

# Report of the Supervisory Board

*Dear Shareholders,*

During the 2015 financial year, the members of the Supervisory Board and its Committees were informed in a timely and comprehensive manner by the Management Board, in the course of meetings, about the different business areas, risk developments and relevant business developments in RBI and the material subsidiaries. Information was provided verbally as well as in written form and enabled the Supervisory Board to fulfill its duty to supervise and advise the Management Board.

At the Supervisory Board meetings, the Management Board was given specific assignments and asked to report on the results at subsequent meetings. The Supervisory Board also asked the Management Board to provide regular reports on matters relating to the current market environment, such as the effects of the crisis in Russia on the development of the network banks in Russia and Ukraine, and the effects of legislative reforms relating to bank taxes and the mandatory conversion of foreign currency loans. The Management Board was also asked to provide regular reports on matters which were of priority for the Supervisory Board due to their importance for the company or their strategic significance. For example, it provided regular information on the status of the strategy project's implementation, the largest IT projects and the cost reduction program. In addition, the newly appointed member of the Management Board with responsibility for Retail presented a report on the reorganization of this business area. This form of regular reporting on particularly important matters enabled the Supervisory Board to form a comprehensive view of developments within RBI throughout the entire financial year.

In addition to the regular meetings, the Chairman of the Supervisory Board also held numerous discussions with the Management Board. This further strengthened open communication and the regular exchange of information between the members of the Supervisory Board and the members of the Management Board.

Besides the ordinary Supervisory Board meetings, the Supervisory Board also met, on a situation-specific basis and for strategic planning purposes, for two extraordinary meetings in order to discuss corporate courses of action and to take corresponding decisions at the earliest possible time.

At the extraordinary meeting on 28 January 2015, the Supervisory Board was informed of the developments in Ukraine and Russia as well as of the effects of the decoupling of the Swiss franc. A further focus of this meeting was RBI's capital situation and the outlining of possible strategic scenarios for bolstering capital buffers.

At the second extraordinary meeting on 20 May 2015, Andreas Gschwenter was appointed as a member of the Management Board with effect from 1 July 2015, thus succeeding Aris Bogdaneris, who had resigned with effect from 31 March 2015. At this meeting, the Management Board also informed the Supervisory Board about the current implementation status of the new strategy, which had been determined at the start of the year.

As in previous years, the members of the Supervisory Board also had the opportunity to hold expert discussions in advance of the meetings, in order to obtain detailed information about the content of the items on the agenda for the forthcoming meeting. Overall, the members of the Supervisory Board were thereby able to diligently fulfill their supervisory duties and form a sound basis on which to take decisions.

The Chairman of the Working, Audit, Remuneration, Personnel, Risk and Nomination Committees regularly reported to the Supervisory Board on the respective Committee's work.

A detailed breakdown of the type and composition of the Committees as well as their fields of activity is contained in the Corporate Governance Report.

In 2015, the Supervisory Board also conducted an efficiency review, on the basis of a self-evaluation, to examine its organizational structure and working methods in order to enable it to properly carry out its duties in the interests of the shareholders and all other stakeholders. The self-evaluation and efficiency review were analyzed by an external party. The results of the self-evaluation were discussed and suggestions for improvement were implemented accordingly. Priority is being given to ensuring open communication and to the prompt and adequate provision of information.

## Changes to the Supervisory Board

At the Annual General Meeting on 17 June 2015, Erwin Hameseder, Johannes Schuster and Klaus Buchleitner were re-elected as members of the Supervisory Board. In addition, Michael Höllner was elected as a new member of the Supervisory Board.

## Annual financial statements and consolidated financial statements

The consolidated financial statements (income statement, statement of financial position, statement of changes in equity, cash flow statement and notes) as well as the annual financial statements for RBI have been audited by KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft (KPMG). Representatives of the auditing company presented the results of the audit at the respective meeting of the Audit Committee and Supervisory Board which dealt with the financial statements.

The audit revealed no reason for objections. All legislative provisions were fully satisfied and the unqualified auditor's report was thus issued.

The consistency check of the corporate governance report according to § 243b of the Austrian Commercial Code (UGB) was performed by KPMG. Its final report gave no reason for objections.

Following an extensive audit and discussion of the consolidated financial statements, as well as of the annual financial statements, in the Supervisory Board meeting and the preceding Audit Committee meeting, the Supervisory Board approved the annual financial statements of RBI. The annual financial statements were thus adopted in accordance with § 96 (4) of the Austrian Stock Corporation Act (AktG). The consolidated financial statements were noted by the Supervisory Board.

In the last financial year, the company recorded a good consolidated result despite extremely challenging market conditions. This was made possible by the high level of commitment shown by the Management Board and by employees, and on behalf of the Supervisory Board, I would like to express my deep gratitude for this.



On behalf of the Supervisory Board  
Walter Rothensteiner, Chairman

