

Semi-Annual Financial Report

Semi-Annual Financial Report as at 30 June 2021



Semi-Annual Financial Report 2021: An Overview

03-18	Interim Management Report	
	Economic Environment	04
	Development of Business and Earnings in the First Half of 2021	04
	Review of Business Segments	09
	Risk Management	11
	Human Resources	16
	Outlook	17
19	Statement of Legal Representatives pursuant to § 125 Stock Exchange Act	
20-39	Interim Financial Statements as at 30 June 2021	
	Balance Sheet as at 30 June 2021	21
	Income Statement for the First Half of 2021	23
	Condensed Notes	24
40	Review Report	
41	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 2021

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 first half of 2021 was still in the grip of the Covid-19 measures. However, decreasing infection rates translated into a gradual easing of business restrictions in many countries after the Easter holidays. Despite a challenging business environment, the industrial sector substantially increased its output. The services sector was hit hardest by the restrictions. Consumer behavior partly turned from services to goods. In total, the Eurozone fell into a renewed recession in the winter half of 2020/2021. The US economy had a stronger start into the 2021 financial year shored up by fiscal economic measures and is anticipated to reach the pre-crisis GDP level yet in Q2/2021. The US dynamics have gained traction in the wake of a rapid recovery of private consumption in tandem with supply-side bottlenecks and base effect reasons. In the second quarter the core inflation rate in the USA went up to levels between 3.5 per cent and 4.0 per cent, the highest rates since the early 1990s. The Eurozone also recorded a rise of the inflation rate but less pronounced than in the USA. In the first half of 2021, the inflation rate came to almost 2 per cent which can mainly be put down to substantially higher energy prices compared to the previous year's period. At the end of the first half of 2021, the US Federal Reserve started to discuss its forward guidance on tapering. The FOMC members median expectations for first interest hike have been antedated from 2024 to 2023. Accordingly, short-term and medium-term USD interest rates have risen since the Fed meeting. In the first half of 2021, the EUR/USD rate was little volatile and, further to 1.23 at the beginning of the year, it fluctuated between 1.18 and 1.23. At the end of the reporting period the EUR/USD rate quoted slightly below 1.20.

Financial Markets

Following the slump in 2020 in the wake of the Covid-19 crisis, the pronounced stock market rebound continued over the course of the year. The European standard indices as well as the American stock market have gained between 10 and 20 per cent since the start of the year and have reached new all-time or multi-year highs. The Austrian stock market has succeeded in driving forward the favorable development initiated in the fourth quarter of 2020 and outperformed most other markets. Since the beginning of the year, the ATX has risen by roughly 25 per cent. The ATX Total Return Index, which included dividend income, reached a new all-time high in June. Stock markets in Raiffeisen Centrobank AG's core region in Central and Eastern Europe (CEE) mostly outperformed their Western European counterparts. In general, the economic rebound bolstered the stock markets, and the vaccination progress is anticipated to further improve the economic dynamics. Nevertheless, inflation and interest rate dynamics also impacted European shares. The European markets were less volatile than the US markets. Company data as well as the outlook for the 2021 financial year were above market expectations and reflected the favorable economic performance in many segments. Triggered by the expected rise of the inflation rate, German government bonds posted a moderate rise from roughly 10 to 40 basis points for two and 10-year maturities in the first half of the year. Yields were more pronounced on the US market. Yields for 10-year US treasuries went up from roughly 90 basis points to 1.75 per cent in April. At the end of the first half of 2021, yields came to roughly 1.50 per cent.

Development of Business and Earnings in the First Half of 2021

Demerger Equity Value Chain (EVC)

On 9 September 2020 a demerger and absorption agreement was concluded in which Raiffeisen Centrobank AG as assigning company intends, in the form of a demerger by absorption, to transfer its Equity Value Chain to Raiffeisen Bank International AG as acquiring company pursuant to § 1 para 2 Z 2 Demerger Act (Spaltungsgesetz) and Article VI Reorganization Tax Act (Umgründungssteuergesetz) by universal succession with the effective date as of 30 June 2020 (demerger date) and on the basis of the audited closing balance sheet of Raiffeisen Centrobank AG as at 30 June 2020. Raiffeisen Bank International AG shall not issue any new shares in the course of the demerger by absorption. In the General Assembly of Raiffeisen Bank International AG held on 20 October 2020 the demerger by absorption was approved.

The European Central Bank approved the demerger by absorption of the Equity Value Chain of Raiffeisen Centrobank AG to Raiffeisen Bank International AG by decision dated 19 November 2020. Upon entry into the Commercial Register on 1 December 2020 the demerger by absorption became legally effective.

The demerger of the Equity Value Chain (EVC) translated into a decrease of net assets in the amount of € 19 thousand.

The demerger referred to before resulted in a limited comparability of the profit and loss statement with the previous year's figures. Major deviations attributable to the demerger are described in detail in the development of earnings and the balance sheet development.

Development of Earnings

With an operating income of € 25,741 thousand (first half of 2020: € 30,441 thousand) and operating expenses of € 17,546 thousand (first half of 2020: € 20,774 thousand) an operating result of € 8,195 thousand (first half of 2020: € 9,668 thousand) was generated in the first half of 2021. Taking into consideration net valuations and net proceeds in the amount of € 13 thousand (first half of 2020: € 24 thousand) the result on ordinary activities came to € 8,208 thousand. The previous year's result on ordinary activities of € 9,692 thousand was undercut by € 1,4854 thousand or 15.3 per cent.

in € thousand	first half of 2021	first half of 2020	Change
Net interest result	(6,314)	(21,771)	(71.0)%
Income from securities and financial investments	7,064	2,241	>100.0%
Net fee and commission result	(2,658)	(2,237)	18.8%
Net profit on financial trading activities	22,682	51,551	(56.0)%
Other operating income	4,968	658	>100.0%
Operating income	25,741	30,441	(15.4)%
Staff expenses	(7,672)	(11,453)	(33.0)%
Other administrative expenses	(9,431)	(8,791)	7.3%
Depreciation	(440)	(527)	(16.4)%
Other operating expenses	(3)	(2)	28.9%
Operating expenses	(17,546)	(20,774)	(15.5)%
Operating result	8,195	9,668	(15.2)%
Net valuations and net proceeds	13	24	(44.4)%
Result on ordinary activities	8,208	9,692	(15.3)%
Taxes	(2,012)	(2,009)	0.1%
Net income for the period	6,197	7,683	(19.3)%

Compared to the first half of 2020, operating income decreased by 15.4 per cent or € 4,701 thousand to € 25,741 thousand (first half of 2020: € 30,441 thousand). This decrease was in particular attributable to lower net profit on financial trading activities. In addition, net fee and commission result was below the previous period's level.

Net profit on financial trading activities accounted for the main part of the operating income and went down by € 28,869 thousand to € 22,682 thousand in the first half of 2021 compared to € 51,551 thousand in the first half of 2020. This decrease was attributable to coupon payments for structured products. These payments were hedged partly by tradable money market deposits without current coupons held in the trading book.

Net coupon expenses included in the net interest result (coupon expenses minus coupon income) dropped by € 15,110 thousand in the first half of 2021. Thus, positive valuation effects from hedging transactions contained in the net profit on financial trading activities also recorded a decrease. For more details on the net interest result please refer to the notes. The total result of tradable deposits encompassing interest is included in the net profit on financial trading activities (trading profit).

In addition, net profit on financial trading activities recorded a drop in the first half of 2021 compared to the first half of 2020 which can be put down to the demerger of the Equity Value Chain at the demerger date 30 June 2020 as well as to decreased income from the Trading & Treasury segment. In the first half of 2021, the Trading business faced substantially lower volatilities compared to the previous year's period. This was reflected in a drop of sales volumes and lower income generated by market maker activities.

Net interest result in the amount of € 6,314 thousand was negative both in the first half of 2021 and 2020 (€ 21,771 thousand). The change in the amount of € 15,457 thousand was mainly due to higher coupon income adding up to € 7,608 thousand and to coupon expenses for securitized liabilities which decreased by € 7,502 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 in the notes – with a positive valuation result from tradable money market deposits in the net profit on financial trading activities (trading profit). In the first half of 2021, coupon expenses posted a decrease which translated into lower net valuations from hedging transactions in the net profit on financial trading activities.

Compared to the first half of 2020, interest income rose by € 7,938 thousand to € 13,082 thousand. Thereof a rise of € 7,608 thousand was due to higher coupon income from structured products.

Interest expenses went down by € 7,518 thousand to € 19,396 thousand compared to the previous year's period. Thereof a drop of € 7,502 thousand was attributable to lower coupon expenses for securitized liabilities.

Income from securities and financial investments went up by € 4,823 thousand to € 7,064 thousand due to higher dividend income from domestic and foreign shares adding up to € 2,561 thousand and € 2,262 thousand following a decrease in the previous year which was attributable to the Covid-19 pandemic.

Other operating income posted a rise of € 4,310 thousand to € 4,968 thousand primarily caused by allocating costs to Raiffeisen Bank International AG in relation to the demerger of the Equity Value Chain.

Net fee and commission result was negative, both in the first half of 2021 and 2020. The decrease of € 421 thousand to € minus 2,658 thousand was primarily due to the demerger of the Equity Value Chain (€ 584 thousand).

Operating expenses came to € 17,546 thousand and undercut the previous year's result (€ 20,774 thousand) by 15.5 per cent or € 3,228 thousand.

Compared to the first half of 2020, staff expenses dropped by € 3,781 thousand to € 7,672 thousand (first half of 2020: € 11,453 thousand). € 2,909 thousand thereof were primarily attributable to the demerger of the Equity Value Chain. In addition, the outsourcing of the departments Compliance & ICS, Internal Audit, Security & BCM and Risk Controlling & Limit Management from the Risk Management department to Raiffeisen Bank International AG translated into a further reduction of staff expenses.

Other administrative expenses included mainly contributions to associations, domestic and foreign supervisory authorities and payments to the resolution fund adding up to € 2,286 thousand (first half of 2020: € 1,753 thousand), IT expenses coming to € 1,868 thousand (first half of 2020: € 1,550 thousand) and expenses for information services in the amount of € 1,352 thousand (first half of 2020: € 2,405 thousand). The item rose by € 640 thousand to € 9,431 thousand compared to the previous year's period. Expenses for legal, advisory and consultancy services posted a rise (€ 784 thousand), contributions to associations, domestic and foreign supervisory authorities and payments to the resolution fund (plus € 533 thousand) also went up and expenses for office space increased by € 392 thousand. In the first half of 2021, other administrative expenses included an amount of € 1,010 thousand which was attributable to the Equity Value Chain and which was charged to Raiffeisen Bank International AG (first half of 2020: € 1,744 thousand).

Depreciation came to € 440 thousand and went down by € 87 thousand compared to the previous year's period (€ 527 thousand). The drop was mainly due to depreciation of office furniture and hardware. The demerger of the Equity Value Chain translated into a decrease of € 42 thousand.

Other operating expenses came to € 3 thousand and remained at a comparatively low level (first half of 2020 € 2 thousand).

In the first half of 2021, the cost/income ratio came to 68.2 per cent and remained at the previous period's level.

Net valuations and net proceeds were positive and came to € 13 thousand. In the reporting period, the item contained solely the current adjustment of general impairment allowances calculated pursuant to the methodology laid down in IFRS 9. In the previous year's period net valuations and net proceeds were positive and added up to € 24 thousand.

In the reporting period, the result on ordinary activities came to € 8,208 thousand compared to € 9,692 thousand achieved in the previous year's period.

Current income taxes amounted to € 1,420 thousand (first half of 2020: € 1,403 thousand). The item contained expenses for group charges for the first half of 2021 adding up to € 641 thousand (first half of 2020: € 1,038 thousand) and for previous years in the amount of € 26 thousand (first half of 2020: € 26 thousand). Moreover, the item included withholding taxes on foreign dividend income in the amount of € 695 thousand (first half of 2020: € 339 thousand) and a provision for current corporate income taxes for the Slovak branch adding up to € 58 thousand (first half of 2020: € 0 thousand).

In the first half of 2021, expenses for deferred taxes amounted to € 15 thousand compared to an income from deferred taxes achieved in the first half of 2020 coming to € 16 thousand.

Other taxes include the statutory bank levy of Raiffeisen Centrobank AG adding up to € 508 thousand (first half of 2020: € 622 thousand, thereof € 203 thousand for the Slovak branch). In addition, the item included expenses for value-added taxes amounting to € 69 thousand (first half of 2020: € 0 thousand). The statutory bank levy for the Slovak branch was cancelled in July 2020.

The net income for the first half of 2021 came to € 6,197 thousand compared to € 7,683 thousand achieved in the first half of 2020.

Balance Sheet Development

Compared to 31 December 2020, the balance sheet total increased by 2.6 per cent from € 4,653,354 thousand to € 4,773,429 thousand.

On the asset side, "Deposits with central banks" (8.4 per cent of the balance sheet total on 30 June 2021 and 10.7 per cent on 31 December 2020) decreased by € 98,887 thousand to € 398,956 thousand.

"Loans and advances to credit institutions" (79.3 per cent of the balance sheet total on 30 June 2021 and 81.1 per cent on 31 December 2020) posted a slight increase of € 10,567 thousand to € 3,784,447 thousand. The item contained mainly tradable money market deposits (€ 3,191,486 thousand). In addition, the item also included interbank deposits (€ 392,012 thousand) unlisted bonds (€ 163,981 thousand) and collateral for the option business (€ 22,693 thousand). Compared to the year-end 2020, tradable money market deposits and interbank deposits went up by € 67,242 thousand and € 41,443 thousand, whereas collateral and unlisted bonds dropped by € 82,507 thousand and € 2,482 thousand.

"Loans and advances to customers" (0.1 per cent of the balance sheet total on 30 June 2021 and 0.2 per cent on 31 December 2020) decreased primarily further to collateral for the option business to other financial institutions by € 4,696 thousand to € 3,696 thousand.

"Shares and other variable-yield securities" (7.3 per cent of the balance sheet total on 30 June 2021 and 4.3 per cent on 31 December 2020) strongly increased by € 149,532 thousand to € 348,745 thousand. The rise is primarily related to domestic (€ 85,106 thousand) and foreign shares (€ 55,578 thousand) and were attributable to the current adjustment of the hedging strategy to continuously changing market conditions and volatilities. In addition, the item also included funds which rose by € 8,848 thousand.

"Other assets" (4.4 per cent of the balance sheet total on 30 June 2021 and 3.1 per cent on 31 December 2020) which contained mainly positive fair values from trading in derivative financial instruments adding up to € 204,817 thousand (31 December 2020: € 144,178 thousand) went up by € 62,823 thousand to € 208,481 thousand compared to the previous year (31 December 2020: € 145,657 thousand).

On the equity and liabilities side, "Liabilities to credit institutions" (16.5 per cent of the balance sheet total on 30 June 2021 and on 31 December 2020) increased by € 16,934 thousand to € 786,500 thousand due to a rise of collateral for the option business which went up by € 64,661 thousand. In contrast, deposit liabilities recorded a drop of € 47,621 thousand.

"Securitized liabilities" (77.1 per cent of the balance sheet total on 30 June 2021 and 73.5 per cent on 31 December 2020) went up by € 259,301 thousand to € 3,681,588 thousand because of an increase both of issued bonds (capital protection certificates and reverse convertible bonds) coming to € 145,026 thousand as well as of other securitized liabilities (certificates with option character and warrants) adding up to € 114,274 thousand.

Tradable money market deposits and unlisted options purchased from Raiffeisen Bank International AG for hedging purposes were included in "Loans and advances to credit institutions" and "Other assets" on the asset side and came to € 3,191,492 thousand (31 December 2020: € 3,124,510 thousand).

"Other liabilities" (3.4 per cent of the balance sheet total on 30 June 2021 and 7.0 per cent on 31 December 2020) dropped by € 162,531 thousand to € 164,125 thousand due to the decrease of negative fair values of derivative financial instruments (options, futures and forward exchange contracts) and the short-selling of trading assets of € 73,149 thousand and € 90,438 thousand, respectively.

"Provisions" (0.2 per cent of the balance sheet total on 30 June 2021 and on 31 December 2020) slightly rose from € 9,470 thousand as at 31 December 2020 to € 9,593 thousand as at 30 June 2021. Provisions for severance payments decreased by € 105 thousand, whereas tax provisions and other provisions went up by € 53 thousand and € 174 thousand, respectively.

"Retained earnings" (0.7 per cent of the balance sheet total on 30 June 2021 and 31 December 2020) came to € 34,685 thousand and remained unchanged to the previous year.

The net profit (0.3 per cent of the balance sheet total on 30 June 2021 and 0.2 per cent on 31 December 2020) came to € 14,908 thousand and was comprised of the net income for the period in the amount of € 6,197 thousand and the profit carried forward adding up to € 8,711 thousand.

Financial Instruments

Please refer 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 2020 nor in the first half of 2021. Transactions with related companies were concluded at market-based prices.

Raiffeisen Centrobank AG Slovak Branch

The establishment of a branch in Bratislava (Raiffeisen Centrobank AG Slovak Branch, pobočka zahraničnej banky) was approved by the European Central Bank and was registered in the Commercial Register on 26 April 2017. The business purpose of the branch is to issue and distribute structured products on the Slovak market. The business volume as well as income and expenses attributable to the branch office are included in these financial statements.

In the first half of 2021, the Slovak branch in Bratislava placed three issues with a total volume of roughly € 20 million (first half of 2020: € 0 million).

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

The Structured Products business segment almost reached the previous year's record sales volume and increased the open interest of Raiffeisen Centrobank AG's certificates well-nigh to a new all-time high. The total sales volume (purchases and sales) came to € 1,077 million (first half of 2020: € 1,119 million). The open interest amounted to € 4,401 million and exceeded the result generated in the first half of 2020 (€ 3,917 million) by 12.4 per cent. This was mainly due to positive price effects and a high purchase rate in relation to the total sales volume.

In the Austrian Raiffeisen sector, the year 2021 started with a digital certificates kick-off event for 1,000 advisors. In addition to capital protection and bonus certificates, emphasis was put on expanding the range of underlyings by innovative topic indices (hydrogen, robotics/artificial intelligence). Moreover, the innovative product range of bonus certificates for savings plans was also amplified, placing the focus in particular on sustainability (via the DAX 50 ESG) and dividend stocks (via the STOXX Global Select Dividend 100). Roadshows for distribution partners (with over 900 participants) were organized in a digital format and webinars and videos for investors were provided. At the end of the second quarter, personal appointments with distributions partners were again held observing all applicable safety regulations.

Besides regularly issuing certificates focusing on ESG, Raiffeisen Centrobank AG launched a new website section in March 2021, providing comprehensive information on sustainable investments with certificates.

In June 2021, Raiffeisen Centrobank AG was awarded "Best Structured Products Bank CEE" by the renowned economic journal *cfi.co* for the third time in a row. The award underscores Raiffeisen Centrobank AG's long-standing commitment to provide best product and service quality to private in institutional investors in the CEE region.

In the CEE region, Raiffeisen Centrobank AG generated a certificates' sales volume coming to € 346 million in the first half of 2021 which slightly surpassed the result of the previous year's period by 6 per cent yoy. Raiffeisen Centrobank AG intensified the distribution in the private and premium banking units of the Raiffeisen network banks and issued 59 customized products for the CEE region thereby enabling customers to benefit from attractive conditions of partial protection and capital protection certificates.

For the Structured Products segment (including the branch in Slovakia) operating income excluding other operating income came to € 15.9 million and exceeded the result achieved in the previous year's period by roughly 27 per cent (€ 12.5 million). The rise was mainly attributable to the increase of new sales to the major distribution partners in Austria and the CEE region, which recorded a significant drop in stationary distribution in the second quarter in the wake of the pandemic.

Trading & Treasury

The spot market of the Vienna stock exchange, Raiffeisen Centrobank AG's home market, recorded a slight decrease in sales volume of roughly € 19.4 billion (first half of 2020: € 19.6 billion, single counting).

The leading European exchanges Frankfurt (German stock exchange) and NYSE Euronext posted a drop in sales volume and came to roughly € 882 billion and € 1,136 billion (first half of 2020: € 1,020

billion and € 1,238 billion). In the first half of 2021, the sales volume on the exchanges in Warsaw, Prague and Bucharest amounted to € 38.04 billion, € 2.65 billion and € 0.84 billion (first half of 2020: € 30.66 billion, € 2.89 billion and € 1.11 billion).

In the first half of 2021, Raiffeisen Centrobank AG's market share on the spot market of the Vienna stock exchange came to 4.8 per cent on average and slightly undercut the share achieved in the previous year's period (first half of 2020: 5.3 per cent). In market making Raiffeisen Centrobank AG recorded a volume of € 686.3 million, which was below the result of the previous year's period and corresponds to a market share of roughly 7.2 per cent (first half of 2020: € 924.4 million or 9.3 per cent).

With regard to the Vienna stock exchange, Raiffeisen Centrobank AG held 1 specialist and 37 market maker mandates on the Prime Market and acted as market maker for 5 shares in other segments. Thus, Raiffeisen Centrobank AG remained the largest domestic liquidity provider.

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

On the exchange in Warsaw, Raiffeisen Centrobank AG further expanded its market making activities and provided liquidity for 69 shares, 45 single stock futures as well as for WIG20 and MWIG40 derivatives.

On the exchange in Prague Raiffeisen Centrobank AG increased its market maker mandates to 31, on the exchange in Bucharest the number of market maker mandates came to 10 and remained unchanged to the previous year's period.

The first half of 2021 saw a rather constant price increase on the stock exchanges translating into substantially lower volatilities compared to the previous year's period. This was reflected both in reduced sales volumes as well as in the result of market making activities.

In the first half of 2021, operating income excluding other operating income for Trading & Treasury came to € 7.5 million and undercut the result achieved in the previous year's period (€ 13.0 million) by roughly 43 per cent.

Performance Indicators

Financial Performance Indicators

in per cent	30/06/2021	30/06/2020
Return-on-Equity before tax (Result on ordinary activities / Core capital before deductions)	7.0	8.3
Return-on-Equity after tax (Net income for the period/ Core capital before deductions)	5.3	6.6
Cost/income ratio (operating expenses / operating income)	68.2	68.2

Compared to the first half of 2020, the result on ordinary activities decreased which translated into a drop of the Return-on-Equity before tax from 8.3 per cent to 7.0 per cent and the Return-on-Equity after tax from 6.6 per cent to 5.3 per cent.

The cost/income ratio came to 68.2 per cent and remained at the previous period's level.

Non-Financial Performance Indicators

	30/06/2021	30/06/2020
Employees at period-end	122	170
Average number of employees	120	181
Stock exchange memberships	10	10
Number of newly issued warrants and certificates	3,208	2,765

As at 30 June 2021, the number of employees at Raiffeisen Centrobank AG amounted to 122, which, compared to 30 June 2020, represented decrease of 48 employees (30 June 2020: 170). This drop was mainly attributable to the demerger of the Equity Value Chain in the 2020 financial year. In annual comparison, the staff decreased on average by 61 to 120 employees.

The number of stock exchange memberships came to 10 and remained unchanged to 30 June 2020 (for details kindly see the website of Raiffeisen Centrobank AG: www.rcb.at/en/).

The number of newly issued warrants and certificates went up by 443 to 3,208. The rise was mainly attributable to extending the range of flow products. The number of subscription and tailor-made products, which are more relevant in terms of volumes, increased from 117 in June 2020 to 155 in the current business year.

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 Regulatory Affairs are bundled in a separate 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 (section "D. Other disclosures").

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.

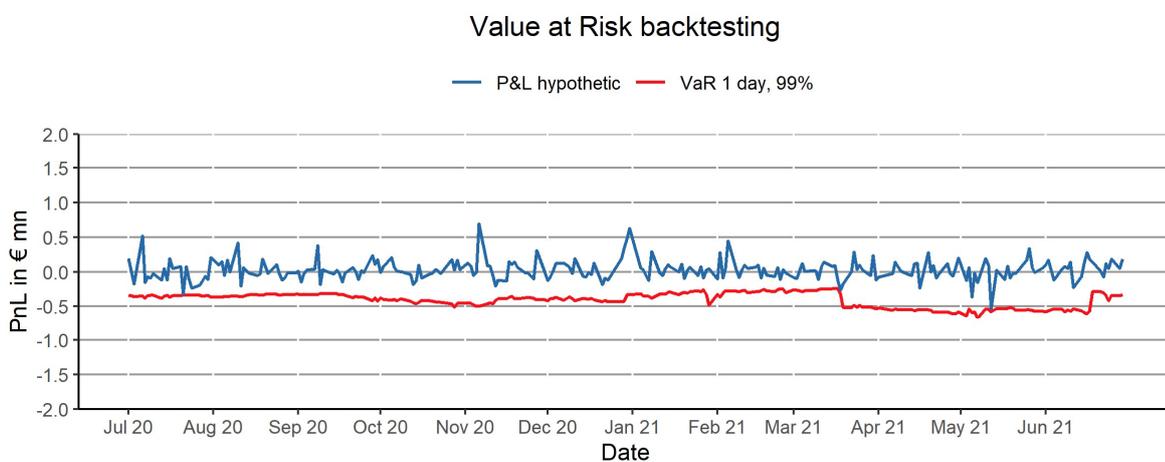
Major Risks

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 2021, the VaR for equity and product-specific positions came to € 342 thousand (31 December 2020: € 333 thousand).



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 30 June 2020 and 30 June 2021. In the period under review, backtesting revealed no 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.

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.

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 2021, the LCR came to 135.1 per cent (31 December 2020: 138.2 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 2021 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 2021 compared to 31 December 2020 as well as the respective minimum, maximum and average values for the current 2021 financial year.

	Key figure	Status	Limits	06/2021	12/2020	Change	Max ¹	Min ¹	Avg ¹
Pillar I	Total Capital Ratio	●	16% 18%	21.5%	25.2%	(3.7 PP)	25.7%	20.5%	23.1%
	CET1 Ratio	●	16% 18%	21.5%	25.2%	(3.7 PP)	25.7%	20.5%	23.1%
	LCR	●	110% 117.5%	135.1%	138.2%	(3.1 PP)	154.1%	127.3%	136.3%
	Leverage Ratio	●	5% 6%	9.2%	10.2%	(1.0 PP)	9.3%	9.0%	9.0%
Pillar II (Internal Capital)	Total Capital Ratio in Stress	●	13% 15%	21.5%	24.7%	(3.2 PP)	25.7%	20.5%	23.2%
	Economic Capital Utilization	●	45% 35%	21.5%	24.3%	(2.8 PP)	26.0%	17.3%	21.8%
	HQLA Buffer	●	60 mn 120 mn	197 mn	241 mn	(44 mn)	230 mn	175 mn	204 mn
Risk-return figures	RORAC	●	25% 30%	48.7%	32.5%	+16.2 PP	59.5%	44.3%	50.8%
	RORWA	●	1.55% 2%	2.9%	1.7%	+1.2 PP	3.3%	2.7%	3.0%

¹ during 2021

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. The Total Capital Ratio acts as a floor.

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

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 in € thousand	30/06/2021	31/12/2020	Change
Credit risk	97,910	73,331	33.5%
Market risk	195,529	166,618	17.4%
Operational risk	123,821	123,821	0.0%
Participation risk	6,240	6,240	0.0%
CVA risk	83,033	50,534	64.3%
Rest ¹	12,803	12,196	5.0%
	519,337	432,741	20.0%

¹ incl. settlement risk and owned property risk

In the current 2021 financial year, the major changes in the risk situation were as follows:

Credit risk and CVA risk increased mainly due to new regulatory calculation methods in the wake of the introduction of the new standard approach for calculation of counterparty credit risk (SA-CCR). Market risk utilization was on a medium level, changes compared to the previous year's year-end were within the normal fluctuation range.

Human Resources

As at 30 June 2021 Raiffeisen Centrobank AG had 122 employees which, compared to 31 December 2020 and 30 June 2020, represented a decrease of 1 (31 December 2020: 123) and 48 employees, respectively (30 June 2020: 170).

The decrease was mainly due to the demerger in the second half of the 2020 financial year: The Equity Value Chain comprising Equity Sales, Electronic Sales Trading, Equity Capital Markets and Company Research was demerged by absorption into Raiffeisen Bank International AG as at 1 December 2020. As at the same due date, the departments Compliance & ICS, Internal Audit, Security & BCM as well as Risk Controlling & Limit Management from the Risk Management department were outsourced to Raiffeisen Bank International AG.

Outlook

Economic forecasts indicate strong rebound in the Eurozone for the forthcoming quarters. Bolstered by the gradual opening steps, the industrial and the services sector should both gain traction translating into above-average GDP growth rates in the third quarter of 2021. The foreseeable rebound is expected to be followed by a lasting recovery. The US economy should continue its recovery in the next months. The rebound dynamics should be burdened only temporarily such as by shortages in supply chains or on the labor market. Demand has been spurred by fiscal impulses but cannot be fully satisfied because of partly limited supply, which will lead to inflationary effects. This is also reflected in the outlook of the US Federal Reserve anticipating the labor market recovery to gain momentum and inflation rates to decrease from currently slightly elevated levels. In the forthcoming months, the Federal Reserve continues discussions about a plan for monetary policy normalization, in particular reducing asset purchases (tapering). In our view, the interest rate market has already priced a tightened monetary policy stance. In Europe, the inflation rate is also expected to soar in August. Tax hikes, higher energy prices, price increases as normal business activities in individual sectors are resumed as well as rising prices for intermediate goods should keep the inflation rate at an elevated level until year-end. At the beginning of 2022, the inflation rate should then see a hike. The ECB sticks to its increased bond purchasing program. We anticipate the ECB to gradually withdraw from the PEPP in the course of 2022.

Sound economic development, an expansive monetary policy stance and favorable profit trends shore up the stock markets. However, intensified tapering discussions, the easing-off momentum of economic indicators and quarterly sales and profit dynamics increase the risk for corrections after the strong rebound in the past months.

The first phase of Raiffeisen Centrobank AG's integration into Raiffeisen Bank International AG was successfully finalized with the transfer of the Equity Value Chain as at 1 December 2020. The operational focus in the 2021 financial year is now on further developing the Bank's business activities, placing particular emphasis on digitization measures.

As from July, Raiffeisen Centrobank AG will expand its area of business activities. To provide the comprehensive digitization strategy of Raiffeisen Bank International AG with the best possible support, several retail activities are bundled and steered in the new, separate business segment "Digital Bank" which is set up within Raiffeisen Centrobank AG as from 1 July 2021. This segment addresses new customers and markets with digital retail products, starting with consumer loans in Poland. Alexey Kapustin was appointed to the Management Board of Raiffeisen Centrobank AG as of 1 June 2021 and heads the "Raiffeisen Digital Bank".

The business segment "Digital Bank" is set up in addition to the established business segments Structured Products and Trading & Treasury which are of utmost relevance for RBI Group and the Austrian Raiffeisen sector as well as for institutional and private customers in Western Europe and the CEE region and will further be the main priorities of Raiffeisen Centrobank AG's activities. The time schedule for the full integration of the business segments Structured Products and Trading & Treasury into Raiffeisen Bank International AG until the end of 2022 is maintained.

On the condition of a sustained containment of the infection and thus a largely normalised public life, we are optimistic for the second half of the 2021 financial year and expect to earn a favorable result in the 2021 financial year in the segments Structured Products and Trading & Treasury at least equal to that we achieved in 2020. Taking into account substantial start-up costs for the new business segment "Digital Bank" the annual result will be considerably below the previous year's level.

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 assets, 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, 30 August 2021

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 2021 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 2021

Assets	30/06/2021 in €	30/06/2021 in €	31/12/2020 in € thousand	31/12/2020 in € thousand
1. Deposits with central banks		398,956,053.15		497,843
2. Loans and advances to credit institutions				
a) repayable on demand	36,968,542.50		132,604	
b) other loans and advances	3,747,478,512.80	3,784,447,055.30	3,641,276	3,773,880
3. Loans and advances to customers		3,695,533.70		8,391
4. Bonds, notes and other fixed-interest securities				
a) issued by public bodies	3,009,936.53		2,881	
b) issued by other borrowers	7,701,696.55	10,711,633.08	7,699	10,580
5. Shares and other variable-yield securities		348,744,641.40		199,213
6. Equity participations		5,140,014.88		5,140
7. Shares in affiliated companies		1,100,000.00		1,100
8. Intangible fixed assets		97,726.10		133
9. Tangible fixed assets thereof land and buildings used by the credit institution for own purposes: € 8,647,923.98 previous year: € 8,774 thousand		9,809,543.28		9,954
10. Other assets		208,480,539.41		145,657
11. Accruals and deferred income		2,047,726.89		1,248
12. Deferred tax assets		198,539.50		214
Total assets		4,773,429,006.69		4,653,354
Off-balance sheet items				
1. Foreign assets		439,352,494.32		388,677

Equity and liabilities	30/06/2021 in €	30/06/2021 in €	31/12/2020 in € thousand	31/12/2020 in € thousand
1. Liabilities to credit institutions				
a) repayable on demand	72,977,450.04		8,316	
b) with agreed maturities or notice period	713,522,270.16	786,499,720.20	761,249	769,566
2. Securitised liabilities				
a) issued bonds	1,833,478,199.34		1,688,452	
b) other securitised liabilities	1,848,109,506.91	3,681,587,706.25	1,733,835	3,422,287
3. Other liabilities		164,125,103.09		326,657
4. Accruals and deferred items		241,877.44		189
5. Provisions				
a) Provisions for severance payments	3,353,266.00		3,458	
b) tax provisions	170,859.33		118	
c) other provisions	6,068,461.09	9,592,586.42	5,894	9,470
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	33,653,910.14	34,684,846.97	33,654	34,685
9. Liability reserve pursuant to Article 57 para 5 Austrian Banking Act		13,538,860.00		13,539
10. Net profit for the year		14,908,035.61		8,711
Total equity and liabilities		4,773,429,006.69		4,653,354
Off-balance sheet items				
1. Contingent liabilities		0.00		0
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		111,460,340.86		108,969
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		519,337,473.36		432,741
hereof: capital requirements pursuant to Article 92 para 1 lit (a)		21.46%		25.18%
hereof: capital requirements pursuant to Article 92 para 1 lit (b)		21.46%		25.18%
hereof: capital requirements pursuant to Article 92 para 1 lit (c)		21.46%		25.18%
5. Foreign equity and liabilities		304,789,895.85		318,030

Income Statement for the First Half of 2021

	first half of 2021 in €	first half of 2021 in €	first half of 2020 in € thousand	first half of 2020 in € thousand
1. Interest and similar income		13,082,147.87		5,143
thereof from fixed-interest securities	32,781.38		95	
2. Interest and similar expenses		(19,396,258.48)		(26,914)
I. Net interest result		(6,314,110.61)		(21,771)
3. Income from securities and financial investments		7,064,203.46		2,241
4. Fee and commission income		1,168,361.96		2,331
5. Fee and commission expenses		(3,826,548.70)		(4,568)
6. Net profit on financial trading activities		22,681,580.32		51,551
7. Other operating income		4,967,715.47		658
II. OPERATING INCOME		25,741,201.90		30,441
8. General administrative expenses		(17,103,183.44)		(20,245)
a) staff expenses				
aa) salaries	(6,135,543.08)		(9,050)	
ab) expenses for statutory social security contributions and compulsory contributions related to wages and salaries	(1,312,716.85)		(1,947)	
ac) other social expenses	(58,336.16)		(117)	
ad) expenses for retirement benefits	(139,865.97)		(214)	
ae) provisions for severance payments and contributions to severance funds	(25,223.78)		(125)	
	(7,671,685.84)		(11,453)	
b) other administrative expenses	(9,431,497.60)		(8,791)	
9. Value adjustments on asset items 8 and 9		(440,401.14)		(527)
10. Other operating expenses		(2,578.90)		(2)
III. OPERATING EXPENSES		(17,546,163.48)		(20,774)
IV. OPERATING RESULT		8,195,038.42		9,668
11. Loan loss provisions		(31,792.01)		24
12. Income arising from the valuation of loans and advances		45,128.34		0
13. Expenditures arising from the valuation of equity investments held as financial investments		0.00		0
V. RESULTS ON ORDINARY ACTIVITIES		8,208,374.75		9,692
14. Income taxes				
a) current income taxes				
thereof passed on from parent company for the year: € (640,754.00); previous period: € (1,038 thousand)	(1,419,778.29)		(1,403)	
b) deferred taxes	(15,297.50)	(1,435,075.79)	16	(1,387)
15. Other taxes unless included in item 14		(576,469.29)		(622)
VI. NET INCOME FOR THE PERIOD = PROFIT FOR THE PERIOD		6,196,829.67		7,683
16. Profit carried forward		8,711,205.94		133
VII. NET PROFIT FOR THE PERIOD		14,908,035.61		7,816

Condensed Notes

A. Accounting Policies

General

The interim financial statements of Raiffeisen Centrobank AG as at 30 June 2021 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.

Demerger Equity Value Chain

On 9 September 2002 a demerger and absorption agreement was concluded in which Raiffeisen Centrobank AG as assigning company intends, in the form of a demerger by absorption, to transfer its Equity Value Chain to Raiffeisen Bank International AG as acquiring company pursuant to §1 para 2 Z 2 Demerger Act (Spaltungsgesetz) and Article VI Reorganization Tax Act (Umgründungssteuergesetz) by universal succession with the effective date as of 30 June 2020 (demerger date) and on the basis of the audited closing balance sheet of Raiffeisen Centrobank AG as at 30 June 2020. Raiffeisen Bank International AG shall not issue any new shares in the course of the demerger by absorption. In the General Assembly of Raiffeisen Bank International AG held on 20 October 2020 the demerger by absorption was approved.

The European Central Bank approved the demerger by absorption of the Equity Value Chain of Raiffeisen Centrobank AG to Raiffeisen Bank International AG by decision dated 19 November 2020. Upon entry into the Commercial Register on 1 December 2020 the demerger by absorption became legally effective.

The demerger of the Equity Value Chain (EVC) translated into a decrease of net assets in the amount of € 19 thousand.

The demerger of the Equity Value Chain resulted in a limited comparability of the balance sheet and the profit and loss statement with the figures of the previous year's period. Major deviations attributable to the demerger are described in detail in the development of earnings and the balance sheet development.

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 2020, 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 2020 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 1.23 per cent (31/12/2020: 0.86 per cent).

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 € 398,956 thousand (31/12/2020: € 497,843 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

30/06/2021 in € thousand	repayable on demand/without maturity	0-3 months	3-12 months	1-5 years	> 5 years	Total
Loans and advances to credit institutions	36,969	477,012	405,606	2,084,663	780,198	3,784,447
Loans and advances to customers	3,182	514	0	0	0	3,696
Bonds, notes and other fixed-interest securities	0	0	0	10,711	0	10,712
Shares and other variable-yield securities	348,745	0	0	0	0	348,745
Other assets	27,621	9,914	28,753	115,266	26,927	208,481
	416,516	487,440	434,359	2,210,640	807,125	4,356,079

31/12/2020 in € thousand	repayable on demand/without maturity	0-3 months	3-12 months	1-5 years	> 5 years	Total
Loans and advances to credit institutions	132,604	380,895	335,146	2,018,091	907,142	3,773,880
Loans and advances to customers	7,871	508	13	0	0	8,391
Bonds, notes and other fixed-interest securities	0	0	2,881	7,699	0	10,580
Shares and other variable-yield securities	199,213	0	0	0	0	199,213
Other assets	19,358	2,781	17,606	89,596	16,316	145,657
	359,046	384,184	355,646	2,115,387	923,458	4,137,721

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

30/06/2021 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	3,596,536	0
Loans and advances to customers	0	514
Bonds, notes and other fixed-interest securities	0	0
Shares and other variable-yield securities	3,767	0
Other assets	1,353	7
	3,601,655	521

31/12/2020 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	3,482,231	0
Loans and advances to customers	0	508
Bonds, notes and other fixed-interest securities	0	0
Shares and other variable-yield securities	108	0
Other assets	640	8
	3,482,979	516

"Loans and advances to credit institutions" included tradable money market deposits (only Raiffeisen Bank International AG) in the amount of € 3,191,486 thousand (31/12/2020: € 3,124,245 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

30/06/2021 in € thousand	Unlisted	Listed	Total	Valued at market price
Bonds, notes and other fixed-interest securities, A 4	0	10,712	10,712	10,712
Shares and other variable-yield securities, A 5	62,331	286,414	348,745	348,745
Equity participations, A 6	5,140	0	5,140	x
Shares in affiliated companies, A 7	1,100	0	1,100	x

31/12/2020 in € thousand	Unlisted	Listed	Total	Valued at market price
Bonds, notes and other fixed-interest securities, A 4	0	10,580	10,580	10,580
Shares and other variable-yield securities, A 5	53,452	145,760	199,213	199,213
Equity participations, A 6	5,140	0	5,140	x
Shares in affiliated companies, A 7	1,100	0	1,100	x

As at 30/06/2021, balance sheet item A 4 included fixed-interest securities held for trading amounting to € 10,712 thousand (31/12/2020: € 10,580 thousand) of which € 0 thousand (31/12/2020: € 2,881 thousand) would 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 30/06/2021:

Name Domicile	Ownership interest in %
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 2020 pursuant to the Austrian Banking Act.

V. Other assets

Balance sheet item A 10 "Other assets" totaling € 208,481 thousand (31/12/2020: € 145,657 thousand) contained primarily purchase contracts from trading in derivative financial instruments reported at fair value as at 30/06/2021:

in € thousand	30/06/2021	31/12/2020
Positive fair values of derivative financial instruments		
from OTC options and forward exchange transactions	179,461	126,264
from trading in EUREX options and futures	7,041	4,626
from trading in other options and futures	18,315	13,289
	204,817	144,178

In addition, loans and advances to foreign tax authorities in the amount of € 1,528 thousand (31/12/2020: € 1,157 thousand) were included.

VI. Deferred tax assets

"Deferred tax assets" amounted to € 199 thousand (31/12/2020: € 214 thousand) as at 30/06/2021.

30/06/2021 in € thousand	Deferred tax assets	Deferred tax liabilities
Loans and advances to credit institutions	30	
Loans and advances to customers	3	
Shares and other variable-yield securities	0	(363)
Tangible fixed assets	100	
Accruals and deferred income	3	
Provisions for severance payments	1,406	
Other provisions	409	
Total	1,951	(363)
Balance	1,588	
Deferred tax assets as at 30/06/2021 (12.5%)	199	

31/12/2020 in € thousand	Deferred tax assets	Deferred tax liabilities
Loans and advances to credit institutions	33	
Loans and advances to customers	3	
Shares and other variable-yield securities	0	(363)
Tangible fixed assets	200	
Accruals and deferred income	3	
Provisions for severance payments	1,421	
Other provisions	413	
Total	2,073	(363)
Balance	1,710	
Deferred tax assets as at 31/12/2020 (12.5%)	214	

“Deferred tax assets” were recognized at a tax rate of 12.5 per cent as, based on the prevailing group assessment agreement, this percentage provides for 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

30/06/2021 in € thousand	repayable on demand/without maturity					Total
	0-3 months	3-12 months	1-5 years	> 5 years		
Liabilities to credit institutions	72,977	478,731	234,641	2	148	786,500
Debt securities issued	0	90,499	381,998	2,167,309	1,041,782	3,681,588
Other liabilities	30,060	9,004	17,888	99,125	8,049	164,125
	103,037	578,233	634,527	2,266,436	1,049,979	4,632,213

31/12/2020 in € thousand	repayable on demand/without maturity					Total
	0-3 months	3-12 months	1-5 years	> 5 years		
Liabilities to credit institutions ¹	8,316	596,300	164,882	0	68	769,566
Debt securities issued	0	49,075	293,395	1,991,243	1,088,574	3,422,287
Other liabilities	112,306	5,780	26,194	159,056	23,319	326,657
	120,622	651,155	484,471	2,150,300	1,111,961	4,518,509

¹ adjustment of previous year's data due to changes in presentation

VII.2. Liabilities to affiliated companies and equity participations

30/06/2021 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 credit institutions		632,420		0
Other liabilities		1,463		2
		633,883		2

31/12/2020 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 credit institutions		684,985		0
Other liabilities		5,981		2
		690,967		2

VII.3. Securitized liabilities

The balance sheet item P 2 “Securitized liabilities” included issued bonds and other securitized liabilities totaling € 3,681,588 thousand (31/12/2020: € 3,422,287 thousand), held for trading and allocated to the following product categories:

in € thousand	30/06/2021	31/12/2020
Issued bonds	1,833,478	1,688,452
Capital Protection Certificates	1,710,525	1,598,037
Reverse Convertible Bonds	122,954	90,414
Other securitized liabilities	1,848,110	1,733,835
Certificates with option character	1,833,529	1,717,892
Warrants	14,580	15,944
	3,681,588	3,422,287

"Securitized liabilities" in the amount of € 472,497 thousand (31/12/2020: € 342,470 thousand) will fall due in the next year.

VII.4. Other liabilities

The balance sheet item P 3 "Other liabilities" amounting to € 164,125 thousand (31/12/2020: € 326,657 thousand) contained primarily liabilities reported at fair value as well as premiums received from trading in securities and derivative financial instruments:

in € thousand	30/06/2021	31/12/2020
Negative fair values of derivative financial instruments	154,043	227,192
from OTC options and forward exchange transactions	131,284	212,538
from trading in EUREX options and futures	192	9,622
from trading in other options and futures	22,567	5,032
Short-selling of trading assets	6,414	96,852
	160,457	324,044

"Other liabilities" as at 30/06/2021 included mainly foreign liabilities in relation to index fees adding up to € 1,698 thousand (31/12/2020: € 1,541 thousand), sundry liabilities with offsetting character (thereof to the Austrian Financial Market Authority in the amount of € 654 thousand) adding up to € 961 thousand (31/12/2020: € 265 thousand), payroll obligations amounting to € 430 thousand (31/12/2020: € 371 thousand), liabilities to domestic financial authorities in the amount of € 173 thousand (31/12/2020: € 173 thousand), as well as group charges adding up to € 44 thousand (31/12/2020: € 44 thousand).

VIII. Provisions

"Provisions" were as follows:

in € thousand	30/06/2021	31/12/2020
Provision for severance payments	3,353	3,458
Tax provisions	171	118
Other provisions	6,068	5,894
Provisions for bonus payments	1,549	2,130
Provisions for overdue vacation	1,270	914
Legal, advisory and consultancy expenses	525	276
Provisions for litigation risks	128	128 ¹
Provisions in the securities segment	228	120 ¹
Provisions for outstanding invoices	463	251 ¹
Provisions for marketing costs	153	381
Provisions for charged Management Board expenses	1,099	1,160
Provisions for market data risks	374	374
Sundry	280	160 ¹
	9,593	9,470

¹ split of previous year's data to provide a more detailed presentation

"Sundry" includes a provision for reinstatement costs relating to the transfer of the head office in the amount of € 208 thousand. As from May 2021, the business address of Raiffeisen Centrobank AG was transferred to the address of the parent company Raiffeisen Bank International AG (Am Stadtpark 9, 1030 Vienna).

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:

	%	Number
RBI IB Beteiligungs GmbH, Vienna	100	654,999
Raiffeisen International Invest Holding GmbH, Vienna (vorm. Lexas Services Holding GmbH, Vienna)	0	1
	100	655,000

As of the merger contract dated 27/05/2019, Lexas Services Holding GmbH, Vienna, as transferred company was merged with Raiffeisen International Invest Holding GmbH, Vienna as transferring company.

Capital reserves amounted to € 20,651 thousand as at 30/06/2021, remained unchanged (31/12/2020: € 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 (31/12/2020: € 1,031 thousand) and other reserves totaling € 33,654 thousand (31/12/2020: € 33,654 thousand).

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	30/06/2021	31/12/2020
Assets	864,621	851,727
Equity and liabilities	736,097	723,658

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	30/06/2021	31/12/2020
Shares/mutual funds	336,873	178,450
Listed options	2,962	3,693
Futures	708	(13,323)
Warrants/certificates	(1,847,803)	(1,734,107)
OTC options	46,496	(87,307)
Purchased bonds/tradable money market deposits	3,406,662	3,312,812
Issued Capital Protection Certificates and Reverse Convertible Bonds	(1,833,933)	(1,689,034)

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	30/06/2021	31/12/2020
Securities	4,228,184	4,001,559
Other financial instruments	7,742,598	7,633,045
	11,970,782	11,634,604

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 and reverse convertible bonds 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 30/06/2021 were as follows:

in € thousand	Notional amount			Fair value	
	Purchase	Sales	thereof Trading Book	Positive	Negative
30/06/2021					
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	196,565	0	71,429	6,555	(1,650)
2.1. OTC products	168,475	0	43,338	6,555	(398)
Forward foreign exchange contracts	125,136	0	0	0	(398)
Currency options/gold contracts	43,338	0	43,338	6,555	0
2.2. Products traded on stock exchange	28,091	0	28,091	0	(1,252)
Future foreign exchange contracts	28,091	0	28,091	0	(1,252)
3. Equity contracts	2,562,807	1,681,893	4,244,700	194,973	(150,548)
3.1. OTC products	2,157,724	1,282,957	3,440,681	170,241	(130,885)
Equity/index-based options	2,157,724	1,282,957	3,440,681	170,241	(130,885)
3.2. Products traded on stock exchange	405,083	398,936	804,019	24,732	(19,663)
Shares and other equity/index-based options and future contracts	95,387	58,085	153,472	6,107	(2,922)
Equity/index-based options	309,695	340,851	650,547	18,625	(16,741)
4. Commodities/precious metals	87,108	84	87,192	2,311	(1,844)
4.1. OTC products	27,691	84	27,775	1,687	0
Commodity and precious metal options	27,691	84	27,775	1,687	0
4.2. Products traded on stock exchange	59,417	0	59,417	624	(1,844)
Other commodity and precious metal future contracts	59,417	0	59,417	624	(1,844)
5. Other transactions	41,450	0	41,450	978	0
5.1. OTC products	41,450	0	41,450	978	0
Other options	41,450	0	41,450	978	0
Total OTC products	2,395,339	1,283,041	3,553,244	179,461	(131,284)
Total stock exchange traded products	492,591	398,936	891,527	25,356	(22,759)
	2,887,930	1,681,978	4,444,771	204,817	(154,043)

The volumes of derivative financial instruments and unsettled forward transactions as at 31/12/2020 were as follows:

in € thousand	Notional amount			Fair value	
	Purchase	Sales	thereof Trading Book	Positive	Negative
31/12/2020					
1. Interest rate contracts	0	13,323	13,323	0	(24)
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	13,323	13,323	0	(24)
Interest rate futures	0	13,323	13,323	0	(24)
2. Foreign exchange contracts	155,488	935	69,023	6,080	0
2.1. OTC products	129,264	935	42,800	6,064	0
Forward foreign exchange contracts	87,399	0	0	373	0
Currency options/gold contracts	41,865	935	42,800	5,691	0
2.2. Products traded on stock exchange	26,223	0	26,223	16	0
Future foreign exchange contracts	26,223	0	26,223	16	0
3. Equity contracts	2,657,767	1,607,202	4,264,969	134,612	(227,128)
3.1. OTC products	2,189,912	1,269,172	3,459,084	119,420	(212,534)
Equity/index-based options	2,189,912	1,269,172	3,459,084	119,420	(212,534)
3.2. Products traded on stock exchange	467,855	338,030	805,885	15,192	(14,594)
Shares and other equity/index-based options and future contracts	167,573	61,364	228,937	12,973	(6,872)
Equity/index-based options	300,282	276,667	576,949	2,219	(7,722)
4. Commodities/precious metals	90,115	459	90,574	3,161	(40)
4.1. OTC products	27,075	81	27,156	454	(4)
Commodity and precious metal options	27,075	81	27,156	454	(4)
4.2. Products traded on stock exchange	63,040	377	63,417	2,706	(36)
Other commodity and precious metal future contracts	63,040	377	63,417	2,706	(36)
5. Other transactions	41,450	0	41,450	326	0
5.1. OTC products	41,450	0	41,450	326	0
Other options	41,450	0	41,450	326	0
Total OTC products	2,387,701	1,270,188	3,570,490	126,264	(212,538)
Total stock exchange traded products	557,118	351,731	908,849	17,914	(14,654)
	2,944,819	1,621,919	4,479,339	144,178	(227,192)

C. Notes to the Income Statement

I. Interest and similar income

in € thousand	first half of 2021	first half of 2020
from loans and advances to credit institutions	1,824	1,435 ¹
from loans and advances to customers	9	7 ¹
from fixed-interest securities	33	95
from structured products	11,215	3,607
	13,082	5,143

¹ adjustment of previous year's data

II. Interest and similar expenses

in € thousand	first half of 2021	first half of 2020
for liabilities to credit institutions	(2,848)	(2,861) ¹
for liabilities to customers	0	(2) ¹
for securitized liabilities	(16,549)	(24,051)
	(19,396)	(26,914)

¹ adjustment of previous year's data due to changes in presentation

"Net interest result" in the amount of € 6,314 thousand was negative both in the first half of 2021 and 2020 (€ 21,771 thousand). The change in the amount of € 15,457 thousand was mainly due to higher coupon income adding up to € 7,608 thousand and to coupon expenses for securitized liabilities which decreased by € 7,502 thousand.

Depending on the hedge, these expenses 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). In the first half of 2021, net coupon expenses recorded a decrease. Net valuations included in the net profit on financial trading activities dropped accordingly.

Compared to the first half of 2020, interest income rose by € 7,938 thousand to € 13,082 thousand. € 7,608 thousand can be put down to higher coupon income from structured products.

Compared to the first half of 2020, interest expenses decreased by € 7,518 thousand to € 19,396 thousand. An amount of € 7,502 thousand was due to lower coupon expenses for securitized liabilities.

The liquidity derived from issues is primarily invested into tradable money market deposits without current coupons which are included in the trading book. The result from tradable money market deposits included in the trading book is shown in "Net profit on financial trading activities" (trading profit).

Further to the low interest rate environment in the first half of 2021 and a rising liquidity demand in the wake of the Covid-19 crisis, the item "Net interest result" included expenses resulting from negative interest for loans and advances in the amount of € 1,939 thousand (first half of 2020: € 1,521 thousand). In contrast, the item included income derived from negative interest for liabilities in the amount of € 1,424 thousand (first half of 2020: € 692 thousand).

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 € 2,241 thousand in the first half of 2020 to € 7,064 thousand in the first half of 2021.

IV. Net fee and commission result

"Net fee and commission result" in the amount of € minus 2,658 thousand (first half of 2020: € minus 2,237 thousand) was comprised of fee and commission income totaling € 1,168 thousand (first half of 2020: € 2,331 thousand) and fee and commission expenses in the amount of € 3,827 thousand (first half of 2020: € 4,568 thousand).

The decrease in the first half of 2021 was mainly attributable to the demerger of the Equity Value Chain.

V. Net profit on financial trading activities

"Net profit on financial trading activities" accounted for the major part of the operating income and went down from € 51,551 thousand in the first half of 2020 to € 22,682 thousand in the first half of 2021. This development resulted mainly from positive net valuations and net proceeds of derivatives and money market deposits held for hedging purposes adding up to € 10,486 thousand (first half of 2020: € 47,069 thousand) as well as from the valuation and disposal of shares and funds in the

amount of € 9,403 thousand (first half of 2020: € 4,740 thousand). The valuation of spot and futures positions came to € 2,792 thousand (first half of 2020: € minus 258 thousand).

The decrease was attributable to a downward trend in coupon payments for structured products. These payments were partly hedged via tradable money market deposits which are held in the trading book and do not have current coupons.

Moreover, the net profit of financial trading activities recorded a decreased compared to the first half of 2020 due to the demerger of the Equity Value Chain at the demerger date 30 June 2020 and decreasing income in the Trading & Treasury segment.

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 € 4,743 thousand. In addition, the item included income from the release of provisions amounting to € 143 thousand (first half of 2020: € 279 thousand).

VII. Other administrative expenses

in € thousand	first half of 2021	first half of 2020
Office space expenses (maintenance, operation, administration, insurance)	(882)	(490)
Office supplies, printed matter, literature	(178)	(157)
IT expenses	(1,868)	(1,550)
Communication expenses	(524)	(571)
Information services	(1,352)	(2,405)
Car expenses and travelling expenses	(43)	(139)
Advertising and promotional expenses	(209)	(337)
Legal, advisory and consultancy expenses	(1,324)	(540)
Contributions to associations	(670)	(666)
Resolution fund	(1,616)	(1,087)
Sundry	(765)	(850)
	(9,431)	(8,791)

The rise of "Other administrative expenses" was mainly due to higher contributions to the resolution fund and a rise of legal, advisory and consultancy services.

VIII. Other operating expenses

"Other operating expenses" came to € 3 thousand and remained at a comparatively low level (first half of 2020: € 2 thousand).

IX. Net valuation and net proceeds

In the first half of 2021, "Net valuations and net proceeds" amounted to € 13 thousand (first half of 2020: € 24 thousand) and contained exclusively the current adjustment of general impairment allowances calculated pursuant to the methodology laid down in IFRS 9.

X. Income taxes and other taxes

Income taxes were as follows:

in € thousand	first half of 2021	first half of 2020
Group taxation	(641)	(1,038)
Corporate income tax/Slovak branch	(58)	0
Taxes for former periods (settlement of Group charge)	(26)	(26)
Not recognized as foreign withholding tax	(695)	(339)
Current income taxes	(1,420)	(1,403)
Deferred income taxes	(15)	16
	(1,435)	(1,387)

In the first half of 2021, "Other taxes" came to € 576 thousand (first half of 2020: € 622 thousand). The drop of tax expenses was primarily attributable to the cancellation of the bank levy in Slovakia as from July 2020. The previous year's figures also contained the statutory bank levy for the Slovak branch adding up to € 203 thousand.

XI. Deferred taxes

In the first half of 2021, expenses for deferred tax assets came to € 15 thousand (first half of 2020: income € 16 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 Einlagensicherung AUSTRIA GesmbH. As at 31/12/2020 and 30/06/2021 there were no contingent liabilities.

Other contractual bank guarantee obligations

The following assets were pledged as security for obligations as at 30/06/2021:

Item A 2 Loans and advances to credit institutions

€ 443,067 thousand (31/12/2020: € 580,760 thousand)

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

Item A 3 Loans and advances to customers

€ 3,182 thousand (31/12/2020: € 7,871 thousand)

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

Item A 4 Fixed-interest securities

€ 2,979 thousand (31/12/2020: € 2,842 thousand)

Collateral deposited with banks for the securities and options business

Letters of comfort

As at the balance sheet date 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 31/12/2020 and 30/06/2021.

Own funds

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

in € thousand	30/06/2021	31/12/2020
Capital paid-in	47,599	47,599
Earned capital	68,875	68,875
Core capital (tier 1 capital) before deductions	116,474	116,474
Intangible fixed assets	(98)	(133)
Prudent valuation	(1,459)	(1,647)
Holdings in non-significant investments in financial sector entities	(3,456)	(5,726)
Common equity tier 1 (after deductions)	111,460	108,969
Supplementary own funds	0	0
Core capital	111,460	108,969
Supplementary capital	0	0
Supplementary own funds (after deductions)	0	0
Total own funds	111,460	108,969
Total Risk-Weighted Assets	519,337	432,741
Core capital ratio/credit risk(Core capital / Risk-Weighted Assets credit risk)	55.7%	76.7%
Core capital ratio, total (Core capital / Total Risk-Weighted Assets)	21.5%	25.2%
Own funds ratio (Own Funds / total Risk-Weighted Assets)	21.5%	25.2%

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

in € thousand	30/06/2021	31/12/2020
Risk-Weighted Assets (credit risk)	199,985	142,113
Standardized approach	116,952	91,579
CVA (credit value adjustment) risk	83,033	50,534
Risk-Weighted Assets (position risk in bonds, equities, commodities and foreign currencies)	195,529	166,618
Risk-Weighted Assets (settlement and delivery risks)	2	189
Risk-Weighted Assets (operational risk)	123,821	123,821
Total Risk-Weighted Assets	519,337	432,741

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

in € thousand	30/06/2021	31/12/2020
Risk-Weighted Assets according to standardized approach	116,952	91,579
Governments and central banks	1	0
Institutions	90,349	69,585
Company	7,560	3,777
Equity participations	6,240	6,240
Other items	12,801	11,977
CVA risk	83,033	50,534
	199,985	142,113

Number of staff

	30/06/2021	Annual average	30/06/2020	Annual average
Salaried employees	122	120	170	181
of which part-time	32	29	36	39

Overall Return-on-Assets

in € thousand or in per cent	30/06/2021	31/12/2020
Result after tax	6,197	8,597
Balance sheet total	4,773,429	4,653,354
Overall Return-on-Assets (after tax)	0.1%	0.2%

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
	Michael Höllerer Chief Financial Officer, Raiffeisen Bank International AG	Member
	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 (as from 1 January 2021) Karl-Heinz Tscheppe	

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 2021 to 30 June 2021. These condensed interim financial statements comprise the balance sheet as of 30 June 2021, the income statement for the period from 1 January 2021 to 30 June 2021 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, 2021 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, August 30, 2021

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..

Publisher's Details

Owner and Publisher
Production and Editorial
Raiffeisen Centrobank AG
A-1030 Vienna, Am Stadtpark 9
Tel.: +43-1-51520-0
Fax.: +43-1-513 43 96

