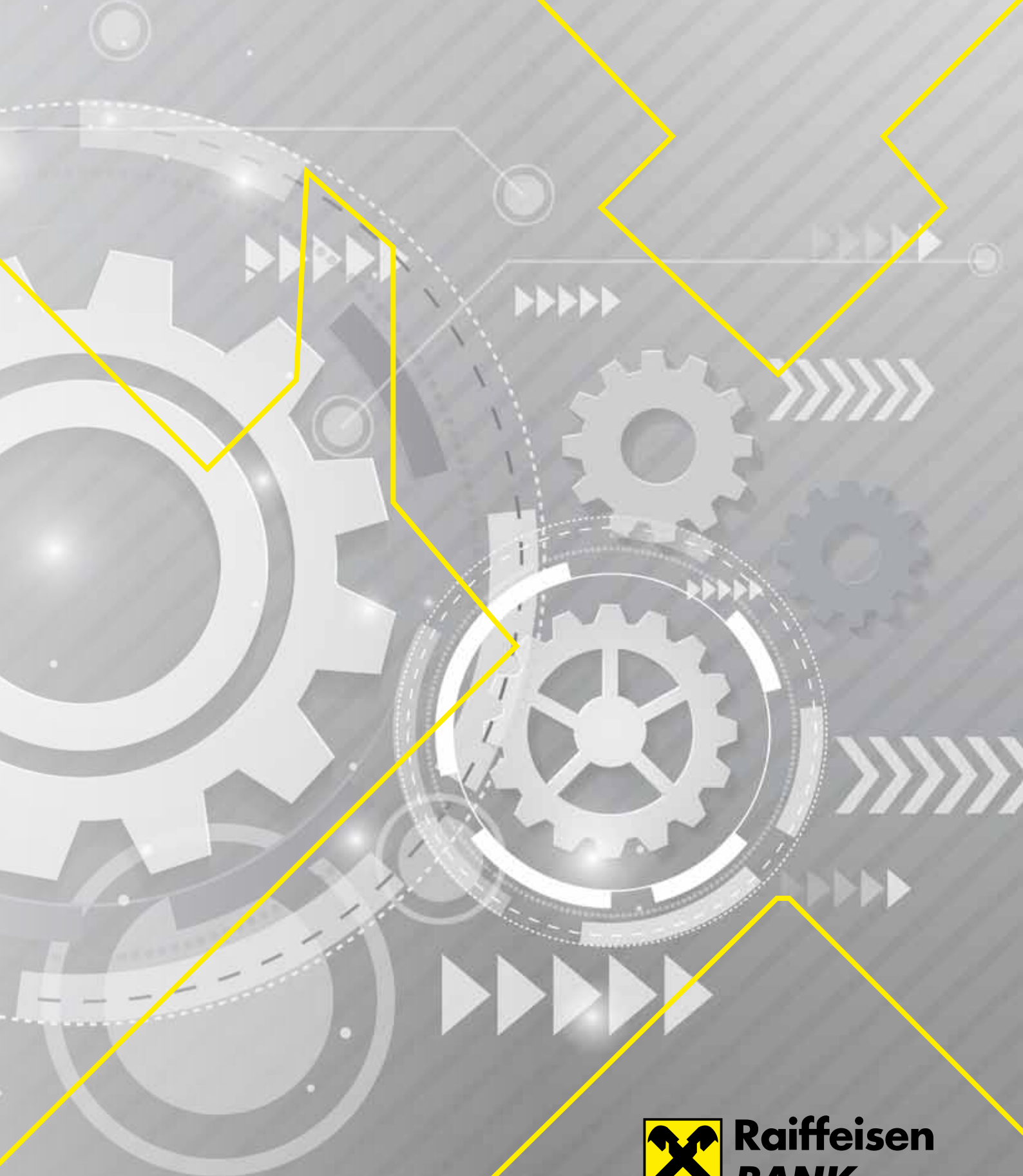


***Semi-Annual Report* 2016**



**Raiffeisen
BANK**

IFRS consolidated, not audited income statement

(HUF million)	30 June 2016	30 June 2015	Change (%)
Interest and similar income	29,102	35,616	(18.29%)
- cash and cash equivalents	301	3,325	(90.95%)
- on placements with banks	2,207	209	955.98%
- on loans to non(banks	19,549	25,738	(24.05%)
- on securities	6,325	5,603	12.89%
- from leases	720	741	(2.83%)
Interest expenses and similar charges	11,444	15,635	(26.81%)
- on borrowings from banks	2,899	2,257	28.44%
- on deposits from non(banks	2,831	5,529	(48.80%)
- on debt securities issued	1,347	2,385	(43.52%)
- on subordinated liabilities	1,636	2,815	(41.88%)
- other interest/like expenses	2,731	2,649	3.10%
Net interest income	17,658	19,981	(11.63%)
Fee and commission income	18,561	19,964	(7.03%)
Fee and commission expense	3,421	3,395	0.77%
Net fee and commission income	15,140	16,569	(8.62%)
Dividend income	0	5	(100.00%)
Net trading income	6,330	3,916	61.64%
Net income from derivatives held for risk management	125	728	(82.83%)
Other operating income	4,459	1,896	135.18%
Operating income	10,914	6,545	66.75%
Impairment losses	2,395	(8,935)	(126.80%)
Hereof result of Settlement Act	0	(11,065)	-
Salaries and staff benefits	11,017	11,129	(1.01%)
Rental expenses	2,410	4,604	(47.65%)
Equipment expenses	1,918	2,360	(18.73%)
Other operating expenses	20,702	31,577	(34.44%)
Operating expenses	36,047	49,670	(27.43%)
Share of profits of associates	0	0	-
Profit/(loss) before tax	5,270	2,360	123.31%
Income tax expense	17	26	(34.62%)
Deferred tax	0	(3)	(100.00%)
Profit/(loss) for the period	5,253	2,337	124.78%
Attributable to:			
Equity holders of the parent	5,422	2,370	128.78%
Non controlling interest	(169)	(33)	412.12%

IFRS consolidated, not audited statement of financial position

(HUF million)	30 June 2016	31 December 2015	Change (%)
Assets			
Cash and cash equivalents	390,463	505,024	(22.68%)
Placements with banks	140,055	59,194	136.60%
Net loans	880,915	914,198	(3.64%)
Financial assets at fair value through profit or loss	164,166	175,150	(6.27%)
Available for sale securities	143,936	62,001	132.15%
Held to maturity securities	199,521	187,611	6.35%
Investments in associated undertakings	9	9	0.00%
Investments in unlisted securities	416	1,341	(68.98%)
Property, plant and equipment	16,123	17,335	(6.99%)
Investment property	0	0	-
Intangible assets	12,138	12,653	(4.07%)
Goodwill	1,048	1,048	0.00%
Current tax assets	32	13	146.15%
Deferred tax assets	0	0	-
Other assets	30,090	30,228	(0.46%)
Assets classified as held for sale	0	0	-
Total assets	1,978,912	1,965,805	0.67%
LIABILITIES AND EQUITY			
Deposits from banks	257,248	274,544	(6.30%)
Deposits from non-banks	1,317,574	1,293,677	1.85%
Debt securities issued	52,525	64,761	(18.89%)
Subordinated liabilities	60,570	60,018	0.92%
Financial liabilities at fair value through profit or loss	42,980	44,436	(3.28%)
Current tax liabilities	0	45	(100.00%)
Deferred tax liabilities	125	123	1.63%
Provisions	9,980	11,045	(9.64%)
Other liabilities	75,524	60,870	24.07%
Liabilities classified as held for sale	0	0	-
Total liabilities	1,816,526	1,809,519	0.39%
Equity attributable to equity holders of the parent	161,842	155,729	3.93%
Ordinary shares	50,000	50,000	0.00%
Share capital	50,000	50,000	0.00%
Retained earnings	(181,363)	(185,921)	(2.45%)
Statutory reserves	293,957	293,094	0.29%
Fair value reserve	(752)	(1,444)	(47.92%)
Non controlling interest	544	557	(2.33%)
Total equity	162,386	156,286	3.90%
Total liabilities, non controlling interest and shareholder's equity	1,978,912	1,965,805	0.67%

IFRS consolidated, not audited statement of comprehensive income

(HUF million)	30 June 2016	30 June 2015	Change (%)
Profit / (loss) for the period	5,253	2,337	124.78%
Other comprehensive income/(loss)			
Change of financial assets measured at fair value through other comprehensive income:			
Change in fair value of available-for-sale financial assets	1,725	0	-
Amount transferred to profit or loss	(1,316)	(33)	3887.88%
Cash flow hedges:			
Effective portion of changes in fair value	(333)	595	(155.97%)
Amount transferred to profit or loss	618	0	-
Income tax on other comprehensive income/(loss)	(2)	9	(122.22%)
Other comprehensive income/(loss) for the period, net of income tax	692	571	21.19%
Total comprehensive income/(loss) for the period	5,945	2,908	104.44%
Total comprehensive income/(loss) attributable to:			
Equity holders of the Bank	6,114	2,941	107.89%
Non-controlling interest	(169)	(33)	412.12%

Notes to the IFRS consolidated, not audited financial statements

(1) General information

Raiffeisen Bank Zrt. („the Bank”) commenced its operations in 1987 as a commercial bank domiciled in Hungary. The Bank’s registered office is 1054 Budapest, Akadémia Street 6.

The Bank holds a full commercial banking license issued by the Hungarian Financial Supervisory Authority and carries on a wide range of financial activities. The consolidated financial statements of the Bank as at and for the year ended 30 June 2016 comprise the Bank and its subsidiaries (together referred to as the “Group”).

The Bank is controlled by Raiffeisen-RBHU Holding GmbH. The ultimate parent of the Group is Raiffeisen-Landesbanken-Holding GmbH.

(2) Basis of presentation

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (‘IFRSs’).

IFRSs comprise accounting standards issued by the IASB and its predecessor body and interpretations issued by the International Financial Reporting Interpretations Committee (‘IFRIC’) and its predecessor body.

(3) Accounting policies

The same accounting policies and methods of computation are followed by the Group in the interim financial statements as compared with the most recent annual financial statements.

(4) Events after the balance sheet date

Approval process of Raiffeisen Lízing Zrt.’s selling transaction was closed on 2nd August 2016. The sale of the company will reduce the consolidated equity and the non-controlling interest will be book out from the consolidated balance sheet.

Group entities

<i>Company</i>	<i>Residence of the Company</i>	<i>Ownership ratio 30/06/2016</i>	<i>Ownership ratio 31/12/2015</i>	<i>Ownership ratio 30/06/2015</i>
Subsidiaries				
BUTÁR Gazdasági Szolgáltató Kft.	2030 Érd, Budai út 22.	-	a.)	100.00%
EURO GREEN ENERGY Fejlesztő és Szolgáltató Kft.	1158 Budapest, Késmárk utca 11-13.	100.00%	100.00%	100.00%
Raiffeisen Autó Lízing Kft.	1054 Budapest, Akadémia u. 6.	100.00%	100.00%	100.00%
Raiffeisen Befektetési Alapkezelő Zrt.	1054 Budapest, Akadémia u. 6.	100.00%	100.00%	100.00%
Raiffeisen Biztosításközvetítő Kft.	1054 Budapest, Akadémia u. 6.	100.00%	100.00%	100.00%
Raiffeisen Energiaszolgáltató Kft.	1158 Budapest, Késmárk utca 11-13.	100.00%	100.00%	100.00%
Raiffeisen Gazdasági Szolgáltató Kft.	1054 Budapest, Akadémia u. 6.	100.00%	100.00%	100.00%
Raiffeisen Ingatlan Üzemeltető és Szolgáltató Kft.	1054 Budapest, Akadémia u. 6.	100.00%	100.00%	100.00%
Raiffeisen Lízing Zrt.	1054 Budapest, Akadémia u. 6.	50.00%	50.00%	50.00%
Raiffeisen Corporate Lízing Zrt.	1054 Budapest, Akadémia u. 6.	100.00%	100.00%	100.00%
RB Kereskedőház Kereskedelmi Kft.	1054 Budapest, Akadémia u. 6.	100.00%	100.00%	100.00%
RB Szolgáltató Központ Kft.	4400 Nyíregyháza, Sóstói út 31/b	100.00%	100.00%	100.00%
SCT Beruházás Ingatlanfejlesztő és Ingatlanhasznosító Kft.	1012 Budapest, Vérmező út 4.	b.)	100.00%	100.00%
SCT Kárász utca Ingatlankezelő Kft.	1054 Budapest, Akadémia u. 6.	100.00%	100.00%	100.00%
SCT Tündérvilla Kft.	1054 Budapest, Akadémia u. 6.	-	a.)	100.00%
SCTAI Angol iskola Ingatlanfejlesztő és Ingatlanhasznosító Kft.	1012 Budapest, Vérmező út 4.	b.)	100.00%	100.00%
SCTB Ingatlanfejlesztő és Ingatlanhasznosító Kft.	1054 Budapest, Akadémia u. 6.	100.00%	100.00%	100.00%
SCTS Ingatlanfejlesztő és Ingatlanhasznosító Kft.	1012 Budapest, Vérmező út 4.	100.00%	100.00%	100.00%

a.) BUTÁR Gazdasági Szolgáltató Kft. and SCT Tündérvilla Kft. were involved into SCT Kárász utca Ingatlankezelő Kft.

b.) SCT Beruházás Ingatlanfejlesztő és Ingatlanhasznosító Kft. and SCTAI Angol iskola Ingatlanfejlesztő and Ingatlanhasznosító Kft. were involved into Raiffeisen Gazdasági Szolgáltató Zrt.

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MEMBER OF THE AUSTRIAN RAIFFEISEN BANKING GROUP