2021. Given the approval of the competent authorities, assets and liabilities as well as the current result achieved by the segments Structured Products and Trading & Treasury will be transferred in the course of the full integration retroactively into Raiffeisen Bank International AG as of July 2022.

Statement of Legal Representatives pursuant to §125 Stock Exchange Act

We confirm to the best of our knowledge that the condensed interim financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company as required by the applicable accounting standards and that the interim management report gives a true and fair view of important events that have occurred in the first six months of the financial year and their impact on the condensed interim financial statements and on the principal risks and uncertainties for the remaining six months of the financial year.

Vienna, 6 September 2022

The Management Board



Harald Kröger
Chief Executive Officer



Heike Arbter
Member of the Management Board



Alexey Kapustin
Member of the Management Board

Interim Financial Statements of Raiffeisen Centrobank AG as at 30 June 2022 according to the Austrian Banking Act

The addition of rounded numbers using automated systems, as was done for this report, may result in minor differences in amounts.

The changes indicated in per cent refer to the actual amounts and not the rounded amounts shown in this report.

Balance Sheet as at 30 June 2022

Assets	30/06/2022 EUR	30/06/2022 EUR	31/12/2021 TEUR	31/12/2021 TEUR
1. Deposits with central banks		652,757,000.31		780,321
2. Debt instruments issued by public bodies		0.00		25
3. Loans and advances to credit institutions				
a) repayable on demand	151,349,320.56		54,796	
b) other loans and advances	3,299,680,226.53	3,451,029,547.09	3,459,489	3,514,285
4. Loans and advances to customers		16,052,778.99		3,944
5. Bonds, notes and other fixed-interest securities				
a) issued by public bodies	2,735,850.70		2,871	
b) issued by other borrowers	7,485,112.72	10,220,963.42	7,698	10,569
6. Shares and other variable-yield securities		291,780,683.13		346,614
7. Equity participations		5,139,114.88		5,139
8. Shares in affiliated companies		1,100,000.00		1,100
9. Intangible fixed assets		11,062,383.27		7,109
10. Tangible fixed assets thereof land and buildings used by the credit institution for own purposes: € 0.00; previous year: € 0 thousand		9,167,647.01		9,431
11. Other assets		185,244,493.76		202,955
12. Accruals and deferred income		3,277,171.71		1,293
13. Deferred tax assets		66,793.50		98
Total assets		4,636,898,577.07		4,882,883
Off-balance sheet items				
1. Foreign assets		477,704,510.12		480,455

Equity and liabilities	30/06/2022	30/06/2022	31/12/2021	31/12/2021
	EUR	EUR	TEUR	TEUR
1. Liabilities to credit institutions				
a) repayable on demand	22,562,124.71		80,544	
b) with agreed maturities or notice period	787,714,036.09	810,276,160.80	775,988	856,532
2. Securitized liabilities				
a) Issued bonds	1,821,391,180.95		1,937,339	
b) Other securitized liabilities	1,603,493,729.10	3,424,884,910.05	1,791,593	3,728,933
3. Other liabilities		252,027,574.59		151,657
4. Accruals and deferred items		131,642.53		100
5. Provisions				
a) Provisions for severance payments	3,123,683.43		3,416	
b) tax provisions	172,000.00		174	
c) other provisions	8,275,263.03	11,570,946.46	7,270	10,861
6. Subscribed capital		47,598,850.00		47,599
7. Capital reserves				
a) committed	6,651,420.71		6,651	
b) uncommitted	14,000,000.00	20,651,420.71	14,000	20,651
8. Retained earnings				
a) legal reserves	1,030,936.83		1,031	
b) other reserves	51,980,588.63	53,011,525.46	34,293	35,324
9. Liability reserve pursuant to Article 57 para 5 Austrian Banking Act		13,538,860.00		13,539
10. Net profit for the period		3,206,686.47		17,688
Total equity and liabilities		4,636,898,577.07		4,882,883
Off-balance sheet items				
1. Credit risks		0.00		11
2. Commitments arising from fiduciary business transactions		7,091,124.47		7,091
3. Eligible own funds pursuant to Part 2 of Regulation (EU) No 575/2013		126,064,320.34		114,877
4. Capital requirements pursuant to Article 92 of Regulation (EU) No 575/2013 (Total Risk-Weighted Assets)				
hereof: capital requirements pursuant to Article 92 para 1		450,939,281.09		468,975
hereof: capital requirements pursuant to Article 92 para 1 lit (a)		27.96%		24.50%
hereof: capital requirements pursuant to Article 92 para 1 lit (b)		27.96%		24.50%
hereof: capital requirements pursuant to Article 92 para 1 lit (c)		27.96%		24.50%
5. Foreign equity and liabilities		428,752,459.79		325,577

Income Statement for the First Half of 2022

	first half of 2022 €	first half of 2022 €	first half of 2021 in € thousand	first half of 2021 in € thousand
1. Interest and similar income		6,553,704.43		13,082
thereof from fixed-interest securities	34,695.46		33	
2. Interest and similar expenses		(26,506,914.86)		(19,396)
I. Net interest result		(19,953,210.43)		(6,314)
3. Income from securities and financial investments		10,503,521.61		7,064
4. Fee and commission income		1,008,540.85		1,168
5. Fee and commission expenses		(4,155,771.12)		(3,827)
6. Net profit on financial trading activities		38,043,498.91		22,682
7. Other operating income		4,578,342.06		4,968
II. OPERATING INCOME		30,024,921.88		25,741
8. General administrative expenses		(24,972,853.77)		(17,171)
a) staff expenses				
aa) salaries	(7,903,260.50)		(6,136)	
ab) expenses for statutory social security contributions and compulsory contributions related to wages and salaries	(1,703,151.21)		(1,313)	
ac) other social expenses	(88,501.65)		(58)	
ad) expenses for retirement benefits	(177,613.33)		(140)	
ae) provisions for severance payments and contributions to severance funds	219,667.26		(25)	
	(9,652,859.43)		(7,672)	
b) other administrative expenses	(15,319,994.34)		(9,500)	
9. Value adjustments on asset items 9 and 10		(942,838.06)		(440)
10. Other operating expenses		(31,057.02)		(3)
III. OPERATING EXPENSES		(25,946,748.85)		(17,614)
IV. OPERATING RESULT		4,078,173.03		8,127
11. Loan loss provisions		(344,450.91)		(32)
12. Income arising from the valuation of loans and advances		53,950.01		45
13. Income arising from the valuation and disposal of investments		0.00		0
V. RESULTS ON ORDINARY ACTIVITIES		3,787,672.13		8,140
1. Income taxes				
a) current income taxes thereof passed on from parent company for the current period: € 779,963.50; previous period: € (641 thousand)	(29,549.67)		(1,420)	
b) deferred taxes	(30,936.50)	(60,486.17)	(15)	(1,435)
15. Other taxes unless included in item 14		(520,499.49)		(508)
VI. NET INCOME FOR THE PERIOD= NET INCOME		3,206,686.47		6,197
16. Profit carried forward		0.00		8,711
VII. NET PROFIT FOR THE PERIOD		3,206,686.47		14,908

Condensed Notes

A. Accounting Policies

General

The interim financial statements of Raiffeisen Centrobank AG as at 30 June 2022 have been prepared in accordance with the general accounting principles stipulated in the Austrian Commercial Code and the specific sectoral regulations as specified by the Austrian Banking Act. In accordance with the principles of proper accounting and taking into account standard practice as described in Article 222 section 2 of the Austrian Commercial Code, the interim financial statements give a true and fair view of the company's net assets, financial position and earnings.

The valuation of assets and equity and liabilities is based on the principle of individual valuation assuming a going concern perspective. The principle of prudence is applied, taking account of the specific characteristics of the banking business.

The balance sheet and the income statement have been structured according to Appendix 2 of the forms contained in Article 43 Austrian Banking Act.

Since 26 April 2017, Raiffeisen Centrobank AG has been operating a branch office in Bratislava (Raiffeisen Centrobank AG Slovak Branch pobočka zahraničnej banky). The business volume as well as income and expenses attributable to the branch office have been included in the interim financial statements.

The condensed interim financial statements have been reviewed by Deloitte Audit Wirtschaftsprüfungs GmbH, Wien.

Accounting principles

Compared to the financial statements as at 31 December 2021, no changes have been made in the accounting policies. For details on accounting principles kindly see the individual financial statements of Raiffeisen Centrobank AG as at 31 December 2021 according to the Austrian Banking Act, available on the website of Raiffeisen Centrobank AG: www.rcb.at/en/the-bank/publications/annual-reports/.

The valuation of intangible and tangible fixed assets (i.e. land and buildings, office furniture and equipment as well as other tangible fixed assets) has been carried out at the cost of acquisition less a scheduled monthly depreciation.

Provisions for severance payments have been calculated pursuant to IAS 19 assuming a calculatory interest rate of 2.20 per cent (31/12/2021: 1.08 per cent).

Due a change in presentation that was carried out in 2022 for other taxes, operating expenses and taxes as well as the income statement positions and key figures calculated therefrom were adjusted for the first half of 2021 to ensure comparability with the previous year's period.

B. Notes to Balance Sheet Items

I. Deposits with central banks

The balance sheet item A 1, which encompasses deposits with the Austrian National Bank, amounted to € 652,757 thousand (31/12/2021: € 780,321 thousand). Prevailing regulations pertaining to liquidity and minimum reserves were observed.

II. Loans and advances

II.1. Classification of loans and advances and securities positions according to their remaining term

30/06/2022 in € thousand	repayable					Total
	on demand/without maturity	0-3 months	3-12 months	1-5 years	> 5 years	
Loans and advances to credit institutions	151,349	182,190	407,016	2,060,617	649,857	3,451,030
Loans and advances to customers	3,348	1,246	217	2,914	8,328	16,053
Bonds, notes and other fixed-interest securities	0	0	3,036	7,185	0	10,221
Shares and other variable-yield securities	291,781	0	0	0	0	291,781
Other assets	31,889	8,066	15,618	98,389	31,283	185,244
	478,367	191,502	425,887	2,169,106	689,468	3,954,328

31/12/2021 in € thousand	repayable					Total
	on demand/without maturity	0-3 months	3-12 months	1-5 years	> 5 years	
Loans and advances to credit institutions	54,796	159,608	457,382	2,004,779	837,720	3,514,285
Loans and advances to customers	2,278	1,248	127	291	0	3,944
Bonds, notes and other fixed-interest securities	0	0	300	10,270	0	10,569
Shares and other variable-yield securities	346,614	0	0	0	0	346,614
Other assets	13,453	13,258	24,424	119,809	32,010	202,955
	417,142	174,115	482,233	2,135,150	869,730	4,078,368

II.2. Loans and advances to affiliated companies and equity participations

30/06/2022 in € thousand	Loans and advances to affiliated companies (direct/indirect >50%)	Loans and advances to equity participations in which Raiffeisen Centrobank AG has a direct shareholding (<50%)
Loans and advances to credit institutions	3,255,656	0
Loans and advances to customers	0	1,221
Shares and other variable-yield securities	2,159	0
Other assets	4,915	639
	3,262,730	1,859

31/12/2021 in € thousand	Loans and advances to affiliated companies (direct/indirect >50%)	Loans and advances to equity participations in which Raiffeisen Centrobank AG has a direct shareholding (<50%)
Loans and advances to credit institutions	3,335,996	0
Loans and advances to customers	0	1,212
Shares and other variable-yield securities	3,516	0
Other assets	5,266	649
	3,344,778	1,861

"Loans and advances to credit institutions" included tradable money market deposits (only Raiffeisen Bank International AG) in the amount of € 3,129,954 thousand (31/12/2021: € 3,287,320 thousand) serving as hedges for certificates and warrants issued by Raiffeisen Centrobank AG.

III. Securities

Figures supplied pursuant to Article 64 section 1 no 10 and 11 Austrian Banking Act

30/06/2022 in € thousand	unlisted	listed	Total	Valued at market price
Bonds, notes and other fixed-interest securities, A 5	0	10,221	10,221	10,221
Shares and other variable-yield securities, A 6	55,749	236,032	291,781	291,781
Equity participations, A 7	5,139	0	5,139	x
Shares in affiliated companies, A 8	1,100	0	1,100	x

31/12/2021 in € thousand	unlisted	listed	Total	Valued at market price
Bonds, notes and other fixed-interest securities, A 5	0	10,569	10,569	10,569
Shares and other variable-yield securities, A 6	64,956	281,658	346,614	346,614
Equity participations, A 7	5,139	0	5,139	x
Shares in affiliated companies, A 8	1,100	0	1,100	x

As at 30/06/2022, balance sheet item A 5 included fixed-interest securities amounting to € 10,221 thousand (31/12/2021: € 10,569 thousand) which are held for trading and of which € 3,036 thousand (31/12/2021: € 300 thousand) will fall due in the forthcoming year.

IV. Equity participations and shares in affiliated companies

Unchanged to the previous year's period, the Bank directly held a minimum of 20 per cent of the shares in the subsequent companies as at 30/06/2022:

in € thousand	Ownership interest in %
Name	
Domicile	
1 Centrotrade Holding GmbH, Vienna	100
2 Syrena Immobilien Holding AG, Spittal/Drau	21

The economic relations of the companies are set forth in the notes to the individual financial statements of Raiffeisen Centrobank AG as at 31 December 2021 pursuant to the Austrian Banking Act.

V. Other assets

Balance sheet item A 11 "Other assets" totaling € 185,244 thousand (31/12/2021: € 202,955 thousand) contained primarily purchase contracts from trading in derivative financial instruments reported at fair value as at 30/06/2022.

in € thousand	30/06/2022	31/12/2021
Positive fair values of derivative financial instruments		
from OTC options and forward exchange transactions	148,419	185,262
from trading in EUREX options and futures	11,023	6,252
from trading in other option and futures	17,150	4,705
	176,592	196,219

In addition, group charges (including capital gains tax charged to the group) in the amount of € 4,204 thousand (31/12/2021: € 3,418 thousand), loans and advances (special funds) from Österreichische Raiffeisen-Einlagensicherung eGen (ÖRE) pursuant to the Raiffeisen-IPS contribution adding up to € 639 thousand (31/12/2021: € 639 thousand) as well as loans and advances to domestic and foreign tax authorities in the amount of € 578 thousand (31/12/2021: € 0 thousand) and € 1,931 thousand (31/12/2021: € 1,626 thousand) were included.

VI. Deferred tax assets

"Deferred tax assets" amounted to € 67 thousand (31/12/2021: € 98 thousand) as at 30/06/2022.

30/06/2022 in € thousand	Deferred tax assets	Deferred tax liabilities
Loans and advances to credit institutions	21	
Loans and advances to customers	4	
Shares and other variable-yield securities	0	(853)
Tangible fixed assets	0	
Accruals and deferred income	3	
Provisions for severance payments	1,091	
Other provisions	313	
Total	1,432	(853)
Balance	579	
Deferred tax assets as at 30/06/2022 (11.5%)	67	

31/12/2021 in € thousand	Deferred tax assets	Deferred tax liabilities
Loans and advances to credit institutions	24	
Loans and advances to customers	5	
Shares and other variable-yield securities	0	(853)
Tangible fixed assets	0	
Accruals and deferred income	3	
Provisions for severance payments	1,285	
Other provisions	318	
Total	1,635	(853)
Balance	782	
Deferred tax assets as at 31/12/2021 (12.5%)	98	

"Deferred tax assets" had so far been recognized at a tax rate of 12.5 per cent. The tax rate was reduced to 11.5 per cent, further to the gradual reduction in the corporate income tax from currently 25 to 23 per cent from calendar year 2024 as foreseen in the eco-social tax reform 2022. Pursuant to the Fachsenat für Unternehmensrecht und Revision (expert committee for company law and audit) dated 21 January 2022 and AFRAC opinion 30 such tax rate is to be applied for calculating deferred tax assets and liabilities that is anticipated to be applied when realizing (reversal) the temporary difference of deferred tax assets.

Deferred tax assets were recognized at half the corporate income tax rate based on the prevailing group assessment agreement; this percentage provides for a guaranteed tax relief in the future. Any tax relief beyond this rate cannot be assessed by the Group member as no influence can be exerted on the amount of the untaxable portion of the taxable profit on Group level.

VII. Liabilities

VII.1. Classification of liabilities according to their remaining term

30/06/2022 in € thousand	repayable					Total
	on demand/without maturity	0-3 months	3-12 months	1-5 years	> 5 years	
Liabilities to banks	23,778	666,506	119,935	4	54	810,276
Debt securities issued	0	127,111	363,008	2,128,335	806,431	3,424,885
Other liabilities	11,698	19,056	51,385	156,300	13,589	252,028
	35,475	812,672	534,327	2,284,639	820,074	4,487,189

31/12/2021 in € thousand	repayable					Total
	on demand/without maturity	0-3 months	3-12 months	1-5 years	> 5 years	
Liabilities to banks	80,544	547,313	228,571	0	105	856,532
Debt securities issued	0	92,371	478,920	2,102,631	1,055,011	3,728,933
Other liabilities	15,444	4,451	35,590	89,329	6,843	151,657
	95,988	644,134	743,082	2,191,960	1,061,959	4,737,122

VII.2. Liabilities to affiliated companies and equity participations

30/06/2022 in € thousand	Liabilities to affiliated companies (direct/indirect >50%)	Liabilities to equity participations in which Raiffeisen Centrobank AG has a direct shareholding (<50%)
	Liabilities to banks	685,207
Other liabilities	665	2
	685,872	2

31/12/2021 in € thousand	Liabilities to affiliated companies (direct/indirect >50%)	Liabilities to equity participations in which Raiffeisen Centrobank AG has a direct shareholding (<50%)
	Liabilities to banks	685,084
Other liabilities	2,604	2
	687,689	2

VII.3. Securitized liabilities

The balance sheet item P 2 "Securitized liabilities" included issued bonds and other securitized liabilities totaling € 3,424,885 thousand (31/12/2021: € 3,728,933 thousand), held for trading and allocated to the following product categories:

in € thousand	30/06/2022	31/12/2021
Issued securitized liabilities	1,821,391	1,937,339
Capital Protection Certificates	1,715,782	1,813,466
Reverse Convertible Bonds	105,609	123,874
Other securitized liabilities	1,603,494	1,791,593
Certificates with option character	1,597,679	1,780,130
Warrants	5,815	11,463
	3,424,885	3,728,933

"Securitized liabilities" in the amount of € 490,119 thousand (31/12/2021: € 571,291 thousand) will fall due in the next year.

VII.4. Other liabilities

The balance sheet item P 3 "Other liabilities" amounting to € 252,028 thousand (31/12/2021: € 151,657 thousand) contained primarily liabilities reported at fair value as well as premiums received from trading in securities and derivative financial instruments:

in € thousand	30/06/2022	31/12/2021
Negative fair values of derivative financial instruments	246,807	139,698
from OTC options and forward exchange transactions	236,724	133,840
from trading in EUREX options and futures	889	2,262
from trading in other option and futures	9,193	3,595
Short-selling of trading assets	242	6,264
	247,048	145,962

"Other liabilities" as at 30/06/2022 included mainly foreign liabilities in relation to index fees adding up to € 2,326 thousand (31/12/2021: € 2,320 thousand), payroll obligations amounting to € 737 thousand (31/12/2021: € 528 thousand), liabilities to the Austrian Financial Market Authority in the amount of € 703 thousand (31/12/2021: € 1 thousand), liabilities to domestic financial authorities in the amount of € 464 thousand (31/12/2021: € 840 thousand) as well as group charges adding up to € 44 thousand (31/12/2021: € 44 thousand).

VIII. Provisions

"Provisions" were as follows:

in € thousand	30/06/2022	31/12/2021
Provision for severance payments	3,124	3,416
Tax provisions	172	174
Other provisions	8,275	7,270
Provisions for bonus payments	1,396	2,130
Provisions for overdue vacation	1,479	996
Legal, advisory and consultancy expenses	1,074	308
Provisions for outstanding invoices	2,388	1,650
Provisions for charged Management Board expenses	1,200	1,464
Provisions for market data risks	285	285
Sundry	453	437
	11,571	10,861

IX. Share capital and reserves

The share capital remained unchanged and is comprised of 655,000 no-par-value shares.

The shares of Raiffeisen Centrobank AG are owned by the following companies:

in € thousand	%	Number
RBI IB Beteiligungs GmbH, Vienna	100	654,999
Raiffeisen Bank International AG (form. Raiffeisen International Invest Holding GmbH), Vienna	0	1
	100	655,000

The share held by Raiffeisen International Invest Holding GmbH, Vienna was transferred to Raiffeisen Bank International AG effective as at 28 February 2022.

Capital reserves amounted to € 20,651 thousand as at 30/06/2022, remained unchanged (31/12/2021: € 20,651 thousand) and contained committed and uncommitted capital reserves adding up to € 6,651 thousand and € 14,000 thousand, respectively.

Retained earnings included legal reserves in the amount of € 1,031 thousand (31/12/2021: € 1,031 thousand) and other reserves totaling € 51,981 thousand (31/12/2021: € 34,293 thousand). The increase of € 17,688 thousand was attributable to the allocation of the profit as at 31/12/2021 to other reserves pursuant to the Annual General Assembly's resolution on the distribution of the profit. An amount of € 639 thousand from other reserves (31/12/2021: € 639 thousand) was dedicated to the Raiffeisen-IPS.

Liability reserve pursuant to Article 57 section 5 Austrian Banking Act remained unchanged to the previous year, totaling € 13,539 thousand.

X. Supplementary data

Assets and liabilities in foreign currencies

The following amounts were contained in the balance sheet total in foreign currencies:

in € thousand	30/06/2022	31/12/2021
Assets	752,241	839,285
Equity and liabilities	727,751	703,641

Trading book

A trading book is maintained. At the balance sheet date, the trading volume at fair values (positive and negative fair values offset) estimated pursuant to internal risk calculation amounted to:

in € thousand	30/06/2022	31/12/2021
Shares/mutual funds	284,084	362,320
Listed options	14,184	5,056
Futures	(4,320)	1,787
Warrants/certificates	(1,579,867)	(1,794,308)
OTC options	(86,626)	48,748
Purchased bonds/tradable money market deposits	3,253,077	3,455,105
Issued Capital Protection Certificates and Reverse Convertible Bonds	(1,818,737)	(1,931,905)

Volume of the securities trading book

As at the balance sheet date the securities trading book (notional amount) was made up as follows:

in € thousand	30/06/2022	31/12/2021
Securities	4,315,262	4,300,222
Other financial instruments	8,010,423	7,878,566
	12,325,685	12,178,788

Data on transactions with derivative financial instruments and unsettled forward transactions

Raiffeisen Centrobank AG's trading in derivative financial instruments focuses on options and forward transactions (mainly futures).

The financial instruments issued by Raiffeisen Centrobank AG can be classified as warrants, certificates mainly on equities and equity indices (turbo, discount, bonus and open-end certificates), and capital protection certificates with a payment structure related to equity or equity indices.

Equities held by Raiffeisen Centrobank AG represent, together with purchased options, tradable money market deposits and zero bonds depicted in other balance sheet items, the hedge positions to issued certificates and warrants, and are part of the Bank's market maker activities.

The volumes of derivative financial instruments and unsettled forward transactions as at 30/06/2022 were as follows:

in € thousand	Notional amount			Fair value	
	Purchase	Sales	thereof Trading Book	Positive	negative
30/06/2022					
1. Interest rate contracts	0	0	0	0	0
1.1. OTC products	0	0	0	0	0
Options on interest-rate instruments	0	0	0	0	0
1.2. Products traded on stock exchange	0	0	0	0	0
Interest rate futures	0	0	0	0	0
2. Foreign exchange contracts	87,826	0	49,655	5,185	(906)
2.1. OTC products	73,798	0	35,626	5,185	(86)
Forward foreign exchange contracts	38,172	0	0	0	(86)
Currency options/gold contracts	35,626	0	35,626	5,185	0
2.2. Products traded on stock exchange	14,029	0	14,029	0	(820)
Future foreign exchange contracts	14,029	0	14,029	0	(820)
Currency options/gold contracts	0	0	0	0	0
3. Equity contracts	2,731,027	1,650,596	4,381,623	155,916	(244,872)
3.1. OTC products	2,367,480	1,273,239	3,640,718	128,146	(236,639)
Equity/index-based options	2,367,480	1,273,239	3,640,718	128,146	(236,639)
3.2. Products traded on stock exchange	363,548	377,358	740,905	27,770	(8,233)
Shares and other equity/index-based options and future contracts	57,874	18,294	76,168	813	(3,797)
Equity/index-based options	305,674	359,064	664,737	26,957	(4,436)
4. Commodities/precious metals	46,709	1,739	48,448	3,056	(1,029)
4.1. OTC products	17,774	1,650	19,424	2,653	0
Commodity and precious metal options	17,774	1,650	19,424	2,653	0
4.2. Products traded on stock exchange	28,935	89	29,024	403	(1,029)
Other commodity and precious metal future contracts	28,935	89	29,024	403	(1,029)
5. Other transactions	69,750	2,000	71,750	12,435	0
5.1. OTC products	69,750	2,000	71,750	12,435	0
Other options	69,750	2,000	71,750	12,435	0
Total OTC products	2,528,802	1,276,889	3,767,519	148,419	(236,725)
Total stock exchange traded products	406,511	377,447	783,958	28,173	(10,082)
	2,935,313	1,654,335	4,551,476	176,592	(246,807)

The volumes of derivative financial instruments and unsettled forward transactions as at 31/12/2021 were as follows:

in € thousand	Notional amount			Fair value	
	Purchase	Sales	thereof Trading Book	Positive	negative
31/12/2021					
1. Interest rate contracts	0	0	0	0	0
1.1. OTC products	0	0	0	0	0
Options on interest-rate instruments	0	0	0	0	0
1.2. Products traded on stock exchange	0	0	0	0	0
Interest rate futures	0	0	0	0	0
2. Foreign exchange contracts	203,755	160	70,381	5,777	(802)
2.1. OTC products	170,354	0	36,820	5,777	0
Forward foreign exchange contracts	133,534	0	0	1,212	0
Currency options/gold contracts	36,820	0	36,820	4,565	0
2.2. Products traded on stock exchange	33,402	160	33,561	0	(802)
Future foreign exchange contracts	30,313	160	30,472	0	(768)
Currency options/gold contracts	3,089	0	3,089	0	(34)
3. Equity contracts	2,600,469	1,700,680	4,442,638	181,943	(138,028)
3.1. OTC products	2,219,825	1,302,007	3,521,832	172,384	(133,809)
Equity/index-based options	2,219,825	1,302,007	3,521,832	172,384	(133,809)
3.2. Products traded on stock exchange	380,645	398,673	920,807	9,559	(4,218)
Shares and other equity/index-based options and future contracts	81,465	60,024	779,317	3,398	(2,501)
Equity/index-based options	299,179	338,649	141,489	6,161	(1,718)
4. Commodities/precious metals	68,823	688	69,511	3,049	(869)
4.1. OTC products	18,675	688	19,363	1,651	(31)
Commodity and precious metal options	18,675	688	19,363	1,651	(31)
4.2. Products traded on stock exchange	50,148	0	50,148	1,398	(837)
Other commodity and precious metal future contracts	50,148	0	50,148	1,398	(837)
5. Other transactions	72,250	0	72,250	5,450	0
5.1. OTC products	72,250	0	72,250	5,450	0
Other options	72,250	0	72,250	5,450	0
Total OTC products	2,481,103	1,302,695	3,650,265	185,261	(133,841)
Total stock exchange traded products	464,194	398,832	1,004,516	10,957	(5,857)
	2,945,297	1,701,528	4,654,781	196,219	(139,698)

C. Notes to the Income Statement

I. Interest and similar income

in € thousand	first half of 2022	first half of 2021
from loans and advances to credit institutions	1,397	1,824
from loans and advances to customers	237	9
from fixed-interest securities	35	33
from structured products	4,885	11,215
	6,554	13,082

II. Interest and similar expenses

in € thousand	first half of 2022	first half of 2021
for liabilities to credit institutions	(4,151)	(2,848)
for securitized liabilities	(22,356)	(16,549)
	(26,507)	(19,396)

"Net interest result" in the amount of € 19,953 thousand was negative both in the first half of 2022 and 2021 (€ 6,314 thousand). The decrease can be put down to higher coupon expenses for securitized liabilities (structured products) coming to € 5,807 thousand and a decrease of coupon income in the amount of € 6,330 thousand.

Moreover, interest expenses for liabilities to credit institutions also posted a rise of € 1,303 thousand.

Depending on the hedge, expenses for coupon payments were contrasted with interest income and – as described below in net profit on financial trading activities – with a positive valuation result from tradable money market deposits in the net profit on financial trading activities (trading profit).

Against the backdrop of the prevailing low interest rate environment in the first half of 2022 and increased liquidity demand caused by the Covid-19 pandemic, the net interest result included expenses for negative interest for loans and advances adding up to € 2,024 thousand (first half of 2021: € 1,939 thousand). This was contrasted with income from negative interest for liabilities in the amount of € 932 thousand (first half of 2021: € 1,424 thousand).

Raiffeisen Centrobank AG shows negative interest for loans and advances under interest expenses and negative interest for liabilities under interest income.

III. Income from securities and financial investments

"Income from securities and financial investments" included primarily income from domestic and foreign securities and went up from € 7,064 thousand in the first half of 2021 to € 10,504 thousand in the first half of 2022. The item included a dividend payment of Centrotrade Holding GmbH in the amount of € 1,200 thousand.

IV. Net fee and commission result

"Net fee and commission result" in the amount of € minus 3,147 thousand (first half of 2021: € minus 2,658 thousand) was comprised of fee and commission income totaling € 1,009 thousand (first half of 2021: € 1,168 thousand) and fee and commission expenses in the amount of € 4,156 thousand (first half of 2021: € 3,827 thousand). The drop can mainly be put down to higher expenses for index and distribution fees.

V. Net profit on financial trading activities

"Net profit on financial trading activities" accounted for the major part of the operating income and went up from € 22,682 thousand in the first half of 2021 to € 38,043 thousand in the first half of 2022. This development resulted mainly from positive net valuations and net proceeds of derivatives and money market deposits held for hedging purposes adding up to € 86,060 thousand (first half of 2021: € 10,486 thousand) as well as from the valuation and disposal of shares and funds in the amount of € minus 52,431, thousand (first half of 2021: € 9,403 thousand). The valuation of spot and futures positions came to € 4,415 thousand (first half of 2021: € 2,792 thousand).

The increase was mainly attributable to development of coupon payments for structured products as set forth under net interest result. In the previous year, these payments were primarily hedged via interest income contained in the net interest result whereas in the current year, they were hedged via tradable money market deposits which are held in the trading book and without current coupons. In total, net coupon expenses contained in the net interest result (coupon expenses minus coupon income) increased by € 12,137 thousand. Accordingly, the positive valuation effects from hedging transactions included in the net profit of financial trading activities recorded a rise. The total result of tradable money market deposits including interest were contained in net profit on financial trading activities (trading profit).

VI. Other operating income

The item included mainly charges to Raiffeisen Bank International AG related to the demerger of the Equity Value Chain adding up to € 4,421 thousand (first half of 2021: € 4,743 thousand). In addition, the item included income from the release of provisions amounting to € 55 thousand (first half of 2021: € 143 thousand).

VII. Other administrative expenses

in € thousand	first half of 2022	first half of 2021
Office space expenses (maintenance, operation, administration, insurance)	(691)	(882)
Office supplies, printed matter, literature	(197)	(178)
IT expenses	(3,517)	(1,868)
Communication expenses	(578)	(524)
Information services	(1,800)	(1,352)
Car expenses and travelling expenses	(42)	(43)
Advertising and promotional expenses	(1,451)	(209)
Legal, advisory and consultancy expenses	(1,896)	(1,324)
Contributions to associations	(741)	(670)
Resolution fund	(2,046)	(1,616)
Sundry	(2,362)	(833)
	(15,320)	(9,500)

The strong rise of "Other administrative expenses" was mainly due to higher advertising and promotional expenses, IT expenses and sundry, in particular for the new business segment Digital Retail Bank department. Moreover, legal, advisory and consultancy expenses also rose because of an increase of charges from Raiffeisen Bank International AG.

VIII. Other operating expenses

"Other operating expenses" came to € 31 thousand and remained at a comparatively low level (first half of 2021: € 3 thousand).

IX. Net valuation and net proceeds

In the first half of 2022 "Net valuations and net proceeds" amounted to € minus 291 thousand (first half of 2021: € 13 thousand) and contained exclusively the current adjustment of general impairment allowances calculated pursuant to the methodology laid down in IFRS 9. The rise can be put down to general impairment allowances for the new business segment Digital Retail Bank department.

X. Income taxes and other taxes

Income taxes were as follows:

in € thousand	first half of 2022	first half of 2021
Group taxation	780	(641)
Corporate income tax/Slovak branch	(56)	(58)
Taxes for former periods (settlement of Group charge)	3	(26)
Not recognized as foreign withholding tax	(756)	(695)
Current income taxes	(30)	(1,420)
Deferred income taxes	(31)	(15)
	(60)	(1,435)

In the first half of 2022, "Other taxes" came to € 520 thousand (first half of 2021: € 508 thousand) and contained solely the statutory bank levy for Raiffeisen Centrobank AG.

XI. Deferred taxes

In the first half of 2022 expenses for deferred tax assets came to € 31 thousand (first half of 2021: € 15 thousand).

D. Other Disclosures

Contingent liabilities

In accordance with Article 93 of the Austrian Banking Act, the Bank is legally obliged to provide for proportionate deposit insurance as part of its membership in a professional association. Raiffeisen Centrobank AG is a member of Österreichische Raiffeisen-Sicherungseinrichtung eGen. As at 30/06/2022 and as at 31/12/2021 there were no contingent liabilities.

Other contractual bank guarantee obligations

The following assets were pledged as security for obligations as at 30/06/2022:

Item A 3 Loans and advances to credit institutions

€ 192,507 thousand (31/12/2021: € 415,046 thousand)

Collateral deposited with banks for the securities and options business and securities lending

Item A 4 Loans and advances to customers

€ 2,966 thousand (31/12/2021: € 2,062 thousand)

Collateral deposited with stock exchanges and other financial institutions for the securities and option business

Item A 5 Fixed-interest securities

€ 2,706 thousand (31/12/2021: € 2,805 thousand)

Collateral deposited with banks for the securities and options business

Item A 11 Other assets

€ 639 thousand (31/12/2021: € 639 thousand)

IPS loans and advances (special funds)

Letters of comfort

As at 30/06/2022 Raiffeisen Centrobank AG had not issued any letters of comfort.

Commitments arising from fiduciary business

Commitments arising from fiduciary business transactions not included in the balance sheet referred to one equity participation held in trust in the amount of € 7,091 thousand on 30/06/2022 and 2021.

Own funds

The own funds pursuant to part 2 CRR were as follows:

in € thousand	30/06/2022	31/12/2021
Capital paid-in	47,599	47,599
Capital reserves	20,651	20,651
Retained earnings	52,373	34,685
Liability reserve pursuant to Article 57 para 5 Austrian Banking Act	13,539	13,539
Retained earnings (undistributed profit previous year)	0	8,711
Core capital (tier 1 capital) before deductions	134,162	125,185
Intangible fixed assets	(6,178)	(2,498)
Prudent valuation	(1,919)	(1,673)
Holdings in non-significant investments in financial sector entities	0	(6,139)
Common equity tier 1 (after deductions)	126,064	114,876
Supplementary own funds	0	0
Core capital	126,064	114,876
Supplementary capital	0	0
Supplementary own funds (after deductions)	0	0
Total own funds	126,064	114,876
Total Risk-Weighted assets	450,939	468,975
Core capital ratio/credit risk(Core capital / Risk-Weighted Assets credit risk)	58.6%	53.5%
Core capital ratio, total (Core capital / Total Risk-Weighted assets)	28.0%	24.5%
Own funds ratio (Own Funds / total Risk-Weighted assets)	28.0%	24.5%

Retained earnings do not include Raiffeisen IPS reserve as at 31/12/2021 because it is not eligible for the calculation of own funds pursuant to the CRR method.

Own funds requirements pursuant to Article 92 of Regulation (EU) No 575/2013 (total Risk-Weighted Assets) were as follows:

in € thousand	30/06/2022	31/12/2021
Risk-Weighted assets (credit risk)	215,098	214,536
Standardized approach	121,610	122,993
CVA (credit value adjustment) risk	93,488	91,543
Risk-Weighted assets (position risk in bonds, equities, commodities and foreign currencies)	117,645	136,227
Risk-Weighted assets (settlement and delivery risks)	3	18
Risk-Weighted assets (operational risk)	118,193	118,193
Total Risk-Weighted assets	450,939	468,974

Risk-Weighted Assets for the credit risk according to asset classes were as follows:

in € thousand	30/06/2022	31/12/2021
Risk-Weighted assets according to standardized approach	121,610	122,993
Governments and central banks	1	24
Institutions	83,419	93,076
Company	5,455	7,432
Retail	8,618	349
Default positions	3	0
Equity participations	6,239	6,240
Other items	17,876	15,872
CVA risk	93,488	91,543
	215,098	214,536

Number of staff

	30/06/2022	average for the period	30/06/2021	average for the period
Salaried employees	158	156	122	120
of which part-time	37	38	32	29

Overall Return-on-Assets

in € thousand or in per cent	first half of 2022	first half of 2021
Net income for the year	3,207	6,197
Balance sheet total	4,636,899	4,773,429
Overall Return-on-Assets	0.1%	0.1%

Group relations

The company is an affiliated company of Raiffeisen Bank International AG (ultimate holding company), Vienna, and is integrated in its consolidated financial statements. The consolidated financial statements are deposited with the Commercial Court in Vienna and are available at the respective parent company.

Members of the Management Board, the Supervisory Board and State Commissioners

Management Board

Harald Kröger
Heike Arbter
Alexey Kapustin

Chief Executive Officer
Member of the Management Board
Member of the Management Board

Supervisory Board

Łukasz Januszewski
Member of the Management Board,
Raiffeisen Bank International AG

Chairman

Hannes Mösenbacher
Member of the Management Board,
Raiffeisen Bank International AG

Deputy Chairman

Hannes Cizek
Group Strategy,
Raiffeisen Bank International AG

Member (as from 25 April 2022)

Andrii Stepanenko
Member of the Management Board,
Raiffeisen Bank International AG

Member

Christian Moucka
General Management,
Raiffeisenbank Region Baden

Member

Matthias Zitzenbacher
General Management,
Raiffeisenbank Leoben-Bruck eGen (mbH)

Member

State Commissioners

Johannes Pasquali (until 20 June 2022)
Karl-Heinz Tschepp

Report on the Review of the Condensed Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim financial statements of Raiffeisen Centrobank AG, Vienna, for the period from 1 January 2022 to 30 June 2022. These condensed interim financial statements comprise the balance sheet as of 30 June 2022, the income statement for the period from 1 January 2022 to 30 June 2022 and the condensed notes.

Management is responsible for the preparation of the condensed interim financial statements in accordance with Austrian Generally Accepted Accounting Principles, and other legal requirements (Austrian Commercial Code and Austrian Banking Act).

Our responsibility is to express a conclusion on these condensed interim financial statements based on our review. Our liability towards the Company and towards third parties is limited in accordance with § 125 par 3 Austrian Stock Exchange Act in connection with § 275 par 2 of the Austrian Commercial Code (UGB) and § 62a Austrian Banking Act (BWG).

Scope of Review

We conducted our review in accordance with Austrian Standards for Chartered Accountants, in particular in compliance with KFS/PG 11 "Principles of Engagements to Review Financial Statements", and with the International Standard on Review Engagements (ISRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements is limited primarily to making inquiries, primarily of Company personnel, responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Austrian Standards on Auditing and International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion on interim financial statements

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statement as of 30 June, 2022 do not give a true and fair view in accordance with Austrian Generally Accepted Accounting Principles and other level requirements (Austrian Commercial Code and Austrian Banking Act).

Statement on the interim management report

We have read the interim management report and evaluated whether it does not contain any apparent inconsistencies with the condensed interim financial statements. Based on our evaluation, the interim management report does not contain any apparent inconsistencies with the condensed interim financial statements.

Vienna

September 7, 2022

Deloitte Audit Wirtschaftsprüfungs GmbH

(signed by)
Wolfgang Wurm
Certified Public Accountant

The translation is presented for the convenience of the reader only. The German wording of the audit report is solely valid and is the only legally binding version. Section 281(2) UGB applies.

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